

**AUDITORS MANAGEMENT REPORT  
ON ADMINISTRATIVE FINDINGS -  
FINANCIAL, COMPLIANCE AND PERFORMANCE  
SCHOOL DISTRICT OF THE  
BOROUGH OF FORT LEE  
COUNTY OF BERGEN, NEW JERSEY  
JUNE 30, 2022**

**SCHOOL DISTRICT OF THE BOROUGH OF FORT LEE**  
**COUNTY OF BERGEN, NEW JERSEY**

**AUDITORS' MANAGEMENT REPORT ON ADMINISTRATIVE FINDINGS**  
**- FINANCIAL, COMPLIANCE AND PERFORMANCE**

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**WIELKOTZ & COMPANY** LLC  
CERTIFIED PUBLIC ACCOUNTANTS

STEVEN D. WIELKOTZ, CPA, RMA, PSA  
MATTHEW B. WIELKOTZ, CPA, PSA  
PAUL J. CUVA, CPA, RMA, PSA  
JAMES J. CERULLO, CPA, RMA, PSA  
KARI FERGUSON, CPA, RMA, CMFO, PSA  
ROBERT C. McNINCH, CPA, CFE, PSA  
KEVIN REEVES, CPA, PSA

401 WANAQUE AVENUE  
POMPTON LAKES, NEW JERSEY 07442  
PHONE: (973)-835-7900  
FAX: (973)-835-7900  
EMAIL: OFFICE@W-CPA.COM  
WWW.W-CPA.COM

**REPORT OF INDEPENDENT AUDITORS**

Honorable President and  
Members of the Board of Education  
Fort Lee School District  
County of Bergen, 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 Board of Education of the Fort Lee School District in the County of Bergen for the year ended June 30, 2022, and have issued our report thereon dated February 3, 2023.

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

This report is intended for the information of the Fort Lee 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. Wielkocz*

Steven D. Wielkocz, C.P.A.  
Licensed Public School Accountant  
No. 816

*Wielkocz & Company, LLC*

WIELKOTZ & COMPANY, LLC  
Certified Public Accountants  
Pompton Lakes, New Jersey

February 3, 2023



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

**GENERAL COMMENTS**

**Scope of Audit**

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

**Administrative Practices and Procedures**

Insurance

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

Officials Bonds

| <u>Name</u>        | <u>Position</u>                        | <u>Amount</u> |
|--------------------|--|---------------|
| Haquisha Q. Taylor | Business Administrator/Board Secretary | (A)           |
| Charles Hanglely   | Treasurer of School Moneys             | \$340,000     |

(A) There is an employee dishonesty crime coverage with the School Alliance Insurance Fund covering all employees with coverage of \$500,000.

**Finding 2022-001:** The amount of the treasurer's surety bond does not provide for adequate coverage as required by N.J.S.A. 18A:17-32.

**Recommendation:** The amount of the treasurer's surety bond be increased to provide adequate coverage as required by N.J.S.A. 18A:17-32.

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 school district.

## **Administrative Practices and Procedures, (continued)**

P.L. 2020, c.44, (continued)

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

The original data submission did require significant revision due to errors or omissions on the part of the district.

### **Tuition Charges**

A comparison of tentative charges and actual certified tuition charges was made. The actual costs were more than estimated costs. The Board made a proper adjustment to the billings to sending districts for the increase in per pupil costs in accordance with N.J.A.C. 6A:23A-17.1(f)3.

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

### **Examination of Claims**

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

### **Payroll Account 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 and the Board Secretary/School Business Administrator.

Salary withholdings were promptly remitted to the proper agencies, including health benefits premium amounts withholding 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.

**Finding 2022-002:** The required certification (E-CERT1) of compliance with requirements for income tax on compensation of administrators (superintendent, assistant superintendent, and business administrator) to the NJ Department of Treasury was not filed by the March 15<sup>th</sup> due date.

**Recommendation:** 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 if not yet submitted.

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.

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

The Board of Education made a merit bonus payment that a quantitative merit criterion or a qualitative merit criterion had been satisfied with prior approval by the District Board of Education and Executive County Superintendent, as required by N.J.A.C. 6A:23A-3.1(e)10.iv.

### **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 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 0.11% was noted and no additional procedures were deemed necessary to test the propriety of expenditure classification.

**Finding 2022-003:** 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*: Required Maintenance, Tuition, Accumulated Sick and Vacation Payouts.

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

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

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

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

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

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

**Finding 2022-005:** The District is not maximizing its' efforts under the Special Education Medicaid Initiative (SEMI) Program for obtaining federal funding for special education services. The second quarter 2022 SEMI report was not submitted in a timely manner.

**Recommendation:** The District should establish procedures to ensure that it maximizes its' efforts under SEMI for obtaining federal reimbursement for special education services.

**Finding 2022-006:** Current year budget appropriations in the Special Revenue Fund do not agree to award amounts.

**Recommendation:** Amounts recorded in the budget should be compared to award letters to ensure proper amounts are available for expenditures.

### **Fixed Assets**

The capital asset records were updated for the additions and disposals of capital 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. 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 Titles I, II, III and IV of the Elementary and Secondary Education Act as amended and reauthorized.

The study of compliance for E.S.E.A. indicated 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.

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

### **Other Special Federal and/or State Projects, (continued)**

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 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 \$19,600.

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.

**Finding 2022-007:** The District purchased goods/services which exceeded 15 percent of the bid threshold without soliciting at least two competitive quotations.

**Recommendation:** When awarding contracts that are less than the bid threshold but at least 15 percent or more of that amount, the district should award the contract only after soliciting at least two competitive quotations in accordance with Public School Contracts Law N.J.S.A. 18A:18A.

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

## **School Food Service**

### **Public Health Emergency**

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

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

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

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

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

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

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

Cash receipts and bank records were reviewed for timely deposit.

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. During our review of meals claimed, no exceptions were noted.

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

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

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.

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 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 not been met. 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 supply items were currently maintained and properly applied in determining the cost of food and supplies used. No exceptions were noted.

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. Net cash resources did not exceed three months average expenditures.

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

The FSMC did not apply for an receive a loan in accordance with the Payroll Protection Plan.

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

U.S.D.A. Food Distribution Program commodities were received and a separate 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.

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

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

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

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

## **Student Body Activities**

During our review of the Student Activity Funds, no exceptions were noted.

## **Application for State School Aid**

Our audit procedures included a test of information reported in the October 15, 2021 Application for State School Aid (A.S.S.A.) for on-roll, private schools for the handicapped, bi-lingual and low-income. 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 that was included on the workpapers 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.

**Finding 2022-009:** There were four instances in which the workpapers provided by the District were not in agreement with what was reported on the 2022-2023 ASSA Data Listing. There were errors in the Low Income category.

**Recommendation:** More care should be taken to ensure only eligible students are included in the Low Income category reported.

## **Pupil Transportation**

Our audit procedures included a test of on roll status reported in the 2021-2022 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.

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.

## **Pupil Transportation, (continued)**

**Finding 2022-010:** The required “B6T” for nonpublic school students were not available for three students selected for review that were classified as “Transported Non-Public and Other School Students” on the DRTRS District Summary Report.

**Recommendation:** More care should be taken to ensure each student classified as “Transported Non-Public and Other School Students” on the DRTRS District Summary Report have a completed B6T form on file prior to the October 15 deadline.

**Finding 2022-011:** That required “B7T” (Nonpublic School Transportation Payment Voucher) were not always available for four students selected for review that were classified as “AIL Non-Public and Other School Students” on the DRTRS District Summary Report.

**Recommendation:** A B7T (Nonpublic School Transportation Payment Voucher) form should be completed by students’ parents or legal guardian and on file for those individuals receiving aid-in-lieu of transportation payments from the district.

**Finding 2022-012:** There were four students selected for review that were ineligible for transportation that were included on the District Report of Transported Resident Students (DRTRS).

**Recommendation:** More care should be taken to ensure only eligible students are included on 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 did submit the annual Statement of Assurance to the Department of Education, pursuant to N.J.A.C. 6A:26-12.4(g).

### **Suggestions to Management:**

Disbursements for the establishment of petty cash should be made payable to the custodian of record for each account.

## **Follow-up on Prior Year Findings**

In accordance with government auditing standards, our procedures included a review of all prior year recommendations. Corrective action had been taken on all prior year findings, with the exception of the comments preceded with an “\*”.

**Acknowledgment**

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

Respectfully submitted,

*Steven D. Wielkotz*

Steven D. Wielkotz, C.P.A.  
Public School Accountant

*Wielkotz & Company, LLC*

WIELKOTZ & COMPANY, LLC  
Certified Public Accountants  
Pompton Lakes, New Jersey

SCHEDULE OF AUDITED ENROLLMENTS

BOROUGH OF FORT LEE SCHOOL DISTRICT  
APPLICATION FOR STATE SCHOOL AID SUMMARY  
ENROLLMENT AS OF OCTOBER 15, 2021

Year Ended June 30, 2022

| Enrollment Category     | 2022-2023 Application for State School Aid |        |            |        |        |        | Sample for Verification |        |          |        | Private Schools for Disabled       |        |                         |        |               |        |    |  |
|-------------------------|--|--------|------------|--------|--------|--------|-------------------------|--------|----------|--------|------------------------------------|--------|-------------------------|--------|---------------|--------|----|--|
|                         | Reported on SSA                            |        | Workpapers |        | Errors |        | Sample                  |        | Verified |        | Reported on SSA as Private Schools |        | Sample for Verification |        | Sample Errors |        |    |  |
|                         | Full                                       | Shared | Full       | Shared | Full   | Shared | Full                    | Shared | Full     | Shared | Full                               | Shared | Full                    | Shared | Full          | Shared |    |  |
| Half Day Preschool      | 20   |        | 20         |        |        |        | 20                      |        | 20       |        |                                    |        |                         |        |               |        |    |  |
| Full Day Preschool      | 279  |        | 279        |        |        |        | 279                     |        | 279      |        |                                    |        |                         |        |               |        |    |  |
| Half Day Kindergarten   | 322  |        | 322        |        |        |        | 322                     |        | 322      |        |                                    |        |                         |        |               |        |    |  |
| One                     | 298  |        | 298        |        |        |        | 298                     |        | 298      |        |                                    |        |                         |        |               |        |    |  |
| Two                     | 284  |        | 284        |        |        |        | 284                     |        | 284      |        |                                    |        |                         |        |               |        |    |  |
| Three                   | 254  |        | 254        |        |        |        | 254                     |        | 254      |        |                                    |        |                         |        |               |        |    |  |
| Four                    | 240  |        | 240        |        |        |        | 240                     |        | 240      |        |                                    |        |                         |        |               |        |    |  |
| Five                    | 260  |        | 260        |        |        |        | 260                     |        | 260      |        |                                    |        |                         |        |               |        |    |  |
| Six                     | 267  |        | 267        |        |        |        | 267                     |        | 267      |        |                                    |        |                         |        |               |        |    |  |
| Seven                   | 285  |        | 285        |        |        |        | 285                     |        | 285      |        |                                    |        |                         |        |               |        |    |  |
| Eight                   | 251  | 2      | 251        | 2      |        |        | 251                     | 2      | 251      | 2      |                                    |        |                         |        |               |        |    |  |
| Nine                    | 248  |        | 248        |        |        |        | 248                     |        | 248      |        |                                    |        |                         |        |               |        |    |  |
| Ten                     | 236  |        | 236        |        |        |        | 236                     |        | 236      |        |                                    |        |                         |        |               |        |    |  |
| Eleven                  | 281  |        | 281        |        |        |        | 281                     |        | 281      |        |                                    |        |                         |        |               |        |    |  |
| Twelve                  |  |        |            |        |        |        |                         |        |          |        |                                    |        |                         |        |               |        |    |  |
| Subtotal                | 3,525                                      | 2      | 3,525      | 2      |        |        | 3,525                   | 2      | 3,525    | 2      |                                    |        |                         |        |               |        |    |  |
| Special Ed. Elementary  | 235  |        | 235        |        |        |        | 93                      |        | 93       |        | 3                                  |        | 3                       |        | 3             |        | 3  |  |
| Special Ed. Middle      | 132  |        | 132        |        |        |        | 52                      |        | 52       |        | 8                                  |        | 7                       |        | 7             |        | 7  |  |
| Special Ed. High School | 133  |        | 133        |        |        |        | 52                      |        | 52       |        | 14                                 |        | 12                      |        | 12            |        | 12 |  |
| Subtotal                | 500  |        | 500        |        |        |        | 197                     |        | 197      |        | 25                                 |        | 22                      |        | 22            |        | 22 |  |
| Totals                  | 4,025                                      | 2      | 4,025      | 2      |        |        | 3,722                   | 2      | 3,722    | 2      |                                    |        | 22                      |        | 22            |        | 22 |  |
| Percentage Error        |  |        |            |        |        |        |                         |        |          |        |                                    |        |                         |        |               |        |    |  |

**SCHEDULE OF AUDITED ENROLLMENTS**

**BOROUGH OF FORT LEE  
BOARD OF EDUCATION**

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

Year ended June 30, 2022

| Enrollment category       | Low Income                         |                                      | Sample for Verification         |                                      | Resident LEP Low Income                |                                       | Sample for Verification         |                                     |
|---------------------------|------------------------------------|--------------------------------------|---------------------------------|--------------------------------------|--|---------------------------------------|---------------------------------|-------------------------------------|
|                           | Reported on A.S.S.A. as Low Income | Reported on workpapers as Low Income | Sample selected from workpapers | Verified to Application and Register | Reported on A.S.S.A. as LEP low Income | Reported on Workpapers LEP low Income | Sample Selected from Workpapers | Verified to Test score and Register |
| Half Day Preschool        |                                    |                                      |                                 |                                      |  |                                       |                                 |                                     |
| Full Day Preschool        |                                    |                                      |                                 |                                      |  |                                       |                                 |                                     |
| Half Day Kindergarten     |                                    |                                      |                                 |                                      |  |                                       |                                 |                                     |
| Full Day Kindergarten     |                                    |                                      |                                 |                                      |  |                                       |                                 |                                     |
| One                       | 30                                 | 30                                   | 11                              | 11                                   | 11                                     | 11                                    | 9                               | 9                                   |
| Two                       | 35                                 | 35                                   | 12                              | 12                                   | 12                                     | 12                                    | 10                              | 10                                  |
| Three                     | 43                                 | 43                                   | 14                              | 14                                   | 10                                     | 10                                    | 9                               | 9                                   |
| Four                      | 37                                 | 37                                   | 12                              | 12                                   | 8                                      | 8                                     | 7                               | 7                                   |
| Five                      | 36                                 | 36                                   | 12                              | 12                                   | 3                                      | 3                                     | 3                               | 3                                   |
| Six                       | 50                                 | 50                                   | 17                              | 17                                   | 4                                      | 4                                     | 3                               | 3                                   |
| Seven                     | 48                                 | 48                                   | 16                              | 16                                   | 5                                      | 5                                     | 4                               | 4                                   |
| Eight                     | 60                                 | 60                                   | 20                              | 20                                   | 5                                      | 6                                     | 5                               | 5                                   |
| Nine                      | 53                                 | 53                                   | 18                              | 18                                   | 6                                      | 6                                     | 5                               | 5                                   |
| Ten                       | 34                                 | 34                                   | 11                              | 11                                   | 3                                      | 3                                     | 3                               | 3                                   |
| Eleven                    | 34                                 | 34                                   | 12                              | 11                                   | 3                                      | 3                                     | 3                               | 3                                   |
| Twelve                    | 47                                 | 47                                   | 16                              | 16                                   | 2                                      | 2                                     | 2                               | 2                                   |
| Special Ed. Elementary    | 53                                 | 53                                   | 18                              | 15                                   | 1                                      | 1                                     | 1                               | 1                                   |
| Special Ed. Middle School | 47                                 | 47                                   | 16                              | 16                                   | 2                                      | 2                                     | 1                               | 1                                   |
| Special Ed. High School   | 45                                 | 45                                   | 15                              | 15                                   | 2                                      | 2                                     | 1                               | 1                                   |
|                           | 37                                 | 37                                   | 12                              | 12                                   | 1                                      | 1                                     |                                 |                                     |
|                           | 689                                | 689                                  | 232                             | 228                                  | 76                                     | 76                                    | 65                              | 65                                  |

**Percentage**

1.75%

**Transportation**

| Category                            | Reported on DRTS by DOE/county |              | Reported on DRTS by District |            | Errors   |        | Re-calc. |
|-------------------------------------|--------------------------------|--------------|------------------------------|------------|----------|--------|----------|
|                                     | Reported                       | by District  | Tested                       | Verified   | Reported | Errors |          |
| Regular - Public Schools, col. 1    | 250.0                          | 250.0        | 143                          | 143        |          |        | 5.9      |
| Transported- Non-Public             | 3.0                            | 3.0          | 3                            |            |          |        | 5.9      |
| Regular - Special Education, col. 4 | 48.0                           | 48.0         | 41                           | 37         |          |        | 8.0      |
| Special needs, col. 6               | 81.0                           | 81.0         | 62                           | 58         |          |        |          |
| <b>Totals</b>                       | <b>382.0</b>                   | <b>382.0</b> | <b>249</b>                   | <b>238</b> |          |        |          |

**Percentage**

4.62%



**BOROUGH OF FORT LEE  
BOARD OF EDUCATION**

**SCHEDULE OF AUDITED ENROLLMENTS**

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

Year ended June 30, 2022

| Enrollment category       | Resident LEP Not Low Income             |   |        | Sample for Verification         |                                     |               |
|---------------------------|---|---|--------|---------------------------------|-------------------------------------|---------------|
|                           | Reported on A.S.A as LEP Not low Income | Reported on Workpapers LEP Not low Income | Errors | Sample Selected from Workpapers | Verified to Test score and Register | Sample Errors |
| Half Day Preschool        |   |   |        |                                 |                                     |               |
| Full Day Preschool        |   |   |        |                                 |                                     |               |
| Half Day Kindergarten     |   |   |        |                                 |                                     |               |
| Full Day Kindergarten     | 74                                      | 74  |        | 37                              | 37                                  | 37            |
| One                       | 65                                      | 65  |        | 33                              | 33                                  | 33            |
| Two                       | 35                                      | 35  |        | 18                              | 18                                  | 18            |
| Three                     | 23                                      | 23  |        | 12                              | 12                                  | 12            |
| Four                      | 17                                      | 17  |        | 9                               | 9                                   | 9             |
| Five                      | 13                                      | 13  |        | 7                               | 7                                   | 7             |
| Six                       | 8                                       | 8   |        | 4                               | 4                                   | 4             |
| Seven                     | 10                                      | 9   | 1      | 5                               | 5                                   | 5             |
| Eight                     | 17                                      | 17  |        | 9                               | 9                                   | 9             |
| Nine                      | 6                                       | 6   |        | 3                               | 3                                   | 3             |
| Ten                       | 3                                       | 3   |        | 2                               | 2                                   | 2             |
| Eleven                    | 9                                       | 9   |        | 5                               | 5                                   | 5             |
| Twelve                    | 3                                       | 3   |        | 2                               | 2                                   | 2             |
| Special Ed. Elementary    | 5                                       | 5   |        | 3                               | 3                                   | 3             |
| Special Ed. Middle School | 1                                       | 1   |        | 1                               | 1                                   | 1             |
| Special Ed. High School   | 1                                       | 2   | (1)    | 1                               | 1                                   | 1             |
|                           | <u>290</u>                              | <u>290</u>                                |        | <u>151</u>                      | <u>151</u>                          |               |
|                           | <u>290</u>                              | <u>290</u>                                |        | <u>151</u>                      | <u>151</u>                          |               |

**Percentage**

**FORT LEE BOARD OF EDUCATION**  
**EXCESS SURPLUS CALCULATION**

**REGULAR DISTRICT**

**SECTION 1**

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

|  |                                |
|--|--------------------------------|
| 2021-22 Total General Fund Expenditures per the ACFR, Ex. C-1        | \$ <u>88,908,217</u> (B)       |
| Increased by:  |                                |
| Transfer from Capital Outlay to Capital Projects Fund                | \$ _____ (B1a)                 |
| Transfer from Capital Reserve to Capital Projects Fund               | \$ _____ (B1b)                 |
| Transfer from General Fund to SRF for PreK-Regular                   | \$ _____ (B1c)                 |
| Transfer from General Fund to SRF for PreK-Inclusion                 | \$ _____ (B1d)                 |
| Decreased by:  |                                |
| On-Behalf TPAF Pension & Social Security                             | \$ <u>15,860,850</u> (B2a)     |
| Assets Acquired Under Capital Leases                                 | \$ _____ (B2b)                 |
| Adjusted 21-22 General Fund Expenditures [(B)+(B1's)-(B2's)]         | \$ <u>73,047,367</u> (B3)      |
| 4% of Adjusted 2021-22 General Fund Expenditures<br>[(B3) times .04] | \$ <u>2,921,895</u> (B4)       |
| Enter Greater of (B4) or \$250,000                                   | \$ <u>2,921,895</u> (B5)       |
| Increased by: Allowable Adjustment *                                 | \$ <u>1,335,435</u> (K)        |
| Maximum Unreserved/Undesignated Fund Balance [(B5)+(K)]              | \$ <u><u>4,257,330</u></u> (M) |

**SECTION 2**

|   |                                 |
|---|---------------------------------|
| Total General Fund - Fund Balances @ 6-30-22<br>(Per ACFR Budgetary Comparison Schedule C-1)) | \$ <u>26,304,548</u> (C)        |
| Decreased by:   |                                 |
| Year-end Encumbrances   | \$ <u>1,428,939</u> (C1)        |
| Legally Restricted - Designated for Subsequent Year's<br>Expenditures                         | \$ _____ (C2)                   |
| Legally Restricted - Excess Surplus - Designated for<br>Subsequent Year's Expenditures **     | \$ _____ (C3)                   |
| Other Restricted Fund Balances****  | \$ <u>19,357,537</u> (C4)       |
| Assigned Fund Balance - Unreserved -- Designated<br>for Subsequent Year's Expenditures        | \$ <u>1,260,742</u> (C5)        |
| Total Unassigned Fund Balance [( C)-(C1)-(C2)-(C3)-(C4)-(C5)]                                 | \$ <u><u>4,257,330</u></u> (U1) |

**SECTION 3**

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

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

|  |                  |
|--|------------------|
| Reserved Excess Surplus - Designated for Subsequent Year's Expenditures ** | \$ <u>-</u> (C3) |
| Reserved Excess Surplus ***[(E)]   | \$ <u>0</u> (E)  |
| Total [(C3) + (E)]   | \$ <u>0</u> (D)  |

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

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

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

**Detail of Allowable Adjustments**

|  |                                |
|--|--------------------------------|
| Impact Aid   | \$ _____ (H)                   |
| Sale & Lease-back  | \$ _____ (I)                   |
| Extraordinary Aid  | \$ <u>1,335,435</u> (J1)       |
| Additional Nonpublic School Transportation Aid                             | \$ _____ (J2)                  |
| Current Year School Bus Advertising Revenue Recognized                     | \$ _____ (J3)                  |
| Family Crisis Transportation Aid   | \$ _____ (J4)                  |
| Maintenance of Equity Aid and State Military Impact Aid received July 2022 | \$ _____ (J5)                  |
| <b>Total Adjustments [(H)+{I)+(J1)+(J2)+(J3)+(J4)+(J5)]</b>                | <b>\$ <u>1,335,435</u> (K)</b> |

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

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

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

**Detail of Other Reserved Fund Balance**

|   |                               |
|---|-------------------------------|
| Statutory restrictions:                                       |                               |
| Approved unspent separate proposal                            | \$ _____                      |
| Sale/Lease-back reserve                                       | \$ _____                      |
| Capital Reserve   | \$ <u>14,784,532</u>          |
| Maintenance Reserve   | \$ <u>3,500,000</u>           |
| Emergency Reserve   | \$ <u>820,703</u>             |
| 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 (Sections 8002 and 8003)      | \$ _____                      |
| Impact Aid Capital Fund Reserve (Sections 8007 and 8008)      | \$ _____                      |
| Other state/government mandated reserve                       | \$ _____                      |
| Reserve for Unemployment Fund                                 | \$ <u>252,302</u>             |
| [Other Restricted Fund Balance not noted above]****           | \$ _____                      |
| <br>Total Other Restricted Fund Balance                       | <br>\$ <u>19,357,537</u> (C4) |

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

Recommendations:

1. Administrative Practices and Reporting

The amount of the treasurer's surety bond be increased to provide adequate coverage as required by N.J.S.A. 18A:17-32.

2. Financial Planning, Accounting and Reporting

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 if not yet submitted.

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:23-2.3(f)*.

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

The District should establish procedures to ensure that it maximizes its' efforts under SEMI for obtaining federal reimbursement for special education services.

Amounts recorded in the budget should be compared to award letters to ensure proper amounts are available for expenditures.

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

3. School Purchasing Programs

When awarding contracts that are less than the bid threshold but at least 15 percent or more of that amount, the district should award the contract only after soliciting at least two competitive quotations in accordance with Public School Contracts Law N.J.S.A. 18A:18A.

4. School Food Service

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

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

Recommendations (continued):

5. Student Body Activities

None

6. Application for State School Aid

The District should revise workpapers to reflect corrections made during the review process prior to entering the counts into the ASSA Data Listing to ensure the workpapers agree to what is reported.

7. Pupil Transportation

More care should be taken to ensure each student classified as “Transported Non-Public and Other School Students” on the DRTRS District Summary Report have a completed B6T form on file prior to the October 15 deadline.

A B7T (Nonpublic School Transportation Payment Voucher) form should be completed by students’ parents or legal guardian and on file for those individuals receiving aid-in-lieu of transportation payments from the district.

More care should be taken to ensure student I.E.P.s contain accurate information.

More care should be taken to ensure students are properly classified on the DRTRS.

8. Facilities and Capital Assets

None

9. Miscellaneous

None

10. Status of Prior Year Audit Findings/Recommendations

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