

**AUDITORS MANAGEMENT REPORT
ON ADMINISTRATIVE FINDINGS -
FINANCIAL, COMPLIANCE AND PERFORMANCE
OF THE FAIRVIEW BOARD OF EDUCATION
COUNTY OF BERGEN, NEW JERSEY
JUNE 30, 2023**

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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, 2023, and have issued our report thereon dated November 22, 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.

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November 22, 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 data submitted did include all health benefit plans offered by the school district.

The school district data certification was completed by the chief school administrator. The school district Chapter 44 was submitted timely.

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.

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.

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.

Finding 2023-001: The required certification (E-CERT1) of compliance with requirements for income tax on compensation of administrators to the NJ Department of Treasury was not filed by the March 15 due date.

Recommendation: The Board of Education should designate someone to prepare and submit the certification as required by the N.J.S.A. 18A:14.4.

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, for goods not yet received or services not yet rendered and it was determined that no blanket purchase orders were included in the balance of the reserves for encumbrances. Also, unpaid purchase orders included in the balance of accounts payable were reviewed for propriety and to determine that goods were received and services were rendered, as of June 30.

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

Financial Planning, Accounting and Reporting, (continued)

Classification of Expenditures, (continued)

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 1.07% overall was noted and no additional procedures were deemed necessary to test the propriety of expenditure classification.

Finding 2022-002: Expenditures in the following categories were not charged to the appropriate line item account in accordance with The Uniform Minimum Chart of Accounts for New Jersey Public Schools: Purchased Professional-Educational Services.

Recommendation: Districts 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).

Board Secretary's Records

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

Finding 2023-003: The district is reporting an accounts receivable balance for taxes levied by the Borough.

Recommendation: All taxes levied by the Borough for support of the district's budget should be requested prior to year-end.

Finding 2023-004: Prior year interfunds between the General Fund and the Proprietary Fund-Food Service were not liquidated in a timely manner.

Recommendation: Interfund balances should be reviewed and liquidated in a timely manner.

Finding 2023-005: There were instances where vendors receiving payments in excess of IRS thresholds were not issued required Form 1099's.

Recommendation: That all eligible vendors receive a Form 1099 as required by IRS Rev. Rul. 2003-66.

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 I SIA, 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.

The study of compliance for the special projects indicated no areas of noncompliance.

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.

The results of our examination indicated that no individual payments, contracts or agreements were made for the performance of any work, goods or services in excess of the statutory thresholds where there had been no advertising for bids in accordance with the provisions of N.J.S.A. 18A:18A-4.

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

School Food Service

School Food Authorities (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.

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.

The Statement of Revenues, Expenses, and Changes in Fund Net Position (ACFR Schedule B-5) does separate program and non-program revenue and program and non-program cost of goods sold.

We 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; modification 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.

The financial transactions and statistical records of the school food service fund were reviewed. The financial accounts, meal count records were reviewed on a test-check basis.

Cash receipts and bank records were reviewed for timely deposit.

The district utilizes a food service management company (FSMC) and is depositing and expending program monies in accordance with N.J.S.A. 18A:17-34 and 19-1 through 19-4.1. Provisions of the FSMC contract/addendum were reviewed and audited. The FSMC contract does not include an operating provision which guarantees that the food service program will return a profit. All vendor discounts, rebates and credits from the FSMC were tracked and credited to the Food Service Account and reconciled to supporting documentation at least annually.

Expenditures were separately recorded as food, labor and other costs. Vendor invoices were reviewed, and costs verified. Inventory records on food and supply items were currently maintained and properly applied in determining the cost of food and supplies used.

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.

School Food Service, (continued)

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.

Net cash resources did not exceed three months average expenditures.

Time sheets were reviewed, and labor costs verified. Payroll records were maintained on all School Food Service employees authorized by the board of education. No exceptions were noted.

The number of meals claimed for reimbursement were compared to 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 price meals were reviewed for completeness and accuracy. The number of free and reduced price meals claimed as served was compared to the number of valid applications times the number of operating days, on a school by school basis. The free and reduced price meal was reviewed for uniform administration throughout the school system. The required verification procedures for free and reduced price applications was completed and available for review.

U.S.D.A. Food Distribution Program commodities were received and a single inventory was maintained on a first-in, first-out basis. No exceptions were noted.

The school district maintains the detailed revenue and expenditure information necessary in order to execute the U.S.D.A. 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 14, 2022 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 audit procedures included a test of on roll status reported in the 2022-2023 District Report of Transported Resident Students (DRTRS). The information was included on the DRTRS was verified to the DRTRS Eligibility Summary Report without exception. The results of our procedures are presented in the Schedule of Audited Enrollments.

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).

Follow Up on Prior Year Findings

In accordance with government auditing standards, our procedures included a review of all prior year recommendations. Correction Action has been taken on all prior year findings.

There were no Office of Fiscal Accountability and Compliance audit reports issued during the fiscal year ended June 30, 2023.

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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Pompton Lakes, New Jersey

SCHEDULE OF MEAL COUNT ACTIVITY

FAIRVIEW BOARD OF EDUCATION
FOOD SERVICE FUND
NUMBER OF MEALS SERVED AND (OVER)/UNDERCLAIMED - FEDERAL
ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

<u>Program</u>	<u>Meal Category</u>	<u>Meals Claimed</u>	<u>Meals Tested</u>	<u>Meals Verified</u>	<u>Difference</u>	<u>Rate</u>	<u>(Over)/ Under Claim</u>
National School Lunch (High Rate)	Paid	13,871	13,871	13,871		0.79	-
National School Lunch (High Rate)	Reduced	8,719	8,719	8,719		3.95	-
National School Lunch (High Rate)	Free	<u>78,801</u>	<u>78,801</u>	<u>78,801</u>		4.35	<u>-</u>
	Total	<u>101,391</u>	<u>101,391</u>	<u>101,391</u>			<u>-</u>
National School Lunch (Healthy Hunger-Free Kids Act)	HHFKA	<u>101,391</u>	<u>101,391</u>	<u>101,391</u>		0.08	<u>-</u>
School Breakfast (Severe Needs Rate)	Paid	2,434	2,434	2,434		0.50	-
	Reduced	1,483	1,483	1,483		2.37	-
	Free	<u>11,364</u>	<u>11,364</u>	<u>11,364</u>		2.37	<u>-</u>
	Total	<u>15,281</u>	<u>15,281</u>	<u>15,281</u>			<u>-</u>
Total (Over)/Under Claim						Total Net Diff	<u>-</u>

SCHEDULE OF MEAL COUNT ACTIVITY

FAIRVIEW BOARD OF EDUCATION
FOOD SERVICE FUND
NUMBER OF MEALS SERVED AND (OVER)/UNDERCLAIMED - STATE
ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

<u>Program</u>	<u>Meal Category</u>	<u>Meals Claimed</u>	<u>Meals Tested</u>	<u>Meals Verified</u>	<u>Difference</u>	<u>Rate</u>	<u>(Over)/ Under Claim</u>
State Reimbursement - National School Lunch (High Rate)	Paid	13,871	13,871	13,871		0.06	-
State Reimbursement - National School Lunch (High Rate)	Reduced	8,719	8,719	8,719		0.47	-
State Reimbursement - National School Lunch (High Rate)	Free	<u>78,801</u>	<u>78,801</u>	<u>78,801</u>	<u> </u>	0.07	<u>-</u>
	Total	<u>101,391</u>	<u>101,391</u>	<u>101,391</u>	<u> </u>		<u>-</u>
State Reimbursement - National School Breakfast (Severe Needs Rate)	Paid						-
	Reduced	1,483	1,483	1,483		0.30	-
	Free	<u> </u>	<u> </u>	<u> </u>	<u> </u>		<u>-</u>
	Total	<u>1,483</u>	<u>1,483</u>	<u>1,483</u>	<u> </u>		<u>-</u>
Total (Over)/Under Claim						Total Net Diff	<u> </u>

**BOROUGH OF FAIRVIEW
BOARD OF EDUCATION**

**Net cash resources did exceed three months of expenditures
Proprietary Funds - Food Service
Year ended June 30, 2023**

<u>Net Cash Resources:</u>		Food Service B - 4/5	
ACFR	*	Current Assets	
B-4		Cash & Cash Equiv.	\$ 96,158
B-4		Due from Other Gov'ts	37,572
B-4		Accounts Receivable	
B-4		Due from Other Funds	6,909
ACFR		Current Liabilities	
B-4		Less Accounts Payable	(35,542)
		Net Cash Resources	\$ 105,097 (A)

Net Adj. Total Operating Expense:

B-5	Tot. Operating Exp.	594,771	
B-5	Less Depreciation	(3,670)	
	Adj. Tot. Oper. Exp.	\$ 591,101 (B)	

Average Monthly Operating Expense:

B / 10	\$ 59,110.10 (C)	
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Three times monthly Average:

3 X C	\$ 177,330.30 (D)	
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TOTAL IN BOX A	\$	105,097.00	
LESS TOTAL IN BOX D	\$	177,330.30	
NET	\$	(72,233.30)	
From above:			
A is greater than D, cash exceeds 3 X average monthly operating expenses.			
D is greater than A, cash does not exceed 3 X average monthly operating expenses.			

* Inventories are not to be included in total current assets.

SOURCE - USDA resource management comprehensive review form

SCHEDULE OF AUDITED ENROLLMENTS

**BOROUGH OF FAIRVIEW
BOARD OF EDUCATION**

Application for State School Aid Summary
Enrollment as of October 14, 2022

Year ended June 30, 2023

Enrollment category	2023-2024 App. for State School Aid			Sample for Verification			Private Schools for the Handicapped			
	Reported on A.S.S.A. on roll	Reported on workpapers on roll	Errors	Sample Workpapers	Verified per Registers on roll	Errors per Registers On Roll	Reported as Private Schools	Sample for Verification	Sample Verified	Errors
	Full	Shared	Full	Full	Shared	Full	Full	Shared	Full	Shared
Half Day Preschool 4yrs	61			61			61			
Full Day Preschool 3yrs										
Full Day Preschool 4yrs										
Full Day Kindergarten										
One	155			155			155			
Two	169			169			169			
Three	160			160			160			
Four	142			142			142			
Five	149			149			149			
Six	135			135			135			
Seven	137			137			137			
Eight	127			127			127			
Subtotal	113			113			113			
	1,348			1,348			1,348			
Special Ed. Elementary	113			70			70		1	1
Special Ed. Middle School	74			46			46			
Special Ed. High School									3	3
	1,535			1,464			1,464		4	4
Percentage										

SCHEDULE OF AUDITED ENROLLMENTS

**BOROUGH OF FAIRVIEW
BOARD OF EDUCATION**

Application for State School Aid Summary
Enrollment as of October 14, 2022

Year ended June 30, 2023

Enrollment category	Low Income			Sample for Verification			Resident LEP Low Income			Sample for Verification		
	Reported on A.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.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	133	133		27	27		47	47		23	23	
One	121	121		30	30		43	43		21	21	
Two	110	110		24	24		34	34		17	17	
Three	110	110		27	27		36	36		18	18	
Four	112	112		27	27		43	43		21	21	
Five	96	96		25	25		21	21		12	12	
Six	104	104		24	24		15	15		8	8	
Seven	85	85		20	20		12	12		6	6	
Eight	68	68		16	16		6	6		6	6	
Special Ed. Elementary	98	98		21	21		4	4		4	4	
Special Ed. Middle School	56	56		13	13							
	1093	1093		254	254		261	261		136	136	
	1093	1093		254	254		261	261		136	136	

Percentage

Category	Transportation			Reported on DRTS by DOE/county	Reported on DRTS by District	Errors	Tested	Verified	Errors	Re-calc.	Reported
	Reported on DRTS by DOE/county	Reported on DRTS by District	Errors								
Regular - Public Schools, col. 1	22	22	-	19	19	-				12.4	12.4
Regular - Special Education, col. 4	4	4	-	3	3	-				12.4	12.4
Special needs, col. 6	43	43	-	37	37	-				6.7	6.7
Totals	69	69	-	59	59	-					

Percentage

SCHEDULE OF AUDITED ENROLLMENTS

**BOROUGH OF FAIRVIEW
BOARD OF EDUCATION**

**Application for State School Aid Summary
Enrollment as of October 14, 2022**

Year ended June 30, 2023

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	4	4		4	4	
Full Day Kindergarten	11	11		7	7	
One	6	6		6	6	
Two	13	13		9	9	
Three	7	7		4	4	
Four	10	10		7	7	
Five	6	6		5	5	
Six	7	7		5	5	
Seven	13	13		12	12	
Eight						
Special Ed. Elementary						
Special Ed. Middle School						
	<u>77</u>	<u>77</u>		<u>59</u>	<u>59</u>	
	<u>77</u>	<u>77</u>		<u>59</u>	<u>59</u>	

Percentage

**FAIRVIEW BOARD OF EDUCATION
EXCESS SURPLUS CALCULATION**

REGULAR DISTRICT

SECTION 1

A. 2% Calculation of Excess Surplus

2022-23 Total General Fund Expenditures per the ACFR, Ex. C-1	\$ <u>35,348,557</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	\$ <u>209,895</u>	(B1c)
Transfer from General Fund to SRF for PreK-Inclusion	\$ _____	(B1d)
Decreased by:		
On-Behalf TPAF Pension & Social Security	\$ <u>4,409,031</u>	(B2a)
Assets Acquired Under Capital Leases	\$ _____	(B2b)
Adjusted 22-23 General Fund Expenditures [(B)+(B1's)-(B2's)]	\$ <u>31,149,421</u>	(B3)
2% of Adjusted 2022-23 General Fund Expenditures [(B3) times .02]	\$ <u>622,988</u>	(B4)
Enter Greater of (B4) or \$250,000	\$ <u>622,988</u>	(B5)
Increased by: Allowable Adjustment *	\$ <u>318,313</u>	(K)
Maximum Unreserved/Undesignated Fund Balance [(B5)+(K)]		\$ <u><u>941,301</u></u> (M)

SECTION 2

Total General Fund - Fund Balances @ 6-30-23 (Per ACFR Budgetary Comparison Schedule C-1))	\$ <u>33,114,510</u>	(C)
Decreased by:		
Year-end Encumbrances	\$ <u>958,014</u>	(C1)
Legally Restricted - Designated for Subsequent Year's Expenditures	\$ _____	(C2)
Legally Restricted - Excess Surplus - Designated for Subsequent Year's Expenditures **	\$ <u>465,820</u>	(C3)
Other Restricted Fund Balances****	\$ <u>28,783,579</u>	(C4)
Assigned Fund Balance - Unreserved -- Designated for Subsequent Year's Expenditures	\$ <u>935,944</u>	(C5)
Total Unassigned Fund Balance [(C)-(C1)-(C2)-(C3)-(C4)-(C5)]		\$ <u><u>1,971,153</u></u> (U1)

SECTION 3

Restricted Fund Balance - Excess Surplus*** [(U1)-(M)] IF NEGATIVE ENTER -0- \$ 1,029,852 (E)

Recapitulation of Excess Surplus as of June 30, 2023

Reserved Excess Surplus - Designated for Subsequent Year's Expenditures **	\$ <u>465,820</u>	(C3)
Reserved Excess Surplus ***[(E)]	\$ <u>1,029,852</u>	(E)
Total [(C3) + (E)]	\$ <u>1,495,672</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) Supplemental Stabilization Aid received in April 2023 & Maintenance of Equity Aid received July 2023

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>318,313</u>	(J1)
Additional Nonpublic School Transportation Aid	\$ _____	(J2)
Current Year School Bus Advertising Revenue Recognized	\$ _____	(J3)
Family Crisis Transportation Aid	\$ _____	(J4)
Supplemental Stabilization Aid received April 2023 & Maintenance of Equity Aid received July 2023	\$ _____	(J5)
Total Adjustments [(H)+{I)+(J1)+(J2)+(J3)+(J4)+(J5)]	\$ <u>318,313</u>	(K)

** This amount represents the June 30, 2023 Excess Surplus (C3 above) and must be included in the Audit Summary Worksheet Line 90031.

*** Amounts must agree to the June 30, 2023 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>28,183,579</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>28,783,579</u> (C4)

**FAIRVIEW BOARD OF EDUCATION
AUDIT RECOMMENDATIONS SUMMARY
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Recommendations:

1. Administrative Practices and Reporting

None

2. Financial Planning, Accounting and Reporting

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).

All taxes levied by the Borough for support of the district's budget should be requested prior to year-end.

Interfund balances should be reviewed and liquidated in a timely manner.

The Board of Education should designate someone to prepare and submit the certification (E-CERT1) as required by N.J.S.A. 18A-14.4.

All eligible vendors should receive a Form 1099 as required by IRS Rev. Rul. 2003-66.

3. School Purchasing Programs

None

4. School Food Service

None

5. Student Body Activities

None

6. Application for State School Aid

None

7. Pupil Transportation

None

8. Facilities and Capital Assets

None

9. Miscellaneous

None

**FAIRVIEW BOARD OF EDUCATION
AUDIT RECOMMENDATIONS SUMMARY
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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.