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, 2025

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

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

TABLE OF CONTENTS

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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, 2025, and have issued our report thereon dated December 9, 2025.

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. Wielkotz

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

Wielkotz & Company, LLC

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

December 9, 2025

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

Name	Position	Amount
Michael Steinmetz	Business Administrator/Board Secretary	(A)
Charles Hangley	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.

> **Finding 2025-001:** 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.
>
> ***Finding 2025-002:** There were instances in which enrolled employees health benefits deductions were not being calculated correctly.
>
> ***Recommendation:** The District should review all information input into the system for health benefit contribution calculations and make necessary adjustments to ensure all enrolled employee health benefit deductions are calculated correctly.

Payrolls were delivered to the Secretary of the Board who then deposited with warrants in separate bank accounts for net payroll and withholdings.

Reporting of employee compensation for income tax related purposes did comply with federal and state regulations regarding the compensation which is required to be reported.

<u>Financial Planning, Accounting and Reporting</u>, (continued)

<u>Position Control Roster</u>

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.

<u>Reserve for Encumbrances, Liability for Accounts Payable</u>

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.

<u>Travel</u>

> **<u>Finding 2025-003</u>:** There were instances in which employees received travel reimbursement for unallowable expenses including taxes, valet parking, and premium upgrades.
>
> **<u>Recommendation</u>:** Reimbursed travel expenditures should only be made in accordance with the Board's travel policy.

<u>Classification of Expenditures</u>

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 0.04% was noted and no additional procedures were deemed necessary to test the propriety of expenditure classification.

> **<u>Finding 2025-004</u>:** 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.
>
> **<u>Recommendation</u>:** Districts should reference The Uniform Minimum Chart of Accounts for New Jersey Public Schools and other available reference materials, such as the Budget Guidelines for the proper classifications required to be in compliance with N.J.A.C. 6A:23A-16.2(f).

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 2025-005:** Amounts recorded in the Special Revenue Fund subsidiary ledger do not agree to award amounts and/or approved carryover amounts.

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

Finding 2025-006: There were various deposits into the Net Payroll Account and Payroll Agency Account which exceed the amounts reported as net wages on the Posted Wage, Tax and Deductions Report.

Recommendation: Amounts transferred into the Net Payroll Account and Payroll Agency Account should agree to the payroll reports to ensure appropriate funds are available.

Finding 2025-007: The District incurred significant IRS penalties for failure to furnish payee statements or required information and failure to file correct information returns for forms 194 and 1095C for the period ending December 31, 2022. The District also incurred significant IRS penalties for failure to make a proper tax deposit for the period ending December 31, 2024.

Recommendation: More care should be taken when completing and submitting required tax filings to ensure no penalties are incurred.

Treasurer’s Records

The Treasurer’s records were found to be in good order

Capital 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.

Financial Planning, Accounting and Reporting, (continued)

Other Special Federal and/or State Projects

The District's Special Projects were approved as listed on Schedule K-3 and Schedule K-4 located in the ACFR.

Our audit of the federal and state funds on a test basis indicated that 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 the following areas of noncompliance:

> **Finding 2025-008:** Expense amounts included in the final expenditure reports did not agree to amounts recorded in the District's accounting system resulting in amounts that are required to be returned to the grantor.
>
> **Recommendation:** More care be taken to ensure expenses included in the reimbursement requests and/or final expenditure reports agree to the subsidiary ledgers.
>
> **Finding 2025-009 (ACFR Finding 2025-003):** There were instances in which the individual student applications contained errors and/or omissions of information that should have been included in the district prepared EXAID work papers. Incorrect amounts were used for related services, additional support costs and deductions on work papers.
>
> **Recommendations:** The district should review the individual student on-line forms prior to final submission of the EXAID application to ensure the forms are complete and the information agrees to the supporting documentation for the work papers prepared.

T.P.A.F. Reimbursement

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

T.P.A.F. Reimbursement to the State for Federal Salary Expenditures

The amount of the expenditure charged to the current year's Final Reports for all federal awards for the school district to reimburse the State for the TPAF/FICA payments made by the State on-behalf of the school district for those employees whose salaries are identified as being paid from federal funds was made prior to the end of the 90 day grant liquidation period required by the Office of Grants Management. The expenditure was reviewed subsequent to the reimbursement and no exceptions were noted.

Nonpublic State Aid

Project completion reports were finalized and transmitted to the State Department of Education by the due date.

School Purchasing Programs

Contracts and Agreements Requiring Advertisement for Bids

N.J.S.A. 18A:18A-2 contains definitions for terms used throughout N.J.S.A. 18A:18A-1 et seq. It includes as subsection (p) the term ‘competitive contracting’, which is defined as “the method described in N.J.S.A. 18A:18A-4.1 through 18A:18A-4.5 and in rules promulgated by DCA at N.J.A.C. 5:34-4 of contracting for specialized goods and services in which formal proposals are solicited from vendors; formal proposals are evaluated by the purchasing agent or counsel or school business administrator; and the board of education awards a contract to a vendor or vendors from among the formal proposals received.” Also, subsection (aa) defines the term ‘concession’ to exclude vending machines.

N.J.S.A. 18A:18A-3(a) sets forth the bid threshold and requires award by board resolution. There is a higher threshold when there is a “Qualified Purchasing Agent” (QPA) in the district as defined at N.J.A.C. 5:34-1.1 and certified upon approval of an application submitted to DCA. Pursuant to N.J.S.A. 18A:18A-3(b), the bid threshold may be adjusted by the Governor, in consultation with the Department of Treasury, every five years.

N.J.S.A. 18A:18A-4.4 provides boards of education the authority to pass a resolution authorizing the use of competitive contracting. “In order to initiate competitive contracting, the board of education shall pass a resolution authorizing the use of competitive contracting each time specialized goods or services enumerated in sections 45 of L. 1999, c.440 are desired to be contracted.”

Effective July 1, 2020 and thereafter, the bid thresholds in accordance with N.J.S.A. 18A:18A-2 and 18A:18A-3(a) are $44,000 (with a Qualified Purchasing Agent) and $32,000 (without a Qualified Purchasing Agent), respectively. The law regulating bidding for public school student transportation contracts under N.J.S.A. 18A:39-3 is currently $22,400.

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

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

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

School Food Service

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 fund service personnel, as to whether the School Fund 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.

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

> ***Finding 2025-010:** 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 exceptions were noted:

> **Finding 2025-011:** There were instances in which reimbursements were made for unallowable expenses out of the Middle School and High School Student Activity Accounts.
>
> **Recommendation:** Disbursements out of the student activity accounts should be restricted to specifically identified student activities.

Application for State School Aid

Our audit procedures included a test of information reported in the October 15, 2024 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.

Application for State School Aid, (continued)

> **Finding 2025-012 (ACFR Finding 2025-001):** The student data listing ASSA workpaper provided by the district was not in agreement with what was reported on the *2025-2026 Application for State School Aid - Data Listing*. In addition, students reported as Resident Low Income, Resident Low Income Limited English Proficient and Resident Limited English Proficient not Low Income could not be verified to supporting documents.
>
> **Recommendation:** The District should maintain workpapers that reflect an accurate listing of the students claimed in each of the categories on the Application for State School Aid. In addition, the district should maintain supporting documentation that provides an audit trail for testing for each child claimed.

The District has adequate written procedures for the recording of student enrollment data.

Pupil Transportation

Our audit procedures included a test of on roll status reported in the 2024-2025 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.

> **Finding 2025-013 (ACFR Finding 2025-002):** Students reported as Regular-Public Schools (Col. 1), Regular-Special Education (Col. 4) and Special Needs (Col. 6) on the October 2024 DRTRS Summary Report could not be verified to supporting documentation.
>
> **Recommendation:** The district should maintain supporting documentation that provides an audit trail for testing for each child reported on the DRTRS.

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.

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).

Follow-up on Prior Year Findings

In accordance with Governmental Auditing Standards, our procedures included a review of all prior year recommendations and findings. Corrective action had been taken on all prior year findings with the exception of the following, which is repeated in this year's recommendations notes as current year findings "2025-002, 2025-005 and 2025-010":

> The District should review all information input into the system for health benefit contribution calculations and make necessary adjustments to ensure all enrolled employee health benefit deductions are calculated correctly (2025-002).
>
> That amounts recorded in the subsidiary ledgers be compared to award letters and/or carryover amount authorizations to ensure proper amounts are available for expenditures (2025-005).
>
> That the District take steps to improve the nonprofit school food service program to reduce the Net Cash Resources (2025-010).

There were no Office of Fiscal Accountability and Compliance audit reports issued during the fiscal year ended June 30, 2025.

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, 2025

			Food Service B - 4/5	
Net Cash Resources:				
ACFR	*	**Current Assets**		
B-4		Cash & Cash Equiv.	$ 968,179	
B-4		Due from Other Gov'ts	116,458	
ACFR		**Current Liabilities**		
B-4		Less Accounts Payable	(238,497)	
B-4		Less Prepaid Revenue	(70,133)	
B-4		Less Deferred Revenue	(23,890)	
		Net Cash Resources	**$ 752,117**	**(A)**
Net Adj. Total Operating Expense:				
B-5		Tot. Operating Exp.	2,059,708	
B-5		Less Depreciation	(16,019)	
		Adj. Tot. Oper. Exp.	**$ 2,043,689**	**(B)**
Average Monthly Operating Expense:				
		B / 10	**$ 204,369**	**(C)**
Three times monthly Average:				
		3 X C	**$ 613,107**	**(D)**

TOTAL IN BOX A	$ 752,117.00
LESS TOTAL IN BOX D	$ 613,106.70
NET	**$ 139,010.30**

From above:

A is greater than D, cash exceeds 3 X average monthly operating expenses.
D is greater than A, cash does not exceed 3 X average monthly operating expenses.

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

SOURCE - USDA resource management comprehensive review forn

SCHEDULE OF AUDITED ENROLLMENTS

BOROUGH OF FORT LEE SCHOOL DISTRICT
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2024

Year Ended June 30, 2025

	2025-2026 Application for State School Aid						Sample for Verification						Private Schools for Disabled			
	Reported on ASSA On Roll		Reported on Workpapers On Roll		Errors		Sample Selected from Workpapers		Verified per Registers On Roll		Errors per Registers On Roll		Reported on ASSA as Private Schools	Sample for Verification	Sample Verified	Sample Errors
Enrollment Category	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared				
Half Day Preschool	1				1											
Full Day Preschool	35		25		10		25		25							
Half Day Kindergarten																
Full Day Kindergarten	247		247				247		247							
One	279		279				279		279							
Two	270		270				270		270							
Three	265		265				265		265							
Four	296		296				296		296							
Five	280		280				280		280							
Six	271		271				271		271							
Seven	237		237				237		237							
Eight	238		238				238		238							
Nine	231		231				231		231							
Ten	246		246				246		246							
Eleven	268		268				268		268							
Twelve	262		262				262		262							
Subtotal	3,426		3,415		11		3,415		3,415							
Special Ed. Elementary	271		271				93		93				4	4	4	
Special Ed. Middle	146		146				49		49				3	3	3	
Special Ed. High School	160		158		2		55		55				19	11	11	
Subtotal	577		575		2		197		197				26	18	18	
Totals	4,003		3,990		13		3,612		3,612				26	18	18	
Percentage Error					0.32%											

SCHEDULE OF AUDITED ENROLLMENTS

BOROUGH OF FORT LEE
BOARD OF EDUCATION

Application for State School Aid Summary
Enrollment as of October 15, 2024

Year ended June 30, 2025

	Low Income			Sample for Verification			Resident LEP Low Income			Sample for Verification		
Enrollment category	Reported on A.S.SA. as Low Income	Reported on workpapers as Low Income	Errors	Sample selected from workpapers	Verified to Application and Register	Errors	Reported on A.S.S.A as LEP low Income	Reported on Workpapers LEP low Income	Errors	Sample Selected from Workpapers	Verified to Test score and Register	Sample Errors
Half Day Preschool												
Full Day Preschool												
Half Day Kindergarten												
Full Day Kindergarten	52	52		10	10		22	22		16	12	4
One	45	45		16	16		22	22		16	16	
Two	58	58		15	15		21	21		15	15	
Three	38	38		10	10		12	12		9	9	
Four	49	49		13	13		11	11		7	4	3
Five	52	52		14	14		8	8		5	3	2
Six	48	48		13	13		8	8		5	3	2
Seven	53	53		14	14		6	6		4	2	2
Eight	55	55		14	14		8	8		5	3	2
Nine	62	60	2	16	16		5	5		3	3	
Ten	60	60		16	16		8	8		5	4	1
Eleven	51	50	1	13	13		2	2		1	1	
Twelve	48	48		14	14		2	3	(1)	1	1	
Special Ed. Elementary	94	94		25	25		11	11		7	3	4
Special Ed. Middle School	53	52	1	13	13		1	1		1	1	
Special Ed. High School	63	61	2	16	15	1	2	2		1	1	
	881	875	6	232	231	1	149	150	(1)	101	81	20
Percentage			0.69%			0.43%			-0.67%			24.69%

Transportation

Category	Reported on DRTRS by DOE/county	Reported on DRTRS by District	Errors	Tested	Verified	Errors
Regular - Public Schools, col. 1	117.0	117.0		80	56	24
Transported- Non-Public						
Regular - Special Education, col. 4	29.0	29.0		25	23	2
Special needs, col. 6	100.0	100.0		76	75	1
Totals	246.0	246.0		181	154	27
Percentage						17.53%

	Reported	Re-calc.
Avg. Mileage - Regular Excluding Grade PK	7.6	7.6
Avg. Mileage - Regular Including Grade PK	7.6	7.6
Avg. Mileage - Special Ed with Special Needs	6.3	6.3

BOROUGH OF FORT LEE
BOARD OF EDUCATION

SCHEDULE OF AUDITED ENROLLMENTS

Application for State School Aid Summary
Enrollment as of October 15, 2024

Year ended June 30, 2025

	Resident LEP Not Low Income			Sample for Verification		
Enrollment category	Reported on A.S.S.A as LEP Not low Income	Reported on Workpapers LEP Not low Income	Errors	Sample Selected from Workpapers	Verified to Test score and Register	Sample Errors
Half Day Preschool						
Full Day Preschool						
Half Day Kindergarten						
Full Day Kindergarten	59	59		28	20	8
One	47	47		23	21	2
Two	47	47		23	22	1
Three	46	46		22	16	6
Four	39	39		19	8	11
Five	18	18		9	6	3
Six	21	21		9	2	7
Seven	14	14		7	5	2
Eight	13	13		6	5	1
Nine	16	16		8	5	3
Ten	18	18		9	7	2
Eleven	9	9		4	4	
Twelve	10	10		5	5	
Special Ed. Elementary	17	17		7	2	5
Special Ed. Middle School	4	4		2	1	1
Special Ed. High School						
	378	378		181	129	52
	378	378		181	129	52
Percentage						40.31%

FORT LEE BOARD OF EDUCATION
EXCESS SURPLUS CALCULATION

REGULAR DISTRICT

SECTION 1

A. 2% Calculation of Excess Surplus

2024-25 Total General Fund Expenditures per the ACFR, Ex. C-1	$ 102,674,188	(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	$ 17,846,667	(B2a)		
Assets Acquired Under Capital Leases	$	(B2b)		
Adjusted 24-25 General Fund Expenditures [(B)+(B1's)-(B2's)]	$ 84,827,521	(B3)		
2% of Adjusted 2024-25 General Fund Expenditures [(B3) times .02]	$ 1,696,550	(B4)		
Enter Greater of (B4) or $250,000	$ 1,696,550	(B5)		
Increased by: Allowable Adjustment *	$ 122,164	(K)		
Maximum Unreserved/Undesignated Fund Balance [(B5)+(K)]			$ 1,818,714	(M)

SECTION 2

Total General Fund - Fund Balances @ 6-30-25 (Per ACFR Budgetary Comparison Schedule C-1))	$ 24,740,018	(C)		
Decreased by:				
Year-end Encumbrances	$ 651,786	(C1)		
Legally Restricted - Designated for Subsequent Year's Expenditures	$	(C2)		
Legally Restricted - Excess Surplus - Designated for Subsequent Year's Expenditures **	$ 3,000,000	(C3)		
Other Restricted Fund Balances****	$ 15,340,022	(C4)		
Assigned Fund Balance - Unreserved -- Designated for Subsequent Year's Expenditures	$ 929,496	(C5)		
Total Unassigned Fund Balance [(C)-(C1)-(C2)-(C3)-(C4)-(C5)]			$ 4,818,714	(U1)

SECTION 3

Restricted Fund Balance - Excess Surplus*** [(U1)-(M)] IF NEGATIVE ENTER -0-	$	3,000,000	(E)

Recapitulation of Excess Surplus as of June 30, 2025

Reserved Excess Surplus - Designated for Subsequent Year's Expenditures **	$	3,000,000	(C3)
Reserved Excess Surplus ***[(E)]	$	3,000,000	(E)
Total [(C3) + (E)]	$	6,000,000	(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

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	$	42,774	(J1)
Additional Nonpublic School Transportation Aid	$	79,390	(J2)
Current Year School Bus Advertising Revenue Recognized	$		(J3)
Family Crisis Transportation Aid	$		(J4)
Supplemental Stabilization Aid & Maintenance of Equity Aid	$		(J5)
Total Adjustments [(H)+{I)+(J1)+(J2)+(J3)+(J4)+(J5)]	$	122,164	(K)

** This amount represents the June 30, 2025 Excess Surplus (C3 above) and must be included in the Audit Summary Worksheet Line 90031.

*** Amounts must agree to the June 30, 2025 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	$	11,560,556
Maintenance Reserve	$	2,800,000
Emergency Reserve	$	802,429
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	$	177,037
[Other Restricted Fund Balance not noted above]****	$	
Total Other Restricted Fund Balance	$	15,340,022 (C4)

FORT LEE BOARD OF EDUCATION
AUDIT RECOMMENDATIONS SUMMARY
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

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-CERT if not yet submitted.

   *The District should review all information input into the system for health benefit contribution calculations and make necessary adjustments to ensure all enrolled employee health benefit deductions be calculated correctly.

   Reimbursed travel expenditures should only be made in accordance with the Board's travel policy.

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

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

   Amounts transferred to into the Net Payroll Account and Payroll Agency Account should agree to the payroll reports to ensure appropriate funds are available.

   More care should be taken when completing and submitting required tax filings to ensure no penalties are incurred.

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

   The district should review the individual student on-line forms prior to final submission of the EXAID application to ensure the forms are complete and the information agrees to the supporting documentation for the work papers prepared.

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.

FORT LEE BOARD OF EDUCATION
AUDIT RECOMMENDATIONS SUMMARY
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Recommendations (continued):

5. Student Body Activities

   Disbursements out of the student activity accounts should be restricted to specifically identified student activities.

6. Application for State School Aid

   The District should maintain workpapers that reflect an accurate listing of the students claimed in each of the categories on the Application for State School Aid. In addition, the district should maintain supporting documentation that provides an audit trail for testing for each child claimed.

7. Pupil Transportation

   The district should maintain supporting documentation that provides an audit trail for testing for each child reported 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, with the exception of the recommendations preceded with and "*".