

**Fort Lee Public Schools  
Fort Lee, New Jersey  
MANAGEMENT REPORT ON ADMINISTRATIVE FINDINGS–  
FINANCIAL, COMPLIANCE AND PERFORMANCE  
June 30, 2017**

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

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## INDEPENDENT AUDITORS' REPORT

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the basic financial statements of the Board of Education of the Fort Lee Public Schools, County of Bergen as of and for the year ended June 30, 2017, and have issued our report thereon dated December 4, 2017.

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

This report is intended solely for the information and use of the Fort Lee Public Schools Board of Education's management and Board members and the New Jersey Department of Education and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

*PKF O'Connor Davies, LLP*

PKF O'Connor Davies, LLP  
Cranford, New Jersey  
December 4, 2017

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

David J. Gannon  
Licensed Public School Accountant  
No. 2305

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

**JUNE 30, 2017**

**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

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

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

<u>Name</u>	<u>Position</u>	<u>Amount</u>
Haquisha Taylor	Board Secretary/School Business Administrator	\$200,000
Charles Hangle	Treasurer of School Moneys	\$340,000

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

Tuition Charges

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

**Financial Planning, Accounting and Reporting**

Examination of Claims

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

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.

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

**JUNE 30, 2017**

All payrolls tested were approved by the Superintendent and were certified by the President of the Board, the Board Secretary/Business Administrator, and the Superintendent.

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

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

Our review of the payroll accounts did not reveal any exceptions.

Reserve for Encumbrances and Accounts Payable

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

Classification of Expenditures

The coding of expenditures was tested for proper classification in accordance with *N.J.A.C. 6A:23A-16.2(f)* as part of our test of transactions of randomly selected expenditure items. We also reviewed the coding of all expenditures included in our compliance and single audit testing procedures. In addition to our selected test samples, our sample selection specifically targeted administrative coding classifications to determine overall reliability and compliance with *N.J.A.C. 6A:23A-8.3*. No exceptions were noted.

Board Secretary's Records

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

***Finding 2017-001***

**Significant Deficiency in Internal Control**

***Criteria:***

A properly functioning financial statement close process provides an adequate internal control system to ensure that appropriate month and year-end internal controls are in place to ensure that financial statements produced on a timely basis and are materially accurate.

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

**JUNE 30, 2017**

***Condition:***

The District's business office personnel perform certain financial statement close process procedures on a monthly basis and at year end which include the posting of journal entries and other various accruals and reconciliations. During our audit, we noted some opportunities for improvement as it relates to the District's financial statement close process.

***Context:***

In addition to the District maintaining its general ledger on Systems 3000, the District also maintained the activity of the food service fund, certain capital projects activity and certain capital lease activity in Quick Books. This process of maintaining this information separate from the District's general ledger was started prior to the 2016 fiscal year.

As a result of not maintaining all activity within the general ledger, the District's 2016 financial statements were required to be re-stated for the omission of cash and fund balance in the amount of \$4,353,116 related to its energy savings improvement program. Additionally, \$1,218,328 of expenditures from the 2016 fiscal year were omitted and not capitalized as construction in progress as of June 30, 2016.

The following was also noted:

- By not maintaining all funds within one general ledger system, it was difficult to track and reconcile inter fund activity;
- Capital projects fund cash from June 30, 2016 was under-stated by \$54,950;
- The District maintained deferred charges for bond issuance costs on its balance sheet in the amount of \$255,403 that should have been written off when GASB Statement No. 65 was implemented in the 2014 fiscal year;
- The District amortized its bond premium over a 10 year period when it should have been amortized over a 20 year period resulting in a misstatement of \$496,169.

***Cause and Effect:***

An appropriately designed financial statement close process, as well as a general ledger system that encompasses all of the financial activity of the organization, will reduce the risk of errors in the financial statements.

***Recommendation:***

We suggest that the District ensure all of the financial activity of the organization is processed and recorded within one general ledger system.

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

**JUNE 30, 2017**

Unemployment Compensation Insurance Trust Fund

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

Elementary and Secondary Education Act (E.S.E.A.)/Improving America's Schools Act (I.A.S.A.), as reauthorized by the No Child Left Behind (N.C.L.B.) Act of 2001

The E.S.E.A./NCLB financial exhibits are contained within the Special Revenue Section of the CAFR. This section of the CAFR documents the financial position pertaining to the projects under Title I and Title VI of the Elementary and Secondary Education Act as amended and reauthorized.

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

Other Special Federal and/or State Projects

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

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 CAFR. This section of the CAFR documents the financial position pertaining to the aforementioned special projects.

The study of compliance for the special projects indicated no instances of noncompliance.

T.P.A.F. Reimbursement

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

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

**JUNE 30, 2017**

TPAF Reimbursement to the State for Federal Salary Expenditures

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

**School Purchasing Programs**

Contracts and Agreements Requiring Advertisement for Bids

Effective July 1, 2015 and thereafter, the bid thresholds in accordance with *N.J.S.A. 18A:18A-2* and *18A:18A-3(a)* are \$40,000 (with a Qualified Purchasing Agent) and \$29,000 (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 \$18,800.

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

The results of our examination, performed on a test basis, indicated the following are for improvement.

Resolutions were adopted authorizing the awarding of contracts 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 food service personnel, as to whether the 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. No exceptions were noted.

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.



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

**JUNE 30, 2017**

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

**Student Body Activities**

During our review of the student activity funds, the following item was noted.

***Finding 2017-002:***

During our testing of cash receipts, we noted instances in whereby cash receipts were not deposited within a timely basis. Additionally, we noted instances in which it was not documented as to the date the cash was received and therefore could not be tested for timeliness of the cash receipt deposits.

***Recommendation:***

We suggest that cash be deposited at the bank no less than five business days, or shorter if dictated by the Board policy. The cash receipts presented for deposit should provide evidence of the dates collected and the supporting documentation for the deposit. All documentation should be retained with the deposit transaction as support for the deposit. This practice will strengthen the internal control process over student activity cash receipts.

**Application for State School Aid**

Our audit procedures included a test of information reported in the October 15, 2016 Application for State School Aid (A.S.S.A.) for on-roll, private schools for the handicapped, low-income and bilingual. We also performed a review of the District procedures related to its completion. The information on the A.S.S.A. was compared to the District workpapers without material exceptions. The information that was included on the work papers was verified without exception.

The results of our procedures are presented in the Schedule of Audited Enrollments.

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

**Pupil Transportation**

Our audit procedures included a test of on-roll status reported in the 2016-2017 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.

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

**JUNE 30, 2017**

The results of our procedures are presented in the Schedule of Audited Enrollments and no exceptions were noted.

Our procedures also included a review of transportation related contracts and purchases. Based on our review, the District complied with proper bidding procedures and award of contracts. The bid specifications for the purchase of buses were in compliance with applicable statutes. No exceptions were noted in our review of transportation related purchases of goods and services.

**Facilities and Capital Assets**

Our procedures included a review of the New Jersey Schools Development Authority (“NJSDA”) grant agreements for consistency with recording NJSDA revenue, transfer of local funds from the general fund or from the capital reserve account, and awarding of contracts for eligible facilities construction. No exceptions were noted in our review of NJSDA expenditures.

**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.

**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.

**FORT LEE PUBLIC SCHOOLS**

**SCHEDULE OF AUDITED ENROLLMENTS**

**APPLICATION FOR STATE SCHOOL AID SUMMARY  
ENROLLMENT AS OF OCTOBER 15, 2016**

	<b>2017-2018 Application for State School Aid</b>						<b>Sample for Verification</b>						<b>Private Schools for Disabled</b>			
	Reported on A.S.S.A. On Roll		Reported on Workpapers On Roll		Errors		Sample Selected from Workpapers		Verified per Registers On Roll		Errors per Registers On Roll		Reported on A.S.S.A. as Private Schools	Sample for Verifi-cation	Sample Verified	Sample Errors
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared				
Half Day Preschool 3 Years	1		1													
Half Day Preschool 4 Years	5		5													
Full Day Per K 4 year	7		7													
Full Day Kindergarten	292		292					21		21						
One	333		333					21		21						
Two	299		299					21		21						
Three	305		305					21		21						
Four	282		282					21		21						
Five	268		268					21		21						
Six	234		234					22		22						
Seven	277		277					32		32						
Eight	235		235					31		31						
Nine	196		196					14		14						
Ten	225	1	225	1				16		16						
Eleven	202		202					16		16						
Twelve	218		218					18		18						
Post-Graduate																
Adult H.S. (15+CR.)																
Adult H.S. (1-14 CR.)																
Subtotal	<u>3,379</u>	<u>1</u>	<u>3,379</u>	<u>1</u>	<u>-</u>	<u>-</u>	<u>275</u>	<u>-</u>	<u>275</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Special Ed - Elementary	231		231				17		17				5	4	4	0
Special Ed - Middle School	103		103				3		3				5	4	4	0
Special Ed - High School	111		111				5		5				7	7	7	0
Subtotal	<u>445</u>	<u>-</u>	<u>445</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>25</u>	<u>-</u>	<u>25</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>17</u>	<u>15</u>	<u>15</u>	<u>-</u>
Co. Voc. - Regular																
Co. Voc. Ft. Post Sec.																
Totals	<u>3,824</u>	<u>1</u>	<u>3,824</u>	<u>1</u>	<u>-</u>	<u>-</u>	<u>300</u>	<u>-</u>	<u>300</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>17</u>	<u>15</u>	<u>15</u>	<u>-</u>
Percentage Error					<u>0.00%</u>	<u>0.00%</u>					<u>0.00%</u>	<u>0.00%</u>				<u>0.00%</u>

**SCHEDULE OF AUDITED ENROLLMENTS**

**FORT LEE PUBLIC SCHOOLS  
APPLICATION FOR STATE SCHOOL AID SUMMARY (continued)  
ENROLLMENT AS OF OCTOBER 15, 2016**

	Resident Low Income						Sample for Verification			Resident LEP Low Income						Sample for Verification			
	Reported on A.S.S.A. as Low Income		Reported on Workpapers as Low Income		Errors		Sample Selected from Workpapers	Verified to Application and Register	Sample Errors	Reported on A.S.S.A. as LEP Low Income		Reported on Workpapers as LEP Low Income		Errors		Sample Selected from Workpapers	Verified to Application and Register	Sample Errors	
	Full	Shared	Full	Shared	Full	Shared				Full	Shared	Full	Shared	Full	Shared				Full
Full Day Preschool																			
Full Day Kindergarten	34		34				15	15		11		11				5	5		
One	61		61				16	16		11		11				4	4		
Two	54		54				27	27		15		15				5	5		
Three	65		65				19	19		8		8				6	6		
Four	38		38				25	25		4		4				1	1		
Five	53		53				19	19		6		6				4	4		
Six	42		42				13	13		2		2				2	2		
Seven	64		64				17	17		2		2				1	1		
Eight	50		50				15	15		-		-				-	-		
Nine	35		35				4	4		1		1				1	1		
Ten	65		65				3	3		2		2				1	1		
Eleven	52		52				13	13		-		-				-	-		
Twelve	64		64				15	15		1		1				1	1		
Subtotal	677	-	677	-	-	-	201	201	-	63	-	63	-	-	-	31	31	-	-
Sp Ed - Elementary	57		57				19	19		2		2							
Sp Ed - Middle School	35		35				8	8		1		1				1	1		
Sp Ed - High School	46		46				4	4		-		-				-	-		
Subtotal	138	-	138	-	-	-	31	31	-	3	-	3	-	-	-	1	1	-	-
Total	815	-	815	-	-	-	232	232	-	66	-	66	-	-	-	32	32	-	-

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

	Reported on DRTRS by District	Reported on DRTRS by County	Errors	Tested	Verified	Errors
Regular - Public School	153	153		55	55	
Non-Public Transportation	74	74		26	26	
AIL Non-public	153	153		54	54	
Regular Special Education	109	109		39	39	
Special Needs	64	64		23	23	
Totals	552	552	-	197	197	-

	Reported	Recalculated
Average mileage - regular including Grade PK students	6.2	6.2
Average mileage - regular excluding Grade PK students	10.3	10.3
Average mileage - special education with special needs	6.2	6.2

Percentage Error 0.00% 0.00%

**SCHEDULE OF AUDITED ENROLLMENTS**

**FORT LEE PUBLIC SCHOOLS  
APPLICATION FOR STATE SCHOOL AID SUMMARY (continued)  
ENROLLMENT AS OF OCTOBER 15, 2016**

	<u>Resident LEP NOT Low Income</u>			<u>Sample for Verification</u>		
	<u>Reported on ASSA as Not Low Income</u>	<u>Reported on Workpapers as Not Low Income</u>	<u>Errors</u>	<u>Sample Selected from Workpapers</u>	<u>Verified to Application &amp; Register</u>	<u>Sample Errors</u>
Full Day Preschool						
Full Day Kindergarten	70	70		33	33	
One	47	47		17	17	
Two	26	26		12	12	
Three	30	30		12	12	
Four	18	18		11	11	
Five	11	11		4	4	
Six	13	13		7	7	
Seven	9	9		6	6	
Eight	9	9		5	5	
Nine	6	6		4	4	
Ten	8	8		7	7	
Eleven	7	7		5	5	
Twelve	8	8		4	4	
Subtotal	<u>262</u>	<u>262</u>	<u>-</u>	<u>127</u>	<u>127</u>	<u>-</u>
Sp Ed - Elementary	7	7		2	2	
Sp Ed - Middle School	-	-				
Sp Ed - High School	<u>2</u>	<u>2</u>	<u>-</u>	<u>1</u>	<u>1</u>	<u>-</u>
Subtotal	<u>9</u>	<u>9</u>	<u>-</u>	<u>3</u>	<u>3</u>	<u>-</u>
Total	<u><u>271</u></u>	<u><u>271</u></u>	<u><u>-</u></u>	<u><u>130</u></u>	<u><u>130</u></u>	<u><u>-</u></u>
Percentage Error			<u>0.00%</u>			<u>0.00%</u>

**FORT LEE PUBLIC SCHOOLS**  
**EXCESS SURPLUS CALCULATION**

**June 30, 2017**

**SECTION 1 - Regular District**

**B. 2% Calculation of Excess Surplus**

2016-17 Total General Fund Expenditures per the CAFR, Ex. C-1	<u>\$69,794,040</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>\$ 7,063,377</u> (B2a)
Assets Acquired Under Capital Leases	\$ _____ - (B2b)
Adjusted 2016-17 General Fund Expenditures [(B) + (B1s) - (B2s)]	<u>\$62,730,663</u> (B3)
2% of Adjusted 2016-17 General Fund Expenditures [(B3) times .02]	<u>\$ 1,254,613</u> (B4)
Enter Greater of (B4) or \$250,000	<u>\$ 1,254,613</u> (B5)
Increased by: Allowable Adjustment*	<u>\$ 417,720</u> (K)
Maximum Unreserved/Undesignated Fund Balance [(B5) + (K)]	<u>\$ 1,672,333</u> (M)

**SECTION 2**

Total General Fund - Fund Balances at 6-30-2017 (Per CAFR Budgetary Comparison Schedule C-1)	<u>\$ 5,241,687</u> (C)
Decreased by:	
Year-end Encumbrances	<u>\$ 393,983</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>\$ 2,725,371</u> (C4)
Assigned Fund Balance - Unreserved - Designated for Subsequent Year's Expenditures	<u>\$ 450,000</u> (C5)
Additional Assigned Fund Balance - Unreserved - Designated for Subsequent Year's Expenditures - July 1, 2017 - August 1, 2017	\$ _____ - (C6) *****
Total Unassigned Fund Balance [(C)-(C1)-(C2)-(C3)-(C4)-(C5)-(C6)]	<u>\$ 1,672,333</u> (U1)

**FORT LEE PUBLIC SCHOOLS**

**EXCESS SURPLUS CALCULATION**

**June 30, 2017**

**SECTION 3**

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

**Recapitulation of Excess Surplus as of June 30, 2017**

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

**Footnotes:**

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, effective for the year ending June 30, 2015 the Federal Impact Aid adjustment to expenditures is limited to the portion of Federal Impact Aid Section 8002 and Section 8003 received during the fiscal year and recognized as revenue on the General Fund Budgetary Comparison Schedule, but not transferred to the Federal Impact Aid Reserve – General (8002 or 8003) by board resolution during June 1 to June 30 of the fiscal year under audit. Amounts transferred to the reserve are captured on line (C4);
- (I) Sale and Lease-back (Refer to the Audit Program Section II, Chapter 10);
- (J1) Extraordinary Aid;
- (J2) Additional Nonpublic School Transportation Aid;
- (J3) Recognized current year School Bus Advertising Revenue; and
- (J4) Family Crisis Transportation Aid.

**Detail of Allowable Adjustments**

Impact Aid	\$ <u>          -</u> (H)
Sales & Lease-back	\$ <u>          -</u> (I)
Extraordinary Aid	\$ <u>  381,270</u> (J1)
Additional Nonpublic School Transportation Aid	\$ <u>   36,450</u> (J2)
Current Year School Bus Advertising Revenue Recognized	\$ <u>          -</u> (J3)
Family Crisis Transportation Aid	\$ <u>          -</u> (J4)
 Total Adjustments [(H)+(I)+(J1)+(J2)+(J3)+(J4)]	 \$ <u>  417,720</u> (K)

**FORT LEE PUBLIC SCHOOLS**  
**EXCESS SURPLUS CALCULATION**

**June 30, 2017**

- \*\* This amount represents the June 30, 2017 Excess Surplus (C3 above) and must be included in the Audit Summary Line 90031.
- \*\*\* Amount must agree to the June 30, 2017 CAFR and the sum of the two lines must agree to Audit Summary 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 any other type of government, such as the judicial branch of government, must have Departmental approval. District requests should be submitted to the Office of School Finance prior to September 30.
- \*\*\*\*\* Increase in Assigned Fund Balance - Unreserved - Designated for Subsequent Year's expenditure: July 1, 2017 to August 1, 2017 resulting from decrease in state aid after adoption of the 2017-18 district budget. Refer to Commissioner's Broadcast and to page I-4.2 of the Audit Program.

**Detail of Other Restricted Fund Balance**

Statutory restrictions:

Approved unspent separate proposal	\$	-
Sale/lease-back reserve	\$	-
Capital reserve	\$	2,475,371
Maintenance reserve	\$	-
Emergency reserve	\$	250,000
Waiver offset reserve - Designated for subsequent year	\$	-
Tuition reserve	\$	-
School Bus Advertising 50% Fuel Offset Reserve - current year	\$	-
School Bus Advertising 50% Fuel Offset Reserve - prior year	\$	-
Impact Aid General Fund Reserve	\$	-
Impact Aid Capital Fund Reserve	\$	-
Other state/government mandated reserve	\$	-
[Other Restricted Fund Balance not noted above]****	\$	-
 Total Other Restricted Fund Balance	 \$	 2,725,371 (C4)



FORT LEE PUBLIC SCHOOLS  
COUNTY OF BERGEN

RECOMMENDATIONS

June 30, 2017

I. **Administration Practices and Procedures**

There are none.

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

**2017-001** We suggest that the District ensure all of the financial activity of the organization is processed and recorded within one general ledger system.

III. **School Purchasing Program**

There are none.

IV. **School Food Service**

There are none.

V. **Student Body Activities**

**2017-002** We suggest that cash be deposited at the bank no less than five business days, or shorter if dictated by Board policy. The cash receipts presented for deposit should provide evidence of the dates collected and the supporting documentation for the deposit. All documentation should be retained with the deposit transaction as support for the deposit. This practice will strengthen the internal control process over student activity cash receipts.

VI. **Application for State School Aid**

There are none.

VII. **Pupil Transportation**

There are none.

VIII. **Facilities and Capital Assets**

There are none.

IX. **Miscellaneous**

There are none.

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

In accordance with *Government Auditing Standards*, our procedures included a review of the prior year recommendations. Corrective action has been taken on all prior year findings.