

**AUDITORS MANAGEMENT REPORT
ON ADMINISTRATIVE FINDINGS -
FINANCIAL, COMPLIANCE AND PERFORMANCE
OF THE FAIRVIEW BOARD OF EDUCATION
COUNTY OF BERGEN, NEW JERSEY
JUNE 30, 2024**

TABLE OF CONTENTS

	Page <u>No.</u>
Independent Auditor's Report	1
Scope of Audit	2
Administrative Practices and Procedures	
Insurance	2
Officials Bonds	2
P.L. 2020, c. 44	2
Financial Planning, Accounting and Reporting	
Examination of Claims	3
Payroll Account	3
Position Control Roster	3
Reserve for Encumbrances, Liability for Accounts Payable	3
Classification of Expenditures	4
Board Secretary's Records	4
Fixed Assets	5
Elementary and Secondary Education Act (E.S.E.A.) as Amended by the Every Student Succeeds Act (ESSA)	5
Other Special Federal and/or State Projects	5
T.P.A.F. Reimbursement	5
T.P.A.F. Reimbursement to the State for Federal Salary Expenditures	5
Nonpublic State Aid	5
School Purchasing Programs	
Contracts and Agreements Requiring Advertisement for Bids.	6
School Food Service	7
Student Body Activities	7
Application for State School Aid	8
Pupil Transportation	8
Testing for Lead of All Drinking Water in Educational Facilities	8
Follow Up on Prior Year Findings	9
Acknowledgment	9
Schedule of Meal Count Activity	10
Schedule of Audited Enrollments	12
Excess Surplus Calculation	15
Audit Recommendations Summary	18



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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, 2024, and have issued our report thereon dated November 22, 2024.

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. Wielkatz

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November 22, 2024



**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 2024-001:** 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.

Financial Planning, Accounting and Reporting, (continued)

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 1.20% overall was noted and no additional procedures were deemed necessary to test the propriety of expenditure classification.

***Finding 2024-002:** 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 2024-003:** 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 2024-004: Amounts recorded in the Special Revenue Fund subsidiary ledger do not agree to award amounts and/or approved carryover amounts.

Recommendation: Amounts recorded in the subsidiary ledger be compared to award letters and/or carryover amount authorizations to ensure proper amounts are available for expenditures.

Finding 2024-005: Expense amounts included in the final expenditure reports did not agree to amounts recorded in the District's accounting system resulting in amounts that are required to be returned to grantor.

Recommendation: More care be taken to ensure expenses included in the reimbursement requests and/or final expenditure reports agree to actual amounts incurred.

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.

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 \$22,400.

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.

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 noted.

Finding 2024-006: There were instances in which the meals claimed did not agree with meal count records resulting in an under claim, as detailed on the Schedule of Meal County Activity.

Recommendation: Prior to submitting reimbursement claims to the New Jersey Department of Agriculture, the meals claimed should be verified to the meal count activity records and Edit Check Worksheets.

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.

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 13, 2023 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 2023-2024 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 including findings. Corrective action had been taken on all prior year findings with the exception of the following, which are repeated in this year's recommendations notes as current year findings "2024-001, 2024-002 and 2024-003:"

The Board of Education should designate someone to prepare and submit the certification as required by N.J.S.A. 18A:14.4 and submit the E-CERT1 in a timely manner. (2024-001) 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). (2024-002) Interfund balances should be reviewed and liquidated in a timely manner. (2024-003)

There were no Office of Fiscal Accountability and Compliance audit reports issued during the fiscal year ended June 30, 2024.

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

WIELKOTZ & COMPANY, LLC
Certified Public Accountants
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, 2024

<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	11,471	11,471	11,592	121	0.42	50.82
National School Lunch (High Rate)	Reduced	8,292	8,292	8,292		3.87	-
National School Lunch (High Rate)	Free	<u>72,071</u>	<u>72,071</u>	<u>72,071</u>		4.27	<u>-</u>
	Total	<u><u>91,834</u></u>	<u><u>91,834</u></u>	<u><u>91,955</u></u>	<u><u>121</u></u>		<u><u>50.82</u></u>
National School Lunch (Healthy Hunger-Free Kids Act)	HHFKA	<u><u>91,834</u></u>	<u><u>91,834</u></u>	<u><u>91,955</u></u>	<u><u>121</u></u>	0.08	<u><u>50.82</u></u>
School Breakfast (Severe Needs Rate)	Paid	1,542	1,542	1,588	46	0.38	17.48
	Reduced	1,205	1,205	1,205		2.43	-
	Free	<u>9,488</u>	<u>9,488</u>	<u>9,488</u>		2.73	<u>-</u>
	Total	<u><u>12,235</u></u>	<u><u>12,235</u></u>	<u><u>12,281</u></u>	<u><u>46</u></u>		<u><u>17.48</u></u>
Total (Over)/Under Claim						Total Net Diff	<u><u>68.30</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, 2024

<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	11,471	11,471	11,592	121	0.060	7.26
State Reimbursement - National School Lunch (High Rate)	Reduced	8,292	8,292	8,292		0.470	-
State Reimbursement - National School Lunch (High Rate)	Free	72,071	72,071	72,071		0.070	-
State Reimbursement - National School Lunch (NJEIE)	NJEIE	<u>608</u>	<u>608</u>	<u>608</u>		3.850	<u>-</u>
	Total	<u>92,442</u>	<u>92,442</u>	<u>92,563</u>	<u>121</u>		<u>7.26</u>
State Reimbursement - National School Breakfast (Severe Needs Rate)	Reduced	1,205	1,205	1,205		0.300	-
State Reimbursement - National School Breakfast (NJEIE)	NJEIE	<u>172</u>	<u>172</u>	<u>172</u>		2.350	<u>-</u>
	Total	<u>1,377</u>	<u>1,377</u>	<u>1,377</u>			<u>-</u>
Total (Over)/Under Claim						Total Net Diff	<u>7.26</u>

SCHEDULE OF AUDITED ENROLLMENTS

**BOROUGH OF FAIRVIEW
BOARD OF EDUCATION**

**Application for State School Aid Summary
Enrollment as of October 15, 2023**

Year ended June 30, 2024

Enrollment category	2024-2025 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 Selected from Workpapers		Verified per Registers on roll		Errors per Registers On Roll		Reported on A.S.S.A. as Private Schools	Sample for Verification	Sample Verified	Errors
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared				
Half Day Preschool 4yrs	17		17				17		17							
Full Day Preschool 3yrs	65		65				65		65							
Full Day Preschool 4yrs	146		146				146		146							
Full Day Kindergarten	165		165				165		165							
One	152		152				152		152							
Two	139		139				139		139							
Three	143		143				143		143							
Four	141		141				141		141							
Five	131		131				131		131							
Six	135		135				135		135							
Seven	132		132				132		132							
Eight	1,366		1,366				1,366		1,366							
Subtotal																
Special Ed. Elementary	117		117				73		73				3	3	3	
Special Ed. Middle School	68		68				42		42				1	1	1	
Special Ed. High School	1,551		1,551				1,481		1,481				2	1	1	
													6	5	5	
Percentage																

SCHEDULE OF AUDITED ENROLLMENTS

**BOROUGH OF FAIRVIEW
BOARD OF EDUCATION**

Application for State School Aid Summary
Enrollment as of October 15, 2023

Year ended June 30, 2024

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		26	26		33	33		17	17	
One	126	126		29	29		56	56		29	29	
Two	110	110		25	25		42	42		22	22	
Three	109	109		24	24		34	34		18	18	
Four	111	111		25	25		38	38		20	20	
Five	111	111		25	25		38	38		20	20	
Six	102	102		24	24		19	19		10	10	
Seven	87	87		20	20		16	16		8	8	
Eight	81	81		20	20		9	9		4	4	
Special Ed. Elementary	103	103		23	23		8	8		4	4	
Special Ed. Middle School	51	51		13	13							
	1103	1103		254	254		293	293		152	152	
	1103	1103		254	254		293	293		152	152	

Percentage

Category	Transportation				Re-calc.			
	Reported on DRTS by DOE/county	Reported on DRTS by District	Errors	Tested	Verified	Errors	Reported	Re-calc.
Regular - Public Schools, col. 1	22	22	-	19	19	-	8.6	8.6
Regular - Special Education, col. 4	-	-	-	-	-	-	8.6	8.6
Special needs, col. 6	53	53	-	40	40	-	8.0	8.0
Totals	75	75	-	59	59	-		

Percentage

SCHEDULE OF AUDITED ENROLLMENTS

**BOROUGH OF FAIRVIEW
BOARD OF EDUCATION**

**Application for State School Aid Summary
Enrollment as of October 15, 2023**

Year ended June 30, 2024

Enrollment category	Resident LEP Not Low Income			Sample for Verification		
	Reported on A.S.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	5	5		4	4	
Full Day Kindergarten	15	15		11	11	
One	8	8		6	6	
Two	9	9		7	7	
Three	12	12		9	9	
Four	6	6		5	5	
Five	7	7		5	5	
Six	6	6		5	5	
Seven	14	14		11	11	
Eight	3	3		2	2	
Special Ed. Elementary	85	85		65	65	
Special Ed. Middle School	85	85		65	65	
Percentage						

**FAIRVIEW BOARD OF EDUCATION
EXCESS SURPLUS CALCULATION**

REGULAR DISTRICT

SECTION 1

A. 2% Calculation of Excess Surplus

2023-24 Total General Fund Expenditures per the ACFR, Ex. C-1	\$ 39,758,614	(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	\$	(B1d)
Decreased by:		
On-Behalf TPAF Pension & Social Security	\$ 4,994,490	(B2a)
Assets Acquired Under Capital Leases	\$	(B2b)
Adjusted 23-24 General Fund Expenditures [(B)+(B1's)-(B2's)]	\$ 34,764,124	(B3)
2% of Adjusted 2023-24 General Fund Expenditures [(B3) times .02]	\$ 695,282	(B4)
Enter Greater of (B4) or \$250,000	\$ 695,282	(B5)
Increased by: Allowable Adjustment *	\$ 101,932	(K)
Maximum Unreserved/Undesignated Fund Balance [(B5)+(K)]	\$ 797,214	(M)

SECTION 2

Total General Fund - Fund Balances @ 6-30-24 (Per ACFR Budgetary Comparison Schedule C-1))	\$ 57,039,802	(C)
Decreased by:		
Year-end Encumbrances	\$ 4,637,957	(C1)
Legally Restricted - Designated for Subsequent Year's Expenditures	\$	(C2)
Legally Restricted - Excess Surplus - Designated for Subsequent Year's Expenditures **	\$ 1,029,852	(C3)
Other Restricted Fund Balances****	\$ 49,778,445	(C4)
Assigned Fund Balance - Unreserved -- Designated for Subsequent Year's Expenditures	\$	(C5)
Total Unassigned Fund Balance [(C)-(C1)-(C2)-(C3)-(C4)-(C5)]	\$ 1,593,548	(U1)

SECTION 3

Restricted Fund Balance - Excess Surplus*** [(U1)-(M)] IF NEGATIVE ENTER -0- \$ 796,334 (E)

Recapitulation of Excess Surplus as of June 30, 2024

Reserved Excess Surplus - Designated for Subsequent Year's Expenditures **	\$	<u>1,029,852</u>	(C3)
Reserved Excess Surplus ***[(E)]	\$	<u>796,334</u>	(E)
Total [(C3) + (E)]	\$	<u>1,826,186</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 & Maintenance of Equity Aid
- 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	\$	<u> </u>	(H)
Sale & Lease-back	\$	<u> </u>	(I)
Extraordinary Aid	\$	<u>101,932</u>	(J1)
Additional Nonpublic School Transportation Aid	\$	<u> </u>	(J2)
Current Year School Bus Advertising Revenue Recognized	\$	<u> </u>	(J3)
Family Crisis Transportation Aid	\$	<u> </u>	(J4)
Supplemental Stabilization Aid & Maintenance of Equity Aid	\$	<u> </u>	(J5)
Total Adjustments [(H)+(I)+(J1)+(J2)+(J3)+(J4)+(J5)]	\$	<u>101,932</u>	(K)

** This amount represents the June 30, 2024 Excess Surplus (C3 above) and must be included in the Audit Summary Worksheet Line 90031.

*** Amounts must agree to the June 30, 2024 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>49,178,445</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>49,778,445</u> (C4)

**FAIRVIEW BOARD OF EDUCATION
AUDIT RECOMMENDATIONS SUMMARY
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Recommendations:

1. Administrative Practices and Reporting

None

2. Financial Planning, Accounting and Reporting

*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.

*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).

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

Amounts recorded in the subsidiary ledger be compared to award letters and/or carryover amount authorizations to ensure proper amounts are available for expenditures.

More care be taken to ensure expenses included in the reimbursement requests and/or final expenditure reports agree to actual amounts incurred.

3. School Purchasing Programs

None

4. School Food Service

Prior to submitting reimbursement claims to the New Jersey Department of Agriculture, the meals claimed should be verified to the meal count activity records and Edit Check Worksheets.

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, 2024**

10. Status of Prior Year Audit Findings/Recommendations

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