

**Fort Lee Public Schools
Fort Lee, New Jersey**

**MANAGEMENT REPORT ON ADMINISTRATIVE FINDINGS–
FINANCIAL, COMPLIANCE AND PERFORMANCE**

June 30, 2021

**AUDITOR’S MANAGEMENT REPORT ON ADMINISTRATIVE FINDINGS–
FINANCIAL, COMPLIANCE AND PERFORMANCE**

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INDEPENDENT AUDITORS' REPORT

Honorable President and Members
of the Board of Education
Fort Lee Public Schools
County of Bergen, New Jersey

We have audited, in accordance with generally accepted audit standards and *Government Auditing Standards* issued by the Comptroller General of the United States, the basic financial statements of the Board of Education of the Fort Lee Public Schools, County of Bergen as of and for the year ended June 30, 2021, and have issued our report thereon dated February 23, 2022.

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 solely for the information and use of the Fort Lee Public Schools Board of Education's management and Board members and the New Jersey Department of Education. However, this report is a matter of public record and its distribution is not limited.

PKF O'Connor Davies, LLP

Cranford, New Jersey
February 23, 2022

A handwritten signature in black ink that reads "David J. Gannon".

David J. Gannon
Licensed Public School Accountant, No. 2305

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**FORT LEE PUBLIC SCHOOLS
ADMINISTRATIVE FINDINGS – FINANCIAL, COMPLIANCE AND PERFORMANCE**

JUNE 30, 2021

Scope of Audit

The audit covered the financial transactions of the Board Secretary/School Business Administrator and the Treasurer of School Moneys, 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

Insurance coverage was carried in the amounts as detailed on J-20, Insurance Schedule contained in the District's ACFR.

Official Bonds (*N.J.S.A. 18A:17-26, 18A:17-32, 18A:13-13*)

<u>Name</u>	<u>Position</u>	<u>Amount</u>
Haquisha Taylor	Board Secretary/School Business Administrator	\$100,000
Charles Hangle	Treasurer of School Moneys	\$340,000

There is a Public Employees' Faithful Performance Blanket Position Bond covering all other employees with coverage of \$500,000.

Tuition Charges

A comparison of tentative tuition charges and actual certified tuition charges was made. The Board made a proper adjustment ("billing") to sending Districts for the increase (decrease) in per pupil costs in accordance with *N.J.A.C. 6A:23A-17.1(f)3*, which is performed as part of the District's annual budget process.

Financial Planning, Accounting and Reporting

Examination of Claims

An examination of claims paid during the period did not indicate any discrepancies with respect to signatures, certification or supporting documentation and no exceptions were noted.

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ADMINISTRATIVE FINDINGS – FINANCIAL, COMPLIANCE AND PERFORMANCE

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Payroll Account and Position Control Roster

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, the Board Secretary/Business Administrator, and the Superintendent.

Salary withholdings were promptly remitted to the proper agencies, including health benefits withholding due to the general fund, where applicable.

Payrolls were delivered to the treasurer of school moneys with a warrant made to his order for the full amount of each payroll.

An inquiry and subsequent review of the Position Control Roster did not identify any inconsistencies between the payroll records, employee benefit records, the general ledger accounts to where wages are posted, and the Position Control Roster.

Reserve for Encumbrances and Accounts Payable

A review of outstanding issued purchase orders was made as of June 30 for proper classification of orders as reserve for encumbrances and accounts payable and no exceptions were noted. However, the following was noted:

Finding 2021-001

Finding:

During our audit we noted two instances in which the District ordered goods or services prior to encumbering the funds within the budget and issuance of a purchase order.

Recommendation:

We suggest that a purchase order be generated and budgetary funds be encumbered prior to the purchase of goods or services.

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 our selected test samples, our sample selection specifically targeted administrative coding classifications

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JUNE 30, 2021

to determine overall reliability and compliance with *N.J.A.C. 6A:23A-8.3*. No exceptions were noted.

Board Secretary's Records

Our review of the financial and accounting records maintained by the Board Secretary did not disclose any exceptions.

Treasurer's Records

No exceptions were noted during our review of the financial and accounting records maintained by the Treasurer.

Unemployment Compensation Insurance Trust Fund

The District has adopted the direct reimbursement method and has established an Unemployment Compensation Insurance Trust Fund. The financial transactions of this fund are reported in the Fiduciary Fund. No exceptions were noted.

Elementary and Secondary Education Act as amended by the Every Student Succeeds Act (E.S.S.A.)

The E.S.E.A./NCLB financial exhibits are 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 and Title VI of the Elementary and Secondary Education Act as amended and reauthorized.

The study of compliance for E.S.E.A./N.C.L.B. indicated no instances of noncompliance and/or questionable costs.

Other Special Federal and/or State Projects

The District's special projects were approved as listed on Schedules A (K-3) and B (K-4) located in the ACFR.

Our audit of the federal and state funds on a test basis indicated that obligations and expenditures were incurred during the fiscal year or project period 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 instances of noncompliance.

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T.P.A.F. Reimbursement

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

TPAF Reimbursement to the State for Federal Salary Expenditures

The amount of the expenditure charged to the current year's Final Report(s) 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.

School Purchasing Programs

Contracts and Agreements Requiring Advertisement for Bids

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 \$19,600 for 2020-2021.

The District 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, performed on a test basis, indicated the following area for improvement:

Finding 2021-002

Finding:

During our audit we noted that the District has implemented processes and procedures over vendor set-up, obtaining competitive quotations where required and approval of and payment to vendors. Numerous District personnel have responsibility over identifying potential vendors depending on which department within the District is procuring goods or services. We noted a number of instances by one department in which quotes were obtained for goods or services from vendors that had common ownership, thereby rendering the quotes as non-competitive. Although the District has internal controls in

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place over the procurement process, certain employees of the District did not follow established procedures.

Recommendation:

We suggest that the District strengthen existing internal controls and procedures over the procurement process. We suggest that the District maintain a purchasing email address that is maintained and accessed only by the Business Office and require each department that is soliciting competitive quotes for goods or services, in excess of the quotation threshold, to instruct those vendors that are being solicited to email any quotes directly to that purchasing email address. This will create a single point for the collection of competitive quotes and enhance segregation of duties over the process.

Resolutions were adopted authorizing the awarding of contracts or agreements for “Professional Services” per *N.J.S.A. 18A:18A-5*.

School Food Service

COVID-19 EMERGENCY

In accordance with the Governor’s Declaration of Emergency pertaining to the COVID-19 Virus, 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 alternate procedures to provide meals to Free and Reduced Price eligible students during the period of school closures.

During SY 2020-2021 the public health emergency was still applicable. 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) or the Summer Food Service Program (SFSP) option.

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 free and reduced price meal eligible students during the emergency.

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.

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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 Cost Reimbursable Fixed Price Procurement contract/addendum was reviewed and audited. The FSMC contract includes an operating results provision which guarantees that the food service program will return a profit of at least \$75,000. The operating results provision has been met. All vendor discounts, rebates, and credits from vendors and/or the FSMC were tracked and credited to the Food Service Account and reconciled to supporting documentation at least annually.

Expenditures should be 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.

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.

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 amount to the SFA.

Net cash resources did exceed three months average expenditures, which was a result of the COVID-19 pandemic and therefore no formal finding and recommendation was included. The District is aware of the condition and will continue to invest in its food service program until the appropriate amount of net cash resources is depleted.

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

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The number of meals claimed for reimbursement was 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 /or to the list of directly certified students on file, times the number of operating days, on a school-by-school basis. The free and reduced price meal and free milk policy was reviewed for uniform administration throughout the school system. Sites approved to participate in Provisions I and II were examined for compliance with all counting and claiming requirements. The required verification procedures for free and reduced price applications were completed and available for review.

USDA Food Distribution Program (food and/or commodities) were received and a single inventory was maintained on a first-in, first-out basis. No exceptions were 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.

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

Student Body Activities

During our audit of the student activity funds, we did not note any exceptions.

Application for State School Aid

Our audit procedures included a test of information reported in the October 15, 2020 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 material exceptions. The information that was included on the work papers was verified without exception. The results of our procedures are presented in the Schedule of Audited Enrollments.

The District maintained workpapers on the prescribed state forms or their equivalent. The District has adequate written procedures for the recording of student enrollment data.

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Pupil Transportation

Our audit procedures included a test of on-roll status reported in the 2020-2021 District Report of Transported Resident Students (“DRTRS”). The information that 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 and no exceptions were noted. 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. No exceptions were noted in our review of transportation related purchases of goods and services.

Transportation Aid was not tested as a major program for purposes of the State single audit and therefore limited procedures were performed over the DRTRS.

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 submitted 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, which there were none.

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.

SCHEDULE OF MEAL COUNT ACTIVITY

FORT LEE PUBLIC SCHOOLS

FOOD SERVICE FUND

NUMBER OF MEALS SERVED AND (OVER) UNDERCLAIM -FEDERAL

ENTERPRISE FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

PROGRAM	MEAL CATEGORY	MEALS CLAIMED	MEALS TESTED	MEALS VERIFIED	DIFFERENCE	RATE (a)	(OVER) UNDER CLAIM (b)
National School Lunch (Regular/Rate)	Paid	-	-	-	-	\$ 0.33	-
National School Lunch (Regular Rate)	Reduced	-	-	-	-	3.11	-
National School Lunch (Regular/SSO Rate)	Free	143,755	143,755	143,755	-	3.51	-
National School Breakfast (Regular/SSO Rate)	Free	103,139	103,139	103,139	-	1.89	-
National School Breakfast (Severe Needs/SSO Rate)	Free	34,143	34,143	34,143	-	2.26	-
After School Snack Program	Free	-	-	-	-	0.96	-
	TOTAL	281,037	281,037	281,037			-
National School Lunch	HHFKA - PB Lunch Only	143,755	143,755	143,755	-	\$ 0.07	-
School Breakfast (Regular Rate)	Paid	-	-	-	-	\$ 0.32	-
	Reduced	-	-	-	-	1.59	-
	Free	-	-	-	-	1.89	-
	TOTAL	-	-	-			-
Total Net Overclaim							-

Auditor Notation:

(a) Reimbursement rates are subject to annual change. Rates indicated in this sample schedule are for illustrative purposes only. Refer to the detailed schedule of reimbursement rates presented on page II-60.29 of this Audit Program. (b) Overclaims or underclaims must be reflected by program on the Schedule of Findings and Questioned Costs (where applicable) and in the AMR. (c) If underclaims are identified and total \$100.00 or more by program, please contact the DOA for requirements to request reimbursement from USDA. Underclaim requests may or may not be approved by USDA for reimbursement. (d) Child and Adult Care Food Program-(CACFP)-At-Risk Dinners

SCHEDULE OF MEAL COUNT ACTIVITY

FORT LEE PUBLIC SCHOOLS

FOOD SERVICE FUND

NUMBER OF MEALS SERVED AND (OVER) UNDERCLAIM -STATE

ENTERPRISE FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

PROGRAM	MEAL CATEGORY	MEALS CLAIMED	MEALS TESTED	MEALS VERIFIED	DIFFERENCE	RATE (a)	(OVER) UNDER CLAIM (b)
State Reimbursement - National School Lunch (Regular Rate)	Paid	-	-	-	-	\$ 0.050	-
State Reimbursement - National School Lunch (Regular Rate)	Reduced	-	-	-	-	\$ 0.055	-
State Reimbursement - National School Lunch (Regular Rate)	Free	-	-	-	-	\$ 0.055	-
	TOTAL	-	-	-			
Seamless Summer Option (SSO)							
Lunch	Free	143,755	143,755	143,755	-	\$ 0.055	-
Lunch	Free				-	\$ 0.255	-
	TOTAL	143,755	143,755	143,755			
Total Net Overclaim							-

Auditor Notation:

- (a) Reimbursement rates are subject to annual change. Rates indicated in this sample schedule are for illustrative purposes only. Refer to the detailed schedule of reimbursement rates presented on page II-60.29 of this Audit Program. (b) Overclaims or underclaims must be reflected by program on the Schedule of Findings and Questioned Costs (where applicable) and in the AMR. (c) State underclaims identified are not eligible for reimbursement.

FORT LEE PUBLIC SCHOOLS

Net cash resources did exceed three months of expenditures

Proprietary Funds - Food Service

FYE 2021

		Food Service		
		B - 4/5		
<u>Net Cash Resources:</u>				
ACFR	*	Current Assets		
B-4		Cash & Cash Equiv.	\$ 291,080	
B-4		Due from Other Gov'ts	230,722	
B-4		Accounts Receivable	13,028	
B-4		Investments	-	
ACFR		Current Liabilities		
B-4		Less Accounts Payable	(34,954)	
B-4		Less Accruals	-	
B-4		Less Due to Other Funds	-	
B-4		Less Unearned Revenue	<u>(61,101)</u>	
		Net Cash Resources	<u>\$ 438,775</u>	(A)

Net Adj. Total Operating Expense:

B-5		Tot. Operating Exp.	857,620	
B-5		Less Depreciation	<u>(9,420)</u>	
		Adj. Tot. Oper. Exp.	<u>\$ 848,200</u>	(B)

Average Monthly Operating Expense:

	B / 10	<u>\$ 84,820</u>	(C)
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Three times monthly Average:

	3 X C	<u>\$ 254,460</u>	(D)
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TOTAL IN BOX A	\$ 438,775
LESS TOTAL IN BOX D	<u>\$ 254,460</u>
NET	<u>\$ 184,315</u>

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

FORT LEE PUBLIC SCHOOLS

SCHEDULE OF AUDITED ENROLLMENTS

APPLICATION FOR STATE SCHOOL AID SUMMARY

ENROLLMENT AS OF OCTOBER 15, 2020

	2021-2022 Application for State School Aid						Sample for Verification						Private Schools for Disabled			
	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 Verifi- cation	Sample Verified	Sample Errors
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared				
Half Day Preschool 4 years	1		1					1		1						
Full Day Preschool 4 year	5		5					5		5						
Full Day Kindergarten	289		289					58		58						
One	309		309					57		57						
Two	291		291					75		75						
Three	287		287					81		81						
Four	280		280					77		77						
Five	274		274					274		274						
Six	280		280					280		280						
Seven	294		294					294		294						
Eight	287		287					287		287						
Nine	241		241					241		241						
Ten	240		240					240		240						
Eleven	276		276					276		276						
Twelve	228		228					228		228						
Post-Graduate																
Adult H.S. (15+CR.)																
Adult H.S. (1-14 CR.)																
Subtotal	3,582	-	3,582	-	-	-	2,474	-	2,474	-	-	-	-	-	-	-
Special Ed - Elementary	247		247				116		116				5	5	5	
Special Ed - Middle School	117		117				117		117				8	7	7	
Special Ed - High School	132		132				132		132				14	12	12	
Subtotal	496	-	496	-	-	-	365	-	365	-	-	-	27	24	24	-
Co. Voc. - Regular																
Co. Voc. Ft. Post Sec.																
Totals	4,078	-	4,078	-	-	-	2,839	-	2,839	-	-	-	27	24	24	-
Percentage Error					0.00%	0.00%					0.00%	0.00%				0.00%

SCHEDULE OF AUDITED ENROLLMENTS

**FORT LEE PUBLIC SCHOOLS
APPLICATION FOR STATE SCHOOL AID SUMMARY (continued)
ENROLLMENT AS OF OCTOBER 15, 2020**

	Resident 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	Sample Errors	Reported on A.S.S.A. as LEP Low Income		Reported on Workpapers as LEP Low Income		Errors		Sample Selected from Workpapers	Verified to Application and Register	Sample Errors
	Full	Shared	Full	Shared	Full	Shared				Full	Shared	Full	Shared	Full	Shared			
Full Day Preschool	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Full Day Kindergarten	24	-	24	-	-	-	13	13	-	6	-	6	-	-	3	3	-	3
One	25	-	25	-	-	-	15	15	-	10	-	10	-	-	5	5	-	5
Two	30	-	30	-	-	-	23	23	-	9	-	9	-	-	4	4	-	4
Three	29	-	29	-	-	-	16	16	-	4	-	4	-	-	2	2	-	2
Four	36	-	36	-	-	-	18	18	-	11	-	11	-	-	6	6	-	6
Five	57	-	57	-	-	-	14	14	-	3	-	3	-	-	2	2	-	2
Six	54	-	54	-	-	-	10	10	-	3	-	3	-	-	1	1	-	1
Seven	43	-	43	-	-	-	9	9	-	2	-	2	-	-	1	1	-	1
Eight	39	-	39	-	-	-	11	11	-	4	-	4	-	-	2	2	-	2
Nine	30	-	30	-	-	-	6	6	-	1	-	1	-	-	1	1	-	1
Ten	41	-	41	-	-	-	8	8	-	6	-	6	-	-	3	3	-	3
Eleven	42	-	42	-	-	-	10	10	-	-	-	-	-	-	-	-	-	-
Twelve	32	-	32	-	-	-	7	7	-	3	-	3	-	-	1	1	-	1
Subtotal	482	-	482	-	-	-	160	160	-	62	-	62	-	-	31	31	-	-
Sp Ed - Elementary	41	-	41	-	-	-	20	20	-	4	-	4	-	-	2	2	-	-
Sp Ed - Middle School	19	-	19	-	-	-	13	13	-	-	-	-	-	-	-	-	-	-
Sp Ed - High School	24	-	24	-	-	-	4	4	-	-	-	-	-	-	-	-	-	-
Subtotal	84	-	84	-	-	-	37	37	-	4	-	4	-	-	2	2	-	-
Total	566	-	566	-	-	-	197	197	-	66	-	66	-	-	33	33	-	-

Percentage Error 0.00% 0.00% 0.00% 0.00% 0.00% 0.00%

	Reported on DRTRS by District	Reported on DRTRS by County	Errors	Tested	Verified	Errors		
Regular - Public School	242	242	-	-	-	-		
Non-Public Transportation	-	-	-	-	-	-		
AIL Non-public	188	188	-	-	-	-		
Regular Special Education	20	20	-	-	-	-		
Special Needs	114	114	-	-	-	-		
Totals	564	564	-	-	-	-		

	Reported	Recalculated
Average mileage - regular including Grade PK students	5.9	5.9
Average mileage - regular excluding Grade PK students	5.9	5.9
Average mileage - special education with special needs	7.1	7.1

Percentage Error 0.00% 0.00%

SCHEDULE OF AUDITED ENROLLMENTS

**FORT LEE PUBLIC SCHOOLS
APPLICATION FOR STATE SCHOOL AID SUMMARY (continued)
ENROLLMENT AS OF OCTOBER 15, 2020**

	Resident LEP NOT Low Income			Sample for Verification		
	Reported on ASSA as Not Low Income	Reported on Workpapers as Not Low Income	Errors	Sample Selected from Workpapers	Verified to Application & Register	Sample Errors
Full Day Preschool	-	-		-	-	
Full Day Kindergarten	61	61		29	29	
One	54	54		26	26	
Two	41	41		20	20	
Three	31	31		15	15	
Four	21	21		10	10	
Five	4	4		2	2	
Six	8	8		4	4	
Seven	18	18		9	9	
Eight	8	8		4	4	
Nine	7	7		3	3	
Ten	16	16		8	8	
Eleven	11	11		5	5	
Twelve	3	3		1	1	
Subtotal	<u>283</u>	<u>283</u>	-	<u>136</u>	<u>136</u>	-
Sp Ed - Elementary	4	4		2	2	
Sp Ed - Middle School	3	3		1	1	
Sp Ed - High School	5	5		2	2	
Subtotal	<u>12</u>	<u>12</u>	-	<u>5</u>	<u>5</u>	-
Total	<u><u>295</u></u>	<u><u>295</u></u>	<u><u>-</u></u>	<u><u>141</u></u>	<u><u>141</u></u>	<u><u>-</u></u>
Percentage Error			<u><u>0.00%</u></u>			<u><u>0.00%</u></u>

FORT LEE PUBLIC SCHOOLS
EXCESS SURPLUS CALCULATION
JUNE 30, 2021

SECTION 1 - Regular District

B. 4% Calculation of Excess Surplus

2020-21 Total General Fund Expenditures per the ACFR, Ex. C-1	\$ 79,836,112 (B)
Increased by Applicable Operating Transfers:	
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, Post-Retirement Contributions, Long-Term Disability Insurance and Social Security	\$ 12,688,425 (B2a)
Assets Acquired Under Capital Leases	\$ - (B2b)
Adjusted 2020-21 General Fund Expenditures [(B) + (B1s) - (B2s)]	\$ 67,147,687 (B3)
4% of Adjusted 2020-21 General Fund Expenditures [(B3) times .04]	\$ 2,685,907 (B4)
Enter Greater of (B4) or \$250,000	\$ 2,685,907 (B5)
Increased by: Allowable Adjustment*	\$ 1,077,202 (K)
Maximum Unassigned/Undesignated - Unreserved Fund Balance [(B5) + (K)]	\$ 3,763,109 (M)

SECTION 2

Total General Fund - Fund Balances at 6-30-21 (Per ACFR Budgetary Comparison Schedule C-1)	\$ 22,390,902 (C)
Decreased by:	
Year-end Encumbrances	\$ 1,555,757 (C1)
Legally Restricted - Designated for Subsequent Year's Expenditures	\$ - (C2)
Legally Restricted - Excess Surplus - Designated for Subsequent Year's Expenditures**	\$ - (C3)
Other Restricted Fund Balances****	\$ 17,072,036 (C4)
Assigned Fund Balance - Unreserved - Designated for Subsequent Year's Expenditures	\$ - (C5)
Total Unassigned Fund Balance [(C)-(C1)-(C2)-(C3)-(C4)-(C5)-(C6)]	\$ 3,763,109 (U1)

FORT LEE PUBLIC SCHOOLS
EXCESS SURPLUS CALCULATION

JUNE 30, 2021

SECTION 3

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

Recapitulation of Excess Surplus as of June 30, 2021

Reserved Excess Surplus - Designated for Subsequent Year's Expenditures **	\$ _____ - (C3)
Reserved Excess Surplus *** [(E)]	\$ _____ (0) (E)
 Total Excess Surplus [(C3)+(E)]	 \$ _____ (0) (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.

Detail of Allowable Adjustments

Impact Aid	\$ _____ - (H)
Sales & Lease-back	\$ _____ - (I)
Extraordinary Aid	\$ 1,022,682 (J1)
Additional Nonpublic School Transportation Aid	\$ 54,520 (J2)
Current Year School Bus Advertising Revenue Recognized	\$ _____ - (J3)
Family Crisis Transportation Aid	\$ _____ - (J4)
 Total Adjustments [(H)+(I)+(J1)+(J2)+(J3)+(J4)]	 \$ 1,077,202 (K)

** This amount represents the June 30, 2021 Excess Surplus (C3 above) and must be included in the Audit Summary Worksheet Line 90031.

*** Amount must agree to the June 30, 2021 ACFR and must agree to Audit Summary Worksheet Line 90030.

**** Amount for Other Restricted 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 any 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.

FORT LEE PUBLIC SCHOOLS
EXCESS SURPLUS CALCULATION
JUNE 30, 2021

Detail of Other Restricted Fund Balance

Statutory restrictions:	
Approved unspent separate proposal	\$ -
Sale/lease-back reserve	\$ -
Capital reserve	\$ 13,556,828
Maintenance reserve	\$ 2,500,000
Emergency reserve	\$ 763,325
Tuition reserve	\$ -
School bus advertising 50% fuel offset reserve - current year	\$ -
School bus advertising 50% fuel offset reserve - prior year	\$ -
Impact Aid General Fund Reserve	\$ -
Impact Aid Capital Fund Reserve	\$ -
Other state/government mandated reserves	\$ -
Reserve for unemployment	\$ 251,883
Other Restricted Fund Balance not noted above	\$ -
 Total Other Restricted Fund Balance	 \$ 17,072,036 (C4)

FORT LEE PUBLIC SCHOOLS
COUNTY OF BERGEN

RECOMMENDATIONS

June 30, 2021

I. **Administration Practices and Procedures**

There are none.

II. **Financial Planning, Accounting and Reporting**

2021-001 - We suggest that a purchase order be generated and budgetary funds be encumbered prior to the purchase of goods or services.

III. **School Purchasing Program**

2021-002 - We suggest that the District strengthen existing internal controls and procedures over the procurement process. We suggest that the District maintain a purchasing email address that is maintained and accessed only by the Business Office and require each department that is soliciting competitive quotes for goods or services, in excess of the quotation threshold, to instruct those vendors that are being solicited to email any quotes directly to that purchasing email address. This will create a single point for the collection of competitive quotes and enhance segregation of duties over the process

IV. **School Food Service**

There are none.

V. **Student Body Activities**

There are none.

VI. **Application for State School Aid**

There are none.

VII. **Pupil Transportation**

There are none.

VIII. **Facilities and Capital Assets**

There are none.

IX. **Miscellaneous**

There are none.

X. **Status of Prior Year Audit Findings/Recommendations**

In accordance with *Government Auditing Standards*, our procedures included a review of the prior year recommendations; however, there were no prior year recommendations.