

**AUDITORS MANAGEMENT REPORT  
ON ADMINISTRATIVE FINDINGS -  
FINANCIAL, COMPLIANCE AND PERFORMANCE  
OF THE FAIRVIEW BOARD OF EDUCATION  
COUNTY OF BERGEN, NEW JERSEY  
JUNE 30, 2022**

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**REPORT OF INDEPENDENT AUDITORS**

Honorable President and  
Members of the Board of Education  
Fairview Board of Education  
Fairview, New Jersey

We have audited, in accordance with auditing standards generally accepted in the United States of America and Government Auditing Standards issued by the Comptroller General of the United States, the basic financial statements of the Fairview Board of Education, in the County of Bergen, State of New Jersey for the year ended June 30, 2022, and have issued our report thereon dated February 3, 2023.

As part of our audit, we performed procedures required by the New Jersey Department of Education, and the findings and results thereof are disclosed on the following pages, as listed in the accompanying table of contents.

This report is intended for the information of the Fairview Board of Education's management and the New Jersey Department of Education. However, this report is a matter of public record and its distribution is not limited.

*Steven D. Wielkotz*

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February 3, 2023



**ADMINISTRATIVE FINDINGS -  
FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING**

**GENERAL COMMENTS**

**Scope of Audit**

The audit covered the financial transactions of the Board Secretary/School Business Administrator, the activities of the Board of Education, and the records of the various funds under the auspices of the Board of Education.

**Administrative Practices and Procedures**

Insurance

Fire insurance coverage was carried in the amounts as detailed on Exhibit J-20 of the District's ACFR.

Officials Bonds

<u>Name</u>	<u>Position</u>	<u>Amount</u>
John Bussanich	School Business Administrator	\$310,000
Rita Juliano	Board Secretary	310,000

P.L. 2020, c.44

Our audit procedures included an inquiry and subsequent review of health benefit data required per N.J.S.A. 18A:16-13.3 (Chapter 44) submitted for the year on audit. The Chapter 44 summary report was reviewed for reasonableness and timeliness.

The school district data certification was not completed by the chief school administrator. The school district Chapter 44 data was not submitted timely.

**Finding 2022-001:** The school district could not provide verification of submission for the Chapter 44 summary report.

**Recommendation:** The school district should maintain the data certification for the Chapter 44 summary report in accordance with N.J.S.A. 18A:16-13.3.

## **Financial Planning, Accounting and Reporting**

### **Examination of Claims**

An examination of claims paid during the period under review did not indicate any discrepancies with respect to signatures, certification or supporting documentation.

### **Payroll Account**

The net salaries of all employees of the Board were deposited in the Payroll Account. Employees' payroll deductions and employer's share of fringe benefits were deposited in the Payroll Agency Account.

All payrolls were approved by the Superintendent and were certified by the President of the Board and the Board Secretary/School Business Administrator.

Salary withholdings were promptly remitted to the proper agencies, including health benefits premium amounts withheld due to the general fund.

Payrolls were delivered to the Secretary of the Board who then deposited with warrants in separate bank accounts for net payroll and withholdings.

The required certification (E-CERT1) of compliance with requirements for income tax on compensation of administrators (superintendent, assistant superintendents, and business administrator) to the NJ Department of Treasury was filed by the March 15 due date.

Reporting of employee compensation for income tax related purposes did comply with federal and state regulations regarding the compensation which is required to be reported.

### **Position Control Roster**

The Position Control Roster was reviewed and compared to payroll records, employee benefit records and charges made to the general ledger to ensure proper and consistent financial reporting and that employee benefits are only offered to current employees.

### **Reserve for Encumbrances, Liability for Accounts Payable**

A review of outstanding issued purchase orders was made as of June 30, 2022 for proper classification of orders as reserve for encumbrances and accounts payable.

### **Classification of Expenditures**

The coding of expenditures was tested for proper classification in accordance with N.J.A.C. 6A:23A-16.2(f) as part of our test of transactions of randomly selected expenditure items. We also reviewed the coding of all expenditures included in our compliance and single audit testing procedures. In addition to randomly selecting a test sample, our sample selection specifically targeted administrative coding classifications to determine overall reliability and compliance with N.J.A.C. 6A:23A-8.3. As a result of the procedures performed, a transaction error rate of 1.99% overall was noted and no additional procedures were deemed necessary to test the propriety of expenditure classification.

## **Financial Planning, Accounting and Reporting, (continued)**

### **Classification of Expenditures, (continued)**

**Finding 2022-002:** There were instances in which goods and/or services were ordered prior to encumbrance.

**Recommendation:** More care be taken to ensure encumbrances are established prior to goods and/or services being ordered.

**Finding 2022-003:** Expenditures in the following categories were not charged to the appropriate line item accounts in accordance with the Uniform Minimum Chart of Accounts for New Jersey Public Schools: Transportation Equipment, Chromebooks, Construction, Safety Officers.

**Recommendation:** The district should reference the Uniform Minimum Chart of Accounts for New Jersey Public Schools and other available reference materials, such as the Budget Guidelines for the proper classifications required to be in compliance with N.J.A.C. 6A23A-16.2(f).

### **Board Secretary's Records**

Our review of the financial and accounting records maintained by the Board Secretary disclosed the following items:

**Finding 2022-004 (ACFR Finding 2022-001):** The District did not comply with the requirements of GASB Statement No. 87, *Leases*.

**Recommendation:** Management, or a third party financial consultant hired by management, should assess leases maintained by the District, calculate the appropriate right-to-use assets and liabilities and in accordance with GASB Statement No. 87.

**Finding 2022-005 (ACFR Finding 2022-002):** The Board Secretary's report was not submitted to the executive county superintendent by August 1<sup>st</sup> in accordance with N.J.S.A. 18A:17-10.

**Recommendation:** The Board Secretary should ensure the submission of the Annual Report to the executive county superintendent is complete prior to August 1<sup>st</sup> in accordance with N.J.S.A. 18A:17-10.

**Finding 2022-006:** There were instances in which employees received payments for accumulated sick time prior to retirement.

**Recommendation:** Per N.J.S.A. 18A:30-3.5, supplemental compensation shall be payable only at the time of retirement based on the leave credited on the date of retirement.

## **Financial Planning, Accounting and Reporting, (continued)**

### **Fixed Assets**

The general fixed asset records were updated for the additions and disposals of general fixed assets made during the year.

### **Elementary and Secondary Education Act (E.S.E.A.) as Amended by the Every Student Succeeds Act (ESSA)**

The E.S.E.A./ESSA financial exhibits contained within the Special Revenue Section of the ACFR. This section of the ACFR documents the financial position pertaining to the projects under Title I, Title II, Title III and Title IV of the Elementary and Secondary Education Act, as amended and reauthorized.

The study of compliance for E.S.E.A. indicated that there were no areas of noncompliance and/or questionable costs.

### **Other Special Federal and/or State Projects**

The District's Special Projects were approved as listed on Schedule K-3 and Schedule K-4 located in the ACFR.

Our audit of the federal and state funds on a test basis, indicated that obligation and expenditures were incurred during the fiscal year or project year for which the project was approved.

The financial exhibits are contained within the Special Revenue Section of the ACFR. This section of the ACFR documents the financial position pertaining to the aforementioned special projects.

**Finding 2022-007 (ACFR Finding 2022-003):** There were instances in which information entered into the student applications for Extraordinary Special Education Aid (EXAID) did not agree to the supporting documentation used to prepare the EXAID workpapers.

**Recommendation:** The district should review the individual student on-line forms prior to final submission of the EXAID application to ensure the forms are complete and the information agrees to the supporting documentation for the work papers prepared.

### **T.P.A.F. Reimbursement**

Our audit procedures included a test of the biweekly reimbursements filed with the Department of Education for the District employees who are members of the Teachers Pension and Annuity Fund. No exceptions were noted.

### **T.P.A.F. Reimbursement to the State for Federal Salary Expenditures**

The amount of the expenditure charged to the current year's Final Reports for all federal awards for the school district to reimburse the State for the TPAF/FICA payments made by the State on-behalf of the school district for those employees whose salaries are identified as being paid from federal funds was made prior to the end of the 90 day grant liquidation period required by the Office of Grants Management. The expenditure was reviewed subsequent to the reimbursement and no exceptions were noted.

## **Financial Planning, Accounting and Reporting, (continued)**

### **Nonpublic State Aid**

Project completion reports were finalized and transmitted to the State Department of Education by the due date.

### **School Purchasing Programs**

#### **Contracts and Agreements Requiring Advertisement for Bids**

N.J.S.A. 18A:18A-2 contains definitions for terms used throughout N.J.S.A. 18A:18A-1 et seq. It includes as subsection (p) the term ‘competitive contracting’, which is defined as “the method described in N.J.S.A. 18A:18A-4.1 through 18A:18A-4.5 and in rules promulgated by DCA at N.J.A.C. 5:34-4 of contracting for specialized goods and services in which formal proposals are solicited from vendors; formal proposals are evaluated by the purchasing agent or counsel or school business administrator; and the board of education awards a contract to a vendor or vendors from among the formal proposals received.” Also, subsection (aa) defines the term ‘concession’ to exclude vending machines.

N.J.S.A. 18A:18A-3(a) sets forth the bid threshold and requires award by board resolution. There is a higher threshold when there is a “Qualified Purchasing Agent” (QPA) in the district as defined at N.J.A.C. 5:34-1.1 and certified upon approval of an application submitted to DCA. Pursuant to N.J.S.A. 18A:18A-3(b), the bid threshold may be adjusted by the Governor, in consultation with the Department of Treasury, every five years.

N.J.S.A. 18A:18A-4.4 provides boards of education the authority to pass a resolution authorizing the use of competitive contracting. “In order to initiate competitive contracting, the board of education shall pass a resolution authorizing the use of competitive contracting each time specialized goods or services enumerated in sections 45 of L. 1999, c.440 are desired to be contracted.”

Effective July 1, 2020 and thereafter, the bid thresholds in accordance with N.J.S.A. 18A:18A-2 and 18A:18A-3(a) are \$44,000 (with a Qualified Purchasing Agent) and \$32,000 (without a Qualified Purchasing Agent), respectively. The law regulating bidding for public school student transportation contracts under N.J.S.A. 18A:39-3 is currently \$20,200.

The board of education has the responsibility of determining whether the expenditures in any category will exceed the statutory thresholds within the contract year. Where question arises as to whether any contract or agreement might result in violation of the statute, the Solicitor's opinion should be sought before a commitment is made.

Resolutions were adopted authorizing the awarding of contract or agreements for "Professional Services" per N.J.S.A. 18A:18A-5.



## **School Food Service**

### **Public Health Emergency**

In accordance with the Governor's Declaration of Emergency pertaining to the public health emergency, all Public, Charter, Non-Public schools were ordered to close effective as of March 18, 2020 for an undetermined period to limit the spread of the virus. As a result, School Food Authorities (SFA) were required to institute alternative procedures to provide meals to eligible students during the period of school closures. Governor Murphy's emergency declaration ended June 4, 2021; however, the United States Department of Agriculture's federal waiver continued through June 30, 2022. Food Service Agencies operated under this federal waiver.

As a result, School Food Authorities (SFAs) were required to provide meals in accordance with the regulations governing the National School Nutrition Seamless Summer Option (SSO). SFAs could also choose to participate in the National School Lunch Program utilizing standard counting and claiming practices.

SFAs were authorized to solicit and award emergency noncompetitive procurements and contracts with Food Service Management Companies in accordance with 2 CFR 200.320 and N.J.S.A 18A:18A-7. The SFAs were also authorized to submit contract modifications to their existing Cost Reimbursable or Fixed Price contracts as necessary to ensure the feeding of all children throughout the age of 18, as well as persons over 18 with disabilities as defined in the regulations.

SFAs were notified of the requirement to maintain and report separate meal count records and financial records of all applicable costs incurred in providing meals to all students during the emergency.

The financial transactions and statistical records of the School Food Service Fund were reviewed. The financial accounts, meal count records and eligibility applications were reviewed on a test-check basis.

The school food service program was not selected as a major federal and/or State program. However, the program expenditures exceeded \$100,000 in federal and/or State support. Accordingly, we inquired of school management, or appropriate school food service personnel, as to whether the School Food Authority (SFA) had any Child Nutrition Program reimbursement overclaims or underclaims. Exceptions were not noted.

We also inquired of school management, or appropriate school food service personnel, as to whether the SFA's expenditures of school food service revenues were limited to allowable direct and indirect costs. Exceptions were not noted.

We also inquired of management about the public health emergency procedures/practices that the SFA instituted to provide meals to all students, maintenance of all applicable production records; meal counts; noncompetitive procurements; modifications of existing contracts and applicable financial records to document the specific costs applicable to the emergency operations. We also inquired if the FSMC received a loan in accordance with the Payroll Protection Plan and whether the funds were used to pay for costs applicable to the Food Service Programs. We also inquired if the PPP loan was subsequently forgiven and the FSMC refunded or credited the applicable amounts to the SFA.

## **School Food Service, (continued)**

The number of meals claimed for reimbursement was verified against sales and meal count records. As part of the claims review process the edit check worksheet was completed. Reimbursement claims were submitted/certified in a timely manner.

Applications for free and reduced meals were reviewed for completeness and accuracy. The number of free and reduced priced meals claimed as served did not exceed the number of valid applications on file, times the number of operating days, on a school by school basis. The free and reduced meal policy is uniformly administered throughout the School System. The required verification procedures for free applications was completed and available for review.

Expenditures were separately recorded for food purchases and other costs.

The cash disbursements records reflected expenditures for program related goods and services. The appropriate revenue and expenditure records were maintained in order to substantiate the non-profit status of the school food service.

U.S.D.A. commodities were not received; therefore a separate inventory was not maintained.

The SFA recorded and maintained separate supporting documentation for additional costs (food, supplies, transportation, etc.) applicable to the implementation of the COVID-19 meal service under SSO or SFSP program requirements.

The FSMC did not apply for an receive a loan in accordance with the Payroll Protection Plan and did not use the funds to pay for costs applicable to the Food Service Programs. The PPP loan was not subsequently forgiven and the FSMC did not refund or credit the applicable amounts to the SFA.

**Finding 2022-008:** The District's Net Cash Resources exceeded three months average expenditures.

**Recommendation:** That the District take steps to improve the nonprofit school food service program to reduce the Net Cash Resources.

The school district maintains the detailed revenue and expenditure information necessary in order to execute the USDA mandated Non-Program Food Revenue Tool at least annually.

Exhibits reflecting Child Nutrition Program operations are included in the section entitled Enterprise Funds, section G of the ACFR.

## **Student Body Activities**

During our review of the student activity funds, no exceptions were noted.

## **Application for State School Aid**

Our audit procedures included a test of information reported in the October 15, 2021 Application for State School Aid (A.S.S.A.) for on-roll, private schools for the handicapped, low-income, and bilingual. We also performed a review of the district procedures related to its completion. The information on the A.S.S.A. was compared to the district workpapers without exception. The information included as part of the workpapers was verified without exception. The results of our procedures are presented in the Schedule of Audited Enrollment.

The District maintained workpapers on the prescribed state forms or their equivalents.

The District's written procedures appear to be adequate for the recording of student enrollment data.

## **Pupil Transportation**

Our procedures also included a review of transportation related contracts and purchases. Based on our review, the District complied with proper bidding procedures and award of contracts. The bid specifications for the purchase of buses were in compliance with applicable statutes. No exceptions were noted in our review of transportation related purchases of goods and services.

## **Testing for Lead of All Drinking Water in Educational Facilities**

The school district adhered to all the requirements of N.J.A.C. 26-1.2 and 12.4 related to the testing for lead of all drinking water in educational facilities.

The school district did submit the annual Statement of Assurance to the Department of Education, pursuant to N.J.A.C. 6A:26-12.4(g).

## **Status of Prior Year Audit Findings/Recommendation**

A review was performed on all prior year recommendations and corrective action was taken on all, with the exception of the comments preceded with an “\*”.

## **Acknowledgment**

We received the complete cooperation of all the officials of the school district and we greatly appreciate the courtesies extended to the members of the audit team.

Respectfully submitted,

*Steven D. Wielkotz*

Steven D. Wielkotz, C.P.A.  
Licensed Public School Accountant  
No. CS00816

*Wielkotz & Company, LLC*

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Certified Public Accountants  
Pompton Lakes, New Jersey

**SCHEDULE OF AUDITED ENROLLMENTS**

**BOROUGH OF FAIRVIEW  
BOARD OF EDUCATION**

Application for State School Aid Summary  
Enrollment as of October 15, 2021

Year ended June 30, 2022

Enrollment category	2022-2023 App. for State School Aid			Sample for Verification			Errors per			Private Schools for the Handicapped				
	Reported on A.S.S.A. on roll	Reported on workpapers on roll	Errors	Sample Selected from Workpapers	Verified per Registers on roll	Errors per Registers On Roll	Reported as Private Schools	Sample for Verification	Sample for the Handicapped					
	Full	Shared	Full	Full	Shared	Full	Full	Shared	Full	Shared	Full	Shared	Full	Shared
Half Day Preschool 4yrs	60			60										
Full Day Preschool 3yrs														
Full Day Preschool 4yrs														
Full Day Kindergarten														
One	170			170			170		170					
Two	165			165			165		165					
Three	141			141			141		141					
Four	164			164			164		164					
Five	143			143			143		143					
Six	137			137			137		137					
Seven	135			135			135		135					
Eight	114			114			114		114					
Subtotal	1,339			1,339			1,339		1,339					
Special Ed. Elementary	119			119			119		119		1		1	
Special Ed. Middle School	73			73			73		73					
Special Ed. High School														
<b>Percentage</b>	<u>1,531</u>			<u>1,531</u>			<u>1,531</u>		<u>1,531</u>					

**SCHEDULE OF AUDITED ENROLLMENTS**

**BOROUGH OF FAIRVIEW  
BOARD OF EDUCATION**

Application for State School Aid Summary  
Enrollment as of October 15, 2021

Year ended June 30, 2022

Enrollment category	Low Income			Sample for Verification			Resident LEP Low Income			Sample for Verification		
	Reported on A.S.S.A. as Low Income	Reported on workpapers as Low Income	Errors	Sample selected from workpapers	Verified to Application and Register	Errors	Reported on A.S.S.A. as LEP Low Income	Reported on Workpapers LEP Low Income	Errors	Sample Selected from Workpapers	Verified to Test score and Register	Sample Errors
Full Day Kindergarten	112	112		27	27		33	33		18	18	
One	124	124		30	30		37	37		20	20	
Two	100	100		24	24		29	29		17	17	
Three	114	114		27	27		33	33		19	19	
Four	111	111		27	27		23	23		14	14	
Five	102	102		25	25		15	15		9	9	
Six	99	99		24	24		11	11		6	6	
Seven	85	85		20	20		13	13		7	7	
Eight	65	65		16	16		10	10		6	6	
Special Ed. Elementary	95	95		21	21							
Special Ed. Middle School	55	55		13	13							
	1062	1062		254	254		204	204		116	116	
	1062	1062		254	254		204	204		116	116	

**Percentage**

Category	Transportation			Transportation		
	Reported on DTRTS by DOE/county	Reported on DTRTS by District	Errors	Tested	Verified	Errors
Regular - Public Schools, col. 1	25	25	-	22	22	-
Regular - Special Education, col. 4	4	4	-	3	3	-
Special needs, col. 6	51	51	-	39	39	-
<b>Totals</b>	<b>80</b>	<b>80</b>	<b>-</b>	<b>64</b>	<b>64</b>	<b>-</b>

**Percentage**

Reported	Re-calc.
12.8	12.8
12.8	12.8
7.0	7.0

Avg. Mileage - Regular Excluding Grade PK  
Avg. Mileage - Regular Including Grade PK  
Avg. Mileage - Special Ed with Special Needs

**SCHEDULE OF AUDITED ENROLLMENTS**

**BOROUGH OF FAIRVIEW  
BOARD OF EDUCATION**

**Application for State School Aid Summary  
Enrollment as of October 15, 2021**

**Year ended June 30, 2022**

Enrollment category	Resident LEP Not Low Income			Sample for Verification		
	Reported on A.S.A as LEP Not low Income	Reported on Workpapers LEP Not low Income	Errors	Sample Selected from Workpapers	Verified to Test score and Register	Sample Errors
Half Day Preschool 4yrs	16	16		11	11	
Full Day Kindergarten	6	6		5	5	
One	16	16		13	13	
Two	22	22		16	16	
Three	10	10		8	8	
Four	7	7		5	5	
Five	7	7		5	5	
Six	1	1		1	1	
Seven	12	12		9	9	
Eight	1	1		1	1	
Special Ed. Elementary						
Special Ed. Middle School						
	<u>98</u>	<u>98</u>		<u>74</u>	<u>74</u>	
	<u>98</u>	<u>98</u>		<u>74</u>	<u>74</u>	

**Percentage**

**FAIRVIEW BOARD OF EDUCATION  
EXCESS SURPLUS CALCULATION**

**REGULAR DISTRICT**

**SECTION 1**

**A. 4% Calculation of Excess Surplus**

2021-22 Total General Fund Expenditures per the ACFR, Ex. C-1	\$ <u>32,972,991</u> (B)
Increased by:	
Transfer from Capital Outlay to Capital Projects Fund	\$ _____ (B1a)
Transfer from Capital Reserve to Capital Projects Fund	\$ _____ (B1b)
Transfer from General Fund to SRF for PreK-Regular	\$ _____ (B1c)
Transfer from General Fund to SRF for PreK-Inclusion	\$ <u>396,689</u> (B1d)
Decreased by:	
On-Behalf TPAF Pension & Social Security	\$ <u>4,438,995</u> (B2a)
Assets Acquired Under Capital Leases	\$ _____ (B2b)
Adjusted 21-22 General Fund Expenditures [(B)+(B1's)-(B2's)]	\$ <u>28,930,685</u> (B3)
4% of Adjusted 2021-22 General Fund Expenditures [(B3) times .04]	\$ <u>1,157,227</u> (B4)
Enter Greater of (B4) or \$250,000	\$ <u>1,157,227</u> (B5)
Increased by: Allowable Adjustment *	\$ <u>657,465</u> (K)
Maximum Unreserved/Undesignated Fund Balance [(B5)+(K)]	\$ <u><u>1,814,692</u></u> (M)

**SECTION 2**

Total General Fund - Fund Balances @ 6-30-22 (Per ACFR Budgetary Comparison Schedule C-1))	\$ <u>21,555,046</u> (C)
Decreased by:	
Year-end Encumbrances	\$ <u>916,890</u> (C1)
Legally Restricted - Designated for Subsequent Year's Expenditures	\$ _____ (C2)
Legally Restricted - Excess Surplus - Designated for Subsequent Year's Expenditures **	\$ <u>229,743</u> (C3)
Other Restricted Fund Balances****	\$ <u>17,983,579</u> (C4)
Assigned Fund Balance - Unreserved -- Designated for Subsequent Year's Expenditures	\$ <u>144,322</u> (C5)
Total Unassigned Fund Balance [( C)-(C1)-(C2)-(C3)-(C4)-(C5)]	\$ <u><u>2,280,512</u></u> (U1)

**SECTION 3**

Restricted Fund Balance - Excess Surplus\*\*\* [(U1)-(M)] IF NEGATIVE ENTER -0- \$ 465,820 (E)

**Recapitulation of Excess Surplus as of June 30, 2022**

Reserved Excess Surplus - Designated for Subsequent Year's Expenditures **	\$ <u>229,743</u>	(C3)
Reserved Excess Surplus ***[(E)]	\$ <u>465,820</u>	(E)
Total [(C3) + (E)]	\$ <u>695,563</u>	(D)

\* Allowable adjustment to expenditures on line K must be detailed as follows. This adjustment line (as detailed below) is to be utilized when applicable for:

- (H) Federal Impact Aid. The passage of P.L.2015, c.46 amended N.J.S.A. 18A:7F-41 to permit a board of education to appropriate federal impact aid funds to establish or supplement a federal impact aid legal reserve in the general fund. Accordingly, the Federal Impact Aid adjustment to expenditures is limited to the portion of Federal Impact Aid Section 8002 and Section 8003 received during the fiscal year and recognized as revenue on the General Fund Budgetary Comparison Schedule, but not transferred to the Federal Impact Aid Reserve - General (8002 or 8003) by board resolution during June 1 to June 30 of the fiscal year under audit. Amounts transferred to the reserve are captured on line (C4);
- (I) Sale and Lease-back (Refer to the Audit Program Section II, Chapter 10);
- (J1) Extraordinary Aid;
- (J2) Additional Nonpublic School Transportation Aid;
- (J3) Recognized current year School Bus Advertising Revenue; and
- (J4) Family Crisis Transportation Aid
- (J5) Maintenance of Equity Aid and State Military Impact Aid received July 2022

Notes to auditor: Refer to the Audit Program Section II, Chapter 10 for restrictions on the inclusion of Extraordinary Aid, Family Crisis Transportation Aid, and Additional Nonpublic School Transportation Aid.

**Detail of Allowable Adjustments**

Impact Aid	\$ _____	(H)
Sale & Lease-back	\$ _____	(I)
Extraordinary Aid	\$ <u>657,465</u>	(J1)
Additional Nonpublic School Transportation Aid	\$ _____	(J2)
Current Year School Bus Advertising Revenue Recognized	\$ _____	(J3)
Family Crisis Transportation Aid	\$ _____	(J4)
Maintenance of Equity Aid and State Military Impact Aid received July 2022	\$ _____	(J5)
Total Adjustments [(H)+ (I)+(J1)+(J2)+(J3)+(J4)+(J5)]	\$ <u>657,465</u>	(K)

\*\* This amount represents the June 30, 2022 Excess Surplus (C3 above) and must be included in the Audit Summary Worksheet Line 90031.

\*\*\* Amounts must agree to the June 30, 2022 ACFR and must agree to Audit Summary Worksheet Line 90030.

\*\*\*\* Amount for Other Reserved Fund Balances must be detailed for each source. Use in the excess surplus calculation of any legal reserve that is not state mandated or that is not legally imposed by an other type of government, such as the judicial branch of government, must have Departmental approval. District requests should be submitted to the Division of Finance prior to September 30.

**Detail of Other Reserved Fund Balance**



Statutory restrictions:		
Approved unspent separate proposal	\$	_____
Sale/Lease-back reserve	\$	_____
Capital Reserve	\$	<u>17,383,579</u>
Maintenance Reserve	\$	_____
Emergency Reserve	\$	_____
Tuition Reserve	\$	<u>600,000</u>
School Bus Advertising 50% Fuel Offset Reserve - current year	\$	_____
School Bus Advertising 50% Fuel Offset Reserve - prior year	\$	_____
Impact Aid General Fund Reserve (Sections 8002 and 8003)	\$	_____
Impact Aid Capital Fund Reserve (Sections 8007 and 8008)	\$	_____
Other state/government mandated reserve	\$	_____
Reserve for Unemployment Fund	\$	_____
[Other Restricted Fund Balance not noted above]****	\$	_____
 Total Other Restricted Fund Balance	\$	<u>17,983,579</u> (C4)

**FAIRVIEW BOARD OF EDUCATION  
AUDIT RECOMMENDATIONS SUMMARY  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Recommendations:

1. Administrative Practices and Reporting

The School District should maintain the data certification for the Chapter 44 summary report in accordance with N.J.S.A. 18A:16-13.3.

2. Financial Planning, Accounting and Reporting

More care be taken to ensure encumbrances are established prior to goods and/or services being ordered.

The District should reference the Uniform Minimum Chart of Accounts for New Jersey Public Schools and other available reference materials, such as the Budget Guidelines for the proper classifications required to be in compliance with N.J.A.C. 6A:23A-16.2(f).

Management, or a third party financial consultant hired by management, should assess leases maintained by the District, calculate the appropriate right-to-use assets and liabilities and in accordance with GASB Statement No. 87.

The Board Secretary should ensure the submission of the Annual Report to the executive county superintendent is complete prior to August 1<sup>st</sup> in accordance with N.J.S.A. 18A:17-10.

Per N.J.S.A. 18A:30-3.5, supplemental compensation shall be payable only at the time of retirement based on the leave credited on the date of retirement.

The district should review the individual student on-line forms prior to final submission the EXAID application to ensure the forms are complete and the information agrees to the supporting documentation for the work papers prepared.

3. School Purchasing Programs

That all purchases comply with Public School Contracts Law.

4. School Food Service

That the District take steps to improve the nonprofit school food service program to reduce the Net Cash Resources.

5. Student Body Activities

None

**FAIRVIEW BOARD OF EDUCATION  
AUDIT RECOMMENDATIONS SUMMARY  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Recommendations (continued):

6. Application for State School Aid

None

7. Pupil Transportation

None

8. Facilities and Capital Assets

None

9. Miscellaneous

None

10. Status of Prior Year Audit Findings/Recommendations

A review was performed on the prior year recommendations and corrective action was take on all prior year findings.