

**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, 2023**

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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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, 2023, and have issued our report thereon dated November 16, 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
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Certified Public Accountants
Pompton Lakes, New Jersey

November 16, 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>
Dina Messery	Business Administrator/Board Secretary	(A)
Charles Hanglely	Treasurer of School Moneys	\$400,000

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

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 school district.

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

Administrative Practices and Procedures, (continued)

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 2023-001: 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 15th 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.

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.

Financial Planning, Accounting and Reporting, (continued)

Payroll Account and Position Control Roster, (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 0.00% was noted and no additional procedures were deemed necessary to test the propriety of expenditure classification.

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 2023-002: The Board Secretary's and Treasurer's annual reports were not submitted to the executive county superintendent by August 1st in accordance with N.J.S.A. 18A:17-10.

Recommendation: The Board Secretary's and Treasurer's annual reports must be submitted to the executive county superintendent by August 1st in accordance with N.J.S.A. 18A:17-10.

Finding 2023-003: 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 2023-004: 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.

Finding 2023-005: There are checks greater than one year outstanding being carried as reconciling items for the following accounts: Custodian Account, Food Service Program Account, Scholarship Account, Net Payroll Account, Payroll Agency Account, High School General Organization Account and High School Athletic Association Account.

Recommendation: All stale dated checks should be investigated and cancelled if necessary.

Finding 2023-006: The Payroll Agency general ledger does not accurately reflect the available balances of individual sub-categories.

Recommendation: The general ledger should be adjusted to reflect actual liabilities and any unallocated funds should be returned to the general fund.

Finding 2023-007: There are unallocated balances being maintained in the Net Payroll and Payroll Agency Accounts.

Recommendation: The Net Payroll and Payroll Agency Accounts should be maintained as an imprest account. Any unallocated balances should be analyzed and distributed back to the proper accounts.

Financial Planning, Accounting and Reporting, (continued)

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.

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 \$20,200.

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

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

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

School Food Service

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

SFAs were notified of the requirement to maintain and report separate meal count records and financial records of all applicable costs incurred in providing meals to all Free and Reduced Price meal eligible 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. No exceptions were 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 statement of revenues, expenses, and changes in fund net position (ACFR exhibit B-5) does separate program and non-program revenue and program and non-program cost of goods sold.

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.

Net cash resources did exceed three month's average expenditures.

Finding 2023-008: 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, the following was noted.

Finding 2023-009: The High School Athletic Association account has a negative reconciled balance of \$1,889.49 as of June 30, 2023.

Recommendation: More care be taken to ensure sufficient funds are available prior to the issuance of checks.

Application for State School Aid

Our audit procedures included a test of information reported in the October 14, 2022 Application for State School Aid (A.S.S.A.) for on-roll, private schools for the handicapped, 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 2023-010: There were instances in which the workpapers provided by the District were not in agreement with what was reported on the 2023-2024 ASSA Data Listing. The following errors were noted in the following categories: On Roll (6), Private School (3), Resident Low Income (4), Resident LEP Not Low Income (1). In addition, our test work revealed errors in the following categories: On-Roll (3), Low Income (18), Resident LEP Low Income (8), Resident LEP Not Low Income (1).

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

Pupil Transportation

Our audit procedures included a test of on roll status reported in the 2022-2023 District Report of Transported Resident Students (DRTRS). The information 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 2023-011: There were instances in which students eligible mileage did not exceed the mileage requirement of 2.1 miles or more for S1 grade levels or 2.6 miles or more for S2 grade levels and their Individualized Education Program (IEP) did not require transportation, however these students were still included on the 2022-2023 DRTRS submission.

Recommendation: Students classified on DRTRS should either meet the eligible mileage requirements or have transportation required as part of their Individualized Education Program (IEP).

Continuing Disclosure Agreements

The school district complied with continuing disclosure agreements made in relation to prior year(s) bond issuances.

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 Governmental Auditing Standards, our procedures included a review of all prior year recommendations and corrective action was taken on all.

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

Acknowledgment

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

Respectfully submitted,

Steven D. Wielkotz

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

Wielkotz & Company, LLC

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

**BOROUGH OF FORT LEE
BOARD OF EDUCATION**

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

<u>Net Cash Resources:</u>		Food Service B - 4/5	
ACFR	*	Current Assets	
B-4		Cash & Cash Equiv.	\$ 967,413
B-4		Due from Other Gov'ts	111,910
ACFR		Current Liabilities	
B-4		Less Accounts Payable	(5,150)
B-4		Less Prepaid Revenue	(69,754)
B-4		Less Deferred Revenue	(103,545)
		Net Cash Resources	\$ 900,874 (A)

Net Adj. Total Operating Expense:

B-5	Tot. Operating Exp.	2,146,858	
B-5	Less Depreciation	(14,148)	
	Adj. Tot. Oper. Exp.	\$ 2,132,710	(B)

Average Monthly Operating Expense:

	B / 10	\$ 213,271	(C)
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Three times monthly Average:

	3 X C	\$ 639,813	(D)
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TOTAL IN BOX A	\$	900,874.00	
LESS TOTAL IN BOX D	\$	639,813.00	
NET	\$	261,061.00	
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

**BOROUGH OF FORT LEE
BOARD OF EDUCATION**

SCHEDULE OF AUDITED ENROLLMENTS

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

Year ended June 30, 2023

Enrollment category	Resident LEP Not Low Income			Sample for Verification		
	Reported on A.S.A as LEP Not low Income	Reported on Workpapers LEP Not low Income	Errors	Sample Selected from Workpapers	Verified to Test score and Register	Sample Errors
Half Day Preschool	72	72		30	30	
Full Day Preschool	60	60		28	27	1
Half Day Kindergarten	50	51	(1)	25	25	
Full Day Kindergarten	33	33		15	15	
One	21	21		12	12	
Two	12	12		5	5	
Three	15	15		6	6	
Four	12	12		5	5	
Five	13	13		9	9	
Six	15	15		7	7	
Seven	7	7		4	4	
Eight	7	7		5	5	
Nine	7	7		4	4	
Ten	6	5	1	3	3	
Eleven	-	-		-	-	
Twelve	2	1	1	1	1	
Special Ed. Elementary	332	331	1	159	158	1
Special Ed. Middle School						
Special Ed. High School	332	331	1	159	158	1
Percentage			<u>0.30%</u>			<u>0.63%</u>

FORT LEE BOARD OF EDUCATION
EXCESS SURPLUS CALCULATION

REGULAR DISTRICT

SECTION 1

A. 2% Calculation of Excess Surplus

2022-23 Total General Fund Expenditures per the ACFR, Ex. C-1	\$ <u>98,835,295</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>16,799,889</u>	(B2a)
Assets Acquired Under Capital Leases	\$ _____	(B2b)
Adjusted 22-23 General Fund Expenditures [(B)+(B1's)-(B2's)]	\$ <u>82,035,406</u>	(B3)
2% of Adjusted 2022-23 General Fund Expenditures [(B3) times .02]	\$ <u>1,640,708</u>	(B4)
Enter Greater of (B4) or \$250,000	\$ <u>1,640,708</u>	(B5)
Increased by: Allowable Adjustment *	\$ <u>1,125,889</u>	(K)
Maximum Unreserved/Undesignated Fund Balance [(B5)+(K)]		\$ <u><u>2,766,597</u></u> (M)

SECTION 2

Total General Fund - Fund Balances @ 6-30-23 (Per ACFR Budgetary Comparison Schedule C-1))	\$ <u>24,232,036</u>	(C)
Decreased by:		
Year-end Encumbrances	\$ <u>2,431,338</u>	(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****	\$ <u>14,511,016</u>	(C4)
Assigned Fund Balance - Unreserved -- Designated for Subsequent Year's Expenditures	\$ <u>2,523,085</u>	(C5)
Total Unassigned Fund Balance [(C)-(C1)-(C2)-(C3)-(C4)-(C5)]		\$ <u><u>4,766,597</u></u> (U1)

SECTION 3

Restricted Fund Balance - Excess Surplus*** [(U1)-(M)] IF NEGATIVE ENTER -0- \$ 2,000,000 (E)

Recapitulation of Excess Surplus as of June 30, 2023

Reserved Excess Surplus - Designated for Subsequent Year's Expenditures **	\$ - (C3)
Reserved Excess Surplus ***[(E)]	\$ <u>2,000,000</u> (E)
Total [(C3) + (E)]	\$ <u>2,000,000</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 receive July 2023

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

Detail of Allowable Adjustments

Impact Aid	\$ _____ (H)
Sale & Lease-back	\$ _____ (I)
Extraordinary Aid	\$ <u>1,059,745</u> (J1)
Additional Nonpublic School Transportation Aid	\$ <u>66,144</u> (J2)
Current Year School Bus Advertising Revenue Recognized	\$ _____ (J3)
Family Crisis Transportation Aid	\$ _____ (J4)
Supplemental Stabilization Aid received April 2023 & Maintenance of Equity Aid received July 2023	\$ _____ (J5)
Total Adjustments [(H)+{I)+(J1)+(J2)+(J3)+(J4)+(J5)]	\$ <u>1,125,889</u> (K)

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

*** Amounts must agree to the June 30, 2023 ACFR and must agree to Audit Summary Worksheet Line 90030.

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

Detail of Other Reserved Fund Balance

Statutory restrictions:	
Approved unspent separate proposal	\$ _____
Sale/Lease-back reserve	\$ _____
Capital Reserve	\$ <u>9,931,747</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>258,566</u>
[Other Restricted Fund Balance not noted above]****	\$ _____
 Total Other Restricted Fund Balance	 \$ <u>14,511,016</u> (C4)

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

Recommendations:

1. Administrative Practices and Reporting

None

2. Financial Planning, Accounting and Reporting

The 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 Board Secretary's and Treasurer's annual reports must be submitted to the executive county superintendent by August 1st in accordance with N.J.S.A. 18A:17-10.

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.

All stale dated checks should be investigated and cancelled if necessary.

The general ledger should be adjusted to reflect actual liabilities and any unallocated funds should be returned to the general fund.

The Net Payroll and Payroll Agency Accounts should be maintained as an imprest account. Any unallocated balances should be analyzed and distributed back to the proper accounts.

3. School Purchasing Programs

None

4. School Food Service

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

5. Student Body Activities

More care be taken to ensure sufficient funds are available prior to the issuance of checks.

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

Recommendations (continued):

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

Students classified on DRTRS should either meet the eligible mileage requirements or have transportation required as part of their Individualized Education Program (IEP).

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.