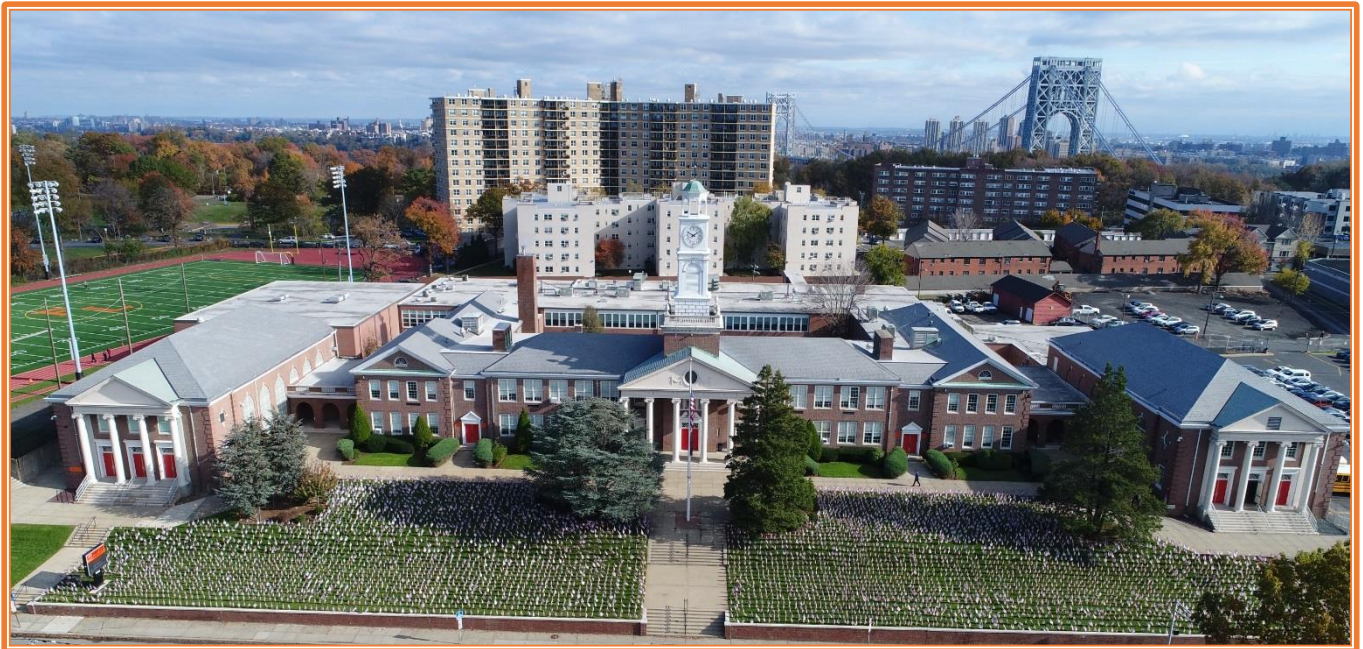




***Borough of Fort Lee
Board of Education
County of Bergen
New Jersey***



***Comprehensive Annual Financial Report
For the Year Ended
June 30, 2019***

Fort Lee Public Schools

Fort Lee, New Jersey

Comprehensive Annual Financial Report
For the Year Ended June 30, 2019

Prepared by

Business Office

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Introductory Section



Fort Lee Public Schools

Central Administration Offices

2175 Lemoine Avenue, 6th Floor ✦ Fort Lee, New Jersey 07024

Phone: 201.585.4612 ✦ Fax: 201.585.7997

www.FLBOE.com

Dr. Sharon Amato
Assistant Superintendent

Mr. Kenneth J. Rota
Superintendent of Schools

Ms. Haquisha Q. Taylor
Business Administrator

December 20, 2019

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

Dear Board Members:

We are pleased to submit to you the Comprehensive Annual Financial Report (CAFR) of the Borough of Fort Lee Public Schools for the fiscal year ended June 30, 2019. This CAFR includes the District's Basic Financial Statements prepared in accordance with Governmental Accounting Standards Board Statement 34. The District believes that this new financial reporting model will provide all users of this document with much more useful financial and statistical information than ever before. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the District. This report will provide the taxpayers of the Borough of Fort Lee School District with comprehensive financial data in a format enabling them to gain an understanding of the District's financial affairs.

The Comprehensive Annual Financial Report is presented in four sections as follows:

- The Introductory Section contains a table of contents, Letter of Transmittal, List of Principal Officials and an Organizational chart of the School District.
- The Financial Section begins with the Independent Auditors' Report and includes the Management's Discussion and Analysis, the Basic Financial Statements and Notes providing an overview of the School District's financial position and operating results, and other schedules providing detailed budgetary information.

- The Statistical Section includes financial trends, revenue capacity, debt capacity, demographic and economic information, and operating information of the School District, generally presented on a multi-year basis.
- The Single Audit Section – the District is required to undergo an annual single audit in conformity with the provisions of Title 2 *U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey and New Jersey OMB's Circulars 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid (NJOMB 15-08)*. Information related to this single audit, including the independent auditors' report on the internal control and compliance with applicable laws, regulations, contracts and grants, along with findings and questioned costs, is included in the single audit section of this report.

School District Organization

The Borough of Fort Lee School District is one of 694 school districts in the State of New Jersey and one of 80 school districts in Bergen County. The School District provides education to 4,053 students, in district and out-of-district, in grades kindergarten through twelve.

An elected nine-member Board of Education (the "Board") serves as the policy making body for the School District. The Board adopts an annual budget and directly approves all expenditures, which serve as the basis for control over, and authorization for, all expenditures of School district tax money.

The Superintendent is the chief executive officer of the School District, responsible to the Board for total educational and support operations. The Board Secretary is the chief financial officer of the School District, responsible to the Board for maintaining all financial records, making payments of liabilities incurred by the School district, acting as custodian of all School district funds, and investing funds as permitted by New Jersey law.

Reporting Entity

The Borough of Fort Lee Public Schools is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board (GASB) as established by GASB Statement No. 14. All funds of the District are included in this report. The Borough of Fort Lee Public Schools and its six schools constitute the District's reporting entity.

Economic Conditions and Outlook

The District completed the 2018-2019 fiscal year with an average daily enrollment of 4,053 students, which is forty two students more than the previous year's enrollment.

The following details the changes in the student average daily enrollment of the District over the last five years.

| Fiscal Year | Average Daily Enrollment Student Enrollment | Percent Change |
|--------------------|--|-----------------------|
| 2018-2019 | 4,053 | 3.38% |
| 2017-2018 | 3,920 | 4.62% |
| 2016-2017 | 3,747 | 1.13% |
| 2015-2016 | 3,705 | -0.62% |
| 2014-2015 | 3,728 | -1.35% |

Future trends point towards an increase in enrollment due to approved residential developments. The District's primary funding source is property tax revenue. As a result, the District, along with many other public school systems in the State, faces some difficult economic situations in the future. Overall tax revenue for the general fund increased for the 2018-2019 school year by 5.20%, but the increase in expenditures from inflationary pressures, contractual agreements and benefits have outpaced the additional revenue. The District's administration is closely monitoring the cost of operations and continues to look for innovative ways to contain costs in addition to new funding sources in order to maintain the quality educational services that the District has been accustomed to providing.

The District remains accountable to the residents and taxpayers and attributes much of its past education success to the community's demand for and support of a quality school system.

Major Initiatives/Educational Program

Major activities for the Fort Lee School District for the 2018-2019 school year include:

- Monitor K-12 math and reading benchmark assessment system (STAR 360);
- Monitor student achievement using Phonics and Vocabulary Curriculum K -6 and Literacy Intervention Program (K-8) as supplemental tool for Resource classes (Fountas & Pinnell Reading Intervention Kits);
- Implement Lucy Calkins Units of Study for Reading and Writing in grades K-2 and Lucy Calkins Units of Study for Reading in grades 3 and 4;
- Professional development for Writing Workshop and the use of the Lucy Calkins Units of Study for Writing in grades 3 and 4;
- Professional development to support Reading Workshop and the use of Lucy Calkins Units of Study for Reading in grades 3 and 4;
- Create a standards-based report card for grades K-4;
- Evaluate and plan to revise the English Language Arts Curriculum in grades 5 – 8;
- Continue with developing and writing English curriculum in grades 9-12;
- Pilot new K-4 math programs and make selection for 2019-2020 Curriculum Cycle. Update K-4 math curriculum;
- Monitor new K-5 Science Curriculum;
- Pilot and select new grade 6 science textbook (Integrated iScience Course 1) to align with grades 7-8. Update grade 6 science curriculum;
- Expand participation in STEAM MakerSpace MS and HS (robotics, programming, animation, 3D design, snap circuits, recording studio);
- Monitor new STEAM courses: Innovation and Invention (engineering design based course) and Middle School Coding;
- Continue and expand implementation of K-5 Engineering and Design Standards through push-in STEAM and integrated science lessons;
- Select new curriculum resources and update curricula for HS Biology and Chemistry;
- Deliver 9-12 science staff training on STEM lab safety and Pasco lab sensors and software;
- Support Grade 8 Algebra cohorts to increase enrollment in advanced math courses;
- Create common assessments for all Middle and High school courses;
- Provide K-12 World Language staff training TPRS (Teaching Proficiency through Reading and Storytelling);
- Provide K-12 ESL/BIL staff training in TPRS/CI methodologies;
- Present SIOP Training (Sheltered English Instruction) to selected staff;
- Expand instructional supports for Title 1 and Bilingual students including building based professional development with outside consultant;
- Professional development for ESL/Bilingual staff in Balanced Literacy; professional development and demo lessons to occur in all four elementary schools;
- Professional development to support Writing Workshop and the use of Lucy Calkins Units of Study for Writing in ESL/BIL grades K-4.

Internal Accounting and Budgetary Control: Management of the District is responsible for establishing and maintaining internal control designed to ensure that the assets of the District are protected from loss, theft, or misuse, and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP). Internal control is designed to provide reasonable but not absolute assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

As a recipient of federal awards and state financial assistance, the District is also responsible for ensuring that adequate internal controls are in place to ensure compliance with applicable laws and regulations related to those programs. Internal control is also subject to periodic evaluation by the District's management.

As part of the District's single audit described earlier, tests are made to determine the adequacy of internal control, including that portion related to the federal awards and state financial assistance programs, as well as to determine that the District has complied with applicable laws, regulations, contracts and grants.

In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the general fund, special revenue fund and debt service fund. Project length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section. An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year end are either cancelled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 2019.

Cash Management: The investment policy of the District is guided in large part by State statutes as detailed in "Notes to Basic Financial Statements," Notes 1 and 2. The District has adopted a cash management plan, which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. This requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

Risk Management: The Board carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds. A schedule of insurance coverage is found in Exhibit J-20.

Independent Audit: State statutes require an annual audit by independent certified public accountants or registered municipal accounts. The accounting firm of PKF O'Connor Davies, LLP, was selected by the Board. In addition to meeting the requirements set forth in State statutes, the audit was also designed to meet the requirements of the Title 2 *U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey and New Jersey OMB's Circulars 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. The auditors' report on the basic financial statements and specific required supplemental information is included in the financial section of this report. The auditors' reports related specifically to the single audit are included in the single audit section of this report.


Acknowledgements:

We would like to express our appreciation to the members of the Borough of Fort Lee School Board for their concern in providing fiscal accountability to the citizens and taxpayers of the School District and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of our financial and accounting staff.

Respectfully submitted,

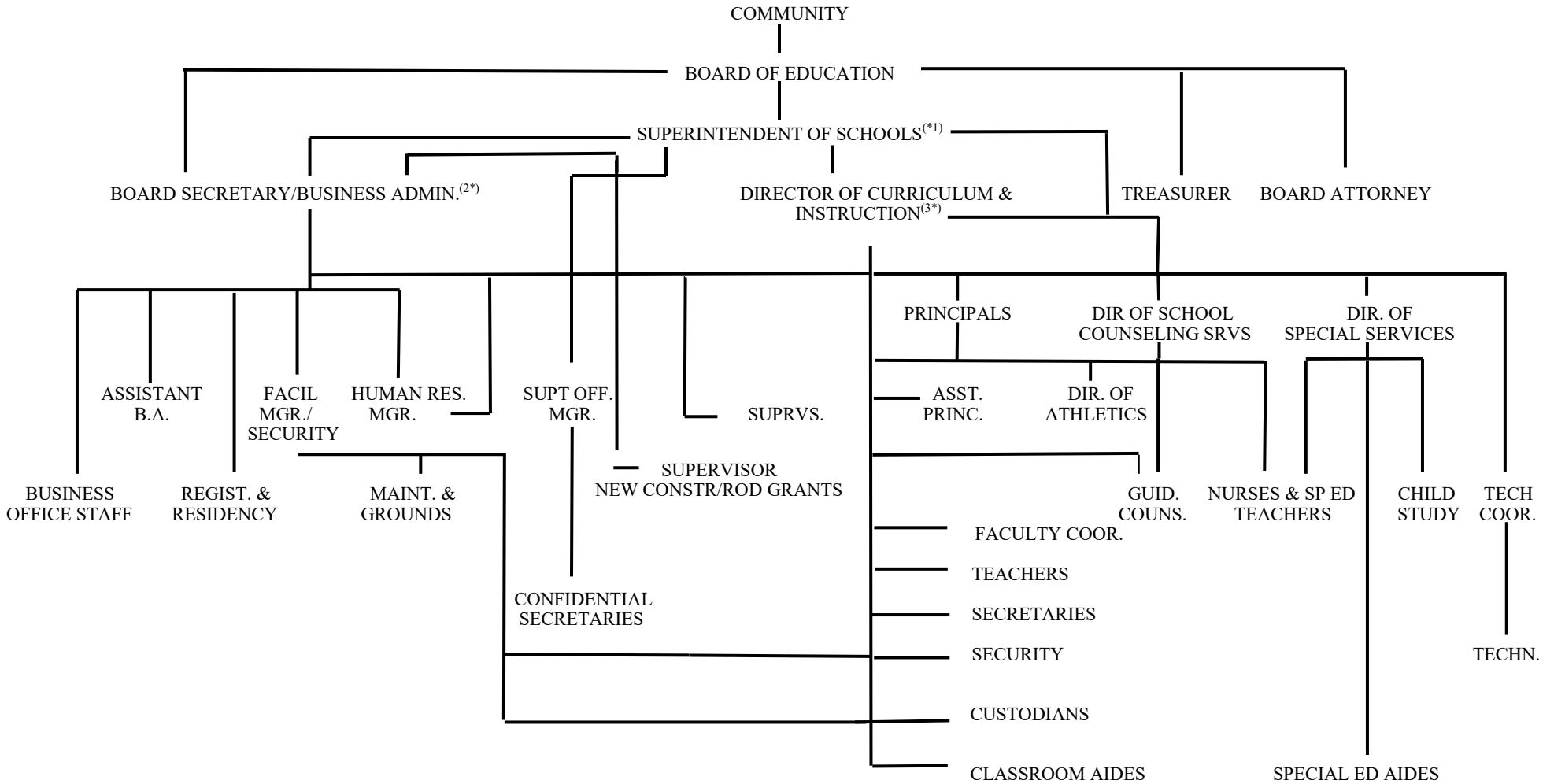


Superintendent of Schools



Business Administrator

**ORGANIZATION OF PERSONNEL AND REPORTING RESPONSIBILITIES
FORT LEE PUBLIC SCHOOLS
2018-2019**



*Order of Authority
 — Order of Responsibility

2P*

Fort Lee Public Schools
Fort Lee, New Jersey

Roster of Officials

June 30, 2019

| <u>Members of the Board of Education</u> | <u>Term Expires</u> |
|--|---------------------|
| Mrs. Esther Han Silver, President | 12/31/2019 |
| Mrs. Candace Romba, Vice President | 12/31/2021 |
| Mrs. Elisa Cho | 12/31/2020 |
| Mrs. Paula Colbath | 12/31/2019 |
| Mr. Ralph DiMeglio | 12/31/2020 |
| Mrs. Holly Morell | 12/31/2021 |
| Mrs. Kristen Richter | 12/31/2019 |
| Mr. Michael Rubino | 12/31/2021 |
| Mrs. Lauran Tuck | 12/31/2020 |

Other Officials

Mr. Kenneth Rota, Superintendent of Schools

Ms. Haquisha Q. Taylor, Business Administrator

Dr. Sharon Amato, Director of Curriculum

Mr. Scott Bendul, Supervisor, B&G/Security

Mr. Jack DeNichilo, Supervisor, New Construction

Dennis McKeever, Esq., Board Attorney

Fort Lee Public Schools
Fort Lee, New Jersey

Independent Auditors and Advisors

Auditor

PKF O'Connor Davies, LLP
20 Commerce Drive
Suite 301
Cranford, NJ 07016

Attorney

Dennis McKeever, Esq.
Sciarrillo, Cornell, Merlino, McKeever & Osborne, LLC
238 St. Paul Street
Westfield, NJ 07090

Official Depository

TD Bank
1100 Lake Street
Ramsey, NJ 07446

NJ ARM
821 Alexander Road, Suite 110
Princeton, NJ 08540

Financial Section

Independent Auditors' Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Fort Lee Public Schools, in the County of Bergen, State of New Jersey (the "District"), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit 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; and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

**The Honorable President and Members
of the Board of Education
Fort Lee Public Schools**

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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to previously present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the District as of June 30, 2019, and the respective changes in financial position, and, where applicable, cash flows, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis, schedule of the District's proportionate share of the net pension liability-PERS, schedule of District contributions-PERS, schedule of the State's proportionate share of the net pension liability associated with the District-TPAF, schedule of State's proportionate share of the OPEB liability associated with the District and budgetary comparison information as presented in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section, combining and individual fund financial statements, long-term debt schedules and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedules of expenditures of federal awards and state financial assistance are presented for purposes of additional analysis, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, respectively, and are also not a required part of the basic financial statements.

**The Honorable President and Members
of the Board of Education
Fort Lee Public Schools**

Page 3

The combining and individual fund financial statements, long-term debt schedules and the schedules of expenditures of federal awards and state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements, long-term debt schedules and the schedules of expenditures of federal awards and state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 20, 2019 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

PKF O'Connor Davies, LLP

December 20, 2019
Cranford, New Jersey



David J. Gannon
Licensed Public School Accountant
No. 2305

Required Supplementary Information – Part I

Management's Discussion and Analysis

Fort Lee Public Schools

Management's Discussion and Analysis Year Ended June 30, 2019

As management of the Borough of Fort Lee Public Schools, we offer readers of the District's financial statements this narrative discussion, overview, and analysis of the financial activities of the District for the fiscal year ended June 30, 2019. We encourage readers to consider the information presented, in conjunction with additional information that we have furnished in our letter of transmittal.

Management's Discussion and Analysis (MD&A) is Required Supplementary Information specified in the Governmental Accounting Standard Board's (GASB) Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*. Certain comparative information between the current fiscal year (2018-2019) and the prior fiscal year (2017-2018) is presented in the MD&A.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This document also contains required and other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the assets, deferred outflows of resources, deferred inflows of resources and liabilities of the District, with the difference between the four reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The statement of activities presents information showing how the net position of the District changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., earned but unused vacation leave).

The government-wide financial statements can be found on pages 23 - 24 of this report.

Fund financial statements. A fund is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

All of the funds of the District can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains four individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balance for the general fund, special revenue fund, capital projects fund and debt service fund, all of which are considered to be major funds.

The District adopts an annual appropriated budget for its general fund, special revenue fund and debt service fund. Budgetary comparison statements have been provided as required supplementary information for the general fund, special revenue fund and debt service fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 25 - 27 of this report.

Proprietary funds. The District maintains one proprietary fund type. Proprietary funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The District uses an enterprise fund to account for the operations of its food service program, which is considered a major fund of the District. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The basic proprietary fund financial statements can be found on pages 28 - 30 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the governmental entity. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the District's own programs. The District uses agency funds to account for resources held for student activities and groups, and payroll related liabilities. The District also has an unemployment compensation fund and a private-purpose scholarship fund. The basic fiduciary fund financial statements can be found on pages 31 - 32 of this report.

Notes to the basic financial statements. The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 33 - 74 of this report.

Other information. The combining statements referred to earlier in connection with governmental funds are presented immediately following the notes to the basic financial statements. Combining and individual fund statements and schedules can be found on pages 79 - 108 of this report.

Financial Highlights

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The following table provides a summary of net position relating to the District's governmental and business-type activities at June 30, 2019 and 2018:

| Fort Lee Public Schools Fort Lee, New Jersey Net Position | | | | | | |
|---|----------------------------|---------------------------------|---------------|----------------------------|---------------------------------|---------------|
| | 2019 | | | 2018 | | |
| | Governmental Activities | Business Type- Activities | Total | Governmental Activities | Business Type- Activities | Total |
| Current and other assets | \$ 19,689,034 | \$ 309,485 | \$ 19,998,519 | \$ 31,425,152 | \$ 506,707 | \$ 31,931,859 |
| Capital assets, net | 85,132,611 | 119,290 | 85,251,901 | 75,685,976 | 94,533 | 75,780,509 |
| Total assets | 104,821,645 | 428,775 | 105,250,420 | 107,111,128 | 601,240 | 107,712,368 |
| Deferred outflows | 4,702,659 | | 4,702,659 | 6,663,576 | | 6,663,576 |
| Liabilities | | | | | | |
| Current liabilities | 4,915,966 | 37,396 | 4,953,362 | 9,914,437 | 217,700 | 10,132,137 |
| Net pension liability | 14,219,883 | | 14,219,883 | 17,228,330 | | 17,228,330 |
| Long Term Liabilities | 66,309,699 | | 66,309,699 | 69,423,311 | | 69,423,311 |
| Total liabilities | 85,445,548 | 37,396 | 85,482,944 | 96,566,078 | 217,700 | 96,783,778 |
| Deferred inflows | 5,689,404 | | 5,689,404 | 4,309,543 | | 4,309,543 |
| Net position | | | | | | |
| Net investment in capital assets | 28,048,044 | 119,290 | 28,167,334 | 26,864,312 | 94,533 | 26,958,845 |
| Restricted | 8,983,541 | | 8,983,541 | 4,694,988 | | 4,694,988 |
| Unrestricted (deficit) | (18,642,233) | 272,089 | (18,370,144) | (18,660,217) | 289,007 | (18,371,210) |
| Total net position | \$ 18,389,352 | \$ 391,379 | \$ 18,780,731 | \$ 12,899,083 | \$ 383,540 | \$ 13,282,623 |

Key financial highlights for the 2018-2019 fiscal year include the following:

- Governmental net position increased \$5,490,269 resulting from an increase in the local tax levy and as a result of funding for debt service state aid and continued fiscal constraint and control over expenditures.
- Consistent with the prior year, the State withheld the school district's fiscal 2018-2019 last two state aid payments until July 2019.

The District's cash balances decreased significantly during the 2019 fiscal year as a result of progress made on the District's capital projects which is reflected as an increase in capital assets.

Significant changes to deferred outflows and deferred inflows of resources pertain primarily to the impact of the changes in the GASB 68 net pension liability calculation performed by the State of New Jersey. The changes in 2019 from the prior year resulted from changes in assumptions calculated by the actuary in conjunction with the net pension liability calculation for the measurement date of June 30, 2018 and rolled forward to June 30, 2019. The net pension liability associated with the District's governmental activities at June 30, 2019 amounted to \$14,219,883 also decreased in the amount of \$3,008,447 resulting from changes in the net pension calculation. Long-term liabilities decreased by principal payments made in the amount of \$2,175,000 in bonds payable.

The largest portion of the District's net position reflects its investment in capital assets (e.g., land, construction in progress, building and equipment) net of related debt. The balance of invested in capital assets, net of related debt is the carrying value of capital assets less the amount of the outstanding debt used to finance those assets.

An additional portion of the District's net position (restricted) represents resources that are subject to external restrictions on how they may be used, including funds reserved for emergency reserve, maintenance reserve, capital reserve and excess surplus.

The remaining deficit balance of unrestricted net position reflects long-term obligations, such as compensated absences and the net pension liability, not invested in capital assets. The deficit (negative) amount is mainly the result of liabilities for compensated absences and the net pension liability without an offsetting asset.

District activities. The key elements of the District's changes in net position for the years ended June 30, 2019 and 2018 are as follows:

Fort Lee Public Schools
Fort Lee, New Jersey
Changes in Net Position

Year ended June 30,

| | 2019 | | | 2018 | | |
|--|----------------------------|---------------------------------|---------------|----------------------------|---------------------------------|---------------|
| | Governmental Activities | Business Type- Activities | Total | Governmental Activities | Business Type- Activities | Total |
| Revenues: | | | | | | |
| Program revenues: | | | | | | |
| Charges for services | \$ 79,028 | \$ 1,323,740 | \$ 1,402,768 | \$ 30,211 | \$ 1,107,404 | \$ 1,137,615 |
| Operating grants and contributions | 1,774,484 | 446,001 | 2,220,485 | 1,617,534 | 445,455 | 2,062,989 |
| General revenues: | | | | | | |
| Property taxes | 66,928,534 | | 66,928,534 | 63,622,953 | | 63,622,953 |
| State and federal aid not restricted to a specific purpose | 21,634,355 | | 21,634,355 | 25,256,462 | | 25,256,462 |
| Investment Income | 536,989 | | 536,989 | 273,161 | | 273,161 |
| Miscellaneous | 454,513 | | 454,513 | 561,227 | | 561,227 |
| Total revenue | 91,407,903 | 1,769,741 | 93,177,644 | 91,361,548 | 1,552,859 | 92,914,407 |
| Expenses: | | | | | | |
| Instructional services | 53,039,188 | | 53,039,188 | 55,569,883 | | 55,569,883 |
| Support services | 31,090,154 | | 31,090,154 | 31,849,324 | | 31,849,324 |
| Interest on long term debt | 1,958,373 | | 1,958,373 | 1,989,370 | | 1,989,370 |
| Business Type Activities | | 1,591,821 | 1,591,821 | | 1,516,498 | 1,516,498 |
| Total expenses | 86,087,715 | 1,591,821 | 87,679,536 | 89,408,577 | 1,516,498 | 90,925,075 |
| Increase in net position before transfers | 5,320,188 | 177,920 | 5,498,108 | 1,952,971 | 36,361 | 1,989,332 |
| Transfers | 170,081 | (170,081) | - | - | | - |
| Change in net position | 5,490,269 | 7,839 | 5,498,108 | 1,952,971 | 36,361 | 1,989,332 |
| Net position—beginning | 12,899,083 | 383,540 | 13,282,623 | 10,946,112 | 347,179 | 11,293,291 |
| Net position—ending | \$ 18,389,352 | \$ 391,379 | \$ 18,780,731 | \$ 12,899,083 | \$ 383,540 | \$ 13,282,623 |

Property tax revenue increased \$3,305,581 to fund increases to the budget. Included in the State Aid revenue amount is the amount paid by the State on-behalf of the District for TPAF Pension, TPAF Medical Cost and the Employer share of Social Security. This amounts to \$17.1 million in state aid. These amounts also are included in the expenses of the school district.

The increase in business type revenues is the result of an increase in the daily sales and special function revenue for the food service program. Certain fluctuations in the revenues and expenses above are the result of changes in the allocation methods from year to year for employee benefits and on-behalf retiree pensions and medical costs.

Financial Analysis of the District's Funds

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. The District's fund balance amounts are classified as either restricted, committed, assigned or unassigned.

General Fund

The general fund is the main operating fund of the District. Of the \$10,721,268 fund balance in the General Fund, \$7,322,054 is restricted in the capital reserve account, \$250,000 is restricted in the emergency reserve account, \$500,000 is restricted in the maintenance reserve account, \$911,487 is restricted as excess surplus – current year \$100,000 is assigned by the board of education for subsequent years' expenditures, \$53,591 of encumbrances is assigned to other purposes, and \$1,584,136 is unassigned. Fund balance in the General Fund increased by \$4,397,358 from the prior year.

Special Revenue Fund

The special revenue fund is used to track the proceeds of specific revenue sources that are restricted or committed to expenditures for specific purposes, other than debt service or capital projects. Revenue and expenditures for the current fiscal year remained largely the same as the prior fiscal year. IDEA continues to be the largest grant in the special revenue fund, with expenditures in the current fiscal year of \$910,424.

Capital Projects Fund

The capital projects fund is used to account for and report financial resources that are restricted, committed, or assigned to an expenditure for capital outlays, including the acquisition or construction of major capital facilities and other assets (other than those financed by proprietary funds). There were expenditures of \$11,582,319 in the current fiscal year compared to expenditures of \$7,114,900 in the prior year. Total fund balance was \$8,143,095 and \$19,725,414 as of June 30, 2019 and 2018, respectively.

Debt Service Fund

The debt service fund accounts for resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds. The fund balance in the debt service fund is \$148,348. As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility of sound financial management.

The following schedule presents a summary of the General Fund, Special Revenue Fund and Debt Service Fund revenues for the fiscal year ended June 30, 2019, and the increases in relation to the prior year:

| <u>Revenue</u> | <u>Amount</u> | <u>Percent of Total</u> | <u>Increase from 2018</u> | <u>Percent of Increase</u> |
|-----------------|----------------------|-------------------------|---------------------------|----------------------------|
| Local sources | \$ 67,490,776 | 80.54% | \$ 3,230,848 | 5.03% |
| State sources | 14,660,776 | 17.50% | 1,571,382 | 12.01% |
| Federal sources | 1,644,467 | 1.96% | 167,256 | 11.32% |
| Total | <u>\$ 83,796,019</u> | <u>100.00%</u> | <u>\$ 4,969,486</u> | <u>6.30%</u> |

The increase in local sources was primarily the result of an increase in the local tax levy. The increase in state sources was mainly attributable to the increase in contributions for TPAF pension and retiree medical contributions the State pays on behalf of the District. The increase in federal sources is the result of an increase in Title I and IDEA funding.

The following schedule presents a summary of General Fund, Special Revenue Fund and Debt Service Fund expenditures for the fiscal year ended June 30, 2019 and the increases (decreases) in relation to the prior year:

| <u>Expenditures</u> | <u>Amount</u> | <u>Percent of Total</u> | <u>Increase (Decrease) From 2018</u> | <u>Percent of Increase (Decrease)</u> |
|----------------------------|----------------------|-------------------------|--------------------------------------|---------------------------------------|
| Current expenditures: | | | | |
| Instruction | \$ 28,865,617 | 35.97% | \$ 760,085 | 2.70% |
| Support services | 46,462,766 | 57.89% | 1,803,979 | 4.04% |
| Debt service: | | | | |
| Principal | 2,175,000 | 2.71% | 55,000 | 2.59% |
| Interest and other charges | 2,099,388 | 2.62% | (71,499) | (3.29%) |
| Capital outlay | 651,308 | 0.81% | (215,767) | (24.88%) |
| Total | <u>\$ 80,254,079</u> | <u>100.00%</u> | <u>\$ 2,331,798</u> | <u>2.99%</u> |

The increase in instruction and support services is mainly the result of an increase in salaries and wages, the cost of benefits as well as an increase in on-behalf TPAF social security, pension and retiree medical contributions, which is also offset by a correlating revenue source. Overall, the District's expenditures increased 2.99%.

Business Type Activities. The focus of the District's business type activities is to provide information on near-term inflows, outflows, and balances of spendable resources related to the operations of its food service program.

The following schedule presents a summary of the Enterprise funds revenues for the fiscal year ended June 30, 2019, and the increases (decreases) in relation to the prior year:

| Revenue | Amount | Percent of Total | Increase (Decrease) from 2018 | Percent of Increase (Decrease) |
|-----------------|---------------------|-------------------------|--------------------------------------|---------------------------------------|
| Local sources | \$ 1,323,740 | 74.80% | \$ 216,336 | 19.54% |
| State sources | 15,976 | 0.90% | (16) | (0.10%) |
| Federal sources | 430,025 | 24.30% | 562 | 0.13% |
| Total | \$ 1,769,741 | 100.00% | \$ 216,882 | 13.97% |

The increase in local sources is mainly attributable to an increase in daily sales revenue for the food service program. The increases in federal sources is mainly attributable to the increases in the federal school lunch program reimbursements.

The following schedule presents a summary of the Enterprise fund operating expenses for the fiscal year ended June 30, 2019, and the increases and (decreases) in relation to the prior year:

| Expenditures | Amount | Percent of Total | Increase (Decrease) From 2018 | Percent of Increase (Decrease) |
|---------------------------------|---------------------|-------------------------|--------------------------------------|---------------------------------------|
| Cost of sales | \$ 408,938 | 25.69% | \$ (115,196) | (21.98%) |
| Salaries/employee benefits | 788,125 | 49.51% | 185,241 | 30.73% |
| Other purchased services | 85,815 | 5.39% | 7,070 | 8.98% |
| Food distribution program - net | 81,555 | 5.12% | (1,273) | (1.54%) |
| Supplies and materials | 61,059 | 3.84% | 26,625 | 77.32% |
| Management fee | 136,346 | 8.57% | 11,051 | 8.82% |
| Depreciation | 27,317 | 1.72% | 3,839 | 16.35% |
| Miscellaneous | 2,666 | 0.16% | (42,034) | (94.04) |
| | \$ 1,591,821 | 100.00% | \$ 75,323 | 4.97% |

The increase in expenditures is a result of an increase in the participation of the student body in the breakfast and lunch programs with notable increases in such areas as other purchased services, supplies and materials expenditures.

Food Service Fund

Total revenues from local sources increased from the prior year by \$216,336 or 19.54% as a result of an increase in daily sales and special functions. Total operating expenses increased from the prior year by \$75,323 or 4.97% due to the increase in other purchased services, supplies and materials expenditures.

The net position of the food service fund is comprised of net investment in capital assets of \$119,290 and unrestricted net position of \$272,089.

Capital Assets and Debt Administration

Capital Assets

At June 30, 2019, the District's governmental activities had capital assets of \$85,364,611 (net of accumulated depreciation), including land, construction in progress, school buildings, machinery, equipment and vehicles.

The District's governmental funds' capital assets, net of depreciation consisted of the following at June 30, 2019 and 2018:

| | June 30, | |
|-------------------------------------|----------------------|----------------------|
| | 2019 | 2018 |
| Land | \$ 2,509,321 | \$ 2,509,321 |
| Construction in progress | 41,361,106 | 35,869,304 |
| Site improvements | 1,678,789 | 1,770,573 |
| Buildings and building improvements | 38,690,721 | 35,036,703 |
| Machinery and equipment | 892,674 | 500,075 |
| Total capital assets, net | <u>\$ 85,132,611</u> | <u>\$ 75,685,976</u> |

Debt Administration

During the 2019 fiscal year, the District had outstanding long-term liabilities of \$69,359,296 (excluding the net pension liability) of which \$3,049,597 was classified as the current portion.

At June 30, 2019 and 2018, the District's governmental activities long-term liabilities consisted of:

| | June 30 | |
|------------------------------|----------------------|----------------------|
| | 2019 | 2018 |
| Bonds payable | \$ 58,940,000 | \$ 61,115,000 |
| Unamortized premium on bonds | 1,578,721 | 1,699,005 |
| Capital leases payable | 4,708,941 | 5,733,073 |
| Compensated absences payable | 4,131,634 | 4,464,634 |
| Total long-term liabilities | <u>\$ 69,359,296</u> | <u>\$ 73,011,712</u> |

Governmental activities long-term liabilities decreased mainly due to the principal payments made on the bonds outstanding and capital leases in addition to the annual amortization of premiums on bonds. More detailed information about the District's long-term liabilities and outstanding debt can be found in Notes 5 to the basic financial statements.

General Fund Budgetary Highlights

The District budget is prepared according to New Jersey statutes. The most significant budgeted fund is the General Fund.

The largest difference to the budget on the revenue side was due to the increase in the local revenues in lieu of taxes.

The District experienced significant variations between the final amended budget and the actual expenditures for various reasons including:

- Undistributed expenditure - Tuition to private schools for the disabled within the state – a remaining balance of \$230,811 was mainly due to the decrease of special needs students requiring specialized services outside of the District.
- Unallocated benefits – Health benefits - The final budget for unallocated benefits did not exceed the actual expenditures by \$1,820,153 because of lower claims costs in the current year.
- Capital outlay – Facilities Acquisition and Construction Services - Construction Services – a remaining balance of \$251,987 was mainly the result of the timing of the liquidation of the encumbrances as well as many ongoing projects that were carried over to the following year.

Requests for Information

This financial report is designed to provide a general overview of the Fort Lee Public Schools' finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the School Business Administrator, 2175 Lemoine Avenue, Fort Lee, New Jersey 07024.

Basic Financial Statements

Government-wide Financial Statements

The government-wide financial statements provide a financial overview of the District's operations. These financial statements present the financial position and operating results of all governmental activities and business-type activities as of and for the year ended June 30, 2019.

Fort Lee Public Schools

Statement of Net Position

June 30, 2019

| | Governmental Activities | Business-type Activities | Total |
|---|------------------------------------|-------------------------------------|----------------------|
| Assets | | | |
| Cash and cash equivalents | \$ 1,651,781 | \$ 203,720 | \$ 1,855,501 |
| Investments | 7,444,827 | | 7,444,827 |
| Accounts receivable | 2,497,440 | 97,761 | 2,595,201 |
| Internal balances | 2,702 | (2,702) | |
| Other current assets | 20,230 | | 20,230 |
| Inventories | | 10,706 | 10,706 |
| Restricted: | | | |
| Cash and cash equivalents | 8,072,054 | | 8,072,054 |
| Capital assets, non-depreciable | 43,870,427 | | 43,870,427 |
| Capital assets, depreciable, net | 41,262,184 | 119,290 | 41,381,474 |
| Total assets | <u>104,821,645</u> | <u>428,775</u> | <u>105,250,420</u> |
| Deferred Outflows Of Resources | | | |
| Pension deferrals | <u>4,702,659</u> | | <u>4,702,659</u> |
| Liabilities | | | |
| Accounts payable | 1,276,292 | | 1,276,292 |
| Accrued interest payable | 503,322 | | 503,322 |
| Intergovernmental payables - State | 50,041 | | 50,041 |
| Unearned revenue | 36,714 | 37,396 | 74,110 |
| Net pension liability | 14,219,883 | | 14,219,883 |
| Current portion of long-term obligations | 3,049,597 | | 3,049,597 |
| Noncurrent portion of long-term obligations | 66,309,699 | | 66,309,699 |
| Total liabilities | <u>85,445,548</u> | <u>37,396</u> | <u>85,482,944</u> |
| Deferred Inflow Of Resources | | | |
| Pension deferrals | <u>5,689,404</u> | | <u>5,689,404</u> |
| | 5,689,404 | | 5,689,404 |
| Net Position | | | |
| Net investment in capital assets | 28,048,044 | 119,290 | 28,167,334 |
| Restricted for: | | | |
| Excess surplus - current year | 911,487 | | 911,487 |
| Capital reserve | 7,322,054 | | 7,322,054 |
| Emergency reserve | 250,000 | | 250,000 |
| Maintenance reserve | 500,000 | | 500,000 |
| Unrestricted (deficit) | (18,642,233) | 272,089 | (18,370,144) |
| Total net position | <u>\$ 18,389,352</u> | <u>\$ 391,379</u> | <u>\$ 18,780,731</u> |

Fort Lee Public Schools
Statement of Activities
Year ended June 30, 2019

| Functions/Programs | Expenses | Program Revenues | | Net (Expense) Revenue and Changes in Net Position | | Total |
|---|----------------------|----------------------|------------------------------------|---|--------------------------|----------------------|
| | | Charges for Services | Operating Grants and Contributions | Governmental Activities | Business-type Activities | |
| Governmental activities | | | | | | |
| Instruction | \$ 53,039,188 | \$ 79,028 | \$ 1,335,174 | \$ (51,624,986) | | \$ (51,624,986) |
| Support services: | | | | | | |
| Attendance/social work | 490,150 | | | (490,150) | | (490,150) |
| Health services | 920,339 | | | (920,339) | | (920,339) |
| Other support services | 10,413,164 | | 424,640 | (9,988,524) | | (9,988,524) |
| Improvement of instruction | 783,585 | | | (783,585) | | (783,585) |
| Other support: instructional staff | 35,003 | | | (35,003) | | (35,003) |
| School library | 1,097,267 | | | (1,097,267) | | (1,097,267) |
| General administration | 1,526,616 | | | (1,526,616) | | (1,526,616) |
| School administration | 4,298,495 | | | (4,298,495) | | (4,298,495) |
| Central services | 1,420,689 | | | (1,420,689) | | (1,420,689) |
| Administrative information technology | 415,132 | | | (415,132) | | (415,132) |
| Plant operation and maintenance | 7,046,530 | | 14,670 | (7,031,860) | | (7,031,860) |
| Student transportation | 2,643,184 | | | (2,643,184) | | (2,643,184) |
| Interest on long-term debt | 1,958,373 | | | (1,958,373) | | (1,958,373) |
| Total governmental activities | <u>86,087,715</u> | <u>79,028</u> | <u>1,774,484</u> | <u>(84,234,203)</u> | | <u>(84,234,203)</u> |
| Business-type activities | | | | | | |
| Food Service | 1,591,821 | 1,153,659 | 446,001 | | \$ 7,839 | 7,839 |
| Pre-K Tuition | | 115,881 | | | 115,881 | 115,881 |
| Summer Math | | 54,200 | | | 54,200 | 54,200 |
| Total business-type activities | <u>1,591,821</u> | <u>1,323,740</u> | <u>446,001</u> | | <u>177,920</u> | <u>177,920</u> |
| Total primary government | <u>\$ 87,679,536</u> | <u>\$ 1,402,768</u> | <u>\$ 2,220,485</u> | <u>(84,234,203)</u> | <u>177,920</u> | <u>(84,056,283)</u> |
| General revenues: | | | | | | |
| Taxes: | | | | | | |
| Property taxes, levied for general purposes | | | | 63,212,253 | | 63,212,253 |
| Property taxes, levied for debt service | | | | 3,716,281 | | 3,716,281 |
| State and federal sources—unrestricted | | | | 21,634,355 | | 21,634,355 |
| Investment income | | | | 536,989 | | 536,989 |
| Miscellaneous | | | | 454,513 | | 454,513 |
| Transfers | | | | 170,081 | (170,081) | - |
| Total general revenues | | | | <u>89,724,472</u> | <u>(170,081)</u> | <u>89,554,391</u> |
| | | | | 5,490,269 | 7,839 | 5,498,108 |
| Net Position—beginning | | | | 12,899,083 | 383,540 | 13,282,623 |
| Net Position—ending | | | | <u>\$ 18,389,352</u> | <u>\$ 391,379</u> | <u>\$ 18,780,731</u> |

Fund Financial Statements

Governmental Funds

Fort Lee Public Schools
Governmental Funds

Balance Sheet

June 30, 2019

| | Major Funds | | | | Total Governmental Funds |
|---|----------------------|----------------------------|-----------------------------|-------------------------|--------------------------------|
| | General Fund | Special Revenue Fund | Capital Projects Fund | Debt Service Fund | |
| Assets | | | | | |
| Cash and cash equivalents | \$ 269,918 | | \$ 1,233,515 | \$ 148,348 | \$ 1,651,781 |
| Investments | | | 7,444,827 | | 7,444,827 |
| Accounts receivable: | | | | | |
| State | 1,557,136 | | | | 1,557,136 |
| Federal | | \$ 894,390 | | | 894,390 |
| Other | 880 | | 45,034 | | 45,914 |
| Interfund | 1,188,234 | 330 | | | 1,188,564 |
| Other current assets | 20,230 | | | | 20,230 |
| Restricted assets: | | | | | |
| Cash and cash equivalents | 8,072,054 | | | | 8,072,054 |
| Total assets | \$ 11,108,452 | \$ 894,720 | \$ 8,723,376 | \$ 148,348 | \$ 20,874,896 |
| Liabilities and Fund Balances | | | | | |
| Liabilities: | | | | | |
| Accounts payable | \$ 351,543 | \$ 152,665 | \$ 99,426 | | \$ 603,634 |
| Intergovernmental payables: | | | | | |
| State | 146 | 49,895 | | | 50,041 |
| Interfunds payable | 330 | 690,611 | 480,855 | | 1,171,796 |
| Unearned revenue | 35,165 | 1,549 | | | 36,714 |
| Total liabilities | 387,184 | 894,720 | 580,281 | | 1,862,185 |
| Fund balances: | | | | | |
| Restricted for: | | | | | |
| Excess surplus-current year | 911,487 | | | | 911,487 |
| Capital reserve | 7,322,054 | | | | 7,322,054 |
| Emergency reserve | 250,000 | | | | 250,000 |
| Maintenance reserve | 500,000 | | | | 500,000 |
| Capital projects | | | 8,143,095 | | 8,143,095 |
| Debt service | | | | \$ 148,348 | 148,348 |
| Assigned to: | | | | | |
| Other purposes | 53,591 | | | | 53,591 |
| Designated for subsequent year's expenditures | 100,000 | | | | 100,000 |
| Unassigned | 1,584,136 | | | | 1,584,136 |
| Total fund balances | 10,721,268 | - | 8,143,095 | 148,348 | 19,012,711 |
| Total liabilities and fund balances | \$ 11,108,452 | \$ 894,720 | \$ 8,723,376 | \$ 148,348 | \$ 20,874,896 |

Amounts reported for *governmental activities* in the statement of net position (A-1) are different because:

| | |
|---|----------------------|
| Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$119,177,270 and the accumulated depreciation is \$34,044,659. | 85,132,611 |
| Accrued interest on long-term debt is not due and payable in the current period and therefore is not reported as a liability in the funds. | (503,322) |
| Long-term liabilities, including bonds payable, capital leases and compensated absences are not due and payable in the current period and therefore are not reported as liabilities in the funds. | (69,359,296) |
| Deferred pension costs in governmental activities are not financial resources and are therefore not reported in the funds. | (986,745) |
| Accrued pension contributions for the June 30, 2019 plan year end are not paid with current economic resources and are therefore not reported as a liability in the funds, but are included in the accounts payable in the government-wide statement of net position. | (686,724) |
| Net pension liability is not due and payable in the current period and therefore is not reported as a liability in the funds. | (14,219,883) |
| Net position of governmental activities | \$ 18,389,352 |

See accompanying notes to the basic financial statements.

Fort Lee Public Schools
Governmental Funds

Statement of Revenues, Expenditures and Changes in Fund Balances

Year ended June 30, 2019

| | Major Funds | | | | Total Governmental Funds |
|--|-----------------|----------------------------|-----------------------------|-------------------------|--------------------------------|
| | General Fund | Special Revenue Fund | Capital Projects Fund | Debt Service Fund | |
| Revenues | | | | | |
| Local sources: | | | | | |
| Local tax levy | \$ 63,212,253 | | | \$ 3,716,281 | \$ 66,928,534 |
| Revenues in lieu of taxes | 245,414 | | | | 245,414 |
| Tuition | 79,028 | | | | 79,028 |
| Rents and Royalties | 50,705 | | | | 50,705 |
| Investment Income | | | \$ 536,989 | | 536,989 |
| Miscellaneous | 158,394 | \$ 28,701 | | | 187,095 |
| Total local sources | 63,745,794 | 28,701 | 536,989 | 3,716,281 | 68,027,765 |
| State sources | 14,120,087 | 130,930 | | 409,759 | 14,660,776 |
| Federal sources | 29,614 | 1,614,853 | | | 1,644,467 |
| Total revenues | 77,895,495 | 1,774,484 | 536,989 | 4,126,040 | 84,333,008 |
| Expenditures | | | | | |
| Current: | | | | | |
| Instruction | 27,530,443 | 1,335,174 | | | 28,865,617 |
| Undistributed-current: | | | | | |
| Instruction | 3,371,699 | | | | 3,371,699 |
| Attendance/social work | 291,566 | | | | 291,566 |
| Health services | 563,869 | | | | 563,869 |
| Other support services | 6,267,754 | 424,640 | | | 6,692,394 |
| Improvement of instruction | 460,438 | | | | 460,438 |
| Education media library | 659,424 | | | | 659,424 |
| Other support: instructional staff | 30,510 | | | | 30,510 |
| General administration | 1,101,290 | | | | 1,101,290 |
| School administration | 2,445,666 | | | | 2,445,666 |
| Central services | 867,705 | | | | 867,705 |
| Administrative information technology | 253,884 | | | | 253,884 |
| Required maintenance of plant services | 565,954 | | | | 565,954 |
| Operation of plant | 5,127,617 | | | | 5,127,617 |
| Student transportation | 2,270,045 | | | | 2,270,045 |
| Unallocated benefits | 11,782,100 | | | | 11,782,100 |
| On-behalf TPAF social security and pension contributions | 9,978,605 | | | | 9,978,605 |
| Capital outlay | 636,638 | 14,670 | 11,582,319 | | 12,233,627 |
| Debt Service: | | | | | |
| Principal | | | | 2,175,000 | 2,175,000 |
| Interest | | | | 2,099,388 | 2,099,388 |
| Total expenditures | 74,205,207 | 1,774,484 | 11,582,319 | 4,274,388 | 91,836,398 |
| Excess (deficiency) of revenues over (under) expenditures | 3,690,288 | - | (11,045,330) | (148,348) | (7,503,390) |
| Other financing sources (uses) | | | | | |
| Transfers in | 707,070 | | | | 707,070 |
| Transfers out | | | (536,989) | | (536,989) |
| Total other financing sources (uses) | 707,070 | - | (536,989) | - | 170,081 |
| Net change in fund balances | 4,397,358 | - | (11,582,319) | (148,348) | (7,333,309) |
| Fund balances, July 1 | 6,323,910 | | 19,725,414 | 296,696 | 26,346,020 |
| Fund balances, June 30 | \$ 10,721,268 | \$ - | \$ 8,143,095 | \$ 148,348 | \$ 19,012,711 |

The reconciliation of the fund balances of governmental funds to the net assets of governmental activities in the statement of net position is presented in an accompanying schedule (B-3).

Fort Lee Public Schools
Governmental Funds

Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balances to the Statement of Activities

Year ended June 30, 2019

Total net change in fund balances - governmental funds (from B-2) \$ (7,333,309)

Amounts reported for governmental activities in the statement of activities (A-2) are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.

| | | | |
|--|----------------------|-------------------|-----------|
| | Depreciation expense | \$ (2,149,157) | |
| | Capital additions | <u>11,595,792</u> | |
| | | | 9,446,635 |

The repayment of the principal of long-term debt, including capital lease obligations, consumes the current financial resources of governmental funds. This transaction, however, has no effect on net position.

| | | | |
|--|---------------------------|------------------|-----------|
| | Payment of bond principal | 2,175,000 | |
| | Capital lease payment | <u>1,024,132</u> | |
| | | | 3,199,132 |

Governmental funds report the effect of premiums and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences.

| | | | |
|--|----------------------------------|----------------|---------|
| | Amortization of Premium on Bonds | <u>120,284</u> | |
| | | | 120,284 |

In the statement of activities, interest on long-term debt/capital leases is accrued, regardless of when due. In the governmental funds, interest is reported when due.

20,731

In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid).

333,000

Certain expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds
Pension expense

(296,204)

Change in net position of governmental activities (A-2)

\$ 5,490,269

See accompanying notes to the basic financial statements.

Proprietary Funds

Fort Lee Public Schools
Proprietary Fund

Statement of Net Position

June 30, 2019

| | Major Enterprise Funds | | | Total |
|----------------------------------|------------------------|---------------|---------------------|-------------------|
| | Food Service | Pre K Tuition | Summer Math Program | |
| Assets | | | | |
| Current assets: | | | | |
| Cash and cash equivalents | \$ 203,720 | | | \$ 203,720 |
| Accounts receivable: | | | | |
| State | 3,277 | | | 3,277 |
| Federal | 71,954 | | | 71,954 |
| Other | 22,530 | | | 22,530 |
| Inventories | 10,706 | | | 10,706 |
| Total current assets | <u>312,187</u> | <u>-</u> | <u>-</u> | <u>\$ 312,187</u> |
| Capital assets: | | | | |
| Equipment | 569,092 | | | 569,092 |
| Accumulated depreciation | <u>(449,802)</u> | | | <u>(449,802)</u> |
| Total capital assets, net | <u>119,290</u> | | | <u>119,290</u> |
| Total assets | <u>431,477</u> | <u>-</u> | <u>-</u> | <u>431,477</u> |
| Liabilities | | | | |
| Current liabilities: | | | | |
| Interfund payable | 2,702 | | | 2,702 |
| Unearned revenue | <u>37,396</u> | | | <u>37,396</u> |
| Total current liabilities | <u>40,098</u> | <u>-</u> | <u>-</u> | <u>40,098</u> |
| Net Position | | | | |
| Net investment in capital assets | 119,290 | | | 119,290 |
| Unrestricted | <u>272,089</u> | | | <u>272,089</u> |
| Total net position | <u>\$ 391,379</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 391,379</u> |

See accompanying notes to the basic financial statements.

Fort Lee Public Schools
Proprietary Fund

Statement of Revenues, Expenses and
Changes in Fund Net Position

Year ended June 30, 2019

| | Major Enterprise Funds | | | Total |
|--|------------------------|------------------|---------------------|-------------------|
| | Food Service | Pre K Tuition | Summer Math Program | |
| Operating revenues: | | | | |
| Local sources: | | | | |
| Daily food sales-reimbursable programs | \$ 673,545 | | | \$ 673,545 |
| Daily food sales non-reimbursable programs | 398,150 | | | 398,150 |
| Tuition | | \$ 115,881 | \$ 54,200 | 170,081 |
| Special functions | 81,964 | | | 81,964 |
| Total operating revenues | <u>1,153,659</u> | <u>115,881</u> | <u>54,200</u> | <u>1,323,740</u> |
| Operating expenses: | | | | |
| Salaries | 674,086 | | | 674,086 |
| Employee benefits | 114,039 | | | 114,039 |
| Other purchased services | 85,815 | | | 85,815 |
| Supplies and materials | 61,059 | | | 61,059 |
| Cost of sales - program | 295,728 | | | 295,728 |
| Cost of sales - nonprogram | 113,210 | | | 113,210 |
| Food distribution program | 81,555 | | | 81,555 |
| Management fee | 136,346 | | | 136,346 |
| Depreciation | 27,317 | | | 27,317 |
| Miscellaneous | 2,666 | | | 2,666 |
| Total operating expenses | <u>1,591,821</u> | | | <u>1,591,821</u> |
| Operating (loss) | (438,162) | 115,881 | 54,200 | (268,081) |
| Nonoperating revenues: | | | | |
| State sources: | | | | |
| State school lunch program | 15,976 | | | 15,976 |
| Federal sources: | | | | |
| School breakfast program | 25,321 | | | 25,321 |
| National school lunch program | 304,408 | | | 304,408 |
| PB lunch - HHFKA | 18,741 | | | 18,741 |
| Food donation program | 81,555 | | | 81,555 |
| Total nonoperating revenues | <u>446,001</u> | <u>-</u> | <u>-</u> | <u>446,001</u> |
| Change in net position | 7,839 | 115,881 | 54,200 | 177,920 |
| Other financing sources (uses) | | | | |
| Transfers out to General Fund | | (115,881) | (54,200) | (170,081) |
| Total other financing sources (uses) | | <u>(115,881)</u> | <u>(54,200)</u> | <u>(170,081)</u> |
| Change in net position after transfers | 7,839 | - | - | 7,839 |
| Total net position-beginning | <u>383,540</u> | <u>-</u> | <u>-</u> | <u>383,540</u> |
| Total net position-ending | <u>\$ 391,379</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 391,379</u> |

See accompanying notes to the basic financial statements.

Fort Lee Public Schools
Proprietary Fund

Statement of Cash Flows
Year ended June 30, 2019

| | Major Fund Enterprise Fund <u>Food Service</u> | Pre K Tuition <u>Program</u> | Summer <u>Math Program</u> | <u>Total</u> |
|---|--|---------------------------------|-------------------------------|---------------------|
| Cash flows from operating activities | | | | |
| Receipts from customers | \$ 1,137,270 | \$ 107,481 | \$ 24,350 | \$ 1,269,101 |
| Payments to employees | (674,086) | | | (674,086) |
| Payments for employee benefits | (114,039) | | | (114,039) |
| Payments to suppliers | <u>(920,177)</u> | <u>(115,881)</u> | <u>(54,200)</u> | <u>(1,090,258)</u> |
| Net cash (used in) operating activities | (571,032) | (8,400) | (29,850) | (609,282) |
| Cash flows from noncapital financing activities | | | | |
| Cash received from state and federal reimbursements | <u>445,007</u> | | | <u>445,007</u> |
| Net cash provided by noncapital financing activities | 445,007 | | | |
| Cash flows from investing activities | | | | |
| Acquisition of capital assets | <u>(52,074)</u> | | | <u>(52,074)</u> |
| Net cash (used in) investing activities | (52,074) | | | (52,074) |
| Net (decrease) in cash and cash equivalents | (178,099) | (8,400) | (29,850) | (216,349) |
| Cash and cash equivalents, beginning of year | <u>381,819</u> | <u>8,400</u> | <u>29,850</u> | <u>420,069</u> |
| Cash and cash equivalents, end of year | <u>\$ 203,720</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 203,720</u> |
| Reconciliation of operating (loss) to net cash (used in) operating activities: | | | | |
| Operating (loss) | (438,162) | | | (438,162) |
| Adjustments to reconcile operating (loss) to net cash (used in) operating activities: | | | | |
| Depreciation | 27,317 | | | 27,317 |
| Change in assets and liabilities: | | | | |
| (Increase) in other receivable | (7,010) | | | (7,010) |
| (Increase) in inventories | (9,379) | | | (9,379) |
| (Decrease) in accounts payable | (143,798) | | | (143,798) |
| (Decrease) in unearned revenue | | (8,400) | (29,850) | (38,250) |
| Net cash (used in) operating activities | <u>\$ (571,032)</u> | <u>\$ (8,400)</u> | <u>\$ (29,850)</u> | <u>\$ (609,282)</u> |

Noncash noncapital financing activities:

The District received \$83,299 of food commodities from the U.S. Department of Agriculture for the year ended June 30, 2019.

See accompanying notes to the basic financial statements.

Fiduciary Funds

Fort Lee Public Schools
Fiduciary Funds

Statement of Fiduciary Net Position

Year Ended June 30, 2019

| | <u>Private-Purpose Scholarship Funds</u> | <u>Unemployment Compensation Trust</u> | <u>Agency Funds</u> |
|--|--|--|---------------------|
| Assets | | | |
| Cash and cash equivalents | \$ 34,136 | \$ 252,564 | \$ 200,535 |
| Interfund receivables | | 16,866 | |
| Total assets | <u>34,136</u> | <u>269,430</u> | <u>\$ 200,535</u> |
| Liabilities | | | |
| Payroll deductions payable | | | \$ 62,040 |
| Accounts payable | | 206 | |
| Interfunds payable | | | 30,932 |
| Due to student groups | | | 107,563 |
| Total liabilities | | <u>206</u> | <u>\$ 200,535</u> |
| Net position | | | |
| Held in trust for unemployment claims | | <u>\$ 269,224</u> | |
| Held in trust for scholarships | <u>\$ 34,136</u> | | |

See accompanying notes to the basic financial statements.

Fort Lee Public Schools
Fiduciary Funds

Statement of Changes in Fiduciary Net Position

Year ended June 30, 2019

| | Private-Purpose Scholarship Funds | Unemployment Compensation Trust |
|------------------------------------|--|--|
| Additions | | |
| Contributions: | | |
| Employee | | \$ 61,657 |
| Other | \$ 13,282 | |
| Total additions | 13,282 | 61,657 |
| Deductions | | |
| Unemployment claims paid | | 84,653 |
| Scholarship payments | 11,602 | |
| Total deductions | 11,602 | 84,653 |
| Change in net position | 1,680 | (22,996) |
| Net position-beginning of the year | 32,456 | 292,220 |
| Net position-end of the year | \$ 34,136 | \$ 269,224 |

See accompanying notes to the basic financial statements.

Fort Lee Public Schools

Notes to the Basic Financial Statements

Year ended June 30, 2019

1. Summary of Significant Accounting Policies

The Fort Lee Public Schools (the "District") is a Type II District located in the County of Bergen, State of New Jersey. The District functions independently through a nine-member Board of Education. The purpose of the District is to educate students K-12.

The financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The more significant of the District's accounting policies are described below.

A. Reporting Entity

The financial reporting entity consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The definition of the reporting entity is based primarily on the notion of financial accountability. A primary government is financially accountable for the organizations that make up its legal entity. It is also financially accountable for legally separate organizations if its officials appoint a voting majority of an organization's governing body and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the primary government. A primary government may also be financially accountable for governmental organizations that are fiscally dependent on it.

The District, as the primary government for financial reporting entity purposes, has oversight responsibility and control over all activities related to the Fort Lee Public Schools in Borough of Fort Lee, New Jersey. The District receives funding from local, state, and federal government sources and must comply with the requirements of these funding source entities.

The District has no component units that are required to be included within the reporting entity, as set forth in Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards.

Fort Lee Public Schools

Notes to the Basic Financial Statements

Year ended June 30, 2019

1. Summary of Significant Accounting Policies (continued)

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) report information on all of the nonfiduciary activities of the District. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include (1) charges to students or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. The New Jersey Department of Education (NJDOE) has elected to require New Jersey school districts to treat each governmental and proprietary fund as a major fund and each major individual fund is reported as separate columns in the fund financial statements. The NJDOE believes the presentation of all funds as major is important for public interest and to promote consistency among New Jersey School District financial reporting.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Property taxes are considered to be available if collected within sixty days of the fiscal year end.

Fort Lee Public Schools

Notes to the Basic Financial Statements

Year ended June 30, 2019

1. Summary of Significant Accounting Policies (continued)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (continued)

If expenditures are the prime factor for determining eligibility, revenues from Federal and State grants are recognized as revenues when the expenditure is made. A one-year availability period is generally used for revenue recognition for most other governmental fund revenues.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, postemployment healthcare benefits and capital leases are recorded only when payment is due.

Property taxes, interest, and state and federal equalization monies associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal year. All other revenue items are considered to be measurable and available only when the District receives cash.

The District has reported the following major governmental funds:

General Fund: The general fund is the general operating fund of the District and is used to account for all financial resources except those required to be accounted for in another fund. Included are certain expenditures for vehicles and movable instructional or non-instructional equipment, which are classified in the capital outlay subfund.

Special Revenue Fund: The District maintains one special revenue fund, which includes the proceeds of specific revenue sources (other than major capital projects) that are legally restricted or committed to expenditures for specified purposes. The revenue sources reported in the Special Revenue Fund include resources from the United States government, the State of New Jersey and some local organizations.

Capital Projects Fund: The capital projects fund is used to account for and report financial resources that are restricted, committed, or assigned to an expenditure to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds).

Debt Service Fund: The debt service fund accounts for and reports financial resources that are restricted, committed, or assigned to expenditures for payments made for principal and interest on long-term general obligation debt of governmental funds.

Fort Lee Public Schools

Notes to the Basic Financial Statements

Year ended June 30, 2019

1. Summary of Significant Accounting Policies (continued)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (continued)

The District reports the following major proprietary funds:

Enterprise Fund (Food Service, Pre K Tuition and Summer Math Program): The enterprise fund accounts for all revenues and expenses pertaining to the cafeteria, the preschool education program and the summer math program. The enterprise fund is utilized to account for operations that are financed and operated in a manner similar to private business enterprises.

The stated intent is that the costs (i.e. expenses including depreciation and indirect costs) of providing goods or services on a continuing basis are financed or recovered primarily through user charges.

Additionally, the District reports the following fiduciary fund types:

Fiduciary Funds of the District include the unemployment compensation and private purpose scholarship trust funds and agency funds. The District's agency funds are purely custodial (assets equal liabilities) and thus do not involve measurements of results of operations. The following is a description of the fiduciary funds of the District.

Trust Funds: The unemployment compensation fund is used to account for contributions from the District and employees and interest earned on the balance as well as payments to the State for reimbursement of unemployment claims. Although there is no formal trust agreement, the State of New Jersey requires school districts to include the unemployment compensation trust as a private-purpose trust fund in the fiduciary fund. The principal and income deposited into this fund are for the sole benefit of specific individuals, former employees, and cannot be used to support the government's own programs. The management of the District is not involved in determining the amounts current employees contribute to the fund or amounts paid out by the fund. That determination is made by the State of New Jersey. Additionally, the unemployment compensation trust fund does not meet the criteria required to be included as an enterprise fund. One of the following criteria would need to be met for inclusion as an enterprise fund: the activity is financed with debt that is secured by a pledge of the revenues charged; laws or regulations require that the activity's cost be recovered with fees and charges, rather than with taxes or similar revenues; the pricing policies of the activity establish fees and charges designed to recover its costs. These criteria are not met as follows and therefore the unemployment compensation fund is recorded as a trust fund: there is no debt issued related to

Fort Lee Public Schools

Notes to the Basic Financial Statements

Year ended June 30, 2019

1. Summary of Significant Accounting Policies (continued)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (continued)

unemployment compensation claims; laws and regulations do not require that the activity's exceed employee contributions and those employee contributions costs be recovered with fees and charges, in fact, employer contributions greatly are raised through taxation; and lastly pricing policies are not established by the District as employee contributions to the activity are regulated by the State of New Jersey and contributions are raised through payroll taxes. The private purpose scholarship fund is utilized to provide scholarships to students and to account for the related transactions.

Agency Funds (Payroll and Student Activity Fund): The agency funds are used to account for the assets that the District holds on behalf of others as their agent. These are custodial in nature and do not involve measurement of results of operations.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements, however, interfund services provided and used are not eliminated in the process of consolidation.

Amounts reported as program revenues include (1) charges to customers or applicants for goods, services, or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenue and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the District enterprise funds are charges for sales of food, charges to other funds and tuition. Operating expenses for proprietary funds include the cost of sales, administrative expenses, expenses for the payment of insurance claims and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The District reports unearned revenue on its statements of net position. Unearned revenue also arises when resources are received by the District before it has legal claim to them, as when federal assistance is received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the District has a legal claim to the resources, the liability for unearned revenue is removed from the balance sheet and statement of net position and revenue is recognized.

Fort Lee Public Schools

Notes to the Basic Financial Statements

Year ended June 30, 2019

1. Summary of Significant Accounting Policies (continued)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (continued)

Ad Valorem (Property) Taxes are susceptible to accrual as, under New Jersey State Statute, a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available. The District is entitled to receive moneys under the established payment schedule and the unpaid amount is considered to be an "accounts receivable."

The County Board of Taxation is responsible for the assessment of properties and the Borough Tax Collector is responsible for collection of taxes. Assessments are certified and taxes are levied on January 1; taxes are due February 1, May 1, August 1 and November 1. Unpaid taxes are considered delinquent the following January 1 and are then subject to lien.

D. Budgets/Budgetary Control

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue and debt service funds. The budgets are submitted to the Bergen County office of the DOE for approval. Budgets are prepared using the modified accrual basis of accounting and the special revenue fund uses a non-GAAP budget (budgetary basis). The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referred in N.J.A.C. 6A:23. All budget amendments must be approved by School Board resolution. Budgetary transfers were made during the current year in accordance with statutory guidelines. The amendments made by the District were part of the normal course of operations. The over-expenditure in the General Fund is due to the inclusion of the non-budgeted on-behalf payments made by the State of New Jersey as District expenditures. These amounts are offset by related revenues and as such do not represent budgetary over-expenditures.

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds, there are no substantial differences between the budgetary basis of accounting and accounting principles generally accepted in the United States of America with the exception of the legally mandated revenue recognition of the last two state aid payments for budgetary purposes only and the special revenue fund

Fort Lee Public Schools

Notes to the Basic Financial Statements

Year ended June 30, 2019

1. Summary of Significant Accounting Policies (continued)

D. Budgets/Budgetary Control (continued)

as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year-end.

The accounting records of the special revenue fund are maintained on the grant accounting budgetary basis. The grant accounting budgetary basis differs from GAAP in that the grant accounting budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.

E. Interfund Receivables/Payables

Interfund receivables/payables represent amounts that are owed, other than charges for goods or services rendered to/from a particular fund in the District and that are due within one year.

F. Inventories

Enterprise fund inventories are recorded at market value at the time of donation, which approximates current market value, using the first-in, first-out (FIFO) method. At June 30, 2019, the District had inventories in the Food Service Enterprise Fund of \$10,706.

G. Tuition

Tuition charges were established by the Board of Education based on estimated costs. The charges are subject to adjustment when the final costs have been determined. Tuition charges for the 2018-19 fiscal year were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

H. Capital Assets

Capital assets, which include land, construction in progress, property, plant and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$2,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost through estimation procedures performed by an independent appraisal company.

Fort Lee Public Schools

Notes to the Basic Financial Statements

Year ended June 30, 2019

1. Summary of Significant Accounting Policies (continued)

H. Capital Assets (continued)

Land was valued at assessed value based upon information received from the Borough of Fort Lee. Donated capital assets are valued at their estimated fair market value on the date of donation.

The costs of normal repairs and maintenance that do not add to the value of the asset or materially extend the assets lives are not capitalized.

Property, plant and equipment of the District is depreciated using the straight line method. The following estimated useful lives are used to compute depreciation:

| | <u>Years</u> |
|----------------------------|--------------|
| Buildings and Improvements | 20-40 |
| Furniture and Equipment | 7-20 |
| Vehicles | 8 |

I. Compensated Absences

A liability for compensated absences that are attributable to services already rendered and that are not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the rights to the benefits. The District uses the “vesting method” for estimating its accrued sick and vacation leave liability.

District employees are granted vacation and sick leave in varying amounts under the District’s personnel policies and collective bargaining agreements. In the event of termination, an employee is reimbursed for accumulated vacation time. Sick leave benefits provide for ordinary sick pay and begin vesting with the employee after one year of service.

The liability for vested compensated absences of the district is recorded in the government-wide financial statements and includes salary related payments.

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2019, a liability existed for compensated absences in the government-wide financial statements in the amount of \$4,131,634 and no liability existed for compensated absences in the enterprise funds.

Fort Lee Public Schools

Notes to the Basic Financial Statements

Year ended June 30, 2019

1. Summary of Significant Accounting Policies (continued)

J. Unearned Revenue

Unearned revenue in the general and special revenue fund represents cash which has been received but not yet earned, and outstanding encumbrances in the special revenue fund. Unearned revenue in the other enterprise funds represents cash received in advance of the related services being provided.

K. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. Currently, the District has one item that qualifies for reporting in this category related to pensions. In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to future periods and so will *not* be recognized as an inflow of resources (revenue) until that time. The District has one item that qualifies for reporting in this category, deferred amounts related to pensions.

L. Long-Term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts, are deferred and amortized over the life of the bonds using the straight-line method which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as either capital projects fund or debt service fund expenditures.

Fort Lee Public Schools

Notes to the Basic Financial Statements

Year ended June 30, 2019

1. Summary of Significant Accounting Policies (continued)

M. Fund Balances

GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* ("GASB 54") established fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Under GASB 54, fund balances in the governmental funds financial statements are reported under the modified accrual basis of accounting and classified into the following five categories.

- 1) Nonspendable – includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Assets included in this fund balance category include prepaid assets, inventories, long-term receivables, and corpus of any permanent funds.
- 2) Restricted - includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.
- 3) Committed - includes amounts that can be used only for the specific purposes imposed by a formal action of the government's highest level of decision-making authority. The District's highest level of decision-making authority is the Board of Education (the "Board") and formal action is taken by resolution of the Board at publicly held meetings. Once committed, amounts cannot be used for other purposes unless the Board revises or changes the specified use by taking the same action (resolution) taken to originally commit these funds.
- 4) Assigned – amounts intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed. Intent is expressed by either the Board or Business Administrator, to whom the Board has delegated the authority to assign amounts to be used for specific purposes, including the encumbering of funds.
- 5) Unassigned - includes all spendable amounts not contained in the other classifications in the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed or assigned to specific purposes within the general fund. The general fund is the only fund that reports a positive unassigned fund balance amount. In the other governmental funds, if expenditures incurred for specific purposes exceed the amounts restricted, committed or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

Fort Lee Public Schools

Notes to the Basic Financial Statements

Year ended June 30, 2019

1. Summary of Significant Accounting Policies (continued)

M. Fund Balances (continued)

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed. For the unrestricted fund balance, the District first spends committed funds, then assigned funds, and finally, unassigned funds.

Of the \$10,721,268 of fund balance in the General Fund, \$53,591 are encumbrances which are classified assigned to other purposes, \$7,322,054 has been restricted for the capital reserve, \$250,000 has been restricted for the emergency reserve, \$500,000 has been restricted for the maintenance reserve, \$911,487 has been restricted for excess surplus – current year, \$100,000 has been assigned and designated for subsequent year's expenditures, and \$1,584,136 is classified as unassigned.

N. Net Position and Fund Balance / Restricted Assets

GASB Statement Number 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* became effective for financial statements for periods beginning after December 15, 2011 and established standards for reporting deferred outflows of resources, deferred inflows of resources and net position. The adoption of this statement resulted in a change in the presentation of the statement of net position to what is now referred to as the statement of net position and the term "net assets" is changed to "net position" throughout the financial statements. Net Position represents the difference between assets, deferred outflows, deferred inflows, and liabilities in the government-wide financial statements. Net position invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any long-term debt used to build or acquire the capital assets. Net position is reported as restricted in the government-wide financial statements when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

O. Management Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

Fort Lee Public Schools

Notes to the Basic Financial Statements

Year ended June 30, 2019

1. Summary of Significant Accounting Policies (continued)

P. On-Behalf Payments

Revenues and expenditures of the general fund include payments made by the State of New Jersey for social security contributions and pension contributions for certified teachers and other members of the New Jersey Teachers Pension and Annuity Fund. The amounts are not required to be included in the District's annual budget.

Q. Calculation of Excess Surplus

The designation for restricted fund balance-excess surplus is a required calculation pursuant to N.J.S.A. 18A:7F-7, as amended New Jersey school districts are required to reserve fund balance in the general fund at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The District had excess fund balance at June 30, 2019 in the amount of \$911,487 that will be designated for the 2020-2021 budget.

R. Cash, Cash Equivalents and Investments

Cash and cash equivalents include petty cash, amounts on deposit and short-term investments with original maturities of three months or less.

Investments are stated at fair value in accordance with Governmental Accounting Standards Board (GASB) Statement No. 72, *Fair Value Measurement and Application*. The District classifies certificates of deposit, which have original maturity dates of more than three months but less than twelve months from the date of purchase, as investments and are stated at cost. All other investments are stated at fair value.

S. Tax Abatements

As defined by the Governmental Accounting Standards Board (GASB), a tax abatement is an agreement between a government and an individual or entity in which the government promises to forgo tax revenues and the individual or entity promises to subsequently take a specific action that contributes to economic development or otherwise benefits the government or its citizens. School districts are not authorized by New Jersey statute to enter into tax abatement agreements. However, the county or municipality in which the school district is situated are authorized to enter into tax abatement agreements. Furthermore, if the county or municipality entered into tax abatement agreements, those agreements will not directly affect the school district's local tax revenue because N.J.S.A. 54:4-75 and N.J.S.A. 54:4-76 require that amounts so forgiven must effectively be recouped from other taxpayers and remitted to the school district.

Fort Lee Public Schools

Notes to the Basic Financial Statements

Year ended June 30, 2019

1. Summary of Significant Accounting Policies (continued)

S. Tax Abatements (continued)

For a local school district board of education or board of school estimate that has elected to raise their minimum tax levy using the required local share provisions at N.J.S.A. 18A:7F-5(b), the loss of revenue resulting from the municipality or county having entered into a tax abatement agreement is indeterminate due to the complex nature of the calculation of required local share performed by the New Jersey Department of Education based upon district property value and wealth. The Borough entered into a tax abatement agreement that will provide the District with a share of the payments. Beginning in 2019-2020, the District will receive \$471,000 in PILOT payments.

T. Subsequent Events

Management has reviewed and evaluated all events and transactions from June 30, 2019 through December 20, 2019, the date that the financial statements were issued, for possible disclosure, and recognition in the accompanying financial statements. The following subsequent event occurred:

The District entered into a capital lease agreement dated July 17, 2019 in the amount of \$287,928 for twenty-five copiers with Municipal Capital Finance.

2. Reconciliation of Government-wide and Fund Financial Statements

Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position

The governmental fund balance sheet includes reconciliation between fund balance – total governmental funds and net position – governmental activities as reported in the government-wide statement of net position.

One element of that reconciliation explains that long-term liabilities, including bonds payable, capital leases and compensated absences are not due and payable in the current period and therefore are not reported in the funds. The details of this \$69,359,296 difference are as follows:

| | |
|--|----------------------|
| Bonds payable | \$ 58,940,000 |
| Capital leases payable | 4,708,941 |
| Unamortized premium on bonds | 1,578,721 |
| Compensated absences | 4,131,634 |
| Net adjustment to reduce fund balance-total governmental funds to arrive at net position – governmental activities | <u>\$ 69,359,296</u> |

Fort Lee Public Schools

Notes to the Basic Financial Statements

Year ended June 30, 2019

3. Deposits and Investments

New Jersey school districts are limited as to the types of investments and types of financial institutions they may invest in. New Jersey statute 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey school districts.

Additionally, the District has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Government Units from a loss of funds on deposit with a failed banking institution in New Jersey.

N.J.S.A. 17:9-41 et. seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Act. Public depositories include savings and loan institutions, banks (both state and national banks) and savings banks, the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at last equal to five percent of the average daily balance of collected public funds, to secure the deposits of governmental units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the governmental units.

Deposits

New Jersey statutes require that school districts deposit public funds in public depositories located in New Jersey that are insured by the Federal Deposit Insurance Corporation, the Federal Savings and Loan Insurance Corporation, or by any other agency of the United States that insures deposits made in public depositories. School districts are also permitted to deposit public funds in the State of New Jersey Cash Management Fund (NJCMF) and New Jersey Asset and Rebate Management Fund (NJARM).

New Jersey statutes require public depositories to maintain collateral for deposits of public funds that exceed depository insurance limits as follows:

The market value of the collateral must equal at least 5% of the average daily balance of collected public funds on deposit.

In addition to the above collateral requirement, if the public funds deposited exceed 75% of the capital funds of the depository, the depository must provide collateral having a market value at least equal to 100% of the amount exceeding 75%.

Fort Lee Public Schools

Notes to the Basic Financial Statements

Year ended June 30, 2019

3. Deposits and Investments (continued)

Deposits (continued)

All collateral must be deposited with the Federal Reserve Bank of New York, the Federal Reserve Bank of Philadelphia, the Federal Home Loan Bank of New York, or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.

The District's cash and cash equivalents are classified below to inform financial statement users about the extent to which the District's deposits and investments are exposed to custodial credit risk.

Operating cash accounts are held in the District's name by several commercial banking institutions. At June 30, 2019, the District's carrying amount of deposits was \$10,503,464 and the bank balance was \$13,498,495. Of the bank balance, \$500,000 was secured by federal depository insurance and \$12,509,003 was covered by the New Jersey Governmental Unit Deposit Protection Act (GUDPA). \$489,493 held in the District's agency accounts are not covered by GUDPA.

Pursuant to GASB Statement No. 40, "Deposit and Investment Risk Disclosures" ("GASB 40"), the District's operating cash accounts are profiled in order to determine exposure, if any, to Custodial Credit Risk (risk that in the event of failure of the counterparty the District would not be able to recover the value of its deposits and investments). Deposits are considered to be exposed to Custodial Credit Risk if they are: uncollateralized (securities not pledged to the depositor), collateralized with securities held by the pledging financial institution, or collateralized with securities held by the financial institution's trust department or agent but not in the government's name. The District does not have a policy for the management of custodial credit risk, other than depositing all of its funds in banks covered by GUDPA. At least five percent of the District's deposits were fully collateralized by funds held by the financial institution, but not in the name of the District. Due to the nature of GUDPA, further information is not available regarding the full amount that is collateralized.

Fort Lee Public Schools

Notes to the Basic Financial Statements

Year ended June 30, 2019

3. Deposits and Investments (continued)

Investments

New Jersey statutes permit the Board to purchase the following types of investments:

- a. Bonds and other obligations of the United States or obligations guaranteed by the United States.
- b. Bonds of any Federal Intermediate Credit Bank, Federal Home Loan Bank, Federal National Mortgage Agency or of any United States Bank which have a maturity date not greater than twelve months from the date of purchase.
- c. State of New Jersey Cash Management Fund (NJCMF) and New Jersey Asset and Rebate Management Fund (NJARM).
- d. Bonds or other obligations of the School District.

In order to maximize liquidity, the District utilizes the New Jersey Asset and Rebate Management Fund ("NJARM") as its sole investment. The District invests funds in the New Jersey Asset and Rebate Management Fund, which is an investment pool managed by Public Financial Management Company. NJARM allows governments within the state to pool their funds for investment purposes and the Securities and Exchange Commission (SEC) does not restrict the pool. Earnings are allocated to all participants based upon shares held in the pool and distributed on the last day of each month. In addition, the fair value of the District's portion of the pool is the same as the value of its shares. Agencies that participate in the NJARM typically earn returns that mirror short-term investments rates. Monies can be freely added or withdrawn from the NJARM on a daily basis without penalty. At June 30, 2019, the District's bank and book balance in NJARM was \$7,533,501 and \$9,114,179, respectively. Of this amount, \$7,444,827 is classified as investments and \$1,669,352 is classified as cash equivalents.

Custodial Credit Risk: The District does not have a policy for custodial credit risk.

Credit Risk: The District does not have an investment policy regarding the management of credit risk. GASB 40 requires that disclosure be made as to the credit rating of all debt security investments except for obligations of the U.S. government or investments guaranteed by the U.S. government.

Concentration of Credit Risk: The District places no limit on the amount the District may invest in any one issuer.

Interest Rate Risk: The District does not have a policy to limit interest rate risk.

Fort Lee Public Schools

Notes to the Basic Financial Statements

Year ended June 30, 2019

4. Capital Assets

The following schedule is a summarization of the governmental activities changes in capital assets for the year ended June 30, 2019:

| | Beginning Balance (Restated) | Increases | Transfers In/Out | Ending Balance |
|--|---|---------------------|-----------------------------|---------------------------|
| Governmental activities: | | | | |
| Capital assets, not being depreciated: | | | | |
| Land | \$ 2,509,321 | | | \$ 2,509,321 |
| Construction in progress | 35,869,304 | \$ 11,061,600 | \$ (5,569,798) | 41,361,106 |
| Total capital assets, not being depreciated | 38,378,625 | 11,061,600 | (5,569,798) | 43,870,427 |
| Capital assets, being depreciated: | | | | |
| Site Improvements | 3,448,778 | 57,478 | | 3,506,256 |
| Buildings and building improvements | 62,015,600 | 13,347 | 5,569,798 | 67,598,745 |
| Machinery, equipment and vehicles | 3,738,475 | 463,367 | | 4,201,842 |
| Total capital assets being depreciated | 69,202,853 | 534,192 | 5,569,798 | 75,306,843 |
| Less accumulated depreciation for: | | | | |
| Site Improvements | 1,678,205 | 149,262 | | 1,827,467 |
| Buildings and building improvements | 26,978,897 | 1,929,127 | | 28,908,024 |
| Machinery, equipment and vehicles | 3,238,400 | 70,768 | | 3,309,168 |
| Total accumulated depreciation | 31,895,502 | 2,149,157 | | 34,044,659 |
| Total capital assets, being depreciated, net | 37,307,351 | (1,614,965) | | 41,262,184 |
| Governmental activities capital assets, net | <u>\$ 75,685,976</u> | <u>\$ 9,446,635</u> | <u>\$ -</u> | <u>\$ 85,132,611</u> |

Depreciation expense was charged to functions/programs of the District for the year ended June 30, 2019 as follows:

| | |
|--|---------------------|
| Instruction | \$ 1,153,754 |
| Attendance/social work | 10,435 |
| Health services | 20,181 |
| Other support services | 239,517 |
| Improvement of instruction | 16,479 |
| Education media library | 23,600 |
| Other support: Instruction staff | 1,092 |
| General administration | 39,415 |
| School administration | 87,529 |
| Central services | 31,055 |
| Administrative information technology | 9,086 |
| Plant operation and maintenance | 203,770 |
| Student transportation | 81,244 |
| Total depreciation expense - governmental activities | <u>\$ 1,917,157</u> |

Fort Lee Public Schools

Notes to the Basic Financial Statements

Year ended June 30, 2019

4. Capital Assets (continued)

The following schedule is a summarization of business-type activities changes in capital assets for the year ended June 30, 2019:

| | Beginning Balance | Increases | Ending Balance |
|--|------------------------------|------------------|---------------------------|
| Business-type activities | | | |
| Capital assets, being depreciated: | | | |
| Equipment | \$ 517,018 | \$ 52,074 | \$ 569,092 |
| Less accumulated depreciation for: | | | |
| Equipment | 422,485 | 27,317 | 449,802 |
| Total business-type activities capital assets, net | <u>\$ 94,533</u> | <u>\$ 24,757</u> | <u>\$ 119,290</u> |

5. Long-Term Liabilities

During the year ended June 30, 2019, the following changes occurred in governmental activities long-term liabilities:

| | Beginning Balance | Reductions | Ending Balance | Due within One Year |
|---|------------------------------|---------------------|---------------------------|--------------------------------|
| Governmental activities: | | | | |
| Compensated absences payable | \$ 4,464,634 | \$ 333,000 | \$ 4,131,634 | \$ 413,000 |
| Bonds payable | 61,115,000 | 2,175,000 | 58,940,000 | 2,230,000 |
| Unamortized premium on bonds | 1,699,005 | 120,284 | 1,578,721 | 120,284 |
| Capital lease payable | 5,733,073 | 1,024,132 | 4,708,941 | 286,313 |
| Subtotal | 73,011,712 | 3,652,416 | 69,359,296 | 3,049,597 |
| Net pension liability | 17,228,330 | 3,008,447 | 14,219,883 | |
| Governmental activity long-term liabilities | <u>\$ 90,240,042</u> | <u>\$ 6,660,863</u> | <u>\$ 83,579,179</u> | <u>\$ 3,049,597</u> |

The District expects to liquidate the compensated absences, the net pension liability and capital leases payable with payments made from the District's general fund and the bonds payable from the debt service fund.

Fort Lee Public Schools

Notes to the Basic Financial Statements

Year ended June 30, 2019

5. Long-Term Liabilities (continued)

Capital Lease Payable

The District has commitments to lease various machinery and equipment under capital leases that expire in fiscal year 2020. These items are included in machinery and equipment in the District's capital assets. The District also approved a lease purchase agreement in 2014-15 year in the amount of \$5,571,444 at a 2.495% interest rate maturing in 2031 to finance the Energy Savings Improvement Program Project. Total capital lease payments, including interest, made during the year ended June 30, 2019 were \$1,024,132. Future minimum lease payments are as follows:

| | Principal | Interest | Total |
|-----------|---------------------|-------------------|---------------------|
| 2020 | \$ 286,313 | \$ 115,714 | \$ 402,027 |
| 2021 | 303,951 | 108,461 | 412,412 |
| 2022 | 313,189 | 100,820 | 414,009 |
| 2023 | 332,370 | 92,887 | 425,257 |
| 2024 | 352,324 | 84,471 | 436,795 |
| 2025-2029 | 2,090,050 | 277,788 | 2,367,838 |
| 2030-2031 | 1,030,744 | 32,976 | 1,063,720 |
| | <u>\$ 4,708,941</u> | <u>\$ 813,117</u> | <u>\$ 5,522,058</u> |

Bonds Payable

Bonds are authorized in accordance with State law by the voters of the municipality through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the District are general obligation bonds.

Principal and interest due on all bonds outstanding is as follows:

| | Principal | Interest | Total |
|-----------|----------------------|----------------------|----------------------|
| 2020 | \$ 2,230,000 | \$ 2,025,113 | \$ 4,255,113 |
| 2021 | 2,325,000 | 1,948,338 | 4,273,338 |
| 2022 | 2,405,000 | 1,846,488 | 4,251,488 |
| 2023 | 2,490,000 | 1,759,838 | 4,249,838 |
| 2024 | 2,590,000 | 1,665,288 | 4,255,288 |
| 2025-2029 | 14,460,000 | 6,856,314 | 21,316,314 |
| 2030-2034 | 14,420,000 | 4,240,487 | 18,660,487 |
| 2035-2039 | 12,520,000 | 2,081,494 | 14,601,494 |
| 2040-2041 | 5,500,000 | 193,550 | 5,693,550 |
| | <u>\$ 58,940,000</u> | <u>\$ 22,616,910</u> | <u>\$ 81,556,910</u> |

Fort Lee Public Schools

Notes to the Basic Financial Statements

Year ended June 30, 2019

5. Long-Term Liabilities (continued)

In April 2015, the District issued \$49,840,000 of General School Bonds to provide resources for a capital project. The bonds are due to mature annually through the 2041 fiscal year at annual interest rates ranging from 3.00% to 3.500%.

In August 2012, the District issued \$18,450,000 of School Bonds to provide resources for a capital project. The bonds are due to mature annually through the 2031 fiscal year at annual interest rates ranging from 3.00% to 5.00%.

See Schedule I-1 for additional information regarding the District's bonds payable, including original amount of debt, interest rates and remaining maturities.

6. Pension Plans

Description of Systems

Substantially all of the District's employees participate in one of the following contributory defined benefit public employee retirement systems which have been established by State statute: the Teachers' Pension and Annuity Fund (TPAF) or the Public Employees' Retirement System (PERS). These systems are sponsored and administered by the State of New Jersey. The Teachers' Pension and Annuity Fund Retirement System is considered a cost-sharing multiple-employer plan, with a special funding situation, as under current statute, all employer contributions are made by the State of New Jersey on behalf of the Board and the system's other related non-contributing employers. The Public Employees' Retirement System is considered a cost-sharing multiple-employer plan.

Teachers' Pension and Annuity Fund

The Teachers' Pension and Annuity Fund was established in January 1955 under the provisions of N.J.S.A. 18A:66 to provide coverage including post-retirement health care to substantially all full time public school employees in the State. Membership is mandatory for such employees and vesting occurs after 10 years of service for pension benefits and 25 years for health care coverage. Age eligibility and benefit provisions were affected by Chapters 92 and 103, P.L. 2007, Chapter 89, P.L. 2008, Chapter 1, P.L. 2010, and Chapter 78, P.L. 2011. Members are classified into one of five tiers dependent upon the date of their enrollment. Tier 1, 2 and 3 members are eligible to retire at age 60, 60, and 62, respectively, with an annual benefit generally determined to be 1/55th of the average annual compensation for the highest three fiscal years' compensation for each year of membership during years of credited service. Tier 4 and 5 members are eligible to retire at age 62 and 65, respectively, with an annual benefit generally determined to be 1/60th of the average annual compensation for the highest five fiscal years' compensation for each year of membership during years of credited service. Anyone who retires early and is under their respective tier's retirement age

Fort Lee Public Schools

Notes to the Basic Financial Statements

Year ended June 30, 2019

6. Pension Plans (continued)

receives retirement benefits as calculated in the above mentioned formulas but at a reduced rate in accordance with applicable New Jersey Statute based upon their tier.

Public Employee's Retirement System

The Public Employees' Retirement System was established in January 1955 under the provisions of N.J.S.A. 43:15A to provide coverage including post-retirement health care to substantially all full time employees of the State or any county, municipality, school Board or public agency provided the employee is not a member of another State-administered retirement system. Age eligibility and benefit provisions were affected by Chapters 92 and 103, P.L. 2007, Chapter 89, P.L. 2008, Chapter 1, P.L. 2010, and Chapter 78, P.L. 2011. Members are classified into one of five tiers dependent upon the date of their enrollment. Tier 1, 2 and 3 members are eligible to retire at age 60, 60, and 62, respectively with an annual benefit generally determined to be 1/55th of the average annual compensation for the highest Tier 1, 2 and 3 members are eligible to retire at age 60, 60, and 62, respectively with an annual benefit generally determined to be 1/55th of the average annual compensation for the highest three fiscal years' compensation for each year of membership during years of credited service. Tier 4 and 5 members are eligible to retire at age 62 and 65, respectively with an annual benefit generally determined to be 1/60th of the average annual compensation for the highest five fiscal years' compensation for each year of membership during years of credited service.

Anyone who retires early and is under their respective tier's retirement age receives retirement benefits as calculated in the above mentioned formulas but at a reduced rate in accordance with applicable New Jersey Statute based upon their tier.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issued publicly available financial reports that include the financial statements and required supplementary information for TPAF and PERS. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey 08625-0295.

Funding Policy

The contribution policy is set by New Jersey State Statutes and contributions are required by active members and contributing members. Plan member and employer contributions

Fort Lee Public Schools

Notes to the Basic Financial Statements

Year ended June 30, 2019

6. Pension Plans (continued)

may be amended by State of New Jersey legislation. Under the provisions of Chapter 78, P.L. 2011, employee contribution rates for TPAF and PERS increased from 5.5% to 6.5% of employees' annual compensation. An additional increase is to be phased in over the next seven years that will bring the total pension contribution rate to 7.5% of employees' annual compensation. Employers are required to contribute at an actuarially determined rate in both the TPAF and PERS. The actuarially determined contribution includes funding for cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums. Under current statute the Board is a non-contributing employer of the TPAF.

During the year ended June 30, 2019, the State of New Jersey contributed \$7,797,021 to the TPAF for normal costs of pension and post-retirement medical benefits on behalf of the District. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$2,181,584 during the year ended June 30, 2019 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. These amounts have been included as both revenues and expenditures in the government-wide and fund financial statements.

Funding Policy (continued)

The Board's actuarially determined contributions to PERS for each of the years ended June 30, 2019, 2018 and 2017 were \$718,362, \$685,623, and \$590,025 respectively, equal to the required contributions for each year.

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of PERS and additions to/deductions from PERS fiduciary net position have been determined on the same basis as they are reported by PERS. For the purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Public Employee's Retirement System (PERS)

At June 30, 2019, the District reported a liability of \$14,219,883 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by

Fort Lee Public Schools

Notes to the Basic Financial Statements

Year ended June 30, 2019

6. Pension Plans (continued)

an actuarial valuation July 1, 2017, which was rolled forward to June 30, 2018. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts, actuarially determined. At June 30, 2018, the District's proportion was 0.0722206363 percent, which was a decrease of 0.0017892981 from its proportion measured as of June 30, 2017.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

For the year ended June 30, 2019, the District recognized full accrual pension expense of \$1,014,565 in the government-wide financial statements. At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|---|--|
| Differences between expected and actual experience | \$ 271,175 | \$ 73,322 |
| Changes of assumptions | 2,343,201 | 4,546,763 |
| Net difference between projected and actual earnings on pension plan investments | | 133,383 |
| Changes in proportion and differences between District contributions and proportionate share of contributions | 1,401,559 | 935,936 |
| District contributions subsequent to the measurement date | 686,724 | |
| | <u>\$ 4,702,659</u> | <u>\$ 5,689,404</u> |

\$686,724 is reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| Year ended June 30: | |
|----------------------------|-----------------------|
| 2020 | \$ 301,583 |
| 2021 | (62,479) |
| 2022 | (842,401) |
| 2023 | (749,658) |
| 2024 | (320,514) |
| | <u>\$ (1,673,469)</u> |

Fort Lee Public Schools

Notes to the Basic Financial Statements

Year ended June 30, 2019

6. Pension Plans (continued)

Actuarial Assumptions

The collective total pension liability for the June 30, 2018 measurement date was determined by an actuarial valuation as of July 1, 2017, which was rolled forward to June 30, 2018. This actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

| | |
|---------------------------|------------------------------|
| Inflation rate | 2.25% |
| Salary increases: | |
| Through 2026 | 1.65 - 4.15% based on age |
| Thereafter | 2.65- 5.15% based on age |
| Investment rate of return | 7.00% |

The actuarial assumptions used in the July 1, 2017 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014. It is unlikely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

Mortality Rates

Pre-retirement mortality rates were based on the RP-2000 Employee Preretirement Mortality Table for male and female active participants. For State employees, mortality tables are set back 4 years for males and females. For local employees, mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Post-retirement mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (set back 1 year for males and females) for service retirements and beneficiaries of former members and a one-year static projection based on mortality improvement Scale AA. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward 1 year for females).

Fort Lee Public Schools

Notes to the Basic Financial Statements

Year ended June 30, 2019

6. Pension Plans (continued)

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2018) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2018 are summarized in the following table:

| <u>Asset Class</u> | <u>Target Allocation</u> | <u>Long-Term Expected Real Rate of Return</u> |
|-----------------------------------|--------------------------|---|
| Risk Mitigation Strategies | 5.00% | 5.51% |
| Cash Equivalents | 5.50% | 1.00% |
| U.S. Treasuries | 3.00% | 1.87% |
| Investment Grade Credit | 10.00% | 3.78% |
| High Yield | 2.50% | 6.82% |
| Global Diversified Credit | 5.00% | 7.10% |
| Credit Oriented Hedge funds | 1.00% | 6.60% |
| Debt Related Private Equity | 2.00% | 10.63% |
| Debt Related Real Estate | 1.00% | 6.61% |
| Private Real Asset | 2.50% | 11.83% |
| Equity Related Real Estate | 6.25% | 9.23% |
| U.S. Equity | 30.00% | 8.19% |
| Non-U.S. Developed Markets Equity | 11.50% | 9.00% |
| Emerging Markets Equity | 6.50% | 11.64% |
| Buyouts/Venture Capital | 8.25% | 13.08% |
| | <u>100.00%</u> | |

Fort Lee Public Schools

Notes to the Basic Financial Statements

Year ended June 30, 2019

6. Pension Plans (continued)

Discount rate

The discount rate used to measure the total pension liability was 5.66% as of June 30, 2018. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.87% as of June 30, 2018 based on the Bond Buyer GO 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. State employer contributed 50% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2046. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2046 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate

The following presents the District's proportionate share of the net pension liability calculated using the discount rate as disclosed above as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

| | <u>At 1%</u> <u>Decrease</u> (4.66%) | <u>At Current</u> <u>Discount Rate</u> (5.66%) | <u>At 1%</u> <u>Increase</u> (6.66%) |
|--|--|--|--|
| District's proportionate share of the net pension liability | \$ 17,879,864 | \$ 14,219,883 | \$ 11,149,393 |

Fort Lee Public Schools

Notes to the Basic Financial Statements

Year ended June 30, 2019

6. Pension Plans (continued)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued financial report for the State of New Jersey Public Employees Retirement System.

Additional Information

Collective balances at June 30, 2018 are as follows:

| | |
|--------------------------------|-------------------|
| Deferred outflows of resources | \$ 4,684,852,302 |
| Deferred inflows of resources | \$ 7,646,736,226 |
| Net pension liability | \$ 19,689,501,539 |
| | |
| District's Proportion | 0.0722206363% |

Collective pension expense for the Local Group for the measurement period ended June 30, 2018 is \$1,099,708,157.

The average of the expected remaining service lives of all employees that are provided with pension through the pension plan (active and inactive employees) determined at June 30, 2018, 2017, 2016, 2015 and 2014 is 5.63, 5.48, 5.57, 5.72 and 6.44 years, respectively.

Teachers Pensions and Annuity Fund (TPAF)

The employer contributions for local participating employers are legally required to be funded by the State in accordance with N.J.S.A. 18:66-33. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the net pension liability that is associated with the local participating employer.

Fort Lee Public Schools

Notes to the Basic Financial Statements

Year ended June 30, 2019

6. Pension Plans (continued)

The State's proportionate share of the TPAF net pension liability associated with the District as of June 30, 2018 was \$168,178,281. The District's proportionate share was \$0.

The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2017, which was rolled forward to June 30, 2018. The State's proportionate share of the net pension liability associated with the District was based on a projection of the State's long-term contributions to the pension plan associated with the District relative to the projected contributions by the State associated with all participating school districts, actuarially determined. At June 30, 2018, the State's proportionate share of the TPAF net pension liability associated with the District was 0.2643570557 percent, which was an increase of 0.0169811190 from its proportion measured as of June 30, 2017.

For the year ended June 30, 2019, the District recognized on-behalf pension expense and revenue in the government wide financial statements of \$9,804,206 for contributions incurred by the State.

Actuarial assumptions

The actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

| | |
|---------------------------|--------------|
| Inflation rate | 2.25% |
| Salary increases | |
| 2011-2026 | 1.55 - 4.55% |
| Thereafter | 2.00 - 5.45% |
| Investment rate of return | 7.00% |

Fort Lee Public Schools

Notes to the Basic Financial Statements

Year ended June 30, 2019

6. Pension Plans (continued)

Mortality Rates

Pre-retirement, post-retirement and disabled mortality rates were based on the experience of TPAF members reflecting mortality improvement on the experience of TPAF members reflecting mortality improvement on a generational basis based on a 60-year average of Social Security data from 1953 to 2013.

The actuarial assumptions used in the July 1, 2017 valuation were based on the results of an actuarial experience study for the period July 1, 2012 to June 30, 2015.

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2018) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2018 are summarized in the following table:

Fort Lee Public Schools

Notes to the Basic Financial Statements

Year ended June 30, 2019

6. Pension Plans (continued)

| <u>Asset Class</u> | <u>Target Allocation</u> | <u>Long-Term Expected Real Rate of Return</u> |
|-----------------------------------|--------------------------|---|
| Absolute return/risk mitigation | 5.00% | 5.51% |
| Cash equivalents | 5.50% | 1.00% |
| U.S. treasuries | 3.00% | 1.87% |
| Investment grade credit | 10.00% | 3.78% |
| Public high yield | 2.50% | 6.82% |
| Global diversified credit | 5.00% | 7.10% |
| Credit oriented hedge funds | 1.00% | 6.60% |
| Debt related private equity | 2.00% | 10.63% |
| Debt related real estate | 1.00% | 6.61% |
| Private real asset | 2.50% | 11.83% |
| Equity related real estate | 6.25% | 9.23% |
| U.S. equity | 30.00% | 8.19% |
| Non-U.S. developed markets equity | 11.50% | 9.00% |
| Emerging markets equity | 6.50% | 11.64% |
| Buyouts/venture capital | 8.25% | 13.08% |
| | <u>100.00%</u> | |

Discount Rate

The discount rate used to measure the total pension liability was 4.86% as of June 30, 2018. This single blended discount rate was based on the long-term rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.87% as of June 30, 2018 based on the Bond Buyer GO 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The state contributed 50% of the actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2040. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2040 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Fort Lee Public Schools

Notes to the Basic Financial Statements

Year ended June 30, 2019

6. Pension Plans (continued)

Sensitivity of the State's proportionate share of the net pension liability associated with the District to changes in the discount rate

The following presents the net pension liability of the State calculated using the discount rate as disclosed above as well as what the State's net pension liability would be if it calculated using a discount rate that is 1-percentage point lower or 1-percentage-point higher than the current rate:

| | At 1% Decrease (3.86%) | At Current Discount Rate (4.86%) | At 1% Increase (5.86%) |
|---|---------------------------------------|---|---------------------------------------|
| District's proportionate share of the net pension liability | \$ 198,783,534 | \$ 168,178,281 | \$ 142,807,272 |

Pension plan fiduciary net position

Detailed information about the pension plan's fiduciary net position is available in the separately issued TPAF financial report.

Additional Information

Collective balances at June 30, 2018 are as follows:

| | |
|--|-------------------|
| Deferred outflows of resources | \$ 12,675,037,111 |
| Deferred inflows of resources | \$ 16,381,811,884 |
| Net pension liability | \$ 63,806,350,446 |
| State's proportionate share associated with the District | 0.2643570557% |

Collective pension expense for the plan for the measurement period ended June 30, 2018 is \$3,720,032,991.

The average of the expected remaining service lives of all employees that are provided with pension through the pension plan (active and inactive employees) determined at June 30, 2018, 2017, 2016, 2015 and 2014 is 8.3, 8.3, 8.3, 8.3 years and 8.5 years, respectively.

Fort Lee Public Schools

Notes to the Basic Financial Statements

Year ended June 30, 2019

7. Post-Retirement Benefits

Plan Description

The District participates in the New Jersey State Health Benefits Program (the "SHBP"), a multiple-employer defined benefit postemployment healthcare plan administered by the State of New Jersey Division of Pension and Benefits. SHBP provide medical, prescription drug, mental health/substance abuse and Medicare Part B reimbursement to retirees and their covered dependents. The State Health Benefits Program Act is found in New Jersey Statutes Annotated, Title 52, Article 17.25 et.seq. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. The State of New Jersey Division of Pension and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for SHBP. That report may be obtained by writing to Division of Pension and Benefits, PO Box 295, Trenton, NJ 08625-0295.

Funding Policy

P.L. 1987, c.384 and P.L. 1990, c.6 required Teachers' Pensions and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those state employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired state employees and retired educational employees. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post-retirement medical benefits changed from a pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994. The State's contributions to the SHBP for post-retirement benefits on behalf of the District for the years ended June 30, 2019, 2018 and 2017 were \$2,431,183, \$2,575,455, and \$2,318,449, respectively, which equaled the regional contributions for each year.

Fort Lee Public Schools

Notes to the Basic Financial Statements

Year ended June 30, 2019

7. Post-Retirement Benefits (continued)

As the employer contributions for local government education employers are legally required to be funded by the State, this constitutes a special funding situation as defined by GASB Statement No. 75 and the State is treated as a non-employer contributing entity.

The State is also responsible for the cost attributable P.L. 1992, c.126, which provides employer paid health benefits to members of PERS and the Alternate Benefit Program (APB) who retired from a board of education or county college with 25 years of service.

The School Employees Health Benefits Program (SEHBP) Act is found in New Jersey Statutes Annotated, Title 52, Article 17.25 et.seq. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code.

The State provides OPEB benefits through a defined benefit OPEB plan that is not administered through a trust that meets the criteria in paragraph 4 of GASB Statement No. 75. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

Total OPEB Liability

The nonemployer OPEB liability from New Jersey's plan is \$46,110,832,982

The following members were covered by the benefit terms:

| Local Education | June 30, 2018 |
|---|---------------|
| Active Plan Members | 217,131 |
| Inactive Plan Members or Beneficiaries Currently Receiving Benefits | 145,050 |
| Inactive Plan Members Entitled to but Not Yet Receiving Benefits | - |
| Total Plan Members | 362,181 |

Fort Lee Public Schools

Notes to the Basic Financial Statements

Year ended June 30, 2019

7. Post-Retirement Benefits (continued)

The State, a nonemployer contributing entity, is the only entity that has a legal obligation to make employer contributions to OPEB for qualified retired PERS and TPAF participants. The District's proportionate share percentage determined under paragraphs 193 and 203 through 205 of GASBS No. 75 is zero percent. Accordingly, the District did not recognize any portion of the collective net OPEB liability on the Statement of Net Position. The State's proportionate share of the net OPEB liability associated with the District as of June 30, 2018 was \$97,373,159 or 0.21%. Additional information can be obtained from the State of New Jersey's comprehensive annual financial report.

Total Nonemployer OPEB Liability

The total nonemployer OPEB liability as of June 30, 2018 was determined by an actuarial valuation as of June 30, 2017, which was rolled forward to June 30, 2018. The total nonemployer OPEB liability as of June 30, 2018 was determined by an actuarial valuation as of June 30, 2017. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Actuarial Assumptions and Other Inputs

| | | |
|-------------------|--|------------------------------|
| Inflation rate | 2.50% | |
| | TPAF/ABP | PERS |
| Salary increases: | | |
| Through 2026 | 1.55 - 4.55% based on years of service | 2.15 - 4.15% based on age |
| Thereafter | 2.00 - 5.45% based on years of service | 3.15 - 5.15% based on age |

Fort Lee Public Schools

Notes to the Basic Financial Statements

Year ended June 30, 2019

7. Post-Retirement Benefits (continued)

Preretirement mortality rates were based on the RP-2014 Headcount-Weighted Healthy Employee Male/Female mortality improvement projections from the central year using the MP-2017 scale. Postretirement mortality rates were based in the RP-2006 Headcount-Weighted Healthy Annuitant Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale. Disability mortality was based on the RP-2006 Headcount-Weighted Disabled Male/Female mortality table with fully generational improvements projections from the central year using the MP-2017 scale.

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of actuarial experience studies for the periods July 1, 2012 – June 30, 2015, and July 1, 2011 – June 30, 2014 for TPAF and PERS, respectively.

100% of all retirees who currently have healthcare coverage are assumed to continue with that coverage. 100% of active members are considered to participate in the Plan upon retirement, having a coverage blend of 85% and 15% in PPO and HMO, respectively.

Health Care Trend Assumptions

For pre-Medicare preferred provider organization (PPO) and health maintenance organization (HMO) medical benefits, the trend rate is initially 5.8% and decreases to a 5.0% long-term trend rate after eight years. For self-insured post-65 PPO and HMO medical benefits, the trend rate is 4.5%. For prescription drug benefits, the initial trend rate is 8.0% decreasing to a 5.0% long-term trend rate after seven years. For Medicare Advantage trend rate is 4.5% and will continue in all future years.

Discount Rate

The discount rate for June 30, 2018 was 3.87%. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

Fort Lee Public Schools
Notes to the Basic Financial Statements
Year ended June 30, 2019

7. Post-Retirement Benefits (continued)

Changes in the Total Nonemployer OPEB Liability

The following represents the change in the State's proportionate share of the OPEB liability associated with the District:

| | | |
|--|--------------|---------------|
| Balance at June 30, 2017 | | \$110,156,193 |
| Increased by: | | |
| Service cost | \$ 4,370,142 | |
| Interest cost | 4,055,443 | |
| Member contributions | 89,989 | |
| | | 8,515,574 |
| | | 118,671,767 |
| Decreased by: | | |
| Diff. between expected and actual exp. | 7,520,827 | |
| Changes of assumptions | 11,174,057 | |
| Gross benefit payments | 2,603,724 | |
| | | 21,298,608 |
| Balance at June 30, 2018 | | \$ 97,373,159 |

The State's proportionate share of deferred outflows and inflows of resources associated with the District at June 30, 2018 was \$3,260,310 and \$31,278,931, respectively.

The following represents sensitivity of the State's proportionate share of the net OPEB liability associated with the District to changes in the discount rate and healthcare cost trend rate:

| | 1% Decrease (2.87%) | At Current Discount Rate (3.87%) | 1% Increase (4.87%) |
|---|------------------------|-------------------------------------|------------------------|
| Net OPEB Liability (Allocable to the District and the responsibility of the State) | \$115,114,896 | \$97,373,159 | \$83,270,310 |

Fort Lee Public Schools

Notes to the Basic Financial Statements

Year ended June 30, 2019

7. Post-Retirement Benefits (continued)

The following presents the State's proportionate share of the net OPEB liability associated with the District calculated using a healthcare cost trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rate:

| | <u>1% Decrease</u> | <u>Healthcare Cost Trend Rates</u> | <u>1% Increase</u> |
|---|--------------------|--|--------------------|
| Net OPEB Liability (Allocable to the District and the responsibility of the State) | \$80,484,587 | \$97,373,159 | \$119,708,942 |

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2019, the District recognized on-behalf OPEB expense and revenue in the government-wide financial statements of \$5,061,641 for OPEB expenses incurred by the State.

Collective balances of the Education Group at June 30, 2018 are as follows:

| | |
|--------------------------------|-------------------|
| Deferred outflows of resources | \$ 1,377,313,892 |
| Deferred inflows of resources | \$ 16,189,378,926 |
| Collective OPEB expense | \$ 2,129,660,368 |

Fort Lee Public Schools

Notes to the Basic Financial Statements

Year ended June 30, 2019

8. Deferred Compensation

The Board offers its employees a choice of the following deferred compensation plans created in accordance with Internal Revenue Code Section 403(b). The plans, which are administered by the entities listed below, permits participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death or unforeseeable emergency. The plan administrators are as follows:

- The Variable Annuity Life Insurance Company
- AXA Equitable
- Metropolitan Life and Affiliated Company
- Financial Resources and Retirement Advisory, Incorporated

9. Interfund Receivables and Payables

The total interfund receivables and payables for the District at June 30, 2019 are as follows:

| Fund | Interfund Receivable | Interfund Payable |
|--------------------------------------|---------------------------------|------------------------------|
| General Fund | \$1,188,234 | \$ 330 |
| Special Revenue Fund | 330 | 690,611 |
| Capital Projects Fund | | 480,855 |
| Food Service Enterprise Fund | | 2,702 |
| Unemployment Compensation Trust Fund | 16,866 | |
| Payroll Agency Fund | | 16,866 |
| Student Activity Fund | | 14,066 |
| | <u>\$1,205,430</u> | <u>\$1,205,430</u> |

The Special Revenue Fund owes the General Fund for the reimbursement of the funding of cash deficit as well as for cash receipts posted to the incorrect fund. The Capital Projects Fund owes the General Fund for interest received on investments that was not remitted to the General Fund during the year. The Food Service Fund owes the General Fund for amounts received and posted in the incorrect fund. The Student Activity Agency Fund owes the General Fund for the receipt of reimbursement of athletics payments made. The Payroll Agency Fund owes the Unemployment Compensation Trust Fund for deposits made in the Payroll Agency Fund that should have been made to the Unemployment Compensation Trust Fund.

10. Economic Dependency

The District receives a substantial amount of its support from federal and state governments. A significant reduction in the level of support, if this were to occur, could have an effect on the District's programs and activities.

Fort Lee Public Schools

Notes to the Basic Financial Statements

Year ended June 30, 2019

11. Contingent Liabilities

The District participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing the grants, refunds of any money received may be required. In addition, the District is receiving funding from the New Jersey Schools Development Authority (NJSDA), in connection with its approved referendum project. The costs associated with the funding received from the NJSDA are subject to a final review of eligible costs and compliance by the New Jersey Department of Education and the NJSDA.

To the extent that the District has not complied with the rules and regulations governing the NJSDA funds or has not met the final eligible costs requirements, refunds of any money received may be required.

In the opinion of the District, there are no other significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provisions have been recorded in the accompanying basic financial statements for such contingencies.

12. Risk Management

The District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees, and natural disasters.

Property and Liability Insurance

The District maintains commercial insurance coverage for property, liability, student accident and surety bonds and does not retain risk of loss. A complete schedule of insurance coverage can be found in the Statistical Section of this Comprehensive Annual Financial Report. There have been no significant reductions in insurance coverage from the prior year and no settlements have exceeded insurance coverage over the past three years.

13. New Jersey Unemployment Compensation Insurance

The District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method." Under this plan, the District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The District is billed quarterly for amounts due to the State.

Fort Lee Public Schools

Notes to the Basic Financial Statements

Year ended June 30, 2019

14. Restricted Assets

Restricted assets consist of funds set-aside in a capital reserve fund, an emergency reserve and a maintenance reserve that are restricted pursuant to enabling legislation.

15. Transfers – Reconciliation

The following presents a reconciliation of transfers during the 2019 fiscal year:

| Fund | In | Out |
|-----------------------|------------------|------------------|
| General Fund | \$707,070 | |
| Capital Projects Fund | | \$536,989 |
| Pre K Tuition | | 115,881 |
| Summer Math Program | | 54,200 |
| | <u>\$707,070</u> | <u>\$707,070</u> |

The transfer from the capital projects fund to the general fund represents the transfer of interest earned during the 2019 fiscal year. The transfer from the pre-k tuition fund and summer math program fund to the general fund represents the closing out of those respective funds.

16. Capital Reserve Account

The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget. Funds placed in the capital reserve account are restricted to capital projects in the District’s approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the Department of Education, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by Board resolution at year-end (June 1 to June 30) of any unanticipated revenue or unexpended line – item appropriation amounts, or both. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2.

Pursuant to N.J.A.C. 6A:23A-14.1(g), the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

Fort Lee Public Schools

Notes to the Basic Financial Statements

Year ended June 30, 2019

16. Capital Reserve Account (continued)

The activity of the capital reserve for the July 1, 2018 to June 30, 2019 fiscal year is as follows:

| | |
|----------------------------------|---------------------|
| Beginning balance, July 1, 2018 | \$ 4,444,988 |
| Withdrawal: | |
| Transfer to capital outlay fund | 277,971 |
| Budgeted Withdrawal | 200,000 |
| Deposits: | |
| Approved by June 2019 Resolution | 3,000,000 |
| Unspent Funds | 355,037 |
| Ending balance, June 30, 2019 | <u>\$ 7,322,054</u> |

The June 30, 2019 LRFPP balance of local support costs of uncompleted capital projects exceeded the amount in the capital reserve. The District utilized \$1,205,000 of its capital reserve account in its 2019-20 budget.

17. Emergency Reserve Account

The emergency reserve is used to accumulate funds in accordance with N.J.S.A. 18A:7F-41c (1) to finance unanticipated general fund expenditures required for a thorough and efficient education. Unanticipated means reasonably unforeseeable and shall not include additional costs caused by poor planning. The maximum balance permitted at any time in this reserve is the greater of \$250,000 or 1% of the general fund budget not to exceed one million dollars. Deposits may be made to the emergency reserve account by board resolution at year end of any unanticipated revenue or unexpended line item appropriation or both. Withdrawals from the reserve require the approval of the Commissioner unless the withdrawal is necessary to meet an increase in total health care costs in excess of four percent. As of June 30, 2019, the emergency reserve account had a balance of \$250,000.

| | |
|----------------------------------|-------------------|
| Beginning balance, July 1, 2018 | \$ 250,000 |
| Withdrawal: | |
| Approved in 2018-19 budget | 200,000 |
| Deposits: | |
| Approved by June 2019 resolution | 200,000 |
| Ending balance, June 30, 2019 | <u>\$ 250,000</u> |

Fort Lee Public Schools

Notes to the Basic Financial Statements

Year ended June 30, 2019

18. Maintenance Reserve Account

A maintenance reserve account was established by the District by way of a Board approved resolution in the amount of \$500,000 in June 2019 for the accumulation of funds for use as maintenance expenditures in subsequent fiscal years. The maintenance reserve account is maintained in the general fund and its activity is included in the general fund annual budget. Funds placed in the maintenance reserve account are restricted to maintenance projects in the District's approved Comprehensive Maintenance Plan (CMP).

The activity of the maintenance reserve for the July 1, 2018 to June 30, 2019 fiscal year is as follows:

| | | |
|----------------------------------|----|----------------|
| Beginning balance, July 1, 2018 | \$ | - |
| Deposits: | | |
| Approved by June 2019 resolution | | 500,000 |
| Ending balance, June 30, 2019 | \$ | <u>500,000</u> |

19. Commitments

The District has contractual commitments at June 30, 2019 to various vendors, which are recorded in the general fund as fund balance assigned to other purposes in the amount of \$53,591. In addition, the District has \$3,870,663 of contractual commitments at June 30, 2019 to vendors related to the ongoing construction projects, recorded as restricted for capital projects, in the capital projects fund.

Required Supplementary Information – Part II

Pension Schedules

Fort Lee Public Schools
Schedule of the District's Proportionate Share of the Net Pension Liability
Public Employee's Retirement System

Last Ten Fiscal Years*

| | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
|---|---------------|---------------|---------------|---------------|---------------|---------------|
| District's proportion of the net pension liability (asset) - Local Group | 0.0722206363% | 0.0740099344% | 0.0664154082% | 0.0723106900% | 0.0734123712% | 0.0652200824% |
| District's proportionate share of the net pension liability (asset) | \$ 14,219,883 | \$ 17,228,330 | \$ 19,670,339 | \$ 16,232,301 | \$ 13,744,804 | \$ 12,464,854 |
| District's covered-employee payroll | \$ 5,006,791 | \$ 4,991,167 | \$ 4,654,678 | \$ 4,563,410 | Not available | Not available |
| District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll | 284.01% | 345.18% | 422.59% | 355.71% | Not available | Not available |
| Plan fiduciary net position as a percentage of the total pension liability - Local Group | 53.60% | 48.10% | 40.14% | 47.93% | 48.62% | 48.72% |

The amounts presented for each fiscal year were determined as of the previous fiscal year-end.

* This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, governments should present information for those years for which information is available.

Note to Required Supplementary Information

Benefit Changes

There were none.

Changes of Assumptions

The discount rate changed from 5.00% as of June 30, 2017 to 5.66% as of June 30, 2018.

Fort Lee Public Schools
Schedule of District Contributions
Public Employee's Retirement System

Last Ten Fiscal Years*

| | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
|--|--------------|--------------|--------------|--------------|--------------|---------------|
| Contractually required contribution | \$ 686,724 | \$ 685,623 | \$ 590,025 | \$ 621,678 | \$ 611,780 | \$ 539,873 |
| Contributions in relation to the contractually required contribution | (686,724) | (685,623) | (590,025) | (621,678) | (611,780) | (539,873) |
| Contribution deficiency (excess) | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| District's covered-employee payroll | \$ 4,877,243 | \$ 5,006,791 | \$ 4,991,167 | \$ 4,654,678 | \$ 4,563,410 | Not available |
| Contributions as a percentage of covered-employee payroll | 14.08% | 13.69% | 11.82% | 13.36% | 13.41% | Not available |

* This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, governments should present information for those years for which information is available.

Fort Lee Public Schools
Schedule of the State's Proportionate Share of the Net Pension Liability Associated With the District
Teachers' Pension and Annuity Fund

Last Ten Fiscal Years*

| | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| State's proportion of the net pension liability (asset) associated with the District - Local Group | 0.2643570557% | 0.2473759367% | 0.2530444488% | 0.2639110999% | 0.2535995199% | 0.2618968330% |
| District's proportionate share of the net pension liability (asset) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| State's proportionate share of the net pension liability (asset) associated with the District | 168,178,281 | 166,789,777 | 199,060,875 | 166,803,085 | 135,540,690 | 132,360,600 |
| Total proportionate share of the net pension liability (asset) associated with the District | <u>\$ 168,178,281</u> | <u>\$ 166,789,777</u> | <u>\$ 199,060,875</u> | <u>\$ 166,803,085</u> | <u>\$ 135,540,690</u> | <u>\$ 132,360,600</u> |
| Plan fiduciary net position as a percentage of the total pension liability | 26.49% | 25.41% | 22.33% | 28.71% | 33.64% | 33.76% |

The amounts presented for each fiscal year were determined as of the previous fiscal year-end.

* This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, governments should present information for those years for which information is available.

Covered payroll information is not presented since the Teachers' Pension and Annuity Fund is a special funding situation in which the District does not make contributions to this plan.

Notes to Required Supplementary Information

Benefit Changes

There were none.

Changes of Assumptions

The discount rate changed from 4.25% as of June 30, 2017 to 4.86% as of June 30, 2018.

Fort Lee Public Schools
Schedule of the State's Proportionate Share of the OPEB Liability Associated With the District
State Health Benefit Local Education Retired Employees Plan

Last Ten Fiscal Years*

| | Year Ended June 30, 2019 | Year Ended June 30, 2018 |
|--|-----------------------------|-----------------------------|
| State's proportion of the OPEB Liability associated with the District - | 0.21% | 0.21% |
| District's proportionate share of the OPEB liability | \$ - | \$ - |
| State's proportionate share of the OPEB liability associated with the District | \$ 97,373,159 | \$ 110,156,193 |
| Total proportionate share of the OPEB liability associated with the District | <u>\$ 97,373,159</u> | <u>\$ 110,156,193</u> |
| Balance at June 30, 2017 | \$ 110,156,193 | \$ 118,561,227 |
| Increased by: | | |
| Service cost | 4,370,142 | 5,280,118 |
| Interest cost | 4,055,443 | 3,494,705 |
| Member contributions | 89,989 | 93,951 |
| | <u>118,671,767</u> | <u>127,430,001</u> |
| Decreased by: | | |
| Difference between expected and actual experience | 7,520,827 | |
| Changes of assumptions | 11,174,057 | 14,722,357 |
| Gross benefit payments | <u>2,603,724</u> | <u>2,551,451</u> |
| Balance at June 30, 2018 | <u>\$ 97,373,159</u> | <u>\$ 110,156,193</u> |
| Covered by employee payroll | \$ 34,047,988 | \$ 32,762,448 |
| Total OPEB liability as a percentage of covered employee payroll | 285.99% | 336.23% |

* The amounts presented for each fiscal year were determined as of the previous fiscal year-end.

This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, governments should present information for those years for which information is available.

Notes to Required Supplementary Information

Benefit Changes

There were none.

Changes of Assumptions

The discount rate changed from 3.58% as of June 30, 2017 to 3.87% as of June 30, 2018.

Required Supplementary Information – Part III

Budgetary Comparison Schedules

Fort Lee Public Schools
General Fund
Budgetary Comparison Schedule
(Budgetary Basis)
Year ended June 30, 2019

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Final to Actual |
|--|--------------------|---------------------|-------------------|-------------------|-----------------------------|
| Revenues | | | | | |
| Local sources: | | | | | |
| Local tax levy | \$ 63,212,253 | | \$ 63,212,253 | \$ 63,212,253 | |
| Other local governmental units | 262,000 | \$ (262,000) | | | |
| Revenue in lieu of taxes | | 262,000 | 262,000 | 245,414 | \$ (16,586) |
| Tuition from Individuals | 127,354 | | 127,354 | 79,028 | (48,326) |
| Rents and royalties | 31,000 | | 31,000 | 50,705 | 19,705 |
| Miscellaneous | 93,775 | | 93,775 | 158,394 | 64,619 |
| Total revenues - local sources | 63,726,382 | - | 63,726,382 | 63,745,794 | 19,412 |
| State sources: | | | | | |
| Categorical Special Education aid | 1,916,432 | | 1,916,432 | 1,916,432 | |
| Categorical Transportation aid | 453,093 | 232,651 | 685,744 | 685,744 | |
| Extraordinary aid | 987,960 | | 987,960 | 1,389,522 | 401,562 |
| Cateqorical Security Aid | 105,243 | | 105,243 | 105,243 | |
| Other Unrestricted State Aid | | | | 65,990 | 65,990 |
| TPAF pension contributions (non-budgeted) | | | | 5,359,769 | 5,359,769 |
| TPAF post-retirement medical contributions (non-budgeted) | | | | 2,431,183 | 2,431,183 |
| TPAF long- term disability insurance contributions (non- | | | | 6,069 | 6,069 |
| Reimbursed TPAF social security contributions (non-budgeted) | | | | 2,181,584 | 2,181,584 |
| | 3,462,728 | 232,651 | 3,695,379 | 14,141,536 | 10,446,157 |
| Federal sources: | | | | | |
| Medicaid reimbursement | 48,675 | | 48,675 | 29,614 | (19,061) |
| Total Federal sources | 48,675 | | 48,675 | 29,614 | (19,061) |
| Total revenues | 67,237,785 | 232,651 | 67,470,436 | 77,916,944 | 10,446,508 |
| Expenditures | | | | | |
| Current expenditures: | | | | | |
| Instruction - regular programs: | | | | | |
| Salaries of teachers: | | | | | |
| Preschool/kindergarten | 1,198,885 | 148,323 | 1,347,208 | 1,347,179 | 29 |
| Grades 1-5 | 6,735,043 | (95,441) | 6,639,602 | 6,635,322 | 4,280 |
| Grades 6-8 | 4,344,839 | (59,883) | 4,284,956 | 4,284,956 | |
| Grades 9-12 | 5,129,085 | (41,650) | 5,087,435 | 5,086,992 | 443 |
| Home instruction - regular programs: | | | | | |
| Salaries of teachers | 106,500 | | 106,500 | 97,869 | 8,631 |
| Purchased professional-educational services | 10,000 | 400 | 10,400 | 10,381 | 19 |
| Undistributed instruction - regular programs: | | | | | |
| Salaries of teachers | 211,769 | (34,282) | 177,487 | 145,983 | 31,504 |
| Purchased professional-educational services | | 8,150 | 8,150 | 8,150 | |
| Purchased technical services | 53,000 | | 53,000 | 43,417 | 9,583 |
| Purchased property services | 72,960 | 29,559 | 102,519 | 97,978 | 4,541 |
| Rentals | 218,499 | 4,031 | 222,530 | 222,515 | 15 |
| General supplies | 901,690 | 56,078 | 957,768 | 807,240 | 150,528 |
| Textbooks | 54,300 | 5,580 | 59,880 | 56,397 | 3,483 |
| Other objects | 17,100 | 8 | 17,108 | 16,824 | 284 |
| Total instruction - regular programs | 19,053,670 | 20,873 | 19,074,543 | 18,861,203 | 213,340 |

Fort Lee Public Schools
General Fund

Budgetary Comparison Schedule
(Budgetary Basis)

Year ended June 30, 2019

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Final to Actual |
|---|--------------------|---------------------|-----------------|------------|--------------------------------|
| Expenditures (continued) | | | | | |
| Learning and/or language disabilities: | | | | | |
| Salaries of teachers | \$ 591,445 | \$ (109,700) | \$ 481,745 | \$ 481,734 | \$ 11 |
| Other salaries for instruction | 170,193 | (7,250) | 162,943 | 155,932 | 7,011 |
| General supplies | 2,600 | | 2,600 | 123 | 2,477 |
| Total learning and/or language disabilities | 764,238 | (116,950) | 647,288 | 637,789 | 9,499 |
| Multiple disabilities: | | | | | |
| Salaries of teachers | | 60,057 | 60,057 | 60,057 | |
| Other salaries for instruction | | 88,923 | 88,923 | 88,923 | |
| General supplies | | 600 | 600 | 570 | 30 |
| Total multiple disabilities | | 149,580 | 149,580 | 149,550 | 30 |
| Resource room/center: | | | | | |
| Salaries of teachers | 2,943,079 | 29,255 | 2,972,334 | 2,961,081 | 11,253 |
| Other salaries for instruction | 713,476 | 125,935 | 839,411 | 813,334 | 26,077 |
| General supplies | 3,200 | | 3,200 | 686 | 2,514 |
| Total resource room/center | 3,659,755 | 155,190 | 3,814,945 | 3,775,101 | 39,844 |
| Autism: | | | | | |
| Salaries of teachers | 389,484 | 2,642 | 392,126 | 392,026 | 100 |
| Other salaries for instruction | 138,767 | (66,311) | 72,456 | 57,092 | 15,364 |
| Purchased professional-educational services | 1,000 | (1,000) | | | |
| General supplies | 5,300 | | 5,300 | 3,805 | 1,495 |
| Total autism | 534,551 | (64,669) | 469,882 | 452,923 | 16,959 |
| Preschool disabilities - full time: | | | | | |
| Salaries of teachers | 383,448 | (40,707) | 342,741 | 342,664 | 77 |
| Other salaries for instruction | 322,851 | (53,193) | 269,658 | 269,583 | 75 |
| General supplies | 3,800 | (3,000) | 800 | 724 | 76 |
| Total preschool disabilities - part time | 710,099 | (96,900) | 613,199 | 612,971 | 228 |
| Total special education | 5,668,643 | 26,251 | 5,694,894 | 5,628,334 | 66,560 |

Fort Lee Public Schools
General Fund

Budgetary Comparison Schedule
(Budgetary Basis)

Year ended June 30, 2019

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Final to Actual |
|--|--------------------|---------------------|-----------------|------------|--------------------------------|
| Expenditures (continued) | | | | | |
| Current expenditures (continued): | | | | | |
| Basic skills/remedial - instruction: | | | | | |
| Salaries of teachers | \$ 632,641 | \$ 1,000 | \$ 633,641 | \$ 633,305 | \$ 336 |
| Total basic skills/remedial - instruction | 632,641 | 1,000 | 633,641 | 633,305 | 336 |
| Bilingual education - instruction: | | | | | |
| Salaries of teachers | 1,341,111 | 16,300 | 1,357,411 | 1,304,457 | 52,954 |
| Travel | 300 | (200) | 100 | | 100 |
| General supplies | 2,000 | (2,000) | | | |
| Total bilingual education - instruction | 1,343,411 | 14,100 | 1,357,511 | 1,304,457 | 53,054 |
| School - sponsored cocurricular and extra-curricular activities: | | | | | |
| Salaries | 282,000 | 1,000 | 283,000 | 282,992 | 8 |
| Purchased professional - educational services | | 1,849 | 1,849 | 1,849 | |
| Other purchased professional and technical services | 17,300 | (5,050) | 12,250 | 11,021 | 1,229 |
| Rentals | | 1,661 | 1,661 | 1,661 | |
| Other purchased services | 2,500 | 5,587 | 8,087 | 5,587 | 2,500 |
| Supplies and materials | 54,763 | (12,221) | 42,542 | 24,373 | 18,169 |
| Other objects | 17,170 | 4,720 | 21,890 | 15,387 | 6,503 |
| Total school-sponsored cocurricular and extra-curricular activities | 373,733 | (2,454) | 371,279 | 342,870 | 28,409 |
| School - sponsored athletics - instruction: | | | | | |
| Salaries | 428,653 | 5,980 | 434,633 | 434,541 | 92 |
| Other purchased professional and technical services | 51,727 | (579) | 51,148 | 51,148 | |
| Purchased property services | - | 263 | 263 | 263 | |
| Cleaning, repair and maintenance services | 9,500 | (3,796) | 5,704 | 5,704 | |
| Travel | 2,500 | 4,307 | 6,807 | 6,679 | 128 |
| Supplies and materials | 66,773 | 13,486 | 80,259 | 78,980 | 1,279 |
| Other objects | 27,544 | 20,028 | 47,572 | 42,132 | 5,440 |
| Total school - sponsored athletics - instruction | 586,697 | 39,689 | 626,386 | 619,447 | 6,939 |
| Before/After School Program- Instruction | | | | | |
| Salaries of tutors | | 1,575 | 1,575 | 1,575 | |
| Total Before/After School Program- Instruction | | 1,575 | 1,575 | 1,575 | |
| Summer School- Instruction | | | | | |
| Salaries of Teachers | 151,226 | (6,575) | 144,651 | 105,945 | 38,706 |
| Other salaries for instruction | 42,653 | | 42,653 | 33,307 | 9,346 |
| Total Summer School- Instruction | 193,879 | (6,575) | 187,304 | 139,252 | 48,052 |
| Total instruction | 27,852,674 | 94,460 | 27,947,133 | 27,530,443 | 416,690 |
| Undistributed expenditures: | | | | | |
| Instruction: | | | | | |
| Tuition to county vocational school districts within the state - regular | 853,983 | (181,300) | 672,683 | 663,267 | 9,416 |
| Tuition to other LEAs w/in the state - special education | 581,302 | (150,909) | 430,393 | 335,803 | 94,590 |
| Tuition to county special services districts and regional day schools | 840,506 | 77,909 | 918,415 | 868,393 | 50,022 |
| Tuition to private schools for the disabled within the state | 1,579,949 | (42,700) | 1,537,249 | 1,306,438 | 230,811 |
| Tuition to private schools for the disabled and other leas - special education - outside the state | 190,359 | 21,000 | 211,359 | 197,798 | 13,561 |
| Total instruction | 4,046,099 | (276,000) | 3,770,099 | 3,371,699 | 398,400 |

Fort Lee Public Schools
General Fund

Budgetary Comparison Schedule
(Budgetary Basis)

Year ended June 30, 2019

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Final to Actual |
|---|--------------------|---------------------|-----------------|------------|--------------------------------|
| Expenditures (continued) | | | | | |
| Current expenditures (continued): | | | | | |
| Undistributed expenditures (continued): | | | | | |
| Attendance and social work services: | | | | | |
| Salaries | \$ 142,446 | \$ 18,000 | \$ 160,446 | \$ 158,805 | \$ 1,641 |
| Salaries of Family Support Teams | 76,196 | 5,000 | 81,196 | 80,230 | 966 |
| Purchased professional and technical services | 51,230 | (702) | 50,528 | 50,528 | |
| Supplies and materials | 1,793 | 300 | 2,093 | 2,003 | 90 |
| Total attendance and social work service | 271,665 | 22,598 | 294,263 | 291,566 | 2,697 |
| Health services: | | | | | |
| Salaries | 510,681 | (47,211) | 463,470 | 445,112 | 18,358 |
| Purchased professional and technical services | 46,460 | 11,173 | 57,633 | 54,514 | 3,119 |
| Purchased professional - educational services | 20,000 | 32,064 | 52,064 | 49,398 | 2,666 |
| Travel | 200 | | 200 | | 200 |
| Miscellaneous purchased services | 4,200 | 3,000 | 7,200 | 6,490 | 710 |
| Supplies and materials | 10,050 | (1,217) | 8,833 | 8,355 | 478 |
| Total health services | 591,591 | (2,191) | 589,400 | 563,869 | 25,531 |
| Speech, OT, PT, and related services: | | | | | |
| Salaries | 821,799 | (31,065) | 790,734 | 738,242 | 52,492 |
| Purchased professional - educational services | 744,382 | 35,393 | 779,775 | 671,957 | 107,818 |
| Supplies and materials | 8,949 | | 8,949 | 8,702 | 247 |
| Total Speech, OT, PT, and related services | 1,575,130 | 4,328 | 1,579,458 | 1,418,901 | 160,557 |
| Extraordinary services: | | | | | |
| Salaries | 1,434,283 | (87,400) | 1,346,883 | 1,323,562 | 23,321 |
| Purchased professional - educational services | 806,559 | (1) | 806,558 | 713,888 | 92,670 |
| Supplies and materials | 6,000 | 1 | 6,001 | 6,000 | 1 |
| Total extraordinary services | 2,246,842 | (87,400) | 2,159,442 | 2,043,450 | 115,992 |
| Guidance services: | | | | | |
| Salaries of other professional staff | 1,029,422 | (21,989) | 1,007,433 | 965,487 | 41,946 |
| Salaries of secretarial and clerical assistants | 117,685 | 5,000 | 122,685 | 122,320 | 365 |
| Purchased professional - educational services | | 300 | 300 | | 300 |
| Other purchased professional and technical services | 78,335 | (11,928) | 66,407 | 65,852 | 555 |
| Travel | 500 | | 500 | 450 | 50 |
| Supplies and materials | 17,535 | (3,911) | 13,624 | 12,248 | 1,376 |
| Miscellaneous expenditures | 4,500 | (4,500) | | | |
| Total guidance services | 1,247,977 | (37,028) | 1,210,949 | 1,166,357 | 44,592 |
| Child Study Teams: | | | | | |
| Salaries of other professional staff | 1,261,910 | 20,000 | 1,281,910 | 1,275,203 | 6,707 |
| Salaries of secretarial and clerical assistants | 186,131 | | 186,131 | 182,980 | 3,151 |
| Purchased professional - educational services | 10,600 | 3,780 | 14,380 | 14,281 | 99 |
| Other purchased professional and technical services | 32,000 | | 32,000 | 31,477 | 523 |
| Travel | 1,500 | 2,000 | 3,500 | 2,333 | 1,167 |
| Residential Costs | 137,391 | 1,000 | 138,391 | 119,376 | 19,015 |
| Supplies and materials | 17,050 | (2,000) | 15,050 | 13,396 | 1,654 |
| Total child study team | 1,646,582 | 24,780 | 1,671,362 | 1,639,046 | 32,316 |

Fort Lee Public Schools
General Fund

Budgetary Comparison Schedule
(Budgetary Basis)

Year ended June 30, 2019

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Final to Actual |
|---|--------------------|---------------------|-----------------|------------|--------------------------------|
| Expenditures (continued) | | | | | |
| Current expenditures (continued): | | | | | |
| Undistributed expenditures (continued): | | | | | |
| Improvement of instruction services: | | | | | |
| Salaries of supervisors of instruction | \$ 302,212 | \$ 4,355 | \$ 306,567 | \$ 289,831 | \$ 16,736 |
| Salaries of other professional staff | 131,700 | 2,950 | 134,650 | 116,075 | 18,575 |
| Purchased professional - educational services | 76,700 | (23,392) | 53,308 | 45,308 | 8,000 |
| Travel | 15,300 | | 15,300 | 7,450 | 7,850 |
| Miscellaneous expenditures | 3,960 | | 3,960 | 1,774 | 2,186 |
| Total improvement of instructional services | 529,872 | (16,087) | 513,785 | 460,438 | 53,347 |
| Educational media/library services: | | | | | |
| Salaries | 495,071 | (66,457) | 428,614 | 419,273 | 9,341 |
| Salaries of Technology Coordinators | 135,169 | | 135,169 | 129,020 | 6,149 |
| Purchased professional - educational services | 40,550 | (1,748) | 38,802 | 38,339 | 463 |
| Cleaning, repair and maintenance services | - | 1,925 | 1,925 | 1,903 | 22 |
| Supplies and materials | 82,800 | (1,066) | 81,734 | 70,889 | 10,845 |
| Total educational media services/school library | 753,590 | (67,346) | 686,244 | 659,424 | 26,820 |
| Instructional staff training services: | | | | | |
| Other Salaries | 8,100 | | 8,100 | 4,501 | 3,599 |
| Other purchased services | 11,500 | (3,600) | 7,900 | 7,264 | 636 |
| Travel | 5,550 | 9,728 | 15,278 | 12,884 | 2,394 |
| Supplies and materials | 45,000 | (39,139) | 5,861 | 5,861 | |
| Total instructional staff training services | 70,150 | (33,011) | 37,139 | 30,510 | 6,629 |
| Support services-general administration: | | | | | |
| Salaries | 500,655 | 6,458 | 507,113 | 503,292 | 3,821 |
| Other Salaries | 7,650 | | 7,650 | 7,500 | 150 |
| Legal services | 137,000 | 6,490 | 143,490 | 83,119 | 60,371 |
| Audit fees | 44,000 | 44,000 | 88,000 | 44,000 | 44,000 |
| Other professional services | 21,020 | (5,740) | 15,280 | 5,485 | 9,795 |
| Rentals | 12,886 | | 12,886 | 11,718 | 1,168 |
| Communications/telephone | 179,431 | 9,574 | 189,005 | 187,578 | 1,427 |
| Travel | - | 8,338 | 8,338 | 8,075 | 263 |
| BOE other purchased services | 6,500 | (500) | 6,000 | 5,601 | 399 |
| Miscellaneous purchased services | 217,574 | (22,710) | 194,864 | 187,977 | 6,887 |
| General supplies | 20,000 | (495) | 19,505 | 19,468 | 37 |
| BOE in House Training/Meeting Supplies | 200 | | 200 | | 200 |
| Judgments against the school district | | 300 | 300 | | 300 |
| Miscellaneous expenditures | 3,000 | 10,820 | 13,820 | 13,786 | 34 |
| BOE membership dues and fees | 28,000 | (4,050) | 23,950 | 23,691 | 259 |
| Total support services-general administration | 1,177,916 | 52,485 | 1,230,401 | 1,101,290 | 129,111 |

Fort Lee Public Schools
General Fund

Budgetary Comparison Schedule
(Budgetary Basis)

Year ended June 30, 2019

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Final to Actual |
|--|--------------------|---------------------|-----------------|--------------|--------------------------------|
| Expenditures (continued) | | | | | |
| Current expenditures (continued): | | | | | |
| Undistributed expenditures (continued): | | | | | |
| Support services-school administration: | | | | | |
| Salaries of principals/assistant principals | \$ 1,763,262 | \$ 6,100 | \$ 1,769,362 | \$ 1,763,433 | \$ 5,929 |
| Salaries of secretarial and clerical assistants | 525,087 | 48,050 | 573,137 | 573,122 | 15 |
| Unused vacation payments to terminated/retired sta | 61,017 | | 61,017 | 15,823 | 45,194 |
| Purchased professional and technical services | | 2,940 | 2,940 | 2,880 | 60 |
| Travel | 10,050 | 1,782 | 11,832 | 6,586 | 5,246 |
| Supplies and materials | 72,300 | 1,663 | 73,963 | 64,461 | 9,502 |
| Miscellaneous expenditures | 30,495 | (10,509) | 19,986 | 19,361 | 625 |
| Total support services-school administration | 2,462,211 | 50,026 | 2,512,237 | 2,445,666 | 66,571 |
| Central services: | | | | | |
| Salaries | 714,718 | (23,000) | 691,718 | 690,826 | 892 |
| Unused vacation payments to terminated/retired sta | 7,478 | | 7,478 | | 7,478 |
| Other purchased professional services | 36,157 | 1,278 | 37,435 | 37,435 | |
| Purchased technical services | 49,140 | 24,800 | 73,940 | 71,987 | 1,953 |
| Rentals | 5,880 | 3,919 | 9,799 | 7,047 | 2,752 |
| Travel | 17,928 | (3,178) | 14,750 | 13,600 | 1,150 |
| Miscellaneous purchased services | 26,295 | (12,500) | 13,795 | 12,651 | 1,144 |
| Supplies and materials | 28,350 | 1,083 | 29,433 | 25,046 | 4,387 |
| Miscellaneous expenditures | 7,405 | 1,899 | 9,304 | 9,113 | 191 |
| Total central services | 893,351 | (5,699) | 887,652 | 867,705 | 19,947 |
| Administrative information technology: | | | | | |
| Salaries | 168,322 | 33,601 | 201,923 | 201,402 | 521 |
| Purchased technical services | 42,800 | (6,601) | 36,199 | 33,632 | 2,567 |
| Travel | 1,000 | (287) | 713 | 713 | |
| Supplies and Materials | 23,500 | | 23,500 | 17,859 | 5,641 |
| Miscellaneous expenditures | 500 | | 500 | 278 | 222 |
| Total administrative information technology | 236,122 | 26,713 | 262,835 | 253,884 | 8,951 |
| Required maintenance for school facilities: | | | | | |
| Salaries | 264,307 | (2,800) | 261,507 | 254,475 | 7,032 |
| Other salaries | 46,000 | | 46,000 | 16,600 | 29,400 |
| Cleaning, repair and maintenance services | 369,918 | (66,045) | 303,873 | 292,788 | 11,085 |
| Supplies and Materials | | 4,091 | 4,091 | 2,091 | 2,000 |
| Miscellaneous expenditures | 6,606 | (6,606) | | | |
| Total required maintenance for school facilities | 686,831 | (71,360) | 615,471 | 565,954 | 49,517 |
| Custodial Services and Bulding Rentals: | | | | | |
| Salaries | 1,350,193 | (74,233) | 1,275,960 | 1,251,623 | 24,337 |
| Other salaries | 8,384 | 3,950 | 12,334 | 11,168 | 1,166 |
| Unused vacation payments to terminated/retired s | 4,617 | | 4,617 | | 4,617 |
| Purchased professional and technical services | 20,974 | (7,321) | 13,653 | 13,653 | |
| Cleaning, repair and maintenance services | 1,045,604 | 195,747 | 1,241,351 | 1,215,162 | 26,189 |
| Rental of land and buildings | 170,730 | 28,000 | 198,730 | 171,674 | 27,056 |
| Other purchased property services | 92,100 | | 92,100 | 76,347 | 15,753 |
| Insurance | 187,200 | | 187,200 | 176,436 | 10,764 |
| Travel | 2,860 | 54 | 2,914 | 2,814 | 100 |
| General supplies | 368,368 | 22,416 | 390,784 | 378,670 | 12,114 |
| Natural gas | 116,200 | 3,000 | 119,200 | 118,839 | 361 |
| Electricity | 529,162 | 104,793 | 633,955 | 587,342 | 46,613 |
| Gasoline | 18,000 | (8,793) | 9,207 | 9,207 | |
| Interest- energy savings impr prog bonds | 122,530 | | 122,530 | 122,529 | 1 |
| Miscellaneous expenditures | 8,716 | (1,274) | 7,442 | 5,401 | 2,041 |
| Principal- energy saving impr prog bonds | 268,790 | | 268,790 | 267,142 | 1,648 |
| Total custodial services and building rentals | 4,314,428 | 266,339 | 4,580,767 | 4,408,007 | 172,760 |
| Care & upkeep of grounds: | | | | | |
| Salaries | 20,000 | (900) | 19,100 | 9,818 | 9,282 |
| Cleaning, repair and maintenance services | 138,278 | 16,653 | 154,931 | 141,968 | 12,963 |
| General supplies | 33,000 | (9,098) | 23,902 | 22,984 | 918 |
| Total care & upkeep of grounds | 191,278 | 6,655 | 197,933 | 174,770 | 23,163 |

Fort Lee Public Schools
General Fund

Budgetary Comparison Schedule
(Budgetary Basis)

Year ended June 30, 2019

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Final to Actual |
|---|--------------------|---------------------|-----------------|------------|-----------------------------|
| Expenditures (continued) | | | | | |
| Current expenditures (continued): | | | | | |
| Undistributed expenditures (continued): | | | | | |
| Security | | | | | |
| Salaries | \$ 121,011 | \$ 50,100 | \$ 171,111 | \$ 171,066 | \$ 45 |
| Purchased professional and technical services | 403,666 | (199,881) | 203,785 | 203,781 | 4 |
| Cleaning, repair and maintenance services | 32,900 | 20,916 | 53,816 | 53,307 | 509 |
| General supplies | 5,380 | 118,168 | 123,548 | 116,686 | 6,862 |
| Total Security | 562,957 | (10,697) | 552,260 | 544,840 | 7,420 |
| Student transportation services: | | | | | |
| Salaries for pupil transportation: | | | | | |
| Between home and school - special education | 310,546 | 99,430 | 409,976 | 386,353 | 23,623 |
| Cleaning, repair and maintenance | 41,000 | 4,365 | 45,365 | 44,375 | 990 |
| Contracted services: | | | | | |
| Aid in lieu - nonpublic | 175,012 | | 175,012 | 154,128 | 20,884 |
| Between home & school - vendor | 220,554 | (14,681) | 205,873 | 205,747 | 126 |
| Other between home & school - vendors | 122,580 | (12,182) | 110,398 | 93,449 | 16,949 |
| Vendors - special ed | 1,180,119 | 241,060 | 1,421,179 | 1,356,234 | 64,945 |
| Miscellaneous purchased services - transportation | 500 | (500) | | | |
| Transportation Supplies and materials | 28,700 | 4,857 | 33,557 | 28,219 | 5,338 |
| Miscellaneous expenditures | 1,200 | 340 | 1,540 | 1,540 | |
| Total student transportation services | 2,080,211 | 322,689 | 2,402,900 | 2,270,045 | 132,855 |
| Unallocated benefits: | | | | | |
| Social security contributions | 729,950 | | 729,950 | 691,345 | 38,605 |
| Other retirement contributions - PERS | 748,254 | | 748,254 | 722,850 | 25,404 |
| Worker's compensation | 200,000 | | 200,000 | 178,767 | 21,233 |
| Health benefits | 11,410,671 | 123 | 11,410,794 | 9,590,641 | 1,820,153 |
| Tuition reimbursement | 95,000 | (5,123) | 89,877 | 86,867 | 3,010 |
| Other employee benefits | 37,854 | 36,056 | 73,910 | 73,754 | 156 |
| Other employee benefits | 1,000 | 500 | 1,500 | 759 | 741 |
| Unused vacation payments to terminated/retired staff | 42,403 | (6,941) | 35,462 | 22,991 | 12,471 |
| Unused vacation payments to terminated/retired staff | 24,171 | | 24,171 | 21,754 | 2,417 |
| Unused vacation payments to terminated/retired staff | 110,459 | | 110,459 | 81,199 | 29,260 |
| Unused sick payments to terminated/retired staff - normal retiremen | 50,071 | | 50,071 | 50,071 | |
| Unused sick payments to terminated/retired staff - normal retirements | 19,233 | (4,748) | 14,485 | | 14,485 |
| Unused sick payment to terminated/retired staff | 106,805 | 9,544 | 116,349 | 116,349 | |
| Unused sick - grades 1-5 | 186,903 | (40,000) | 146,903 | 144,753 | 2,150 |
| Total unallocated benefits | 13,762,774 | (10,589) | 13,752,185 | 11,782,100 | 1,970,085 |
| TPAF pension contributions (non-budgeted) | | | | | |
| | | | | 5,359,769 | (5,359,769) |
| TPAF post-retirement medical contributions (non-budgeted) | | | | | |
| | | | | 2,431,183 | (2,431,183) |
| TPAF long-term disability insurance contributions (non-budgeted) | | | | | |
| | | | | 6,069 | (6,069) |
| Reimbursed TPAF social security contributions (non-budgeted) | | | | | |
| | | | | 2,181,584 | (2,181,584) |
| Total personal services: benefits | 13,762,774 | (10,589) | 13,752,185 | 21,760,705 | (8,008,520) |
| Total undistributed expenditures | 39,347,578 | 159,205 | 39,506,782 | 46,038,126 | (6,531,344) |
| Total current expenditures | 67,200,251 | 253,664 | 67,453,915 | 73,568,569 | (6,114,654) |

Fort Lee Public Schools
General Fund

Budgetary Comparison Schedule
(Budgetary Basis)

Year ended June 30, 2019

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Final to Actual |
|---|--------------------|---------------------|-----------------|---------------|--------------------------------|
| Expenditures (continued) | | | | | |
| Capital outlay: | | | | | |
| Equipment: | | | | | |
| Undistributed expenditures: | | | | | |
| Instruction | | \$ 6,627 | \$ 6,627 | \$ 6,609 | \$ 18 |
| School-sponsored co-curricular and extra-curricular | \$ 18,000 | 650 | 18,650 | 18,628 | 22 |
| Required maint for school fac | | 13,357 | 13,357 | 13,357 | |
| Custodial services and building rentals | | 21,457 | 21,457 | 21,457 | |
| Student transportation services - school buses - regular | | 63,716 | 63,716 | 63,716 | |
| Total equipment | 18,000 | 105,807 | 123,807 | 123,767 | 40 |
| Facilities acquisition and construction services: | | | | | |
| Construction services | 400,000 | 347,324 | 747,324 | 495,337 | 251,987 |
| Assessment for Debt Service on SDA Funding | 17,534 | | 17,534 | 17,534 | |
| Total facilities acquisition and construction services | 417,534 | 347,324 | 764,858 | 512,871 | 251,987 |
| Total expenditures - capital outlay | 435,534 | 453,131 | 888,665 | 636,638 | 252,027 |
| Intrest Deposit to Capital Reserve | 50 | (50) | | | |
| Total expenditures | 67,635,785 | 706,795 | 68,342,580 | 74,205,207 | (5,862,627) |
| (Deficiency) excess of revenues (under) over expenditures | (397,950) | (474,194) | (872,144) | 3,711,737 | 16,309,135 |
| Other financing sources: | | | | | |
| Transfers in | | | | 707,070 | (707,070) |
| Total other financing sources | - | - | - | 707,070 | (707,070) |
| (Deficiency) excess of revenues (under) over expenditures and other financing sources | (397,950) | (474,194) | (872,144) | 4,418,807 | 5,290,951 |
| Fund balances, July 1 | 6,470,409 | | 6,470,409 | 6,470,409 | |
| Fund balances, June 30 | \$ 6,072,459 | \$ (474,194) | \$ 5,598,265 | \$ 10,889,216 | \$ 5,290,951 |
| Recapitulation of (deficiency) excess of revenues (under) over expenditures and other financing sources (uses) | | | | | |
| Budgeted fund balance | \$ (110,000) | | \$ (110,000) | \$ 5,180,951 | \$ 5,290,951 |
| Budgeted increase in capital reserve | 112,050 | | 112,050 | 112,050 | |
| Budgeted withdrawal from capital reserve | (200,000) | \$ (277,971) | (477,971) | (477,971) | |
| Budgeted withdrawal from emergency reserve | (200,000) | | (200,000) | (200,000) | |
| Adjustment for prior year encumbrances, net of cancellation | | (196,223) | (196,223) | (196,223) | |
| Total | \$ (397,950) | \$ (474,194) | \$ (872,144) | \$ 4,418,807 | \$ 5,290,951 |
| Recapitulation of fund balance: | | | | | |
| Restricted for: | | | | | |
| Emergency reserve | | | | \$ 250,000 | |
| Capital reserve | | | | 7,322,054 | |
| Maintenance reserve | | | | 500,000 | |
| Excess surplus - current year | | | | 911,487 | |
| Assigned to: | | | | | |
| Year end encumbrances | | | | 53,591 | |
| Designated for subsequent years expenditures | | | | 100,000 | |
| Unassigned fund balance | | | | 1,752,084 | |
| | | | | 10,889,216 | |
| Reconciliation to Government Funds Statements GAAP: | | | | | |
| Last two state aid payments not recognized on GAAP basis | | | | (167,948) | |
| Fund balance per Government Funds (GAAP) (B-1) | | | | \$ 10,721,268 | |

Fort Lee Public Schools
Special Revenue Fund

Budgetary Comparison Schedule
(Budgetary Basis)

Year ended June 30, 2019

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Final to Actual |
|---|--------------------|---------------------|------------------|------------------|-----------------------------|
| Revenues: | | | | | |
| State sources | \$ 109,773 | \$ 71,052 | \$ 180,825 | \$ 130,930 | \$ (49,895) |
| Federal sources | 1,132,181 | 607,201 | 1,739,382 | 1,611,185 | (128,197) |
| Other sources | 14,500 | 14,300 | 28,800 | 27,892 | (908) |
| Total revenues | 1,256,454 | 692,553 | 1,949,007 | 1,770,007 | (179,000) |
| Expenditures: | | | | | |
| Current expenditures: | | | | | |
| Instruction: | | | | | |
| Salaries of teachers | 369,256 | 149,557 | 518,813 | 474,263 | 44,550 |
| Purchased professional services | | 15,700 | 15,700 | 15,000 | 700 |
| Tuition | 571,474 | 190,905 | 762,379 | 739,696 | 22,683 |
| General Supplies | 51,169 | 41,537 | 92,706 | 90,485 | 2,221 |
| Textbooks | 7,961 | 3,306 | 11,267 | 11,252 | 15 |
| Total instruction | 999,860 | 401,005 | 1,400,865 | 1,330,696 | 70,169 |
| Support services: | | | | | |
| Salaries of other professional staff | 81,050 | (30,550) | 50,500 | 47,837 | 2,663 |
| Personnel services – employee benefits | 55,222 | 97,442 | 152,664 | 152,575 | 89 |
| Purchased professional technical services | | 32,000 | 32,000 | | 32,000 |
| Purchased professional - educational services | 111,202 | 129,341 | 240,543 | 178,746 | 61,797 |
| Other purchased professional services | 9,120 | 22,530 | 31,650 | 25,857 | 5,793 |
| Travel | | 19,885 | 19,885 | 15,024 | 4,861 |
| Supplies and materials | | 5,730 | 5,730 | 4,602 | 1,128 |
| Other Objects | | 500 | 500 | | 500 |
| Total support services | 256,594 | 276,878 | 533,472 | 424,641 | 108,831 |
| Capital outlay: | | | | | |
| Facilities acquisition and construction services: | | | | | |
| Instructional equipment | | 14,670 | 14,670 | 14,670 | |
| Total facilities acquisition and construction services | | 14,670 | 14,670 | 14,670 | |
| Total expenditures | 1,256,454 | 692,553 | 1,949,007 | 1,770,007 | 179,000 |
| Excess (deficiency) of revenues over (under) expenditures | \$ - | \$ - | \$ - | \$ - | \$ - |

Fort Lee Public Schools
Note to Required Supplementary Information

Budget to GAAP Reconciliation

Year ended June 30, 2019

| | General Fund | Special Revenue Fund |
|---|-------------------------|-------------------------------------|
| Sources/inflows of resources | | |
| Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule (C-1, C-2) | \$ 77,916,944 | \$ 1,770,007 |
| Differences - Budget to GAAP: | | |
| Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized. | | |
| Prior year | | 4,477 |
| Current year | | |
| State aid payments recognized for budgetary purposes, not recognized for GAAP statements. | | |
| Prior year | 146,499 | |
| Current year | (167,948) | |
| <hr/> | | |
| Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds (B-2) | <u>\$ 77,895,495</u> | <u>\$ 1,774,484</u> |
| Uses/outflows of resources | | |
| Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule (C-1, C-2) | \$ 74,205,207 | \$ 1,770,007 |
| Differences - budget to GAAP: | | |
| Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes. | | |
| Prior year | | 4,477 |
| Current year | | |
| <hr/> | | |
| Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (B-2) | <u>\$ 74,205,207</u> | <u>\$ 1,774,484</u> |

Supplementary Information

Special Revenue Fund

Fort Lee Public Schools
Special Revenue Fund

Combining Schedule of Revenues and Expenditures
Budgetary Basis

Year ended June 30, 2019

| | Title I | I.D.E.A. | | Title II | Title III | Title IV | Comp Ed | ESL | Exam & Class | Corrective Speech |
|--|----------------|----------------|------------------|----------------|-----------|-----------|-----------------|-----------------|-----------------|-------------------|
| | Regular Part A | Part B Regular | Part B Preschool | Part A Regular | Regular | Regular | Regular Program | Regular Program | Regular Program | Regular Program |
| Revenues: | | | | | | | | | | |
| State sources | | | | | | | \$ 17,343 | \$ 21,139 | \$ 9,098 | \$ 12,231 |
| Federal sources | \$ 485,498 | \$ 901,955 | \$ 8,469 | \$ 98,704 | \$ 89,044 | \$ 27,515 | | | | |
| Other sources | | | | | | | | | | |
| Total revenues | \$ 485,498 | \$ 901,955 | \$ 8,469 | \$ 98,704 | \$ 89,044 | \$ 27,515 | \$ 17,343 | \$ 21,139 | \$ 9,098 | \$ 12,231 |
| Expenditures: | | | | | | | | | | |
| Instruction: | | | | | | | | | | |
| Salaries of teachers | \$ 358,769 | \$ 103,018 | | | \$ 12,476 | | | | | |
| Purchased professional services | 15,000 | | | | | | | | | |
| Tuition | | 739,696 | | | | | | | | |
| General Supplies | 1,646 | 2,687 | | | 52,664 | | | | | |
| Textbooks | | | | | | | | | | |
| Total instruction | 375,415 | 845,401 | | | 65,140 | | | | | |
| Support services: | | | | | | | | | | |
| Salaries of other professional staff | 2,750 | | | \$ 39,997 | 5,090 | | | | | |
| Personnel services – employee benefits | 106,108 | 32,054 | | 12,400 | 2,013 | | | | | |
| Purchased professional - educational services | | 24,500 | | 33,064 | | \$ 9,100 | \$ 17,343 | \$ 21,139 | \$ 9,098 | \$ 12,231 |
| Other purchased professional services | | | \$ 8,469 | 1,483 | 13,305 | 600 | | | | |
| Travel | | | | 11,760 | 3,264 | | | | | |
| Supplies and materials | 1,225 | | | | 232 | 3,145 | | | | |
| Total support services | 110,083 | 56,554 | 8,469 | 98,704 | 23,904 | 12,845 | 17,343 | 21,139 | 9,098 | 12,231 |
| Capital outlay: | | | | | | | | | | |
| Facilities acquisition and construction services: | | | | | | | | | | |
| Instructional equipment | | | | | | 14,670 | | | | |
| Total facilities acquisition and construction services | | | | | | 14,670 | | | | |
| Total expenditures | \$ 485,498 | \$ 901,955 | \$ 8,469 | \$ 98,704 | \$ 89,044 | \$ 27,515 | \$ 17,343 | \$ 21,139 | \$ 9,098 | \$ 12,231 |

Fort Lee Public Schools
Special Revenue Fund

Combining Schedule of Revenues and Expenditures
Budgetary Basis
Year ended June 30, 2019

| | Supple - mentary Instruction Regular Program | Nursing Regular Program | Technology Initiative Regular Program | Text - books Regular Program | Security Regular Program | Local Programs | Totals |
|---|--|-------------------------------|--|---------------------------------------|--------------------------------|-------------------|--------------|
| Revenues: | | | | | | | |
| State sources | \$ 5,948 | \$ 20,467 | \$ 7,596 | \$ 11,252 | \$ 25,856 | | \$ 130,930 |
| Federal sources | | | | | | | 1,611,185 |
| Other sources | | | | | | \$ 27,892 | 27,892 |
| Total revenues | \$ 5,948 | \$ 20,467 | \$ 7,596 | \$ 11,252 | \$ 25,856 | \$ 27,892 | \$ 1,770,007 |
| Expenditures: | | | | | | | |
| Instruction: | | | | | | | |
| Salaries of teachers | | | | | | | \$ 474,263 |
| Purchased educational services | | | | | | | 15,000 |
| Tuition | | | | | | | 739,696 |
| General Supplies | | | \$ 7,596 | | | \$ 25,892 | 90,485 |
| Textbooks | | | | \$ 11,252 | | | 11,252 |
| Total instruction | | | 7,596 | 11,252 | | 25,892 | 1,330,696 |
| Support services: | | | | | | | |
| Salaries of other professional staff | | | | | | | 47,837 |
| Personnel services – employee benefits | | | | | | | 152,575 |
| Purchased professional - educational services | \$ 5,948 | \$ 20,467 | | | \$ 25,856 | | 178,746 |
| Other purchased professional services | | | | | | 2,000 | 25,857 |
| Travel | | | | | | | 15,024 |
| Supplies and materials | | | | | | | 4,602 |
| Total support services | 5,948 | 20,467 | | | 25,856 | 2,000 | 424,641 |
| Capital outlay: | | | | | | | |
| Facilities acquisition and construction services: | | | | | | | |
| Instructional equipment | | | | | | | 14,670 |
| Total facilities acquisition and construction services | | | | | | | 14,670 |
| Total expenditures | \$ 5,948 | \$ 20,467 | \$ 7,596 | \$ 11,252 | \$ 25,856 | \$ 27,892 | \$ 1,770,007 |

Capital Projects Fund

Fort Lee Public Schools
Capital Projects Fund

Summary Schedule of Project Revenues, Expenditures,
Project Balance and Project Status

(Budgetary Basis)

Year ended June 30, 2019

Revenues and other financing sources

| | |
|---------------------------|----------------|
| Investment Income | \$ 536,989 |
| State Sources - SDA Grant | - |
| Total revenues | <u>536,989</u> |

Expenditures and Other Financing Uses

| | |
|---|-------------------|
| Purchased professional and technical services | 701,297 |
| Construction services | <u>10,881,022</u> |
| Total expenditures | 11,582,319 |

(Deficiency) of revenues (under) expenditures (11,045,330)

Other Financing sources

| | |
|-------------------------------|------------------|
| Transfers in | - |
| Transfers out | <u>(536,989)</u> |
| Total other financing sources | (536,989) |

(Deficiency) of revenues (under) expenditures other financing sources (11,582,319)

| | |
|-----------------------|---------------------|
| Fund Balance, July 1 | 19,725,414 |
| Fund Balance, June 30 | <u>\$ 8,143,095</u> |

| | |
|---|---------------------|
| Fund balance, budgetary-basis | \$ 8,143,095 |
| Less difference in grant revenue recognized | - |
| Fund balance, GAAP-basis | <u>\$ 8,143,095</u> |

Fort Lee Public Schools
Capital Projects Fund

Schedule of Project Revenues, Expenditures, Project Balance and Project Status
(Budgetary Basis)

From Inception and for the year ended June 30, 2019

| | Prior Periods | Current Year | Totals | Revised Authorized Cost |
|--|----------------------|------------------------|---------------------|-------------------------------|
| Revenues and other financing sources | | | | |
| State Sources - SDA Grant | \$ 3,466,020 | \$ - | \$ 3,466,020 | \$ 3,466,020 |
| Bond proceeds and transfers | 69,734,091 | - | 69,734,091 | 69,734,091 |
| Contribution from Private sources | - | - | - | - |
| Transfer from capital reserve | - | - | - | - |
| Total revenues | <u>73,200,111</u> | <u>-</u> | <u>73,200,111</u> | <u>\$ 73,200,111</u> |
| Expenditures and Other Financing Uses | | | | |
| Purchased professional and technical services | 5,720,850 | 701,297 | 6,422,147 | |
| Land and improvements | | - | | |
| Construction services | 47,741,142 | 10,881,022 | 58,622,164 | |
| Equipment | 12,705 | - | 12,705 | |
| Total expenditures | <u>53,474,697</u> | <u>11,582,319</u> | <u>65,057,016</u> | |
| Excess (deficiency) of revenues over (under) expenditures | <u>\$ 19,725,414</u> | <u>\$ (11,582,319)</u> | <u>\$ 8,143,095</u> | |

Fort Lee Public Schools
Capital Projects Fund

Schedule of Project Revenues, Expenditures, Project Balance and Project Status
(Budgetary Basis)

High School Window Replacement

From Inception and for the year ended June 30, 2019

| | Prior Periods | Current Year | Totals | Revised Authorized Cost |
|--|-------------------|-----------------|-------------------|-------------------------------|
| Revenues and other financing sources | | | | |
| State Sources - SDA Grant | \$ 420,000 | | \$ 420,000 | \$ 420,000 |
| Bond proceeds and transfers | 998,126 | | 998,126 | 998,126 |
| Contribution from Private sources | | | | |
| Transfer to capital reserve | | | | |
| Total revenues | <u>1,418,126</u> | <u>-</u> | <u>1,418,126</u> | <u>\$ 1,418,126</u> |
| Expenditures and Other Financing Uses | | | | |
| Purchased professional and technical services | 127,803 | | 127,803 | |
| Land and improvements | | | | |
| Construction services | 1,167,581 | | 1,167,581 | |
| Equipment | | | | |
| Total expenditures | <u>1,295,384</u> | <u>-</u> | <u>1,295,384</u> | |
| Excess (deficiency) of revenues over (under) expenditures | <u>\$ 122,742</u> | <u>\$ -</u> | <u>\$ 122,742</u> | |

Additional project information

| | |
|--|------------------|
| Project number | 1550-050-10-1001 |
| Grant date | 9/28/2010 |
| Bond authorization date | N/A |
| Bonds Authorized | N/A |
| Bonds Issued | N/A |
| Original Authorized Cost | \$ 1,050,000 |
| Additional Authorized Cost | 368,126 |
| Revised Authorized Cost | \$ 1,418,126 |
| Percentage Increase over Original Authorized Cost | 35.06% |
| Percentage completion | 100.00% |
| Original target completion date | 9/30/2013 |
| Revised target completion date | Complete |

Fort Lee Public Schools
Capital Projects Fund

Schedule of Project Revenues, Expenditures, Project Balance and Project Status
(Budgetary Basis)

School 4 HVAC Upgrades

From Inception and for the year ended June 30, 2019

| | Prior Periods | Current Year | Totals | Revised Authorized Cost |
|--|------------------|-----------------|------------------|-------------------------------|
| Revenues and other financing sources | | | | |
| State Sources - SDA Grant | \$ 1,311,247 | | \$ 1,311,247 | \$ 1,311,247 |
| Bond proceeds and transfers | 1,997,577 | | 1,997,577 | 1,997,577 |
| Contribution from Private sources | | | - | - |
| Transfer to capital reserve | | | - | - |
| Total revenues | <u>3,308,824</u> | <u>-</u> | <u>3,308,824</u> | <u><u>3,308,824</u></u> |
| Expenditures and Other Financing Uses | | | | |
| Purchased professional and technical services | 388,132 | | 388,132 | |
| Land and improvements | | | | |
| Construction services | 2,880,492 | | 2,880,492 | |
| Equipment | | | | |
| Total expenditures | <u>3,268,624</u> | <u>-</u> | <u>3,268,624</u> | |
| Excess (deficiency) of revenues over (under) expenditures | <u>\$ 40,200</u> | <u>\$ -</u> | <u>\$ 40,200</u> | |

Additional project information

| | |
|--|------------------|
| Project number | 1550-090-10-1013 |
| Grant date | 9/28/2010 |
| Bond authorization date | N/A |
| Bonds Authorized | N/A |
| Bonds Issued | N/A |
| Original Authorized Cost | \$ 4,140,000 |
| Additional Authorized Cost | (831,176) |
| Revised Authorized Cost | \$ 3,308,824 |
| Percentage Decrease over Original Authorized Cost | -20.08% |
| Percentage completion | 100.00% |
| Original target completion date | 9/30/2014 |
| Revised target completion date | Complete |

Fort Lee Public Schools
Capital Projects Fund

Schedule of Project Revenues, Expenditures, Project Balance and Project Status
(Budgetary Basis)

School 4 Roof Replacement

From Inception and for the year ended June 30, 2019

| | Prior Periods | Current Year | Totals | Revised Authorized Cost |
|--|------------------|-----------------|----------------|-------------------------------|
| Revenues and other financing sources | | | | |
| State Sources - SDA Grant | \$ 192,121 | | \$ 192,121 | \$ 192,121 |
| Bond proceeds and transfers | 288,182 | | 288,182 | 288,182 |
| Contribution from Private sources | | | | |
| Transfer from capital reserve | | | | |
| Total revenues | <u>480,303</u> | <u>-</u> | <u>480,303</u> | <u>\$ 480,303</u> |
| Expenditures and Other Financing Uses | | | | |
| Purchased professional and technical services | 47,724 | | 47,724 | |
| Land and improvements | | | | |
| Construction services | 431,977 | | 431,977 | |
| Equipment | | | | |
| Total expenditures | <u>479,701</u> | <u>-</u> | <u>479,701</u> | |
| Excess (deficiency) of revenues over (under) expenditures | <u>\$ 602</u> | <u>\$ -</u> | <u>\$ 602</u> | |

Additional project information

| | |
|--|------------------|
| Project number | 1550-050-10-1014 |
| Grant date | 9/28/2010 |
| Bond authorization date | N/A |
| Bonds Authorized | N/A |
| Bonds Issued | N/A |
| Original Authorized Cost | \$ 532,000 |
| Additional Authorized Cost | (51,697) |
| Revised Authorized Cost | \$ 480,303 |
| Percentage Decrease over Original Authorized Cost | -9.72% |
| Percentage completion | 100.00% |
| Original target completion date | 9/30/2013 |
| Revised target completion date | Complete |

Fort Lee Public Schools
Capital Projects Fund

Schedule of Project Revenues, Expenditures, Project Balance and Project Status
(Budgetary Basis)

Lewis F. Cole Middle School Additions and Rehabilitation

From Inception and for the year ended June 30, 2019

| | Prior Periods | Current Year | Totals | Revised Authorized Cost |
|--|-------------------|-----------------|-------------------|-------------------------------|
| Revenues and other financing sources | | | | |
| State Sources - SDA Grant | \$ 1,542,652 | | \$ 1,542,652 | \$ 1,542,652 |
| Bond proceeds and transfers | 11,038,762 | | 11,038,762 | 11,038,762 |
| Contribution from Private sources | | | | |
| Transfer to capital reserve | | | | |
| Total revenues | <u>12,581,414</u> | <u>-</u> | <u>12,581,414</u> | <u>\$ 12,581,414</u> |
| Expenditures and Other Financing Uses | | | | |
| Purchased professional and technical services | 1,552,112 | | 1,552,112 | |
| Land and improvements | | | | |
| Construction services | 10,802,747 | | 10,802,747 | |
| Equipment | 12,705 | | 12,705 | |
| Total expenditures | <u>12,367,564</u> | <u>-</u> | <u>12,367,564</u> | |
| Excess (deficiency) of revenues over (under) expenditures | <u>\$ 213,850</u> | <u>\$ -</u> | <u>\$ 213,850</u> | |

Additional project information

| | |
|--|------------------|
| Project number | 1550-050-10-1018 |
| Grant date | 9/28/2010 |
| Bond authorization date | N/A |
| Bonds Authorized | N/A |
| Bonds Issued | N/A |
| Original Authorized Cost | \$ 9,660,000 |
| Additional Authorized Cost | 2,921,414 |
| Revised Authorized Cost | \$ 12,581,414 |
| Percentage Decrease over Original Authorized Cost | 30.24% |
| Percentage completion | 100.00% |
| Original target completion date | 9/30/2014 |
| Revised target completion date | Complete |

Fort Lee Public Schools
Capital Projects Fund

Schedule of Project Revenues, Expenditures, Project Balance and Project Status
(Budgetary Basis)

Lewis F. Cole Middle School Additions

From Inception and for the year ended June 30, 2019

| | Prior Periods | Current Year | Totals | Revised Authorized Cost |
|--|----------------------|------------------------|---------------------|-------------------------------|
| Revenues and other financing sources | | | | |
| State Sources - SDA Grant | | | | |
| Bond proceeds and transfers | \$ 37,255,566 | | \$ 37,255,566 | \$ 37,255,566 |
| Contribution from Private sources | | | | |
| Transfer from capital reserve | | | | |
| Total revenues | <u>37,255,566</u> | <u>-</u> | <u>37,255,566</u> | <u>\$ 37,255,566</u> |
| Expenditures and Other Financing Uses | | | | |
| Purchased professional and technical services | 2,565,812 | \$ 668,169 | 3,233,981 | |
| Land and improvements | | | | |
| Construction services | 15,923,559 | 10,802,122 | 26,725,681 | |
| Equipment | | | | |
| Total expenditures | <u>18,489,371</u> | <u>11,470,291</u> | <u>29,959,662</u> | |
| Excess (deficiency) of revenues over (under) expenditures | <u>\$ 18,766,195</u> | <u>\$ (11,470,291)</u> | <u>\$ 7,295,904</u> | |

Additional project information

| | |
|--|------------------|
| Project number | 1550-100-15-1000 |
| Grant date | 11/18/2014 |
| Bond authorization date | N/A |
| Bonds Authorized | N/A |
| Bonds Issued | N/A |
| Original Authorized Cost | \$ 37,175,000 |
| Additional Authorized Cost | 80,566 |
| Revised Authorized Cost | \$ 37,255,566 |
| Percentage Increase over Original Authorized Cost | 0.22% |
| Percentage completion | 35.09% |
| Original target completion date | 12/31/2016 |
| Revised target completion date | Not determinable |

Fort Lee Public Schools
Capital Projects Fund

Schedule of Project Revenues, Expenditures, Project Balance and Project Status
(Budgetary Basis)

School 2 Additions

From Inception and for the year ended June 30, 2019

| | Prior Periods | Current Year | Totals | Revised Authorized Cost |
|--|-------------------|---------------------|-------------------|-------------------------------|
| Revenues and other financing sources | | | | |
| State Sources - SDA Grant | | | | |
| Bond proceeds and transfers | \$ 10,970,000 | | \$ 10,970,000 | \$ 10,970,000 |
| Contribution from Private sources | | | | |
| Transfer from capital reserve | | | | |
| Total revenues | <u>10,970,000</u> | <u>-</u> | <u>10,970,000</u> | <u>\$ 10,970,000</u> |
| Expenditures and Other Financing Uses | | | | |
| Purchased professional and technical services | 952,293 | \$ 33,128 | 985,421 | |
| Land and improvements | | | | |
| Construction services | 9,463,596 | 78,900 | 9,542,496 | |
| Equipment | | | | |
| Total expenditures | <u>10,415,889</u> | <u>112,028</u> | <u>10,527,917</u> | |
| Excess (deficiency) of revenues over (under) expenditures | <u>\$ 554,111</u> | <u>\$ (112,028)</u> | <u>\$ 442,083</u> | |

Additional project information

| | |
|--|------------------|
| Project number | 1550-100-14-1000 |
| Grant date | 8/8/2014 |
| Bond authorization date | N/A |
| Bonds Authorized | N/A |
| Bonds Issued | N/A |
| Original Authorized Cost | \$ 10,970,000 |
| Additional Authorized Cost | |
| Revised Authorized Cost | \$ 10,970,000 |
| Percentage Increase over Original Authorized Cost | 0.00% |
| Percentage completion | 81.26% |
| Original target completion date | 11/30/2015 |
| Revised target completion date | Not determinable |

Fort Lee Public Schools
Capital Projects Fund

Schedule of Project Revenues, Expenditures, Project Balance and Project Status
(Budgetary Basis)

High School Field Improvements

From Inception and for the year ended June 30, 2019

| | Prior Periods | Current Year | Totals | Revised Authorized Cost |
|--|------------------|-----------------|------------------|-------------------------------|
| Revenues and other financing sources | | | | |
| State Sources - SDA Grant | | | | |
| Bond proceeds and transfers | \$ 1,614,434 | | \$ 1,614,434 | \$ 1,614,434 |
| Contribution from Private sources | | | | |
| Transfer from capital reserve | | | | |
| Total revenues | <u>1,614,434</u> | <u>-</u> | <u>1,614,434</u> | <u><u>\$ 1,614,434</u></u> |
| Expenditures and Other Financing Uses | | | | |
| Purchased professional and technical services | 86,974 | | 86,974 | |
| Land and improvements | | | | |
| Construction services | 1,501,392 | | 1,501,392 | |
| Equipment | | | | |
| Total expenditures | <u>1,588,366</u> | <u>-</u> | <u>1,588,366</u> | |
| Excess (deficiency) of revenues over (under) expenditures | <u>\$ 26,068</u> | <u>\$ -</u> | <u>\$ 26,068</u> | |

Additional project information

| | |
|--|--------------|
| Project number | |
| Grant date | 8/8/2014 |
| Bond authorization date | N/A |
| Bonds Authorized | N/A |
| Bonds Issued | N/A |
| Original Authorized Cost | \$ 1,695,000 |
| Additional Authorized Cost | (80,566) |
| Revised Authorized Cost | \$ 1,614,434 |
| Percentage Increase over Original Authorized Cost | -4.75% |
| Percentage completion | 100.00% |
| Original target completion date | 12/31/2016 |
| Revised target completion date | Complete |

Fort Lee Public Schools
Capital Projects Fund

Schedule of Project Revenues, Expenditures, Project Balance and Project Status
(Budgetary Basis)

Energy Savings Investment Plan

From Inception and for the year ended June 30, 2019

| | Prior Periods | Current Year | Totals | Revised Authorized Cost |
|--|------------------|-----------------|------------------|-------------------------------|
| Revenues and other financing sources | | | | |
| State Sources - SDA Grant | | | | |
| Capital lease proceeds and transfers | \$ 5,571,444 | | \$ 5,571,444 | \$ 5,571,444 |
| Contribution from Private sources | | | | |
| Transfer from capital reserve | | | | |
| Total revenues | <u>5,571,444</u> | <u>-</u> | <u>5,571,444</u> | <u><u>\$ 5,571,444</u></u> |
| Expenditures and Other Financing Uses | | | | |
| Purchased professional and technical services | | | | |
| Land and improvements | | | | |
| Construction services | 5,569,798 | | 5,569,798 | |
| Equipment | | | | |
| Total expenditures | <u>5,569,798</u> | <u>-</u> | <u>5,569,798</u> | |
| Excess (deficiency) of revenues over (under) expenditures | <u>\$ 1,646</u> | <u>\$ -</u> | <u>\$ 1,646</u> | |
| Additional project information | | | | |
| Project number | N/A | | | |
| Lease date | 4/16/2015 | | | |
| Bond authorization date | N/A | | | |
| Bonds Authorized | N/A | | | |
| Bonds Issued | N/A | | | |
| Original Authorized Cost | \$ 5,571,444 | | | |
| Additional Authorized Cost | | | | |
| Revised Authorized Cost | \$ 5,571,444 | | | |
| Percentage Increase over Original Authorized Cost | 0.00% | | | |
| Percentage completion | 96.41% | | | |
| Original target completion date | 9/1/2018 | | | |
| Revised target completion date | Completed | | | |

Fort Lee Public Schools
Capital Projects Fund

Summary Schedule of Project Expenditures
(Budgetary Basis)

From Inception and for the Year Ended June 30, 2019

| <u>Issue/Project Title</u> | <u>Appropriations</u> | <u>Expenditures to Date</u> | | <u>Unexpended Balance</u> |
|--|-----------------------|-----------------------------|----------------------|---------------------------|
| | | <u>Prior Years</u> | <u>Current Year</u> | |
| High School Window Replacement | \$ 1,418,126 | \$ 1,295,384 | \$ - | \$ 122,742 |
| School 4 HVAC Upgrades | 3,308,824 | 3,268,624 | - | 40,200 |
| School 4 Roof Replacement | 480,303 | 479,701 | - | 602 |
| Lewis F. Cole Middle School Additions and Rehabilitation | 12,581,414 | 12,367,564 | - | 213,850 |
| Lewis F. Cole Middle School Additions | 37,255,566 | 18,489,371 | 11,470,291 | 7,295,904 |
| School 2 Additions | 10,970,000 | 10,415,889 | 112,028 | 442,083 |
| Energy Savings Investment Plan | 5,571,444 | 5,569,798 | - | 1,646 |
| High School Field Improvements | 1,614,434 | 1,588,366 | - | 26,068 |
| | <u>\$ 73,200,111</u> | <u>\$ 53,474,697</u> | <u>\$ 11,582,319</u> | <u>\$ 8,143,095</u> |

Fiduciary Funds

Fort Lee Public Schools
Trust and Agency Funds

Combining Statement of Fiduciary Net Position

Year ended June 30, 2019

| | Trust | | | Agency | | |
|---|---|------------------------------|-------------------|---------------------|------------------|-------------------|
| | Private- Purpose Scholarship Funds | Unemployment Compensation | Total Trust | Student Activity | Payroll | Total Agency |
| Assets | | | | | | |
| Cash and cash equivalents | \$ 34,136 | \$ 252,564 | \$ 286,700 | \$ 121,629 | \$ 78,906 | \$ 200,535 |
| Interfund receivable | | 16,866 | 16,866 | | | |
| Total assets | <u>34,136</u> | <u>269,430</u> | <u>303,566</u> | <u>\$ 121,629</u> | <u>\$ 78,906</u> | <u>\$ 200,535</u> |
| Liabilities | | | | | | |
| Payroll deductions and withholdings payable | | | | \$ 62,040 | \$ 62,040 | |
| Accounts payable | | 206 | 206 | | | |
| Interfund payable | | | | \$ 14,066 | 16,866 | 30,932 |
| Due to student groups | | | | 107,563 | | 107,563 |
| Total liabilities | | <u>206</u> | <u>206</u> | <u>\$ 121,629</u> | <u>\$ 78,906</u> | <u>\$ 200,535</u> |
| Net position | | | | | | |
| Held in trust for unemployment claims | | 269,224 | 269,224 | | | |
| Held in trust for scholarships | 34,136 | | 34,136 | | | |
| Total net position | <u>\$ 34,136</u> | <u>\$ 269,224</u> | <u>\$ 303,360</u> | | | |

Fort Lee Public Schools
Trust Funds

Combining Statement of Changes in Fiduciary Net Position

Year ended June 30, 2019

| | Private- Purpose Scholarship Funds | Unemployment Compensation | Totals |
|--------------------------|---|--------------------------------------|-------------------|
| Additions: | | | |
| Contributions | \$ 13,282 | \$ 61,657 | \$ 74,939 |
| Total additions | <u>13,282</u> | <u>61,657</u> | <u>74,939</u> |
| Deductions: | | | |
| Scholarship payments | 11,602 | | 11,602 |
| Unemployment claims paid | | 84,653 | 84,653 |
| Total deductions | <u>11,602</u> | <u>84,653</u> | <u>96,255</u> |
| Change in net position | 1,680 | (22,996) | (21,316) |
| Net position, beginning | 32,456 | 292,220 | 324,676 |
| Net position, ending | <u>\$ 34,136</u> | <u>\$ 269,224</u> | <u>\$ 303,360</u> |

Fort Lee Public Schools
Student Activity Agency Fund

Statement of Cash Receipts and Cash Disbursements

Year ended June 30, 2019

| | Balance July 1, 2018 | Cash Receipts | Cash Disbursements | Balance June 30, 2019 |
|---------------------------|-------------------------------------|--------------------------|-------------------------------|--------------------------------------|
| Assets: | | | | |
| Cash and cash equivalents | | | | |
| Student Activity Fund | \$ 115,205 | \$ 220,600 | \$ 228,242 | \$ 107,563 |
| Athletic Fund | 11,984 | 52,734 | 50,652 | 14,066 |
| Total assets | <u>\$ 127,189</u> | <u>\$ 273,334</u> | <u>\$ 278,894</u> | <u>\$ 121,629</u> |
| Liabilities: | | | | |
| Due to student groups | | | | |
| Student Activity Fund | \$ 115,205 | \$ 220,600 | \$ 228,242 | \$ 107,563 |
| Athletic Fund | | 38,668 | 38,668 | |
| Interfund Payable | 11,984 | 14,066 | 11,984 | 14,066 |
| Total liabilities | <u>\$ 127,189</u> | <u>\$ 273,334</u> | <u>\$ 278,894</u> | <u>\$ 121,629</u> |

Fort Lee Public Schools
Payroll Agency Fund

Statement of Cash Receipts and Cash Disbursements

Year ended June 30, 2019

| | Balance July 1, 2018 | Cash Receipts | Cash Disbursements | Balance June 30, 2019 |
|----------------------------|-------------------------------------|--------------------------|-------------------------------|--------------------------------------|
| Assets | | | | |
| Cash and cash equivalents | \$ 118,518 | \$ 45,380,601 | \$ 45,420,213 | \$ 78,906 |
| Total assets | <u>\$ 118,518</u> | <u>\$ 45,380,601</u> | <u>\$ 45,420,213</u> | <u>\$ 78,906</u> |
| Liabilities | | | | |
| Payroll deductions payable | \$ 99,966 | \$ 45,363,735 | \$ 45,401,661 | \$ 62,040 |
| Interfunds Payable | 18,552 | 16,866 | 18,552 | 16,866 |
| Total liabilities | <u>\$ 118,518</u> | <u>\$ 45,380,601</u> | <u>\$ 45,420,213</u> | <u>\$ 78,906</u> |

Long-Term Debt

Fort Lee Public Schools
Long-Term Debt

Schedule of Serial Bonds Payable

June 30, 2019

| Issue | Date of Issue | Amount of Issue | Annual Maturities | | Interest Rate | Balance July 1, 2018 | Retired | Balance June 30, 2019 |
|------------------------|---------------|-----------------|-------------------|-------------|---------------|----------------------|---------------------|-----------------------|
| | | | Date | Amount | | | | |
| BCIA Improvement Bonds | 8/7/2012 | \$ 18,450,000 | 11/1/2019 | \$ 275,000 | 3.000% | | | |
| | | | 11/1/2019 | 500,000 | 5.000% | | | |
| | | | 11/1/2020 | 825,000 | 4.000% | | | |
| | | | 11/1/2021 | 855,000 | 4.000% | | | |
| | | | 11/1/2022 | 895,000 | 5.000% | | | |
| | | | 11/1/2023 | 940,000 | 5.000% | | | |
| | | | 11/1/2024 | 990,000 | 5.000% | | | |
| | | | 11/1/2025 | 1,035,000 | 4.000% | | | |
| | | | 11/1/2026 | 1,080,000 | 4.000% | | | |
| | | | 11/1/2027 | 1,120,000 | 4.000% | | | |
| | | | 11/1/2028 | 1,170,000 | 4.000% | | | |
| | | | 11/1/2029 | 1,215,000 | 4.000% | | | |
| | | | 11/1/2030 | 1,265,000 | 4.000% | | | |
| | | | 11/1/2031 | 1,305,000 | 4.000% | \$ 14,230,000 | \$ 760,000 | \$13,470,000 |
| General Serial Bonds | 4/7/2015 | 49,840,000 | 3/15/2020 | \$1,455,000 | 3.000% | | | |
| | | | 3/15/2021 | 1,500,000 | 3.000% | | | |
| | | | 3/15/2022 | 1,550,000 | 3.000% | | | |
| | | | 3/15/2023 | 1,595,000 | 3.000% | | | |
| | | | 3/15/2024 | 1,650,000 | 3.000% | | | |
| | | | 3/15/2025 | 1,700,000 | 3.000% | | | |
| | | | 3/15/2026 | 1,755,000 | 3.000% | | | |
| | | | 3/15/2027 | 1,810,000 | 3.000% | | | |
| | | | 3/15/2028 | 1,870,000 | 3.000% | | | |
| | | | 3/15/2029 | 1,930,000 | 3.000% | | | |
| | | | 3/15/2030 | 1,990,000 | 3.125% | | | |
| | | | 3/15/2031 | 2,055,000 | 3.250% | | | |
| | | | 3/15/2032 | 2,125,000 | 3.250% | | | |
| | | | 3/15/2033 | 2,195,000 | 3.250% | | | |
| | | | 3/15/2034 | 2,270,000 | 3.250% | | | |
| | | | 3/15/2035 | 2,345,000 | 3.250% | | | |
| | | | 3/15/2036 | 2,435,000 | 3.500% | | | |
| 3/15/2037 | 2,510,000 | 3.500% | | | | | | |
| 3/15/2038 | 2,580,000 | 3.500% | | | | | | |
| 3/15/2039 | 2,650,000 | 3.500% | | | | | | |
| 3/15/2040 | 2,720,000 | 3.500% | | | | | | |
| 3/15/2041 | 2,780,000 | 3.500% | 46,885,000 | 1,415,000 | 45,470,000 | | | |
| | | | | | | <u>\$ 61,115,000</u> | <u>\$ 2,175,000</u> | <u>\$58,940,000</u> |

Fort Lee Public Schools
Long-Term Debt

Schedule of Obligations Under Capital Leases

Year ended June 30, 2019

| Purpose | Interest Rate | Amount of Original Issue | Balance July 1, 2018 | Retired | Balance June 30, 2019 |
|----------------------------------|--------------------------|---|-------------------------------------|---------------------|--------------------------------------|
| 12 Temporary Classroom Units | 1.46% | \$ 1,967,725 | \$ 616,557 | \$ 616,557 | |
| Energy Saving Investment Plan | 2.50% | 5,571,444 | 4,977,729 | 268,788 | \$ 4,708,941 |
| Chrome Books | 1.46% | 550,000 | 138,787 | 138,787 | |
| | | | <u>\$ 5,733,073</u> | <u>\$ 1,024,132</u> | <u>\$ 4,708,941</u> |

Fort Lee Public Schools
Debt Service Fund

Budgetary Comparison Schedule

Year ended June 30, 2019

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Final to Actual |
|--|----------------------------|-----------------------------|-------------------------|-------------------|-------------------------------------|
| Revenues: | | | | | |
| Local sources: | | | | | |
| Local tax levy | \$ 3,716,281 | | \$ 3,716,281 | \$ 3,716,281 | |
| State sources: | | | | | |
| Debt Service Aid Type III | 409,759 | | 409,759 | 409,759 | |
| Total revenues | <u>4,126,040</u> | | <u>4,126,040</u> | <u>4,126,040</u> | |
| Expenditures: | | | | | |
| Principal on bonds | 2,175,000 | | 2,175,000 | 2,175,000 | |
| Interest on bonds | 2,099,388 | | 2,099,388 | 2,099,388 | |
| Total expenditures | <u>4,274,388</u> | | <u>4,274,388</u> | <u>4,274,388</u> | |
| (Deficiency) of revenues (under) expenditures | (148,348) | | (148,348) | (148,348) | |
| Fund balance, July 1 | 296,696 | | 296,696 | 296,696 | |
| Fund balance, June 30 | <u>\$ 148,348</u> | <u>\$ -</u> | <u>\$ 148,348</u> | <u>\$ 148,348</u> | <u>\$ -</u> |

Statistical Section

**Statistical Section
Unaudited**

Contents

Financial Trends

These schedules contain trend information to help the reader understand how the district's financial performance and well being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the district's most significant local revenue source, the property tax.

Debt Capacity

These schedules present information to help the reader assess the affordability of the district's current levels of outstanding debt and the district's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place.

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the district's financial report relates to the services the district provides and the activities it performs.

Sources: *Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports (CAFR) for the relevant year.*

Fort Lee Public Schools
Net Position by Component
Last Ten Fiscal Years

Unaudited

| | Ending June 30, | | | | | | | | | |
|--|---------------------|----------------------|----------------------|----------------------|----------------------|---------------------|---------------------|----------------------|----------------------|----------------------|
| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
| Governmental activities | | | | | | | | | | |
| Invested in capital assets, net of related debt | \$ 13,327,585 | \$ 12,758,856 | \$ 14,116,324 | \$ (1,278,960) | \$ 3,994,842 | \$ (36,171,048) | \$ (20,540,534) | \$ 25,416,260 | \$ 26,864,312 | \$ 28,048,044 |
| Restricted | 2,015,950 | 3,054,358 | 4,869,850 | 22,650,012 | 18,051,812 | 56,001,477 | 48,185,275 | 2,725,371 | 4,694,988 | 8,983,541 |
| Unrestricted (deficit) | (5,705,497) | (5,079,224) | (4,733,750) | (4,809,592) | (4,233,820) | (17,662,594) | (18,889,800) | (17,195,519) | (18,660,217) | (18,642,233) |
| Total governmental activities net position | \$ 9,638,038 | \$ 10,733,990 | \$ 14,252,424 | \$ 16,561,460 | \$ 17,812,834 | \$ 2,167,835 | \$ 8,754,941 | \$ 10,946,112 | \$ 12,899,083 | \$ 18,389,352 |
| Business-type activities | | | | | | | | | | |
| Invested in capital assets, net of related debt | \$ 86,609 | \$ 100,024 | \$ 92,772 | \$ 79,460 | \$ 65,940 | \$ 96,328 | \$ 74,036 | \$ 103,163 | \$ 94,533 | \$ 119,290 |
| Unrestricted | 228,977 | 295,328 | 449,260 | 574,732 | 360,493 | 271,531 | 281,090 | 244,016 | 289,007 | 272,089 |
| Total business-type activities net position | \$ 315,586 | \$ 395,352 | \$ 542,032 | \$ 542,032 | \$ 426,433 | \$ 367,859 | \$ 355,126 | \$ 347,179 | \$ 383,540 | \$ 391,379 |
| District-wide | | | | | | | | | | |
| Invested in capital assets, net of related debt | \$ 13,414,194 | \$ 12,858,880 | \$ 14,209,096 | \$ (1,199,500) | \$ 4,060,782 | \$ (36,074,720) | \$ (20,466,498) | \$ 25,519,423 | \$ 26,958,845 | \$ 28,167,334 |
| Restricted | 2,015,950 | 3,054,358 | 4,869,850 | 22,650,012 | 18,051,812 | 56,001,477 | 48,185,275 | 2,725,371 | 4,694,988 | 8,983,541 |
| Unrestricted (deficit) | (5,476,520) | (4,783,896) | (4,284,490) | (4,234,860) | (3,873,327) | (17,391,063) | (18,608,710) | (16,951,503) | (18,371,210) | (18,370,144) |
| Total District-wide net position | \$ 9,953,624 | \$ 11,129,342 | \$ 14,794,456 | \$ 17,215,652 | \$ 18,239,267 | \$ 2,535,694 | \$ 9,110,066 | \$ 11,293,292 | \$ 13,282,623 | \$ 18,780,731 |

Source: CAFR Exhibit A-1

Fort Lee Public Schools
Changes in Net Position
Last Ten Fiscal Years

| | Unaudited | | | | | | | | | |
|---|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
| Governmental activities | | | | | | | | | | |
| Instruction | | | | | | | | | | |
| Regular | \$ 22,852,291 | \$ 22,037,507 | \$ 21,969,182 | \$ 23,773,786 | \$ 23,815,229 | \$ 27,939,247 | \$ 29,142,296 | \$ 34,384,526 | \$ 36,219,517 | \$ 40,998,249 |
| Special Education | 3,146,977 | 4,146,536 | 4,820,815 | 5,480,927 | 5,081,131 | 5,285,671 | 5,374,541 | 5,679,607 | 5,982,709 | 5,628,334 |
| Other Special Education | 2,646,190 | 2,506,824 | 2,501,588 | 2,439,814 | 2,680,798 | 3,111,092 | 3,239,151 | 3,548,091 | 3,737,441 | 1,937,762 |
| Other Education | 910,661 | 954,758 | 955,886 | 1,003,251 | 1,313,645 | 1,434,806 | 1,250,195 | 1,845,567 | 1,944,059 | 1,103,144 |
| Support Services | | | | | | | | | | |
| Tuition | 4,178,690 | 3,149,926 | 3,315,783 | 3,472,301 | 3,496,240 | 3,792,977 | 4,023,439 | 7,296,752 | 7,686,157 | 3,371,699 |
| Student and Instruction Related Services | 8,250,972 | 8,138,886 | 8,165,565 | 9,010,969 | 9,078,827 | 10,175,398 | 10,270,186 | 14,039,500 | 14,559,684 | 13,739,508 |
| School Administrative Services | 3,163,425 | 3,327,080 | 2,744,677 | 2,549,700 | 2,987,540 | 3,361,029 | 2,220,269 | 4,405,878 | 4,804,413 | 4,298,495 |
| General Administrative Services | 1,654,299 | 1,428,638 | 1,304,146 | 1,315,155 | 1,591,783 | 1,685,546 | 2,410,848 | 1,762,518 | 1,602,661 | 1,526,616 |
| Central Services | 830,678 | 869,440 | 892,131 | 880,547 | 1,113,877 | 1,167,626 | 1,139,101 | 1,752,401 | 1,926,128 | 1,835,821 |
| Plant Operations and Maintenance | 5,282,704 | 4,334,191 | 4,536,978 | 4,697,862 | 5,158,782 | 5,624,082 | 5,823,146 | 6,096,392 | 6,590,175 | 7,046,530 |
| Pupil Transportation | 1,560,289 | 1,343,168 | 1,480,585 | 1,493,593 | 1,616,017 | 1,711,881 | 1,874,599 | 2,339,145 | 2,366,263 | 2,643,184 |
| Unallocated Benefits | 4,026,554 | 3,493,585 | 3,799,983 | 5,939,141 | 4,118,192 | 5,883,397 | | | | |
| Special Schools | | | | | | | | | | |
| Charter Schools | | | | | | 9,686 | 9,963 | 9,965 | | |
| Interest on Long-Term Debt | 5,360 | (1,730) | (1,800) | 616,664 | 699,444 | 868,913 | 2,492,004 | 2,982,464 | 1,989,370 | 1,958,373 |
| Unallocated depreciation | 745,850 | 746,955 | 731,457 | 902,366 | 982,630 | 976,850 | 982,981 | | | |
| Amortization and Capital Lease Obligations | | | | (198,000) | (198,000) | (198,000) | (198,000) | | | |
| Capital Outlay | - | - | 490 | 364,675 | 3,378,021 | 5,588,979 | 567,534 | - | - | - |
| Total Governmental Activities | 59,254,940 | 56,475,764 | 57,217,466 | 63,742,751 | 66,914,156 | 78,419,180 | 70,622,253 | 86,142,806 | 89,408,577 | 86,087,715 |
| Business-Type Activities | | | | | | | | | | |
| Food Service Fund | 1,087,838 | 1,147,633 | 1,123,403 | 1,211,683 | 1,246,312 | 1,406,042 | 1,417,898 | 1,531,726 | 1,516,498 | 1,591,821 |
| Latchkey Program | 355,214 | 492,737 | 501,273 | 521,024 | 255,711 | - | - | - | - | - |
| Total Business-Type Activities | 1,443,052 | 1,640,370 | 1,624,676 | 1,732,707 | 1,502,023 | 1,406,042 | 1,417,898 | 1,531,726 | 1,516,498 | 1,591,821 |
| TOTAL DISTRICT EXPENSES | \$ 60,697,992 | \$ 58,116,134 | \$ 58,842,142 | \$ 65,475,458 | \$ 68,416,179 | \$ 79,825,222 | \$ 72,040,151 | \$ 87,674,532 | \$ 90,925,075 | \$ 87,679,536 |
| Program Revenues | | | | | | | | | | |
| Governmental Activities: | | | | | | | | | | |
| Charges for Services | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 83,500 | \$ 30,211 | \$ 79,028 |
| Operating Grants and Contributions | 3,893,615 | 1,886,702 | 1,733,644 | 1,810,086 | 1,675,017 | 1,451,934 | 8,309,105 | 1,836,568 | 1,617,534 | 1,774,484 |
| Total Governmental Activities Program Revenues | <u>3,893,615</u> | <u>1,886,702</u> | <u>1,733,644</u> | <u>1,810,086</u> | <u>1,675,017</u> | <u>1,451,934</u> | <u>8,309,105</u> | <u>1,920,068</u> | <u>1,647,745</u> | <u>1,853,512</u> |
| Business-Type Activities: | | | | | | | | | | |
| Operating grants and Contributions | 332,755 | 357,872 | 442,030 | 443,442 | 437,334 | 429,904 | 441,169 | 484,629 | 445,455 | 446,001 |
| Charges for Services | 1,286,354 | 1,343,774 | 1,437,357 | 1,460,359 | 836,887 | 915,764 | 964,952 | 1,039,150 | 1,107,404 | 1,323,740 |
| Total Business-Type Activities Program Revenues | <u>1,619,109</u> | <u>1,701,646</u> | <u>1,879,387</u> | <u>1,903,801</u> | <u>1,274,221</u> | <u>1,345,668</u> | <u>1,406,120</u> | <u>1,523,779</u> | <u>1,552,859</u> | <u>1,769,741</u> |
| TOTAL DISTRICT PROGRAM REVENUES | \$ 5,512,724 | \$ 3,588,348 | \$ 3,613,031 | \$ 3,713,887 | \$ 2,949,238 | \$ 2,797,602 | \$ 9,715,225 | \$ 3,443,847 | \$ 3,200,604 | \$ 3,623,253 |
| Net (Expense) Revenue | | | | | | | | | | |
| Governmental Activities | \$ (55,361,325) | \$ (54,589,062) | \$ (55,483,822) | \$ (61,932,665) | \$ (65,239,139) | \$ (76,967,246) | \$ (62,313,149) | \$ (84,222,738) | \$ (87,760,832) | \$ (84,234,203) |
| Business-Type Activities | 176,057 | 61,276 | 254,711 | 171,094 | (227,802) | (60,374) | (12,777) | (7,947) | 36,361 | 177,920 |
| Total District-Wide Net Expense | \$ (55,185,268) | \$ (54,527,786) | \$ (55,229,111) | \$ (61,761,571) | \$ (65,466,941) | \$ (77,027,620) | \$ (62,325,926) | \$ (84,230,685) | \$ (87,724,471) | \$ (84,056,283) |

Fort Lee Public Schools
Changes in Net Position
Last Ten Fiscal Years

(accrual basis of accounting)
Unaudited

| | Year Ended June 30, | | | | | | | | | |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|-----------------------|----------------------|----------------------|----------------------|----------------------|
| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
| General Revenues and Other Changes in Net Position | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| Property taxes levied for general purposes, net | \$ 47,898,785 | \$ 50,245,845 | \$ 51,250,762 | \$ 52,275,777 | \$ 53,321,293 | \$ 55,438,424 | \$ 57,177,129 | \$ 58,320,672 | \$ 60,410,472 | \$ 63,212,253 |
| Taxes levied for debt service | | | | 1,400,000 | 1,352,100 | 1,268,945 | 2,848,661 | 4,451,067 | 3,212,481 | 3,716,281 |
| Federal and State Aid - Not Restricted | 7,152,921 | 4,895,937 | 6,604,235 | 8,570,981 | 7,654,476 | 16,611,285 | 3,098,392 | 22,867,357 | 25,256,462 | 21,634,355 |
| Restricted grants and contributions | | | 663,113 | 1,693,536 | 2,193,768 | | | | | |
| Cancellations Capital Outlay to Capital Reserve | | | | | 1,397,566 | | | | | |
| Tuition | | | | | | 43,650 | | | | 170,081 |
| Transfers | | | | | | | | | | |
| Investment Earnings | 787 | 45 | 497 | 5,313 | 3,978 | 62,974 | | 163,090 | 273,161 | 536,989 |
| Miscellaneous Income | 266,322 | 543,187 | 483,649 | 296,094 | 567,332 | 361,823 | 204,628 | 611,723 | 561,227 | 454,513 |
| Total governmental activities | 55,318,815 | 55,685,014 | 59,002,256 | 64,241,701 | 66,490,513 | 73,787,101 | 63,328,810 | 86,413,909 | 89,713,803 | 89,724,472 |
| Business-type activities: | | | | | | | | | | |
| Investment earnings | 2,796 | | 78 | 78 | 43 | 1,800 | - | - | - | - |
| Transfers | - | - | - | - | - | - | - | - | - | (170,081) |
| Total district-wide | \$ 55,321,611 | \$ 55,685,014 | \$ 59,002,334 | \$ 64,241,779 | \$ 66,490,556 | \$ 73,788,901 | \$ 63,328,810 | \$ 86,413,909 | \$ 89,713,803 | \$ 89,554,391 |
| Change in Net Position | | | | | | | | | | |
| Governmental activities | \$ (42,510) | \$ 1,095,952 | \$ 3,518,434 | \$ 2,309,036 | \$ 1,251,374 | \$ (3,180,145) | \$ 1,015,661 | \$ 2,191,171 | \$ 1,952,971 | \$ 5,490,269 |
| Business-type activities | 178,853 | 61,276 | 254,789 | 171,172 | (227,759) | (58,574) | (12,777) | (7,947) | 36,361 | 7,839 |
| Total district | \$ 136,343 | \$ 1,157,228 | \$ 3,773,223 | \$ 2,480,208 | \$ 1,023,615 | \$ (3,238,719) | \$ 1,002,884 | \$ 2,183,224 | \$ 1,989,332 | \$ 5,498,108 |

Source: CAFR Schedule A-2

Fort Lee Public Schools
Fund Balances - Governmental Funds
Last Ten Fiscal Years

(modified accrual basis of accounting)
Unaudited

| | 2010 | 2011 | 2012 | 2013 | June, 30 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|-------------------------------------|---------------------|---------------------|---------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| General Fund | | | | | | | | | | |
| Reserved | \$ 778,099 | | | | | | | | | |
| Unreserved | 958,404 | | | | | | | | | |
| Restricted | | \$ 1,639,659 | \$ 3,210,976 | \$ 3,658,099 | \$ 2,475,618 | \$ 2,293,993 | \$ 3,005,256 | \$ 2,725,371 | \$ 4,694,988 | \$ 8,983,541 |
| Committed | | 274,425 | 1,182,757 | | | | | | | |
| Assigned | | 650,000 | 1,315,959 | 1,864,968 | 1,899,690 | 1,227,188 | 724,215 | 843,983 | 306,173 | 153,591 |
| Unassigned | - | 1,442,570 | 1,297,861 | 1,614,117 | 1,565,526 | 1,110,988 | 1,622,965 | 1,564,525 | 1,322,749 | 1,584,136 |
| Total general fund | <u>\$ 1,736,503</u> | <u>\$ 4,006,654</u> | <u>\$ 4,006,654</u> | <u>\$ 7,007,553</u> | <u>\$ 5,940,834</u> | <u>\$ 4,632,169</u> | <u>\$ 5,352,435</u> | <u>\$ 5,352,435</u> | <u>\$ 6,323,910</u> | <u>\$ 10,721,268</u> |
| All Other Governmental Funds | | | | | | | | | | |
| Reserved | | | | | | | | | | |
| Unreserved, reported in: | | | | | | | | | | |
| Capital Projects Fund | \$ 1,237,851 | | | | | | | | | |
| Debt Service Fund | - | | | | | | | | | |
| Restricted for: | | | | | | | | | | |
| Capital Projects Fund | | \$ 490,274 | \$ (839,842) | \$ 17,050,315 | \$ 13,597,666 | \$ 52,416,142 | \$ 44,381,239 | \$ 26,833,319 | \$ 19,725,414 | \$ 8,143,095 |
| Debt Service Fund | | | | 76,630 | 78,838 | 64,154 | 74,565 | 309,314 | 296,696 | 148,348 |
| Total all other governmental funds | <u>\$ 1,237,851</u> | <u>\$ 490,274</u> | <u>\$ (839,842)</u> | <u>\$ 17,126,945</u> | <u>\$ 13,676,504</u> | <u>\$ 52,480,296</u> | <u>\$ 44,455,804</u> | <u>\$ 27,142,633</u> | <u>\$ 20,022,110</u> | <u>\$ 8,291,443</u> |

Source: CAFR Schedule B-1 and District records.

Note 1: GASB #54 was implemented in the 2011 fiscal year, which required the presentations of fund balances to be reported in different classifications from those presented in prior years. Prior years have not been restated above and are not required to be.

Fort Lee Public Schools
Changes in Fund Balances - Governmental Funds
Last Ten Fiscal Years

| | (modified accrual basis of accounting) | | | | | | | | | |
|---|--|---------------------|---------------------|----------------------|-----------------------|----------------------|-----------------------|------------------------|-----------------------|-----------------------|
| | Unaudited | | | | | | | | | |
| | Year Ended June 30, | | | | | | | | | |
| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
| Revenues | | | | | | | | | | |
| Tax Levy | \$ 47,898,785 | \$ 50,245,845 | \$ 51,250,762 | \$ 53,675,777 | \$ 54,673,393 | \$ 56,707,369 | \$ 60,025,790 | \$ 62,771,739 | \$ 63,622,953 | \$ 66,928,534 |
| Interest - Capital Reserves Funds | 787 | 45 | 497 | 5,313 | 3,978 | 62,974 | | | | |
| Interest Earnings | 2,946 | 37,589 | 4,894 | 4,720 | 1,918 | 3,777 | | 163,090 | 273,161 | 536,989 |
| Revenues in lieu of taxes | | | | | | | | | | 245,414 |
| Transportation | | 38105 | 8,628 | | | | | | | |
| Tuition | | 85,973 | 19,500 | 34,750 | 30,000 | 43,650 | | 24,400 | 30,211 | 79,028 |
| Miscellaneous | 266,627 | 386,129 | 457,199 | 256,624 | 535,414 | 360,945 | 204,628 | 680,820 | 606,764 | 237,800 |
| State Sources | 8,227,542 | 5,001,235 | 7,271,822 | 10,361,082 | 9,931,937 | 10,846,091 | 9,707,246 | 10,809,055 | 13,096,389 | 14,660,776 |
| Federal Sources | 2,815,743 | 1,776,795 | 1,722,598 | 1,713,521 | 1,591,324 | 1,347,667 | 1,700,251 | 1,710,710 | 1,477,211 | 1,644,467 |
| Total revenue | 59,212,430 | 57,571,716 | 60,735,900 | 66,051,787 | 66,767,964 | 69,372,473 | 71,637,915 | 76,159,814 | 79,106,689 | 84,333,008 |
| Expenditures | | | | | | | | | | |
| Instruction | | | | | | | | | | |
| Regular | 17,978,798 | 17,470,348 | 17,686,731 | 19,299,415 | 18,639,107 | 19,593,114 | 19,544,412 | 21,080,406 | 20,007,121 | 20,196,377 |
| Special Education Instruction | 2,392,416 | 3,205,818 | 3,799,173 | 4,314,565 | 4,191,760 | 3,986,239 | 4,173,970 | 3,259,281 | 5,056,345 | 5,628,334 |
| Other Special Instruction | 2,006,619 | 1,932,043 | 1,965,408 | 1,915,689 | 2,049,705 | 2,136,879 | 2,099,811 | 2,036,096 | 1,993,417 | 1,937,762 |
| Other Instruction | 746,698 | 797,260 | 782,915 | 821,867 | 1,070,951 | 1,067,469 | 1,034,701 | 1,059,091 | 1,048,649 | 1,103,144 |
| Support Services | | | | | | | | | | |
| Tuition | 4,178,690 | 3,149,926 | 3,315,783 | 3,472,301 | 3,496,240 | 3,792,977 | 4,023,439 | 4,187,291 | 4,046,180 | 3,371,699 |
| Student and Instruction Related Services | 6,836,783 | 6,599,857 | 6,807,393 | 7,514,047 | 7,390,300 | 7,588,933 | 8,199,510 | 8,671,518 | 8,727,074 | 8,698,201 |
| School Administrative Services | 2,409,955 | 2,576,616 | 2,167,907 | 2,013,900 | 2,295,528 | 2,324,603 | 1,186,578 | 1,232,195 | 1,106,993 | 1,101,290 |
| Other Administrative Services | 1,419,757 | 1,265,634 | 1,191,334 | 1,189,393 | 1,417,870 | 1,440,703 | 2,262,267 | 2,410,533 | 2,604,814 | 2,445,666 |
| Central Services | 663,011 | 713,536 | 741,121 | 725,705 | 889,545 | 856,281 | 934,015 | 1,022,459 | 1,098,003 | 1,687,543 |
| Plant Operations and Maintenance | 4,414,450 | 3,939,182 | 4,149,469 | 4,296,950 | 4,709,092 | 4,947,119 | 5,303,185 | 5,125,198 | 5,166,467 | 5,127,617 |
| Pupil Transportation | 1,528,574 | 1,308,313 | 1,451,533 | 1,464,678 | 1,573,249 | 1,633,541 | 1,794,303 | 2,042,810 | 1,994,279 | 2,270,045 |
| Employee Benefits | 14,016,326 | 12,969,113 | 12,959,691 | 14,744,871 | 15,084,362 | 15,686,156 | 16,535,480 | 17,665,627 | 19,914,977 | 21,760,705 |
| Special Schools | | | | | | | | | | |
| Capital Outlay | 3,065,910 | 121,496 | 2,046,659 | 5,627,007 | 10,620,237 | 20,879,515 | 10,088,584 | 23,674,224 | 7,981,975 | 12,233,627 |
| Debt Service: | | | | | | | | | | |
| Principal | | | | 780,000 | 655,000 | 665,000 | 685,000 | 2,270,000 | 2,120,000 | 2,175,000 |
| Interest and Other Charges | | | | 559,900 | 697,100 | 680,575 | 2,165,869 | 2,243,013 | 2,170,887 | 2,099,388 |
| Transfer to Charter School | | | | | | 9,686 | 9,963 | 9,965 | | |
| Total expenditures | 61,657,987 | 56,049,142 | 59,065,117 | 68,740,288 | 74,780,046 | 87,288,790 | 80,041,087 | 97,989,707 | 85,037,181 | 91,836,398 |
| Excess (Deficiency) of Revenues Over/ (Under) Expenditures | (2,445,557) | 1,522,574 | 1,670,783 | (2,688,501) | (8,012,082) | (17,916,317) | (8,403,172) | (21,829,893) | (5,930,492) | (7,503,390) |
| Other Financing sources (uses) | | | | | | | | | | |
| Transfer In | 2,484,000 | 747,577 | 334,958 | 3,952 | 157,034 | 61,946 | 12,618 | 163,090 | 273,161 | 707,070 |
| Transfer Out | (2,484,000) | (747,577) | (334,958) | (3,952) | (157,034) | (61,946) | (12,618) | (163,090) | (273,161) | (536,989) |
| Bonds Proceeds | | | | 20,430,000 | | 49,840,000 | | | | |
| Cancellations of Capital Outlay to Capital Reserve | | | | 2,700,439 | 1,397,566 | 2,920,930 | | | | |
| Capital Leases (Nonbudgeted) | | | | 354,919 | 1,967,725 | 5,571,444 | 550,000 | | | |
| Total Other Financing Sources | - | - | - | 20,784,919 | 3,365,291 | 55,411,444 | 550,000 | - | - | 170,081 |
| Net change in fund balances | \$ (2,445,557) | \$ 1,522,574 | \$ 1,670,783 | \$ 18,096,418 | \$ (4,646,791) | \$ 37,495,127 | \$ (7,853,172) | \$ (21,829,893) | \$ (5,930,492) | \$ (7,333,309) |
| Debt service as a percentage of noncapital expenditures | 0.00% | 0.00% | 0.00% | 2.17% | 2.15% | 2.07% | 4.25% | 6.47% | 5.90% | 5.67% |

Source: CAFR Schedule B-2

Fort Lee Public Schools
General Fund other Local Revenue by Source
Last Ten Fiscal Years

(modified accrual basis of accounting)
Unaudited

| | Year Ended June 30, | | | | | | | | | |
|--|---------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
| General Fund: | | | | | | | | | | |
| Interest on Investments | \$ 2,946 | \$ 37,589 | \$ 4,894 | \$ 4,720 | \$ 1,918 | \$ 3,777 | \$ 4,057 | \$ 5,154 | \$ 66,173 | \$ 82,760 |
| Summer School tuition and Fees | | 85,973 | 19,500 | 34,750 | 30,000 | 43,650 | 38,500 | | | |
| Prior Years' Refunds | | | | | | | | | | |
| Rentals | 94,500 | 140,550 | 174,175 | 95,000 | 5,500 | | | 19,000 | 45,260 | 50,705 |
| Donations | 2,721 | 433 | 89,635 | 2,150 | 500 | 200 | 8,383 | | | |
| Transportation | 37,584 | 38,105 | 8,628 | | | | | | 3,497 | 457 |
| Cancellation of Prior Year Void Checks | 7,194 | 2,443 | | 1,737 | 5,305 | 5,319 | | | | |
| Refund of prior year's expenditures | | | | | | | | 204,060 | 119,576 | |
| Miscellaneous - Restricted: | | | | | | | | | | |
| Reimbursement of Custodial | 110,565 | 97,409 | 84,620 | 82,086 | 203,911 | 264,722 | | | | |
| Athletic Receipts | 1,356 | 4,463 | 4,650 | 6,198 | 5,021 | 3,623 | 3,135 | 4,622 | 4,617 | 3,473 |
| Other | | 93,448 | | 7,862 | 4,259 | 4,691 | | | | |
| Book Fines | 5,023 | 2,839 | | 2,061 | 1,282 | 1,108 | | | | |
| Miscellaneous - Unrestricted | 4,433 | 39,935 | 97,547 | 46,020 | 309,636 | 78,383 | 137,935 | 82,192 | 322,104 | 20,999 |
| Total Miscellaneous | 266,322 | 543,187 | 483,649 | 282,584 | 567,332 | 405,473 | 192,010 | 315,028 | 561,227 | 158,394 |
| Interest on Capital Reserve Funds | 787 | 45 | 497 | 1,827 | 1,770 | 1,028 | - | - | - | - |
| Total General Fund | \$ 267,109 | \$ 543,232 | \$ 484,146 | \$ 284,411 | \$ 569,102 | \$ 406,501 | \$ 192,010 | \$ 315,028 | \$ 561,227 | \$ 158,394 |

Source: District Records

Fort Lee Public Schools
Assessed Value and Actual Value of Taxable Property
Last Ten Fiscal Years

Unaudited

| Year Ended June 30, | Vacant Land | Residential | Farm Reg. | Qfarm | Commercial | Industrial | Apartment | Total Assessed Value* | Public Utilities ^a | Net Valuation Taxable* | Estimated Actual (County Equalized) Value | Total Direct School Tax Rate ^b |
|---------------------|----------------|------------------|-----------|-------|----------------|--------------|------------------|-----------------------|-------------------------------|------------------------|---|---|
| 2010 | \$ 124,462,700 | \$ 3,594,309,700 | | | \$ 940,895,100 | \$ 9,419,200 | \$ 1,440,155,620 | \$ 6,109,242,320 | \$ 8,564,849 | \$ 6,117,807,169 | \$ 6,417,757,379 | \$ 0.802 |
| 2011 | 127,344,500 | 3,599,114,200 | | | 939,857,600 | 9,419,200 | 1,437,682,320 | 6,113,417,820 | 9,180,439 | 6,122,598,259 | 6,269,720,961 | 0.829 |
| 2012 | 100,665,200 | 3,599,241,400 | | | 926,385,300 | 9,419,200 | 1,440,403,020 | 6,076,114,120 | 9,979,526 | 6,086,093,646 | 6,422,088,137 | 0.862 |
| 2013 | 89,754,600 | 3,590,670,300 | | | 935,193,700 | 9,419,200 | 1,444,617,220 | 6,069,655,020 | 7,980,343 | 6,077,635,363 | 6,409,219,554 | 0.892 |
| 2014 | 142,308,600 | 3,602,571,100 | | | 844,174,100 | 9,419,200 | 1,491,298,420 | 6,089,771,420 | 7,070,493 | 6,096,841,913 | 6,648,765,883 | 0.913 |
| 2015 | 134,175,700 | 3,608,370,300 | | | 842,175,900 | 10,535,200 | 1,553,522,520 | 6,148,779,620 | 7,128,641 | 6,155,908,261 | 6,681,878,554 | 0.948 |
| 2016 | 136,727,900 | 3,757,896,600 | | | 828,681,100 | 7,383,200 | 1,526,461,920 | 6,257,150,720 | 7,663,788 | 6,264,814,508 | 6,452,355,023 | 0.981 |
| 2017 | 118,728,600 | 3,791,428,000 | | | 851,244,800 | 7,383,200 | 1,634,453,120 | 6,403,237,720 | 8,365,088 | 6,411,602,808 | 6,595,156,782 | 0.986 |
| 2018 | 115,870,700 | 3,842,525,600 | | | 920,629,000 | 7,383,200 | 1,626,704,120 | 6,513,112,620 | 8,260,598 | 6,521,373,218 | 6,697,976,779 | 1.001 |
| 2019 | 107,446,400 | 3,879,365,100 | | | 937,132,800 | 7,383,200 | 1,632,377,120 | 6,563,704,620 | 7,980,769 | 6,571,685,389 | 7,284,815,159 | 1.041 |

* Machinery, Implements and Equipment and all other taxable personal property used in the business of telephone, telegraph and messenger system companies.

Fort Lee Public Schools
 Direct and Overlapping Property Tax Rates
 Last Ten Fiscal Years
 (rate per \$100 of assessed value)

Unaudited

| Year Ended June 30, | Total Direct Tax Rate for Board of Education | Overlapping Rates | | Total Direct and Overlapping Tax Rate |
|------------------------------|---|-------------------|-------------|---|
| | | Municipal Rate | County Rate | |
| 2010 | \$ 0.802 | \$ 0.933 | \$ 0.212 | \$ 1.948 |
| 2011 | 0.829 | 0.940 | 0.219 | 1.988 |
| 2012 | 0.862 | 0.964 | 0.226 | 2.052 |
| 2013 | 0.892 | 0.991 | 0.240 | 2.123 |
| 2014 | 0.913 | 1.001 | 0.247 | 2.161 |
| 2015 | 0.948 | 0.992 | 0.262 | 2.202 |
| 2016 | 0.981 | 1.009 | 0.264 | 2.254 |
| 2017 | 0.986 | 1.027 | 0.259 | 2.272 |
| 2018 | 1.001 | 1.045 | 0.252 | 2.298 |
| 2019 | 1.041 | 1.055 | 0.257 | 2.353 |

Source: District Records and Municipal Tax Collector.

Fort Lee Public Schools
Principal Property Tax Payers
Current Year and Nine Years Ago

Unaudited

| Top 10 Taxpayers | 2019 | | Top 10 Taxpayers | 2010 | |
|--|------------------------|--|--|------------------------|--|
| | Taxable Assessed Value | % of Total District Net Assessed Value | | Taxable Assessed Value | % of Total District Net Assessed Value |
| 1266 Apartment Corp. | \$ 242,500,000 | 3.87% | 1266 Apartment Corp. | \$ 289,151,000 | 4.73% |
| 1530 Owners Corp. | 168,478,000 | 2.69% | 1530 Owners Corp. | 168,478,000 | 2.75% |
| Fort Lee Phase I Owners, LLC | 134,000,000 | 2.14% | Executive Park LLC | 99,000,000 | 1.62% |
| Southbridge Park, LLC | 82,673,000 | 1.32% | Mediterranean Towers West Owners, Inc. | 91,058,000 | 1.49% |
| TDC Fort Lee, LLC | 82,000,000 | 1.31% | CCA Crest at Fort Lee, LLC | 83,825,300 | 1.37% |
| Crest at Fort Lee, LLC | 82,000,000 | 1.31% | Southbridge Park, LLC | 82,673,000 | 1.35% |
| 2100 Linwood Avenue Owners Inc. | 78,000,000 | 1.25% | 2100 Linwood Avenue Owners Inc. | 78,103,500 | 1.28% |
| Mediterranean Towers West Owners, Inc. | 72,000,000 | 1.15% | Town & County Developers | 77,433,600 | 1.27% |
| One Century City Apartment Corp. | 64,703,000 | 1.03% | 1170 Apt Corp | 70,584,020 | 1.15% |
| Northbridge Park Co-Op, Inc. | 63,267,000 | 1.01% | 2000 Linwood Avenue Owners, Inc. | 69,403,000 | 1.13% |

Source: Fort Lee Municipal Tax Assessor.

Fort Lee Public Schools
Property Tax Levies and Collections
Last Ten Fiscal Years

Unaudited

| Year Ended June 30, | School Taxes Levied Fiscal Year | Collected within the Fiscal Year of the Levy | | Collections in Subsequent Years |
|------------------------------|---------------------------------------|---|-----------------------|---------------------------------------|
| | | Amount | Percentage of Levy | |
| 2010 | \$ 47,898,785 | \$ 47,898,785 | 100.00% | |
| 2011 | 50,245,845 | 50,245,845 | 100.00% | |
| 2012 | 51,250,762 | 51,250,762 | 100.00% | |
| 2013 | 53,675,777 | 53,675,777 | 100.00% | |
| 2014 | 54,673,393 | 54,673,393 | 100.00% | |
| 2015 | 56,707,369 | 56,707,369 | 100.00% | |
| 2016 | 60,025,789 | 60,025,789 | 100.00% | |
| 2017 | 62,771,739 | 62,771,739 | 100.00% | |
| 2018 | 63,622,953 | 63,622,953 | 100.00% | |
| 2019 | 66,928,534 | 66,928,534 | 100.00% | |

Source: District records including the Certificate and Report of School Taxes (A4F form).

Note: School taxes are collected by the Municipal Tax Collector. Under New Jersey State Statute, a municipality is required to remit to the school district the entire property tax balance, in the amount certified prior to the end of the school fiscal year - June 30th.

Fort Lee Public Schools
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Unaudited

| Year Ended June 30, | <u>Governmental Activities</u> | | Total District | Percentage of Personal Income | Per Capita |
|------------------------------|--------------------------------|----------------|----------------|-------------------------------------|------------|
| | General Obligation Bonds | Capital Leases | | | |
| 2010 | | | \$ - | 0.00% | \$ 65,992 |
| 2011 | | \$ 157,715 | 157,715 | 0.01% | 68,865 |
| 2012 | | 107,229 | 107,229 | 0.00% | 71,789 |
| 2013 | \$ 17,670,000 | 409,604 | 18,079,604 | 0.70% | 71,100 |
| 2014 | 17,015,000 | 2,248,388 | 19,263,388 | 0.72% | 73,637 |
| 2015 | 66,190,000 | 7,750,964 | 73,940,964 | 2.65% | 76,821 |
| 2016 | 65,505,000 | 7,672,224 | 73,177,224 | 2.53% | 77,901 |
| 2017 | 63,235,000 | 6,656,463 | 69,891,463 | 2.31% | 81,203 |
| 2018 | 61,115,000 | 5,733,073 | 66,848,073 | 2.17% * | 81,203 |
| 2019 | 58,940,000 | 4,708,941 | 63,648,941 | N/A | N/A |

N/A - Not Available

* Estimate - Used prior years amount

Fort Lee Public Schools
Ratios of Net General Bonded Debt Outstanding
Last Ten Fiscal Years

Unaudited

| Year Ended June 30, | General Obligation Bonds | Deductions | Net General Bonded Debt Outstanding | Percentage of Actual Taxable Value ^a of Property | Per Capita ^b |
|---------------------------|-----------------------------|------------|---|--|-------------------------|
| 2010 | | | | | \$ 65,992 |
| 2011 | | | | | 68,865 |
| 2012 | | | | | 71,789 |
| 2013 | \$ 17,670,000 | | \$ 17,670,000 | 0.29% | 71,100 |
| 2014 | 17,015,000 | | 17,015,000 | 0.28% | 73,637 |
| 2015 | 66,190,000 | | 66,190,000 | 1.08% | 76,821 |
| 2016 | 65,505,000 | | 65,505,000 | 1.05% | 77,901 |
| 2017 | 63,235,000 | | 63,235,000 | 0.99% | 81,203 |
| 2018 | 61,115,000 | | 61,115,000 | 0.94% | * 81,203 |
| 2019 | 58,940,000 | | 58,940,000 | 0.90% | * 81,203 |

Notes:

a See Exhibit J-6 for property tax data.

b Population data can be found in J-14.

* Estimate - Used prior years amount

Fort Lee Public Schools
Direct and Overlapping Governmental Activities Debt
As of June 30, 2019

Unaudited

| <u>Governmental Unit</u> | <u>Debt Outstanding</u> | <u>Estimated Percentage Applicable ^a</u> | <u>Estimated Share of Overlapping Debt</u> |
|---|-----------------------------|---|--|
| Debt Repaid with Property Taxes: | | | |
| Net Overlapping Debt of School District: | | | |
| Borough of Fort Lee | \$ 60,355,000 | 100% | \$ 60,355,000 |
| County of Bergen - Borough's Share | N/A | N/A | N/A |
| Bergen County Utility Authority - Borough's Share | N/A | N/A | N/A |
| Subtotal, Overlapping Debt | | | 60,355,000 |
| Fort Lee School District Direct Debt | | | 58,940,000 |
| Total Direct and Overlapping Bonded Debt | | | \$ 119,295,000 |

Sources: Assessed value data used to estimate applicable percentages provided by the Bergen County Board of Taxation.
Debt outstanding data provided by each governmental unit.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Fort Lee. This process recognizes that, when considering the District's ability to issue and repay long-term, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping payment.

(a) For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable equalized property values. Applicable percentages were estimated by determining the portion of another governmental unit's equalized property value that is within the District's boundaries and dividing it by each unit's total equalized property value.

N/A - Not Available

Fort Lee Public Schools
 Legal Debt Margin Information
 Last Ten Fiscal Years

Unaudited

| Year | Equalized Valuation Basis |
|------------|---------------------------------|
| 2019 | \$ 7,150,194,994 |
| 2018 | 6,584,983,258 |
| 2017 | <u>6,444,691,235</u> |
| [A] | \$ <u>20,179,869,487</u> |

Average Equalized Valuation of Taxable Property \$ 6,726,623,162.33

Debt Limit (4% of Average Equalization Value) \$ 269,064,926
 Net Bonded School Debt 58,940,000
 Legal Debt Margin \$ 210,124,926

| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|---|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Debt limit | \$ 259,326,993 | \$ 256,555,056 | \$ 172,693,511 | \$ 239,831,696 | \$ 239,831,696 | \$ 262,902,474 | \$ 265,083,477 | \$ 263,058,538 | \$ 269,388,786 | \$ 269,064,926 |
| Total net debt applicable to limit | | | | 17,670,000 | 17,015,000 | 66,190,000 | 65,505,000 | 63,235,000 | 61,115,000 | 58,940,000 |
| Legal debt margin | <u>\$ 259,326,993</u> | <u>\$ 256,555,056</u> | <u>\$ 172,693,511</u> | <u>\$ 222,161,696</u> | <u>\$ 222,816,696</u> | <u>\$ 196,712,474</u> | <u>\$ 199,578,477</u> | <u>\$ 199,823,538</u> | <u>\$ 208,273,786</u> | <u>\$ 210,124,926</u> |
| Total net debt applicable to the limit as a percentage of debt limit | 0.00% | 0.00% | 0.00% | 7.37% | 7.09% | 25.18% | 24.71% | 24.04% | 22.69% | 21.91% |

Source: Equalized valuation bases were obtained from the Annual Report of the State of New Jersey, Department of Treasury, Division of Taxation.

Fort Lee Public Schools
Demographic and Economic Statistics
Last Ten Fiscal Years

Unaudited

| Year | Population ^a | Personal Income ^b | Bergen County Per Capita Personal Income ^c | Unemployment Rate ^d |
|------|-------------------------|------------------------------|--|-----------------------------------|
| 2010 | 35,477 | \$ 2,341,198,184 | \$ 65,992 | 6.3% |
| 2011 | 35,696 | 2,458,205,040 | 68,865 | 6.2% |
| 2012 | 35,843 | 2,573,133,127 | 71,789 | 5.8% |
| 2013 | 36,179 | 2,572,326,900 | 71,100 | 5.8% |
| 2014 | 36,222 | 2,667,279,414 | 73,637 | 4.2% |
| 2015 | 36,283 | 2,787,296,343 | 76,821 | 3.5% |
| 2016 | 37,187 | 2,896,904,487 | 77,901 | 3.2% |
| 2017 | 37,329 | 3,031,226,787 | 81,203 | 3.1% |
| 2018 | 37,921 | 3,079,298,963 * | 81,203 | 2.6% |
| 2019 | N/A | N/A * | 81,203 | N/A |

Source:

^a Population information provided by the NJ Dept of Labor and Workforce Development.

^b Personal income has been estimated based upon the municipal population and per capita personal income presented.

^c Per capita personal income by municipality estimated based upon the 2000 and 2010 Census published by the US Bureau of Economic

^d Unemployment data provided by the NJ Dept of Labor and Workforce Development.

* Estimate - Used prior years amount

N/A - Not Available at Time of Audit

Fort Lee Public Schools
Principal Employers
Current Year and Nine Years Ago

Unaudited

| <u>Employer</u> | <u>2019</u> | | <u>2010</u> | |
|-----------------|------------------|---|------------------|---|
| | <u>Employees</u> | <u>Percentage of Total Municipal Employment</u> | <u>Employees</u> | <u>Percentage of Total Municipal Employment</u> |
| Not available | | 0.00% | | 0.00% |
| | | 0.00% | | 0.00% |
| | | 0.00% | | 0.00% |
| | | 0.00% | | 0.00% |
| | | 0.00% | | 0.00% |
| | | 0.00% | | 0.00% |
| | - | 0.00% | - | 0.00% |

Fort Lee Public Schools
Full-time Equivalent District Employees by Function/Program
Last Ten Fiscal Years

Unaudited

| Function/Program | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Instruction | | | | | | | | | | |
| Regular | 241.0 | 229.0 | 212.0 | 231.0 | 260.0 | 271.5 | 271.5 | 237.1 | 219.4 | 226.6 |
| Special Education | 29.0 | 37.0 | 64.0 | 82.0 | 63.0 | 61.5 | 61.5 | 70.3 | 101.7 | 98.3 |
| Other Special Education | 28.5 | 33.5 | 23.0 | 24.0 | 27.0 | 26.0 | 26.0 | 47.0 | 45.6 | 56.5 |
| Other Instructional | | | | | | | | 25.2 | 25.8 | 28.7 |
| Support Services: | | | | | | | | | | |
| Student and Instructional Related Services | 67.0 | 71.5 | 78.5 | 95.0 | 82.0 | 79.0 | 79.0 | 55.6 | 60.8 | 62.8 |
| General Administration | 12.0 | 10.0 | 8.5 | 8.0 | 8.0 | 8.5 | 8.5 | 5.0 | 5.0 | 5.0 |
| School Administrative Services | 33.0 | 24.0 | 24.0 | 22.0 | 26.0 | 26.5 | 26.5 | 25.8 | 23.7 | 23.7 |
| Business Administrative Services | 6.0 | 13.0 | 14.0 | 15.0 | 17.0 | 17.0 | 17.0 | 21.6 | 21.5 | 24.5 |
| Plant Operations and Maintenance | 44.0 | 21.0 | 20.5 | 21.0 | 21.0 | 22.0 | 22.0 | 24.1 | 23.6 | 26.6 |
| Total | 460.5 | 439.0 | 444.5 | 498.0 | 504.0 | 512.0 | 512.0 | 511.7 | 527.1 | 552.8 |

Source: District Personnel Records

Fort Lee Public Schools
 Operating Statistics
 Last Ten Fiscal Years

Unaudited

| Fiscal Year | Enrollment | Operating Expenditures ^a | Cost Per Pupil | Percentage Change | Teaching Staff ^b | Teacher Ratio/Pupil | | | Average Daily Enrollment (ADE) ^c | Average Daily Attendance (ADA) ^c | % Change in Average Daily Enrollment | Student Attendance Percentage |
|-------------|------------|-------------------------------------|----------------|-------------------|-----------------------------|---------------------|--------|--------------------|---|---|--------------------------------------|-------------------------------|
| | | | | | | Elementary | Middle | Senior High School | | | | |
| 2010 | 3,621 | \$ 58,592,077 | \$ 16,181 | -5.68% | 241.0 | 1:18 | 1:11 | 1:14 | 3,543.0 | 3,406.0 | -2.58% | 96.13% |
| 2011 | 3,671 | 55,927,646 | 15,235 | -5.85% | 229.0 | 1:17 | 1:11 | 1:14 | 3,601.0 | 3,450.0 | 1.64% | 95.81% |
| 2012 | 3,727 | 57,018,458 | 15,299 | 0.42% | 212.0 | 1:17 | 1:11 | 1:14 | 3,689.0 | 3,547.0 | 2.44% | 96.15% |
| 2013 | 3,791 | 61,773,381 | 16,295 | 6.51% | 231.0 | 1:17 | 1:11 | 1:14 | 3,740.0 | 3,570.0 | 1.38% | 95.45% |
| 2014 | 3,819 | 62,807,709 | 16,446 | 0.93% | 291.0 | 1:10 | 1:10 | 1:10 | 3,779.0 | 3,606.0 | 1.04% | 95.42% |
| 2015 | 3,787 | 65,063,700 | 17,181 | 4.47% | 299.0 | 1:09 | 1:09 | 1:09 | 3,728.0 | 3,545.0 | -1.35% | 95.09% |
| 2016 | 3,857 | 67,101,634 | 17,397 | 1.26% | 295.0 | N/A | N/A | N/A | 3,705.0 | 3,549.0 | -0.62% | 95.79% |
| 2017 | 3,824 | 69,802,470 | 18,254 | 4.92% | 294.0 | 1:11 | 1:13 | 1:12 | 3,747.3 | 3,586.5 | 1.14% | 95.71% |
| 2018 | 3,910 | 72,764,319 | 18,610 | 1.95% | 297.0 | 1:14 | 1:14 | 1:14 | 3,920.1 | 3,752.1 | 4.61% | 95.71% |
| 2019 | 4,090 | 75,328,383 | 18,418 | -1.03% | 307.0 | 1:15 | 1:14 | 1:14 | 4,052.5 | 3,871.3 | 3.38% | 95.53% |

Sources: District records and ASSA

Note: Enrollment based on annual October district count.

- a Operating expenditures equal total expenditures less debt service and capital outlay.
- b Teaching staff includes only full-time equivalents of certificated staff.
- c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

N/A Not Available

Fort Lee Public Schools
School Building Information
Last Ten Fiscal Years

Unaudited

| Facility | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|------------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Elementary | | | | | | | | | | |
| Elementary School #1 | | | | | | | | | | |
| Square Feet | 57,938 | 57,938 | 57,938 | 57,938 | 57,938 | 57,938 | 57,938 | 57,938 | 64,300 | 64,300 |
| Functional Capacity | 447 | 447 | 447 | 447 | 447 | 447 | 447 | 447 | 496 | 496 |
| Enrollment | 529 | 634 | 644 | 678 | 708 | 666 | 708 | 677 | 697 | 746 |
| Elementary School #2 | | | | | | | | | | |
| Square Feet | 50,989 | 50,989 | 50,989 | 50,989 | 50,989 | 50,989 | 50,989 | 50,989 | 68,526 | 68,526 |
| Functional Capacity | 339 | 339 | 339 | 339 | 339 | 339 | 447 | 447 | 600 | 600 |
| Enrollment ^a | 421 | 422 | 428 | 455 | 457 | 470 | 457 | 483 | 486 | 501 |
| Elementary School #3 | | | | | | | | | | |
| Square Feet | 41,974 | 41,974 | 41,974 | 41,974 | 41,974 | 41,974 | 41,974 | 41,974 | 41,974 | 41,974 |
| Functional Capacity | 392 | 392 | 392 | 392 | 392 | 392 | 392 | 392 | 392 | 392 |
| Enrollment | 497 | 513 | 533 | 530 | 536 | 534 | 536 | 560 | 578 | 579 |
| Elementary School #4 | | | | | | | | | | |
| Square Feet | 48,722 | 48,722 | 48,722 | 48,722 | 48,722 | 48,722 | 48,722 | 48,722 | 48,722 | 48,722 |
| Functional Capacity | 395 | 395 | 395 | 395 | 395 | 395 | 395 | 395 | 395 | 395 |
| Enrollment | 493 | 535 | 516 | 540 | 541 | 551 | 541 | 574 | 618 | 599 |
| Middle Schools | | | | | | | | | | |
| Lewis F. Cole Middle School | | | | | | | | | | |
| Square Feet | 78,455 | 78,455 | 78,455 | 78,455 | 78,455 | 78,455 | 78,455 | 78,455 | 77,228 | 77,228 |
| Functional Capacity | 295 | 295 | 295 | 295 | 295 | 295 | 395 | 395 | 626 | 626 |
| Enrollment | 477 | 526 | 556 | 574 | 558 | 534 | 541 | 578 | 611 | 593 |
| High School | | | | | | | | | | |
| Fort Lee High School | | | | | | | | | | |
| Square Feet | 142,789 | 142,789 | 142,789 | 142,789 | 142,789 | 142,789 | 142,789 | 142,789 | 142,789 | 142,789 |
| Functional Capacity | 552 | 552 | 552 | 552 | 552 | 552 | 552 | 552 | 552 | 552 |
| Enrollment | 1,039 | 979 | 995 | 959 | 978 | 983 | 978 | 953 | 920 | 1,019 |

Number of Schools at June 30, 2019

 Elementary = 4

 Middle School = 1

 Senior High School = 1

Source: District Records, ASSA

Fort Lee Public Schools
General Fund
Schedule of Required Maintenance
Last Ten Fiscal Years

Unaudited

Undistributed Expenditures - Required Maintenance for School Facilities

Undistributed Expenditures - Required Maintenance for Required School facilities
11-000-261-XXX

| <u>School Facilities</u> | <u>School #</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> | <u>2013</u> | <u>2012</u> | <u>2011</u> | <u>2010</u> |
|-----------------------------|-----------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Fort Lee High School | 50 | \$ 158,103 | \$ 140,272 | \$ 178,060 | \$ 230,785 | \$ 143,804 | \$ 211,437 | \$ 177,364 | \$ 201,794 | \$ 136,945 | \$ 210,988 |
| Lewis F. Cole Middle School | 100 | 122,407 | 54,299 | 67,317 | 52,546 | 77,481 | 97,829 | 80,173 | 78,468 | 67,095 | 86,179 |
| Elementary School #1 | 60 | 78,014 | 76,923 | 97,856 | 45,004 | 50,383 | 80,468 | 65,678 | 78,720 | 76,040 | 98,065 |
| Elementary School #2 | 70 | 73,770 | 58,824 | 76,727 | 26,777 | 53,205 | 39,226 | 39,221 | 82,480 | 49,203 | 68,348 |
| Elementary School #3 | 80 | 65,034 | 49,774 | 63,688 | 42,970 | 42,834 | 47,362 | 53,743 | 48,255 | 44,730 | 58,245 |
| Elementary School #4 | 90 | <u>68,626</u> | <u>72,398</u> | <u>92,449</u> | <u>100,747</u> | <u>34,504</u> | <u>71,315</u> | <u>68,262</u> | <u>50,202</u> | <u>53,676</u> | <u>72,508</u> |
| | | <u>\$ 565,954</u> | <u>\$ 452,490</u> | <u>\$ 576,097</u> | <u>\$ 498,829</u> | <u>\$ 402,211</u> | <u>\$ 547,637</u> | <u>\$ 484,441</u> | <u>\$ 539,919</u> | <u>\$ 427,689</u> | <u>\$ 594,333</u> |

* School facilities as defined under EFCFA.
(N.J.A.C. 6A:26-1.2 and N.J.A.C. 6A:26A-1.3)

Fort Lee Public Schools
Insurance Schedule
June 30, 2019

Unaudited

| | <u>Coverage</u> | <u>Deductible</u> |
|--|-------------------------|-------------------|
| School Package Property - School Alliance Fund | | |
| Property | | |
| Property - Blanket Building and Contents | \$ 500,000,000 | \$ 2,500 |
| Flood/earthquake | 10,000,000/\$25,000,000 | 25,000 |
| Automobile Physical Damage | In Blanket Limit | 1,000 |
| Builders Risk | 25,000,000 | 2,500 |
| Electronic Data Processing Equipment | In Blanket Limit | 2,500 |
| Liability | | |
| Comprehensive General Liability | 5,000,000 | |
| Automobile Liability | 5,000,000 | |
| Employee Benefit each occurrence/aggregate | 5,000,000 | 1,000 |
| SAIF Excess | | |
| School Board Legal Liability | 5,000,000 | |
| Includes General/Auto Liability | 5,000,000 | |
| Crime | | |
| Blanket Employee Dishonesty | 500,000 | 1,000 |
| Forgery | 50,000 | 1,000 |
| Theft/Disappearance/Destruction: | | |
| Inside | 50,000 | 1,000 |
| Outside | 50,000 | 1,000 |
| Computer Fraud | 50,000 | 1,000 |
| School Board Legal Liability | | |
| Directors' and Officers' Policy | 5,000,000 | 10,000 |
| Environmental Impairment Liability(ACE) | | |
| Limit of Liability: | | |
| Incident | 1,000,000 | 10,000 |
| Limit of Liability | | |
| Excess Liability - Starstone National and Markel | | |
| Each Occurrence/Aggregate | 30,000,000 | |
| Each Occurrence/Aggregate | | |
| Public Employees Faithful Performances Blanket Position Bond | | |
| Board Secretary/Business Administrator | 200,000 | |
| Treasurer of School Monies | 340,000 | |
| Assistant Business Administrator | 200,000 | |
| Student Accident (AIG) | | |
| All Students Coverage including Athletics | | |
| Base Coverage - 2 Year Benefit Period | 25,000 | |
| Catastrophic - 10 Year Benefit Perion | 7,500,000 | 25,000 |

Note: The District is part of the Northeast Bergen County School Insurance Group (NESBIG). The above coverages are the combined amounts for all the school districts under master policies with insurance companies.

Single Audit Section

**Report on Internal Control Over Financial Reporting and on Compliance and Other
Matters Based on an Audit of Financial Statements Performed
in Accordance with *Government Auditing Standards***

Independent Auditors' Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America; audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Fort Lee Public Schools, in the County of Bergen, New Jersey (the "District") as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 20, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be

PKF O'CONNOR DAVIES, LLP
20 Commerce Drive, Suite 301, Cranford, NJ 07016 | Tel: 908.272.6200 | Fax: 908.272.2416 | www.pkfod.com

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**The Honorable President and Members
of the Board of Education
Fort Lee Public Schools**

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material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did not identify any deficiencies in internal control that we consider to material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

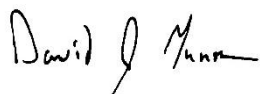
As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

PKF O'Connor Davies, LLP

December 20, 2019
Cranford, New Jersey



David J. Gannon
Licensed Public School Accountant
No. 2305

**Report on Compliance For Each Major Federal and State Program and
on Internal Control Over Compliance Required by the
Uniform Guidance and New Jersey OMB Circular 15-08**

Independent Auditors' Report

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

Report on Compliance for Each Major Program Federal and State Program

We have audited the Fort Lee Public Schools, in the County of Bergen, New Jersey (the "District") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the District's major federal and state programs for the year ended June 30, 2019. The District's major federal and state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the federal and state statutes, regulations, and the terms and conditions of its federal and state awards applicable to its federal and state programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards* (Uniform Guidance); and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards, the Uniform Guidance and New Jersey OMB Circular 15-08 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal and state program occurred. An audit includes examining, on a test basis, evidence about the

**The Honorable President and Members
of the Board of Education
Fort Lee Public Schools**

Page 2

District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal and state program. However, our audit does not provide a legal determination of the District's compliance.

Opinion on Each Major Federal and State Program

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2019.

Report on Internal Control Over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with the Uniform Guidance and New Jersey OMB Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**The Honorable President and Members
of the Board of Education
Fort Lee Public Schools**

Page 3

Purpose of this Report

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and New Jersey OMB Circular 15-08. Accordingly, this report is not suitable for any other purposes.

PKF O'Connor Davies, LLP

December 20, 2019
Cranford, New Jersey

David J. Gannon

David J. Gannon
Licensed Public School Accountant
No. 2305

Fort Lee Public Schools
Schedule of Expenditures of Federal Awards
Year ended June 30, 2019

| Federal Grantor/Pass-Through Grantor/Program Title | Federal CFDA Number | Federal FAIN Number | Award Amount | Grant Period | | Balance at June 30, 2018 | Carryover/Walkover Amount | Cash Received | Budgetary Expenditures | Balance June 30, 2019 | | |
|---|---------------------|---------------------|--------------|--------------|-----------|--------------------------|---------------------------|---------------|------------------------|-----------------------|------------------|----------------|
| | | | | From | To | | | | | (Accounts Receivable) | Unearned Revenue | Due to Grantor |
| U.S. Department of Health and Human Services | | | | | | | | | | | | |
| Passed Through State Department of Education | | | | | | | | | | | | |
| General Fund: | | | | | | | | | | | | |
| Medical Assistance Program - SEMI | 93.778 | 1905NJ5MAP | \$ 29,614 | 7/1/2018 | 6/30/2019 | | | \$ 29,614 | \$ (29,614) | | | |
| Total General Fund | | | | | | | | 29,614 | (29,614) | | | |
| U.S. Department of Education--Passed-Through State | | | | | | | | | | | | |
| Department of Education | | | | | | | | | | | | |
| Special Revenue Fund: | | | | | | | | | | | | |
| Title I, Part A | 84.010A | S010A190030 | 524,544 | 7/1/2018 | 6/30/2019 | | | 256,776 | (485,498) | \$ (228,722) | | |
| Title I, Part A | 84.010A | S010A180030 | 501,361 | 7/1/2017 | 6/30/2018 | \$ (229,403) | | 226,980 | | (2,423) | | |
| Title II, Part A | 84.367A | S367A190029 | 103,241 | 7/1/2018 | 6/30/2019 | | | 59,320 | (98,704) | (39,384) | | |
| Title II, Part A | 84.367A | S367A180029 | 119,787 | 7/1/2017 | 6/30/2018 | (74,019) | | 74,019 | | | | |
| Title III | 84.365A | S365A190030 | 103,541 | 7/1/2018 | 6/30/2019 | | | 33,403 | (89,044) | (55,641) | | |
| Title III | 84.365A | S365A180030 | 82,898 | 7/1/2017 | 6/30/2018 | (42,573) | | 41,304 | | (1,269) | | |
| Title IV | 84.424A | S424A190031 | 29,103 | 7/1/2018 | 6/30/2019 | | | 25,515 | (27,515) | (2,000) | | |
| Emergency Impact Aid | 84.938C | Not available | 29,750 | 7/1/2017 | 6/30/2018 | (29,750) | | 29,750 | | | | |
| Special Education Cluster: | | | | | | | | | | | | |
| IDEA Part B | 84.027 | S027A190100 | 947,449 | 7/1/2018 | 6/30/2019 | | | 345,473 | (901,955) | (556,482) | | |
| IDEA Part B | 84.027 | S027A180100 | 851,508 | 7/1/2017 | 6/30/2018 | (302,335) | | 302,335 | | | | |
| IDEA Preschool | 84.173 | S173A190114 | 31,504 | 7/1/2018 | 6/30/2019 | | | | (8,469) | (8,469) | | |
| IDEA Preschool | 84.173 | S173A180114 | 27,729 | 7/1/2017 | 6/30/2018 | (18,908) | | 18,908 | | | | |
| Subtotal of Special Education Cluster | | | | | | (321,243) | | 666,716 | (910,424) | (564,951) | | |
| Total Special Revenue Fund | | | | | | (696,988) | | 1,413,783 | (1,611,185) | (894,390) | | |
| U.S. Department of Agriculture--Passed-Through State | | | | | | | | | | | | |
| Department of Agriculture | | | | | | | | | | | | |
| Enterprise Fund: | | | | | | | | | | | | |
| Child Nutrition Cluster: | | | | | | | | | | | | |
| Food Donation Program (NC) | 10.555 | 191NJ304N109 | 83,299 | 7/1/2018 | 6/30/2019 | | | 83,299 | (81,555) | | \$ 1,744 | |
| School Breakfast Program | 10.553 | 191NJ304N109 | 25,321 | 7/1/2018 | 6/30/2019 | | | 19,793 | (25,321) | \$ (5,528) | | |
| School Breakfast Program | 10.553 | 181NJ304N109 | 25,693 | 7/1/2017 | 6/30/2018 | (5,431) | | 5,431 | | | | |
| National School Lunch Program | 10.555 | 191NJ304N109 | 304,408 | 7/1/2018 | 6/30/2019 | | | 241,826 | (304,408) | (62,582) | | |
| National School Lunch Program | 10.555 | 181NJ304N109 | 302,188 | 7/1/2017 | 6/30/2018 | (60,181) | | 60,181 | | | | |
| Subtotal of Child Nutrition Cluster | | | | | | (65,612) | | 410,530 | (411,284) | (68,110) | 1,744 | - |
| Federal PB Lunch - Healthy Hunger-Free Kids Act of 2010 | 10.555 | 191NJ304N109 | 18,741 | 7/1/2018 | 6/30/2019 | | | 14,897 | (18,741) | (3,844) | | |
| Federal PB Lunch - Healthy Hunger-Free Kids Act of 2010 | 10.555 | 181NJ304N109 | 18,754 | 7/1/2017 | 6/30/2018 | (3,713) | | 3,713 | | | | |
| Total Enterprise Fund | | | | | | (69,325) | | 429,140 | (430,025) | (71,954) | 1,744 | - |
| Total Federal Awards | | | | | | \$ (766,313) | \$ - | \$1,872,537 | \$ (2,070,824) | \$ (966,344) | \$ 1,744 | \$ - |

NC - non-cash expenditures

The accompanying notes to schedules of expenditures of federal awards and state financial assistance are an integral part of this statement.

Fort Lee Public Schools
Schedule of Expenditures of State Financial Assistance
Year ended June 30, 2019

| State Grantor/Program Title | Grant or State Project Number | Program or Award Amount | Grant Period | | Balance June 30, 2018 | | | | | Repayment of Prior Years' Balances | Balance June 30, 2019 | | | Memo | | | |
|---|-------------------------------|-------------------------|--------------|-----------|-----------------------|-----------------------|----------------|----------------|------------------------|------------------------------------|-----------------------|------------------|-----------------------|----------------|----------------------|-------------------------|-----------------|
| | | | | | Unearned Rev. | (Accounts Receivable) | Due to Grantor | Cash Received | Budgetary Expenditures | | Adjustments | Unearned Revenue | (Accounts Receivable) | Due to Grantor | Budgetary Receivable | Cumulative Expenditures | |
| | | | | | | | | | | | | | | | | | From |
| State Department of Education | | | | | | | | | | | | | | | | | |
| General Fund: | | | | | | | | | | | | | | | | | |
| Special Education Cateorical Aid | 495-034-5120-089 | \$ 1,916,432 | 7/1/2018 | 6/30/2019 | | | | \$ 1,797,551 | \$ (1,916,432) | | | | | | \$ (118,881) | \$ (1,916,432) | |
| Special Education Categorical Aid | 495-034-5120-089 | 1,916,432 | 7/1/2017 | 6/30/2018 | | \$ (125,956) | | 125,956 | | | | | | | | | |
| Categorical Transportation Aid | 495-034-5120-014 | 685,744 | 7/1/2018 | 6/30/2019 | | | | 643,205 | (685,744) | | | | | | (42,539) | (685,744) | |
| Categorical Transportation Aid | 495-034-5120-014 | 91,990 | 7/1/2017 | 6/30/2018 | | (6,046) | | 6,046 | | | | | | | | | |
| Security Aid | 495-034-5120-084 | 105,243 | 7/1/2018 | 6/30/2019 | | | | 98,715 | (105,243) | | | | | | (6,528) | (105,243) | |
| Security Aid | 495-034-5120-084 | 105,243 | 7/1/2017 | 6/30/2018 | | (6,917) | | 6,917 | | | | | | | | | |
| PARCC Readiness Aid | 495-034-5120-098 | 38,770 | 7/1/2017 | 6/30/2018 | | (2,548) | | 2,548 | | | | | | | | | |
| Per Pupil Growth Aid | 495-034-5120-097 | 38,770 | 7/1/2017 | 6/30/2018 | | (2,548) | | 2,548 | | | | | | | | | |
| Professional Learning Community Aid | 495-034-5120-101 | 37,790 | 7/1/2017 | 6/30/2018 | | (2,484) | | 2,484 | | | | | | | | | |
| Extraordinary Aid | 100-034-5120-473 | 1,389,522 | 7/1/2018 | 6/30/2019 | | | | | (1,389,522) | | | \$ (1,389,522) | | | | (1,389,522) | |
| Extraordinary Aid | 100-034-5120-473 | 1,131,028 | 7/1/2017 | 6/30/2018 | | (1,131,028) | | 1,131,028 | | | | | | | | | |
| Additional NP Transportation Aid | Not Available | 65,990 | 7/1/2018 | 6/30/2019 | | | | | (65,990) | | | (65,990) | | | | (65,990) | |
| Additional NP Transportation Aid | Not Available | 56,183 | 7/1/2017 | 6/30/2018 | | (56,183) | | 56,183 | | | | | | | | | |
| Reimbursed TPAF - Social Security | 495-034-5094-003 | 2,181,584 | 7/1/2018 | 6/30/2019 | | | | 2,079,960 | (2,181,584) | | | (101,624) | | | | (2,181,584) | |
| On-behalf TPAF Contributions | | | | | | | | | | | | | | | | | |
| Pension Benefit Contribution | 495-034-5094-002 | 5,359,769 | 7/1/2018 | 6/30/2019 | | | | 5,359,769 | (5,359,769) | | | | | | | (5,359,769) | |
| Post-Retirement Medical Contribution | 495-034-5094-001 | 2,431,183 | 7/1/2018 | 6/30/2019 | | | | 2,431,183 | (2,431,183) | | | | | | | (2,431,183) | |
| Long-Term Disability Insurance Contributions | 495-034-5094-004 | 6,069 | 7/1/2018 | 6/30/2019 | | | | 6,069 | (6,069) | | | | | | | (6,069) | |
| Total General Fund | | | | | | (1,333,710) | | 13,750,162 | (14,141,536) | | | (1,557,136) | | | (167,948) | (14,141,536) | |
| Special Revenue Fund: | | | | | | | | | | | | | | | | | |
| New Jersey Non-Public Aid: | | | | | | | | | | | | | | | | | |
| Nursing Aid | 100-034-5120-070 | 20,467 | 7/1/2018 | 6/30/2019 | | | | 20,467 | (20,467) | | | | | | | | (20,467) |
| Textbook Aid | 100-034-5120-064 | 11,267 | 7/1/2018 | 6/30/2019 | | | | 11,267 | (11,252) | | | | \$ 15 | | | (11,252) | |
| Textbook Aid | 100-034-5120-064 | 11,997 | 7/1/2017 | 6/30/2018 | | | \$ 791 | | | | \$ (791) | | | | | | |
| Technology Initiative | 100-034-5120-070 | 7,596 | 7/1/2018 | 6/30/2019 | | | | 7,596 | (7,596) | | | | | | | (7,596) | |
| Technology Initiative | 100-034-5120-070 | 8,103 | 7/1/2017 | 6/30/2018 | | | 40 | | | | (40) | | | | | | |
| Security Aid | 100-034-5120-509 | 31,650 | 7/1/2018 | 6/30/2019 | | | | 31,650 | (25,856) | | | | | 5,794 | | (25,856) | |
| Non Public Auxiliary Services (Ch. 192): | | | | | | | | | | | | | | | | | |
| Home Instruction | 100-034-5120-067 | 3,652 | 7/1/2017 | 6/30/2018 | | (2,538) | | 2,538 | | | | | | | | | |
| English as a Second Language | | 25,969 | 7/1/2018 | 6/30/2019 | | | | 25,969 | (21,139) | | | | | 4,830 | | (21,139) | |
| English as a Second Language | | 21,861 | 7/1/2017 | 6/30/2018 | | | 612 | | | | (612) | | | | | | |
| Compensatory Education | | 39,763 | 7/1/2018 | 6/30/2019 | | | | 39,763 | (17,343) | | | | | 22,420 | | (17,343) | |
| Compensatory Education | | 44,292 | 7/1/2017 | 6/30/2018 | | | 19,911 | | | | (19,911) | | | | | | |
| Non Public Handicapped Services (Ch. 193): | | | | | | | | | | | | | | | | | |
| Supplemental Instruction | 100-034-5120-066 | 8,723 | 7/1/2018 | 6/30/2019 | | | | 8,723 | (5,948) | | | | | 2,775 | | (5,948) | |
| Supplemental Instruction | | 7,296 | 7/1/2017 | 6/30/2018 | | | 7 | | | | (7) | | | | | | |
| Examination and Classification | | 16,194 | 7/1/2018 | 6/30/2019 | | | | 16,194 | (9,098) | | | | | 7,096 | | (9,098) | |
| Examination and Classification | | 21,658 | 7/1/2017 | 6/30/2018 | | | 14,210 | | | | (14,210) | | | | | | |
| Corrective Speech | | 19,196 | 7/1/2018 | 6/30/2019 | | | | 19,196 | (12,231) | | | | | 6,965 | | (12,231) | |
| Corrective Speech | | 12,421 | 7/1/2017 | 6/30/2018 | | | 102 | | | | (102) | | | | | | |
| Total Special Revenue Fund | | | | | | (2,538) | 35,673 | 183,363 | (130,930) | | | (35,673) | | 49,895 | | (130,930) | |
| <i>Debt Service Fund:</i> | | | | | | | | | | | | | | | | | |
| Type II Debt Service aid | 495-034-5120-125 | 409,759 | 7/1/2018 | 6/30/2019 | | | | 409,759 | (409,759) | | | | | | | | (409,759) |
| Total Debt Service Fund | | | | | | | | 409,759 | (409,759) | | | | | | | | (409,759) |
| State Department of Agriculture | | | | | | | | | | | | | | | | | |
| Enterprise Fund: | | | | | | | | | | | | | | | | | |
| State School Lunch Program (State share) | 100-010-3360-067 | 15,976 | 7/1/2018 | 6/30/2019 | | | | 12,699 | (15,976) | | | | | | | | (15,976) |
| State School Lunch Program (State share) | 100-010-3360-067 | 19,160 | 7/1/2017 | 6/30/2018 | | (3,168) | | 3,168 | | | | | | | | | |
| Total Enterprise Fund | | | | | | (3,168) | | 15,867 | (15,976) | | | (3,277) | | | | | (15,976) |
| Total State Awards | | | | | | \$ - | \$ (1,339,416) | \$ 35,673 | \$ 14,359,151 | \$ (14,698,201) | \$ - | \$ (35,673) | \$ - | \$ (1,560,413) | \$ 49,895 | \$ (167,948) | \$ (14,698,201) |
| State Financial Assistance Not Subject to Single Audit Determination: | | | | | | | | | | | | | | | | | |
| General Fund: | | | | | | | | | | | | | | | | | |
| On-behalf TPAF Contributions | | | | | | | | | | | | | | | | | |
| Pension Benefit Contribution | 495-034-5094-002 | 5,359,769 | 7/1/2018 | 6/30/2019 | | | | \$ (5,359,769) | \$ 5,359,769 | | | | | | | | \$ 5,359,769 |
| Post-Retirement Medical Contribution | 495-034-5094-001 | 2,431,183 | 7/1/2018 | 6/30/2019 | | | | (2,431,183) | 2,431,183 | | | | | | | | 2,431,183 |
| Long-Term Disability Insurance Contributions | 495-034-5094-004 | 6,069 | 7/1/2018 | 6/30/2019 | | | | (6,069) | 6,069 | | | | | | | | 6,069 |
| Total State Financial Assistance Subject to Single Audit Determination | | | | | | \$ - | \$ (1,339,416) | \$ 35,673 | \$ 6,562,130 | \$ (6,901,180) | \$ - | \$ (35,673) | \$ - | \$ (1,560,413) | \$ 49,895 | \$ (167,948) | \$ (6,901,180) |

The accompanying notes to schedules of expenditures of federal awards and state financial assistance are an integral part of this statement.

Fort Lee Public Schools

Notes to Schedules of Expenditures of
Federal Awards and State Financial Assistance

Year ended June 30, 2019

1. General

The accompanying schedules of expenditures of federal awards and state financial assistance present the activity of all of all federal awards and state financial assistance programs of the District. The Board of Education is defined in Note 1 to the board's basic financial statements. All federal awards and state financial assistance received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies, are included on the schedules of expenditures of federal awards and state financial assistance.

2. Basis of Accounting

The accompanying schedules of expenditures of federal awards and state financial assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the enterprise funds, which are presented using the accrual basis of accounting and those recorded in the special revenue fund, which are presented using the budgetary basis of accounting. These basis of accounting are described in Note 1 to the District's basic financial statements. The information in these schedules are presented in accordance with the requirements of 2 CFR 200-*Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and New Jersey OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Therefore, some amounts presented in this schedule may differ from amounts presented, or used in the preparation of, the basic financial statements.

3. Relationship to Basic Financial Statements

Amounts reported in the accompanying schedules agree with amounts reported in the District's basic financial statements. The basic financial statements present the general fund and special revenue fund on a GAAP basis. Budgetary comparison statements or schedules (RSI) are presented for the general fund and special revenue fund to demonstrate finance-related legal compliance in which certain revenue is permitted by law or grant agreement to be recognized in the fiscal year, whereas for GAAP reporting, revenue is not recognized until the subsequent year or when expenditures have been made.

Fort Lee Public Schools

Notes to Schedules of Expenditures of
Federal Awards and State Financial Assistance

Year ended June 30, 2019

3. Relationship to Basic Financial Statements (Continued)

The general fund is presented in the accompanying schedules on the modified accrual basis of accounting with the exception of the revenue recognition of the last two state aid payments in the current year, which is mandated pursuant to N.J.S.A. 18A:22-44.2. For GAAP purposes, those payments are not recognized until the subsequent year due to the state deferral and recording of the last two state aid payments in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis, which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The special revenue fund also recognizes the last state aid payments in the current budget year, consistent with N.J.S.A. 18A:22-44.2.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$(21,449) for the general fund and \$4,477 for the special revenue fund. See note to required supplementary information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds (C-3). Federal and State award revenues are reported in the District's basic financial statements on a GAAP basis as follows:

| | <u>Federal</u> | <u>State</u> | <u>Total</u> |
|--------------------------------|---------------------|----------------------|----------------------|
| General Fund | \$ 29,614 | \$ 14,120,087 | \$ 14,149,701 |
| Special Revenue Fund | 1,614,853 | 130,930 | 1,745,783 |
| Food Service Enterprise Fund | 430,025 | 15,976 | 446,001 |
| Debt Service Fund | | 409,759 | 409,759 |
| Total financial award revenues | <u>\$ 2,074,492</u> | <u>\$ 14,676,752</u> | <u>\$ 16,751,244</u> |

4. Relationship to Federal and State Financial Reports

Amounts reported in the accompanying schedules agree with the amounts reported in the related federal and state financial reports.

Fort Lee Public Schools

Notes to Schedules of Expenditures of
Federal Awards and State Financial Assistance

Year ended June 30, 2019

5. Other

Revenues and expenditures reported under the Food Donation Program represent current year value received and current year distributions, respectively. TPAF Social Security Contributions represent the amount reimbursed by the State for the employer's share of Social Security for TPAF members for the year ended June 30, 2019.

The post-retirement pension, medical and disability insurance benefits received on behalf of the District for the year ended June 30, 2019 amounted to \$7,797,021. Since on-behalf post retirement, medical and disability insurance benefits are paid by the State directly, these expenditures are not subject to a single audit in accordance with New Jersey OMB Circular 15-08, however they are reported on the Schedule of Expenditures of State Financial Assistance, as directed by the funding agency.

6. Indirect Costs

The District did not use the 10% de minimis indirect cost rate.

Fort Lee Public Schools

Schedule of Findings and Questioned Costs

Year ended June 30, 2019

Part I - Summary of Auditor's Results

Financial Statements Section

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

Are any material weaknesses identified? Yes X No

Are any significant deficiencies identified? Yes X None Reported

Is any noncompliance material to financial statements noted? Yes X No

Federal Awards

Internal control over major federal programs:

Are any material weaknesses identified? Yes X No

Are any significant deficiencies identified? Yes X None Reported

Type of auditors' report issued on compliance for major federal programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? Yes X No

Identification of major programs:

| CFDA Number(s) | FAIN Number | Name of Federal Program or Cluster |
|----------------|-------------|------------------------------------|
| 84.027 | S027A180100 | Special Education Cluster: |
| 84.173 | S173A180114 | IDEA Part B, Basic |
| | | IDEA Part B, Preschool |

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee? X Yes No

Fort Lee Public Schools
Schedule of Findings and Questioned Costs
Year ended June 30, 2019

Part I - Summary of Auditor's Results

State Awards Section

Internal control over major state programs:

Are any material weaknesses identified? _____ Yes X No

Are any significant deficiencies identified? _____ Yes X None reported

Type of auditors' report issued on compliance for major state programs: _____ Unmodified

Any audit findings disclosed that are required to be reported in accordance with NJOMB Circular 15-08? _____ Yes X No

Identification of major state programs:

| GMIS/Program Number | Name of State Program or Cluster |
|----------------------------|---|
| 495-034-5120-014 | Transportation Aid |
| 495-034-5120-044 | Extraordinary Special Education Aid |
| 495-034-5094-003 | Reimbursed TPAF Social Security Contributions |

Dollar threshold used to distinguish between Type A and Type B programs: _____ \$750,000

Auditee qualified as low-risk auditee? X Yes _____ No

Fort Lee Public Schools

Schedule of Findings and Questioned Costs

Year ended June 30, 2019

Part II – Schedule of Financial Statement Findings

No financial statement findings noted that are required to be reported under *Government Auditing Standards*.

Fort Lee Public Schools

Schedule of Findings and Questioned Costs

Year ended June 30, 2019

Part III – Schedule of Federal and State Award Findings and Questioned Costs

No federal award or state financial assistance program compliance findings or questioned costs were noted that are required to be reported in accordance with 2 CFR 200 section .516(a) or NJ OMB Circular Letter 15-08.

Fort Lee Public Schools

Summary Schedule of Prior Year Audit Findings

Year ended June 30, 2019

No prior year audit findings were noted.