

**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, 2024**

**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, 2024, and have issued our report thereon dated December 19, 2024.

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. Wielkatz*

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

*Wielkatz & Company, LLC*

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

December 19, 2024



**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 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 2024-001:** 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 be 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.

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)**

### **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.

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

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

**Finding 2024-002:** Amounts recorded in the Special Revenue Fund subsidiary ledger do not agree to award amounts and/or approved carryover amounts.

**Recommendation:** Amounts recorded in the subsidiary ledger should be compared to award letters and/or approved carryover amounts to ensure proper amounts are variable for expenditures.

**Finding 2024-003:** There are checks greater than one year outstanding being carried as reconciling items for the following accounts: Custodian Account, Scholarship Account, Middle School Account, and High School General Organization Account.

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

**Finding 2024-004:** There were instances where vendors receiving payments in excess of the IRS thresholds were not issued the required Form 1099.

**Recommendation:** That all eligible vendors receive a Form 1099 as required by IRS Rev. Rul. 2003-66.

## **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.

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 2024-005 (ACFR Finding 2024-001):** There were instances in which supporting documentation for payroll charges funded by the ARP grant were not available for review.

**Recommendation:** When the district charges payroll to the grant, proper supporting documentation should include, at a minimum, job descriptions specific responsibilities, related to the COVID-19 response and time sheets for each employee being charged.

### **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.

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

### **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**

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.

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.

The financial transactions and statistical records of the school food service fund were reviewed. The financial accounts, meal count records were reviewed on a test-check basis.

Cash receipts and bank records were reviewed for timely deposit.

The district utilizes a food service management company (FSMC) and is depositing and expending program monies in accordance with N.J.S.A. 18A:17-34 and 19-1 through 19-4.1. Provisions of the FSMC contract/addendum were reviewed and audited. The FSMC contract does not include an operating provision which guarantees that the food service program will return a profit. All vendor discounts, rebates and credits from the FSMC were tracked and credited to the Food Service Account and reconciled to supporting documentation at least annually.

Expenditures were separately recorded as food, labor and other costs. Vendor invoices were reviewed, and costs verified. Inventory records on food and supply items were currently maintained and properly applied in determining the cost of food and supplies used.

The cash disbursements records reflected expenditures for program related goods and services. The appropriate revenue and expenditure records were maintained in order to substantiate the non-profit status of the school food service.

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

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

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

**Finding 2024-006:** 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.

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

The number of meals claimed for reimbursement were compared to sales and meal count records. As part of the claims review process the Edit Check Worksheet was completed. Reimbursement claims were submitted/certified in a timely manner. No exceptions were noted.

Applications for free and reduced price meals were reviewed for completeness and accuracy. The number of free and reduced price meals claimed as served was compared to the number of valid applications times the number of operating days, on a school by school basis. The free and reduced price meal was reviewed for uniform administration throughout the school system. The required verification procedures for free and reduced price applications was completed and available for review.

U.S.D.A. Food Distribution Program commodities were received and a single inventory was maintained on a first-in, first-out basis. No exceptions were noted.

The school district maintains the detailed revenue and expenditure information necessary in order to execute the U.S.D.A. mandated Non-Program Food Revenue Tool at least annually.

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

### **Student Body Activities**

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

### **Application for State School Aid**

Our audit procedures included a test of information reported in the October 13, 2023 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.

### **Pupil Transportation**

Our audit procedures included a test of on roll status reported in the 2023-2024 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.

### **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 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, 2024.

### **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. Wielkatz*

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

*Wielkatz & 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, 2024**

<u><b>Net Cash Resources:</b></u>		<b>Food Service B - 4/5</b>	
<b>ACFR</b>	<b>*</b>	<b>Current Assets</b>	
B-4		Cash & Cash Equiv.	\$ 998,124
B-4		Due from Other Gov'ts	146,350
			<hr/>
<b>ACFR</b>		<b>Current Liabilities</b>	
B-4		Less Accounts Payable	(55,185)
B-4		Less Prepaid Revenue	(78,553)
B-4		Less Deferred Revenue	(72,204)
			<hr/>
		<b>Net Cash Resources</b>	<b>\$ 938,532 (A)</b>
			<hr/>

**Net Adj. Total Operating Expense:**

B-5	Tot. Operating Exp.	2,125,390	
B-5	Less Depreciation	(14,212)	
		<hr/>	
	Adj. Tot. Oper. Exp.	<b>\$ 2,111,178 (B)</b>	
		<hr/>	

**Average Monthly Operating Expense:**

B / 10	<b>\$ 211,118 (C)</b>
	<hr/>

**Three times monthly Average:**

3 X C	<b>\$ 633,353 (D)</b>
	<hr/>

TOTAL IN BOX A	\$ 938,532.00
LESS TOTAL IN BOX D	\$ 633,353.40
NET	<b>\$ 305,178.60</b>
	<hr/>

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

**SCHEDULE OF MEAL COUNT ACTIVITY**

**BOROUGH OF FORT LEE SCHOOL DISTRICT  
FOOD SERVICE FUND  
NUMBER OF MEALS SERVED AND (OVER)/UNDERCLAIMED - FEDERAL  
ENTERPRISE FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

<u>Program</u>	<u>Meal Category</u>	<u>Meals Claimed</u>	<u>Meals Tested</u>	<u>Meals Verified</u>	<u>Difference</u>	<u>Rate</u>	<u>(Over)/ Under Claim</u>
National School Lunch (Regular Rate)	Paid	221,589	221,589	221,589		0.400	\$
National School Lunch (Regular Rate)	Reduced	16,652	16,652	16,652		3.850	
National School Lunch (Regular Rate)	Free	<u>55,090</u>	<u>55,090</u>	<u>55,090</u>	<u>                    </u>	4.250	<u>                    </u>
	Total	<u>293,331</u>	<u>293,331</u>	<u>293,331</u>	<u>                    </u>		<u>                    </u>
National School Lunch (Healthy Hunger-Free Kids Act)	HHFKA	<u>293,331</u>	<u>293,331</u>	<u>293,331</u>	<u>                    </u>	0.080	<u>                    </u>
National School Breakfast (Regular Rate)	Paid	18,565	18,565	18,565		0.380	\$
National School Breakfast (Regular Rate)	Reduced	1,765	1,765	1,765		1.980	
National School Breakfast (Regular Rate)	Free	<u>6,414</u>	<u>6,414</u>	<u>6,414</u>	<u>                    </u>	2.280	<u>                    </u>
	Total	<u>26,744</u>	<u>26,744</u>	<u>26,744</u>	<u>                    </u>		<u>                    </u>
							\$ <u>                    </u>

**SCHEDULE OF MEAL COUNT ACTIVITY**

**BOROUGH OF FORT LEE SCHOOL DISTRICT  
FOOD SERVICE FUND  
NUMBER OF MEALS SERVED AND (OVER)/UNDERCLAIMED - STATE  
ENTERPRISE FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

<u>Program</u>	<u>Meal Category</u>	<u>Meals Claimed</u>	<u>Meals Tested</u>	<u>Meals Verified</u>	<u>Difference</u>	<u>Rate</u>	<u>(Over)/ Under Claim</u>
State Reimbursement - National School Lunch (Regular Rate)	Paid	221,589	221,589	221,589		0.060	\$
State Reimbursement - National School Lunch (Regular Rate)	Reduced	16,652	16,652	16,652		0.400	
State Reimbursement - National School Lunch (Regular Rate)	Free	71,742	71,742	71,742		0.070	
State Reimbursement - National School Lunch (NJEIE)	NJEIE	2,239	2,239	2,239		3.850	
		<hr/>	<hr/>	<hr/>	<hr/>		<hr/>
	Total	<hr/> 309,983	<hr/> 309,983	<hr/> 309,983	<hr/>		<hr/>
State Reimbursement - National School Breakfast (Regular Rate)	Reduced	1,765	1,765	1,765		0.3000	
State Reimbursement - National School Breakfast (NJEIE)	NJEIE	194	194	194		1.9000	
		<hr/>	<hr/>	<hr/>	<hr/>		<hr/>
	Total	<hr/> 1,959	<hr/> 1,959	<hr/> 1,959	<hr/>		<hr/>
Total (Over)/Under Claim							\$ <hr/>

SCHEDULE OF AUDITED ENROLLMENTS

**BOROUGH OF FORT LEE SCHOOL DISTRICT  
APPLICATION FOR STATE SCHOOL AID SUMMARY  
ENROLLMENT AS OF OCTOBER 13, 2023**

Year Ended June 30, 2024

Enrollment Category	2024-2025 Application for State School Aid						Sample for Verification				Private Schools for Disabled			
	Reported on		Reported on		Errors		Sample		Verified		Errors per		Reported on	
	Full	Shared	Full	Shared	Full	Shared	Selected from	Shared	per Registers	Shared	Full	Shared	Private Schools	Sample for Verification
							Workpapers		On Roll		On Roll			
Half Day Preschool	32		32				32		32					
Full Day Preschool														
Half Day Kindergarten	261		261				261		261					
Full Day Kindergarten	283		283				283		283					
One	276		276				276		276					
Two	295		295				295		295					
Three	287		287				287		287					
Four	264		264				264		264					
Five	232		232				232		232					
Six	238		238				238		238					
Seven	256		256				256		256					
Eight	237		237				237		237					
Nine	275		275				275		275					
Ten	256		256				256		256					
Eleven	262		262				262		262					
Twelve														
Subtotal	3,454		3,454				3,454		3,454					
Special Ed. Elementary	281		281				95		95				3	3
Special Ed. Middle	150		150				51		51				5	4
Special Ed. High School	154		154				51		51				14	11
Subtotal	585		585				197		197				22	18
Totals	4,039		4,039				3,651		3,651				22	18
Percentage Error														



**SCHEDULE OF AUDITED ENROLLMENTS**

**BOROUGH OF FORT LEE  
BOARD OF EDUCATION**

**Application for State School Aid Summary  
Enrollment as of October 13, 2023**

Year ended June 30, 2024

Enrollment category	Low Income			Sample for Verification			Resident LEP Low Income			Sample for Verification		
	Reported on A.S.S.A. as Low Income	Reported on workpapers as Low Income	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	20	20		7	7		7	7		4	4	
Full Day Preschool	40	40		14	14		13	13		10	10	
Half Day Kindergarten	29	29		10	10		10	10		8	8	
One	26	26		9	9		8	8		6	6	
Two	36	36		12	12		13	13		10	10	
Three	34	34		11	11		7	7		5	5	
Four	31	31		10	10		1	1		1	1	
Five	34	34		11	11		5	5		4	4	
Six	39	39		13	13		6	6		5	5	
Seven	46	46		16	16		3	3		2	2	
Eight	37	37		13	13		3	3		2	2	
Nine	28	28		9	9		1	1		1	1	
Ten	32	32		11	11		3	3		2	2	
Eleven	69	69		23	23		4	4		3	3	
Twelve	41	41		14	14		1	1		1	1	
Special Ed. Elementary	41	41		14	14		2	2		2	2	
Special Ed. Middle School	583	583		197	197		87	87		66	66	
Special Ed. High School												
<b>Percentage</b>												

**Transportation**

Category	Reported on DTRs by DOE/county			Reported on DTRs by District			Transportation			Re-calc.
	Reported on DTRs by DOE/county	Reported on DTRs by District	Errors	Tested	Verified	Errors	Avg. Mileage - Regular Excluding Grade PK	Reported	Re-calc.	
Regular - Public Schools, col. 1	90.0	90.0		68	68		Avg. Mileage - Regular Including Grade PK	9.4	9.4	
Transported- Non-Public	188.0	188.0		117	117		Avg. Mileage - Special Ed with Special Needs	9.4	9.4	
Regular - Special Education, col. 4	24.0	24.0		21	21			5.2	5.2	
Special needs, col. 6	118.0	118.0		80	80					
<b>Totals</b>	420.0	420.0		286	286					

**Percentage**

**SCHEDULE OF AUDITED ENROLLMENTS**

**BOROUGH OF FORT LEE  
BOARD OF EDUCATION**

**Application for State School Aid Summary  
Enrollment as of October 13, 2023**

**Year ended June 30, 2024**

Enrollment category	Resident LEP Not Low Income			Sample for Verification		
	Reported on A.S.A as LEP Not low Income	Reported on Workpapers LEP Not low Income	Errors	Sample Selected from Workpapers	Verified to Test score and Register	Sample Errors
Half Day Preschool						
Full Day Preschool						
Half Day Kindergarten						
Full Day Kindergarten						
One	57	57		27	27	
Two	67	67		33	33	
Three	58	58		29	29	
Four	51	51		24	24	
Five	26	26		12	12	
Six	17	17		8	8	
Seven	12	12		6	6	
Eight	18	18		9	9	
Nine	13	13		6	6	
Ten	16	16		8	8	
Eleven	18	18		9	9	
Twelve	8	8		4	4	
Special Ed. Elementary	7	7		3	3	
Special Ed. Middle School	4	4		2	2	
Special Ed. High School	1	1				
	374	374		180	180	
	374	374		180	180	
<b>Percentage</b>						

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

**REGULAR DISTRICT**

**SECTION 1**

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

2023-24 Total General Fund Expenditures per the ACFR, Ex. C-1	\$ 100,610,266	(B)
Increased by:		
Transfer from Capital Outlay to Capital Projects Fund	\$	(B1a)
Transfer from Capital Reserve to Capital Projects Fund	\$ 1,019,260	(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	\$ 17,893,701	(B2a)
Assets Acquired Under Capital Leases	\$	(B2b)
Adjusted 23-24 General Fund Expenditures [(B)+(B1's)-(B2's)]	\$ 83,735,825	(B3)
2% of Adjusted 2023-24 General Fund Expenditures		
[(B3) times .02]	\$ 1,674,717	(B4)
Enter Greater of (B4) or \$250,000	\$ 1,674,717	(B5)
Increased by: Allowable Adjustment *	\$ 1,058,121	(K)
Maximum Unreserved/Undesignated Fund Balance [(B5)+(K)]	\$ 2,732,838	(M)

**SECTION 2**

Total General Fund - Fund Balances @ 6-30-24		
(Per ACFR Budgetary Comparison Schedule C-1))	\$ 23,786,803	(C)
Decreased by:		
Year-end Encumbrances	\$ 566,925	(C1)
Legally Restricted - Designated for Subsequent Year's Expenditures	\$	(C2)
Legally Restricted - Excess Surplus - Designated for Subsequent Year's Expenditures **	\$ 2,000,000	(C3)
Other Restricted Fund Balances****	\$ 14,789,219	(C4)
Assigned Fund Balance - Unreserved -- Designated for Subsequent Year's Expenditures	\$ 697,821	(C5)
Total Unassigned Fund Balance [( C)-(C1)-(C2)-(C3)-(C4)-(C5)]	\$ 5,732,838	(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, 2024**

Reserved Excess Surplus - Designated for Subsequent Year's Expenditures **	\$ <u>2,000,000</u>	(C3)
Reserved Excess Surplus ***[(E)]	\$ <u>3,000,000</u>	(E)
Total [(C3) + (E)]	\$ <u>5,000,000</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
- 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>972,581</u>	(J1)
Additional Nonpublic School Transportation Aid	\$ <u>85,540</u>	(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)]	\$ <u>1,058,121</u>	(K)

\*\* This amount represents the June 30, 2024 Excess Surplus (C3 above) and must be included in the Audit Summary Worksheet Line 90031.

\*\*\* Amounts must agree to the June 30, 2024 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>10,245,910</u>
Maintenance Reserve	\$ <u>3,500,000</u>
Emergency Reserve	\$ <u>802,429</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>240,880</u>
[Other Restricted Fund Balance not noted above]****	\$ _____
 Total Other Restricted Fund Balance	 \$ <u>14,789,219</u> (C4)

**FORT LEE BOARD OF EDUCATION  
AUDIT RECOMMENDATIONS SUMMARY  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Recommendations:

1. Administrative Practices and Reporting

None

2. Financial Planning, Accounting and Reporting

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.

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.

That all eligible vendors receive a Form 1099 as required by IRS Rev. Rul. 2003-66.

When the district charges payroll to the grant, proper supporting documentation should include, at a minimum, job descriptions, specific responsibilities related to the COVID-19 response and time sheets for each employee being charged.

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

None

6. Application for State School Aid

None

7. Pupil Transportation

None

**FORT LEE BOARD OF EDUCATION  
AUDIT RECOMMENDATIONS SUMMARY  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Recommendations (continued):

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.