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

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***Comprehensive Annual Financial Report  
For the Year Ended  
June 30, 2020***

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# **Fort Lee Public Schools**

**Fort Lee, New Jersey**

Comprehensive Annual Financial Report  
For the Year Ended June 30, 2020

Prepared by

Business Office

# Fort Lee Public Schools

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## **Introductory Section**





# Fort Lee Public Schools

## Central Administration Offices

2175 Lemoine Avenue, 6<sup>th</sup> Floor ✦ Fort Lee, New Jersey 07024

Phone: 201.585.4612 ✦ Fax: 201.585.7997

www.FLBOE.com

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Kenneth J. Rota  
*Superintendent of Schools*

Diane Collazo-Baker  
*Assistant Superintendent of Schools*

Haquisha Q. Taylor  
*School Business Administrator/Board Secretary*

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January 26, 2021

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, 2020. 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.



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- 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 4,154 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.



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### 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 2019-2020 fiscal year with an average daily enrollment of 4,154 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.

<b>Fiscal Year</b>	<b>Average Daily Enrollment Student Enrollment</b>	<b>Percent Change</b>
2019-2020	4,154	2.49%
2018-2019	4,053	3.38%
2017-2018	3,920	4.62%
2016-2017	3,747	1.13%
2015-2016	3,705	-0.62%

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 2019-2020 school year by 4.55%, 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.



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*School Business Administrator/Board Secretary*

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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 2019-2020 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-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 and implement 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 10-12;
- Pilot the thematic units in the Grade 9 English;
- Implement a new K-4 math program and update appropriate common assessments;
- Offer professional development for teachers using the Go Math program;
- Implement a new 6<sup>th</sup> Grade Science textbook to be in unison with the 7<sup>th</sup> and 8<sup>th</sup> grade Science textbooks;
- Expand participation in STEAM MakerSpace MS and HS (robotics, programming, animation, 3D design, snap circuits, recording studio);
- Monitor 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;
- Update curriculum for the Business Technology in a Global Economy course;
- Develop a cohesive curriculum for the Math/ELA Strategies course;
- 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;



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- 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 SIOB Training (Sheltered English Instruction) to selected staff;
- Expand instructional supports for Title I 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;
- Develop and implement a new K-4 ESL Curriculum;
- Implemented new courses AP 3-D Design, Korean IV and Women in American History at the high school level.

**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.



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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, 2020.

**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.



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Diane Collazo-Baker  
*Assistant Superintendent of Schools*

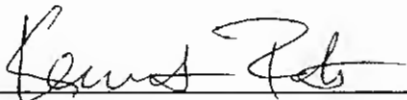
Haquisha Q. Taylor  
*School Business Administrator/Board Secretary*

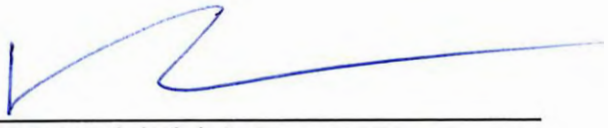
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### **Acknowledgements:**

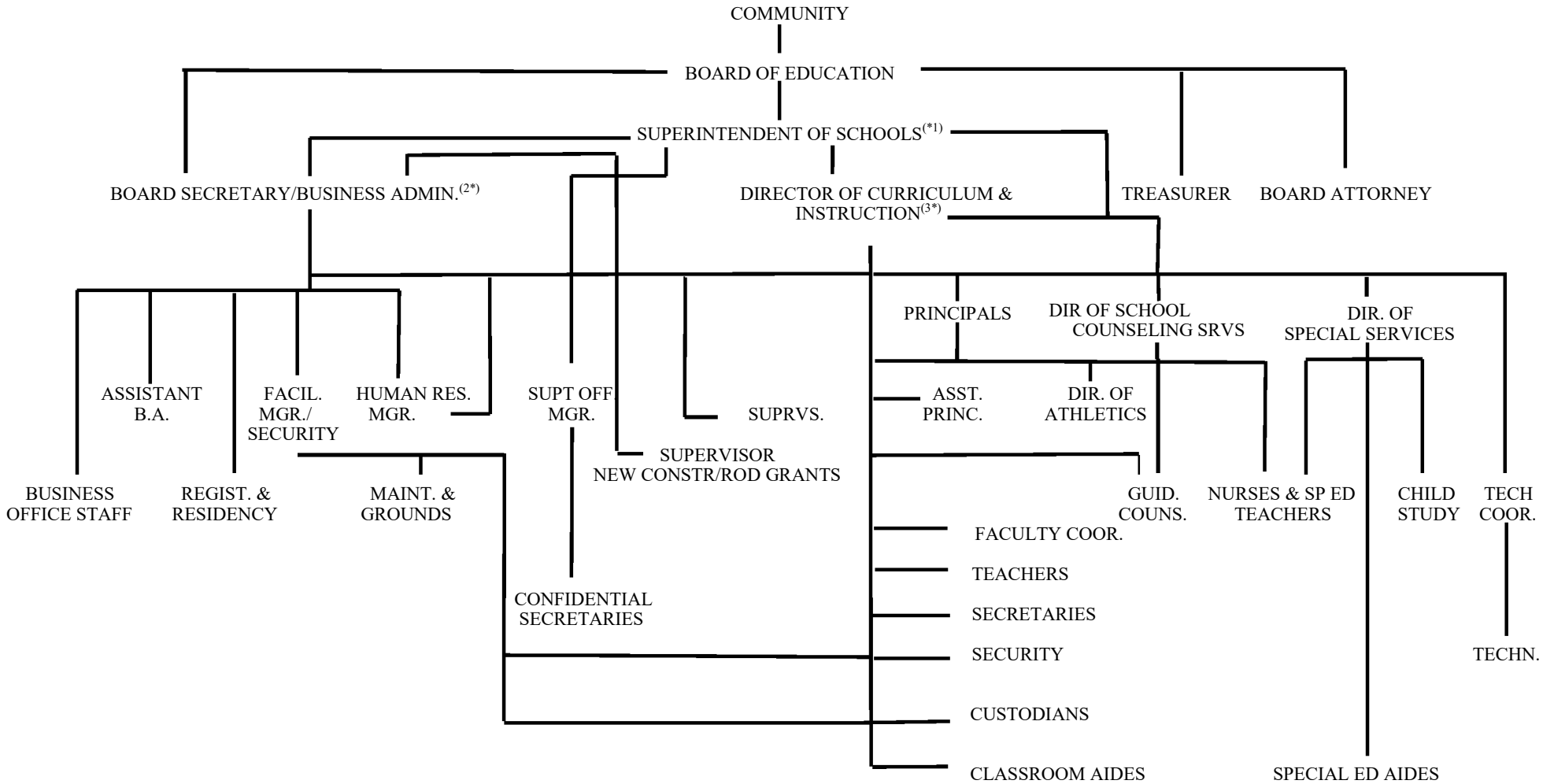
We would like to express our appreciation to the members of the Borough of Fort Lee School Board for their concern in providing fiscal accountability to the citizens and taxpayers of the School District and thereby contributing their full support to the development and maintenance of our financial operation. 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  
2019-2020**



\*Order of Authority  
 — Order of Responsibility

**2P\***



Fort Lee Public Schools  
Fort Lee, New Jersey

Roster of Officials

June 30, 2020

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Mrs. Esther Han Silver, President	12/31/2021
Mrs. Candace Romba, Vice President	12/31/2022
Mrs. Elisa Cho	12/31/2020
Mrs. Paula Colbath	12/31/2022
Mr. Ralph DiMeglio	12/31/2020
Mrs. Holly Morell	12/31/2021
Mrs. Kristen Richter	12/31/2021
Mr. Michael Rubino	12/31/2022
Mrs. Lauran Tuck	12/31/2020

Other Officials

Mr. Kenneth Rota, Superintendent of Schools

Ms. Diane Collazo-Baker, Assistant Superintendent of Schools

Ms. Haquisha Q. Taylor, School Business Administrator/Board Secretary

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, 2020, 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.

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

PKF O'Connor Davies, LLP is a member firm of the PKF International Limited network of legally independent firms and does not accept any responsibility or liability for the actions or inactions on the part of any other individual member firm or firms.

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

Page 2

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 above 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, 2020, 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 January 26, 2021 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 solely 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*

January 26, 2021  
Cranford, New Jersey

*David J. Gannon*

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, 2020

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, 2020. 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 (2019-2020) and the prior fiscal year (2018-2019) 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 - 75 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 80 - 110 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, 2020 and 2019:

Fort Lee Public Schools Fort Lee, New Jersey Net Position						
	June 30, 2020			June 30, 2019		
	Governmental Activities	Business Type- Activities	Total	Governmental Activities	Business Type- Activities	Total
<b>Assets</b>						
Current and other assets	\$ 19,633,989	\$ 376,737	\$ 20,010,726	\$ 19,689,034	\$ 309,485	\$ 19,998,519
Capital assets, net	89,480,845	100,521	89,581,366	85,132,611	119,290	85,251,901
<b>Total assets</b>	<b>109,114,834</b>	<b>477,258</b>	<b>109,592,092</b>	<b>104,821,645</b>	<b>428,775</b>	<b>105,250,420</b>
Deferred outflows	3,082,077		3,082,077	4,702,659		4,702,659
<b>Liabilities</b>						
Current liabilities	6,286,270	82,745	6,369,015	4,915,966	37,396	4,953,362
Net pension liability	12,650,416		12,650,416	14,219,883		14,219,883
Long Term Liabilities	63,853,053		63,853,053	66,309,699		66,309,699
<b>Total liabilities</b>	<b>82,789,739</b>	<b>82,745</b>	<b>82,872,484</b>	<b>85,445,548</b>	<b>37,396</b>	<b>85,482,944</b>
Deferred inflows	5,631,835		5,631,835	5,689,404		5,689,404
<b>Net position</b>						
Net investment in capital assets	30,046,236	100,521	30,146,757	28,048,044	119,290	28,167,334
Restricted	12,488,992		12,488,992	8,983,541		8,983,541
Unrestricted (deficit)	(18,759,891)	293,992	(18,465,899)	(18,642,233)	272,089	(18,370,144)
<b>Total net position</b>	<b>\$ 23,775,337</b>	<b>\$ 394,513</b>	<b>\$ 24,169,850</b>	<b>\$ 18,389,352</b>	<b>\$ 391,379</b>	<b>\$ 18,780,731</b>

Key financial highlights for the 2019-2020 fiscal year include the following:

- Governmental net position increased \$5,385,985 resulting from an increase in the local tax levy and as a result of additional state aid and continued fiscal constraint and control over expenditures.
- Consistent with the prior year, the State withheld the school district's fiscal 2019-2020 last two state aid payments until July 2020.

The District's cash balances decreased significantly during the 2020 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 2020 from the prior year resulted from changes in assumptions calculated by the actuary in conjunction with the net pension liability calculation for the actuarial valuation date of June 30, 2018, which was rolled forward to June 30, 2019. The net pension liability associated with the District's governmental activities at June 30, 2020 amounted to \$12,650,416, which decreased in the amount of \$1,569,467 resulting from changes in the net pension liability calculation. Long-term liabilities decreased by principal payments made in the amount of \$2,230,000 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, 2020 and 2019 are as follows:

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

	Year ended June 30,					
	2020			2019		
	Governmental Activities	Business Type- Activities	Total	Governmental Activities	Business Type- Activities	Total
<b>Revenues:</b>						
Program revenues:						
Charges for services	\$ 182,684	\$ 906,116	\$ 1,088,800	\$ 79,028	\$ 1,323,740	\$ 1,402,768
Operating grants and contributions	1,294,288	346,289	1,640,577	1,774,484	446,001	2,220,485
General revenues:						
Property taxes	69,783,083		69,783,083	66,928,534		66,928,534
State and federal aid not restricted to a specific purpose	19,684,293		19,684,293	21,634,355		21,634,355
Investment Income	108,159		108,159	536,989		536,989
Miscellaneous	616,063		616,063	454,513		454,513
Total revenue	<u>91,668,570</u>	<u>1,252,405</u>	<u>92,920,975</u>	<u>91,407,903</u>	<u>1,769,741</u>	<u>93,177,644</u>
<b>Expenses:</b>						
Instructional services	52,338,054		52,338,054	53,039,188		53,039,188
Support services	32,012,216		32,012,216	31,090,154		31,090,154
Interest on long term debt	1,877,315		1,877,315	1,958,373		1,958,373
Business Type Activities		1,304,271	1,304,271		1,591,821	1,591,821
Total expenses	<u>86,227,585</u>	<u>1,304,271</u>	<u>87,531,856</u>	<u>86,087,715</u>	<u>1,591,821</u>	<u>87,679,536</u>
Increase in net position before transfers	<u>5,440,985</u>	<u>(51,866)</u>	<u>5,389,119</u>	<u>5,320,188</u>	<u>177,920</u>	<u>5,498,108</u>
Transfers	(55,000)	55,000	-	170,081	(170,081)	-
Change in net position	<u>5,385,985</u>	<u>3,134</u>	<u>5,389,119</u>	<u>5,490,269</u>	<u>7,839</u>	<u>5,498,108</u>
Net position—beginning	18,389,352	391,379	18,780,731	12,899,083	383,540	13,282,623
Net position—ending	<u>\$ 23,775,337</u>	<u>\$ 394,513</u>	<u>\$ 24,169,850</u>	<u>\$ 18,389,352</u>	<u>\$ 391,379</u>	<u>\$ 18,780,731</u>

Property tax revenue increased \$2,854,549 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 \$19.7 million in state aid. These amounts also are included in the expenses of the school district. Total expenses were relatively level from 2019.

The decrease in business type revenues and expense are the result of the District transitioning to a fully remote learning model due to the COVID-19 pandemic.

**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 \$14,597,842 fund balance in the General Fund, \$9,477,505 is restricted in the capital reserve account, \$600,000 is restricted in the emergency reserve account, \$1,500,000 is restricted in the maintenance reserve account, \$911,487 is restricted as excess surplus – prior year, \$513 is assigned by the board of education for subsequent years' expenditures, \$286,085 of encumbrances is assigned to other purposes, and \$1,822,252 is unassigned. Fund balance in the General Fund increased by \$3,876,572 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 \$503,288.

## 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 \$4,986,639 in the current fiscal year compared to expenditures of \$11,582,319 in the prior year. Total fund balance was \$3,156,456 and \$8,143,095 as of June 30, 2020 and 2019, 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 \$3. 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, 2020, and the increases (decreases) in relation to the prior year:

<u>Revenue</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase (Decrease) from 2019</u>	<u>Percent of Increase (Decrease)</u>
Local sources	\$ 70,591,750	81.43%	\$ 3,100,974	4.59%
State sources	14,891,674	17.18%	230,898	1.57%
Federal sources	1,208,398	1.39%	(436,069)	-26.52%
Total	<u>\$ 86,691,822</u>	<u>100.00%</u>	<u>\$ 2,895,803</u>	<u>3.46%</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 decrease in federal sources is the result of a decrease 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, 2020 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 2019</u>	<u>Percent of Increase (Decrease)</u>
Current expenditures:				
Instruction	\$ 29,061,523	35.01%	\$ 195,906	0.68%
Support services	48,061,462	57.89%	1,598,696	3.44%
Debt service:				
Principal	2,230,000	2.69%	55,000	2.53%
Interest and other charges	2,025,112	2.44%	(74,276)	-3.54%
Capital outlay	1,638,657	1.97%	987,349	151.59%
Total	<u>\$ 83,016,754</u>	<u>100.00%</u>	<u>\$ 2,762,675</u>	<u>3.44%</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 3.44%.

**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, 2020, and the increases (decreases) in relation to the prior year:

<u>Revenue</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>(Decrease) from 2019</u>	<u>Percent of (Decrease)</u>
Local sources	\$ 906,116	72.35%	\$ (417,624)	-31.55%
State sources	15,669	1.25%	(307)	-1.92%
Federal sources	330,620	26.40%	(99,405)	-23.12%
Total	<u>\$ 1,252,405</u>	<u>100.00%</u>	<u>\$ (517,336)</u>	<u>-29.23%</u>

The decrease in local and federal sources is mainly attributable to a decrease in daily revenue in the food service program due to the District transitioning to a fully remote model due to the COVID-19 pandemic.

The following schedule presents a summary of the Enterprise fund operating expenses for the fiscal year ended June 30, 2020, and the increases and (decreases) in relation to the prior year:

<b>Expenditures</b>	<b>Amount</b>	<b>Percent of Total</b>	<b>(Decrease) Increase From 2019</b>	<b>Percent of (Decrease) Increase</b>
Cost of sales	\$ 408,077	31.29%	\$ (861)	-0.21%
Salaries/employee benefits	493,666	37.85%	(294,459)	-37.36%
Other purchased services	129,363	9.92%	43,548	50.75%
Food distribution program	73,261	5.62%	(8,294)	-10.17%
Supplies and materials	41,362	3.17%	(19,697)	-32.26%
Management fee	129,728	9.95%	(6,618)	-4.85%
Depreciation	18,769	1.44%	(8,548)	-31.29%
Miscellaneous	10,045	0.77%	7,379	276.78%
	<u>\$ 1,304,271</u>	<u>100.00%</u>	<u>\$ (287,550)</u>	<u>-18.06%</u>

The decrease in expenditures is a result of a decrease in the participation of the student body in the breakfast and lunch programs due to the COVID-19 pandemic.

#### Food Service Fund

Total revenues from local sources decreased from the prior year by \$417,624 or 31.55% as a result of a decrease in daily sales and special functions. Total operating expenses decreased from the prior year by \$287,550 or 18.06% as well.

The net position of the food service fund is comprised of investment in capital assets of \$100,521 and unrestricted net position of \$293,992.

### **Capital Assets and Debt Administration**

#### *Capital Assets*

At June 30, 2020, the District's governmental activities had capital assets of \$89,480,845 (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, 2020 and 2019:

	<b>June 30,</b>	
	<b>2020</b>	<b>2019</b>
Land	\$ 2,509,321	\$ 2,509,321
Construction in progress	44,927,430	41,361,106
Site improvements	1,574,444	1,678,789
Buildings and building improvements	39,360,678	38,690,721
Machinery and equipment	1,108,972	892,674
Total capital assets, net	<u>\$ 89,480,845</u>	<u>\$ 85,132,611</u>

### Debt Administration

During the 2020 fiscal year, the District had outstanding long-term liabilities of \$67,048,288 (excluding the net pension liability) of which \$3,195,235 was classified as the current portion.

At June 30, 2020 and 2019, the District's governmental activities long-term liabilities consisted of:

	June 30	
	2020	2019
Bonds payable	\$ 56,710,000	\$ 58,940,000
Unamortized premium on bonds	1,458,437	1,578,721
Capital leases payable	4,422,628	4,708,941
Compensated absences payable	4,457,223	4,131,634
Total long-term liabilities	<u>\$ 67,048,288</u>	<u>\$ 69,359,296</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 \$231,670 was mainly due to the District needing to send less students out of district than anticipated during budget development.
- Unallocated benefits - Health benefits - The final budget for unallocated benefits exceeded the actual expenditures by \$1,090,159 because of lower claims costs in the current 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, 2020.

## Fort Lee Public Schools

## Statement of Net Position

June 30, 2020

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>Assets</b>			
Cash and cash equivalents	\$ 5,527,291	\$ 243,194	\$ 5,770,485
Accounts receivable	2,545,303	58,444	2,603,747
Internal balances	(51,261)	51,261	
Other current assets	35,151		35,151
Inventories		23,838	23,838
Restricted:			
Cash and cash equivalents	11,577,505		11,577,505
Capital assets, non-depreciable	47,436,751		47,436,751
Capital assets, depreciable, net	42,044,094	100,521	42,144,615
Total assets	<u>109,114,834</u>	<u>477,258</u>	<u>109,592,092</u>
<b>Deferred Outflow Of Resources</b>			
Pension deferrals	<u>3,082,077</u>		<u>3,082,077</u>
<b>Liabilities</b>			
Accounts payable	2,552,073	7,360	2,559,433
Accrued interest payable	475,809		475,809
Intergovernmental payables - State	12,766		12,766
Unearned revenue	50,387	75,385	125,772
Net pension liability	12,650,416		12,650,416
Current portion of long-term obligations	3,195,235		3,195,235
Noncurrent portion of long-term obligations	63,853,053		63,853,053
Total liabilities	<u>82,789,739</u>	<u>82,745</u>	<u>82,872,484</u>
<b>Deferred Inflow Of Resources</b>			
Pension deferrals	<u>5,631,835</u>		<u>5,631,835</u>
	5,631,835		5,631,835
<b>Net Position</b>			
Net investment in capital assets	30,046,236	100,521	30,146,757
Restricted for:			
Excess surplus - prior year	911,487		911,487
Capital reserve	9,477,505		9,477,505
Emergency reserve	600,000		600,000
Maintenance reserve	1,500,000		1,500,000
Unrestricted (deficit)	(18,759,891)	293,992	(18,465,899)
Total net position	<u>\$ 23,775,337</u>	<u>\$ 394,513</u>	<u>\$ 24,169,850</u>

See accompanying notes to the basic financial statements.

Fort Lee Public Schools  
Statement of Activities  
Year ended June 30, 2020

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	
<b>Governmental activities</b>						
Instruction	\$ 52,338,054	\$ 182,684	\$ 811,563	\$ (51,343,807)		\$ (51,343,807)
Support services:						
Attendance/social work	497,494			(497,494)		(497,494)
Health services	1,015,659			(1,015,659)		(1,015,659)
Other support services	11,063,855		482,725	(10,581,130)		(10,581,130)
Improvement of instruction	766,882			(766,882)		(766,882)
Other support: instructional staff	21,318			(21,318)		(21,318)
School library	989,670			(989,670)		(989,670)
General administration	1,583,742			(1,583,742)		(1,583,742)
School administration	4,490,894			(4,490,894)		(4,490,894)
Central services	1,411,080			(1,411,080)		(1,411,080)
Administrative information technology	481,226			(481,226)		(481,226)
Plant operation and maintenance	7,303,228			(7,303,228)		(7,303,228)
Student transportation	2,387,168			(2,387,168)		(2,387,168)
Interest on long-term debt	1,877,315			(1,877,315)		(1,877,315)
Total governmental activities	<u>86,227,585</u>	<u>182,684</u>	<u>1,294,288</u>	<u>(84,750,613)</u>		<u>(84,750,613)</u>
<b>Business-type activities</b>						
Food Service	1,304,271	906,116	346,289		\$ (51,866)	(51,866)
Total business-type activities	<u>1,304,271</u>	<u>906,116</u>	<u>346,289</u>		<u>(51,866)</u>	<u>(51,866)</u>
Total primary government	<u>\$ 87,531,856</u>	<u>\$ 1,088,800</u>	<u>\$ 1,640,577</u>	<u>(84,750,613)</u>	<u>(51,866)</u>	<u>(84,802,479)</u>
<b>General revenues:</b>						
Taxes:						
Property taxes, levied for general purposes				66,085,732		66,085,732
Property taxes, levied for debt service				3,697,351		3,697,351
State and federal sources - unrestricted				19,684,293		19,684,293
Investment income				108,159		108,159
Miscellaneous				616,063		616,063
Transfers				(55,000)	55,000	-
Total general revenues				<u>90,136,598</u>	<u>55,000</u>	<u>90,191,598</u>
				5,385,985	3,134	5,389,119
Net Position - beginning				18,389,352	391,379	18,780,731
Net Position - ending				<u>\$ 23,775,337</u>	<u>\$ 394,513</u>	<u>\$ 24,169,850</u>

See accompanying notes to the basic financial statements.

## **Fund Financial Statements**

## **Governmental Funds**

Fort Lee Public Schools  
Governmental Funds

Balance Sheet

June 30, 2020

	Major Funds				Total Governmental Funds
	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	
<b>Assets</b>					
Cash and cash equivalents	\$ 2,232,256		\$ 3,295,033	\$ 2	\$ 5,527,291
Investments					-
Accounts receivable:					
State	1,540,373				1,540,373
Federal		\$ 511,877			511,877
Other	491,230			1	491,231
Interfund	478,327				478,327
Other current assets	35,151				35,151
Restricted assets:					
Cash and cash equivalents	11,577,505				11,577,505
Total assets	<u>\$ 16,354,842</u>	<u>\$ 511,877</u>	<u>\$ 3,295,033</u>	<u>\$ 3</u>	<u>\$ 20,161,755</u>
<b>Liabilities and Fund Balances</b>					
Liabilities:					
Accounts payable	\$ 1,654,289	\$ 131,828	\$ 30,418		\$ 1,816,535
Intergovernmental payables:					
State	146	12,620			12,766
Interfunds payable	55,000	364,607	108,159		527,766
Unearned revenue	47,565	2,822			50,387
Total liabilities	<u>1,757,000</u>	<u>511,877</u>	<u>138,577</u>		<u>2,407,454</u>
Fund balances:					
Restricted for:					
Excess surplus-prior year	911,487				911,487
Capital reserve	9,477,505				9,477,505
Emergency reserve	600,000				600,000
Maintenance reserve	1,500,000				1,500,000
Capital projects			3,156,456		3,156,456
Debt service				\$ 3	3
Assigned to:					
Other purposes	286,085				286,085
Designated for subsequent year's expenditures	513				513
Unassigned	1,822,252				1,822,252
Total fund balances	<u>14,597,842</u>	<u>-</u>	<u>3,156,456</u>	<u>3</u>	<u>17,754,301</u>
Total liabilities and fund balances	<u>\$ 16,354,842</u>	<u>\$ 511,877</u>	<u>\$ 3,295,033</u>	<u>\$ 3</u>	<u>\$ 20,161,755</u>

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 \$125,785,032 and the accumulated depreciation is \$36,304,187.	89,480,845
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.	(475,809)
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.	(67,048,288)
Deferred pension costs in governmental activities are not financial resources and are therefore not reported in the funds.	(2,549,758)
Accrued pension contributions for the June 30, 2020 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.	(735,538)
Net pension liability is not due and payable in the current period and therefore is not reported as a liability in the funds.	<u>(12,650,416)</u>
Net position of governmental activities	<u>\$ 23,775,337</u>

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, 2020

	Major Funds				Total Governmental Funds
	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	
<b>Revenues</b>					
Local sources:					
Local tax levy	\$ 66,085,732			\$ 3,697,351	\$ 69,783,083
Revenues in lieu of taxes	471,000				471,000
Tuition	182,684				182,684
Rents and Royalties	61,386				61,386
Investment Income			\$ 108,159		108,159
Miscellaneous	83,677	\$ 9,920			93,597
Total local sources	66,884,479	9,920	108,159	3,697,351	70,699,909
State sources	14,363,189	119,069		409,416	14,891,674
Federal sources	43,099	1,165,299			1,208,398
Total revenues	81,290,767	1,294,288	108,159	4,106,767	86,799,981
<b>Expenditures</b>					
Current:					
Instruction	28,249,960	811,563			29,061,523
Undistributed-current:					
Instruction	4,043,017				4,043,017
Attendance/social work	313,267				313,267
Health services	641,337				641,337
Other support services	6,818,097	482,725			7,300,822
Improvement of instruction	467,181				467,181
Education media library	622,825				622,825
Other support: instructional staff	19,880				19,880
General administration	1,182,906				1,182,906
School administration	2,749,786				2,749,786
Central services	901,580				901,580
Administrative information technology	318,018				318,018
Required maintenance of plant services	732,368				732,368
Operation of plant	5,357,651				5,357,651
Student transportation	2,006,964				2,006,964
Unallocated benefits	11,496,537				11,496,537
On-behalf TPAF social security and pension contributions	9,907,323				9,907,323
Capital outlay	1,638,657		4,986,639		6,625,296
Debt Service:					
Principal				2,230,000	2,230,000
Interest				2,025,112	2,025,112
Total expenditures	77,467,354	1,294,288	4,986,639	4,255,112	88,003,393
Excess (deficiency) of revenues over (under) expenditures	3,823,413	-	(4,878,480)	(148,345)	(1,203,412)
Other financing sources (uses)					
Transfers in	108,159				108,159
Transfers out	(55,000)		(108,159)		(163,159)
Total other financing sources (uses)	53,159	-	(108,159)	-	(55,000)
Net change in fund balances	3,876,572	-	(4,986,639)	(148,345)	(1,258,412)
Fund balances, July 1	10,721,270		8,143,095	148,348	19,012,713
Fund balances, June 30	\$ 14,597,842	\$ -	\$ 3,156,456	\$ 3	\$ 17,754,301

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

See accompanying notes to the basic financial statements.



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, 2020

Total net change in fund balances - governmental funds (from B-2)		\$ (1,258,412)
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	\$ (2,259,528)	
Capital additions	<u>6,607,762</u>	4,348,234
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	2,230,000	
Capital lease payment	<u>286,313</u>	2,516,313
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		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.		
		27,515
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).		
		(325,589)
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		<u>(42,360)</u>
Change in net position of governmental activities (A-2)		<u>\$ 5,385,985</u>

See accompanying notes to the basic financial statements.

## **Proprietary Funds**

Fort Lee Public Schools  
Proprietary Fund

Statement of Net Position

June 30, 2020

	Major Enterprise Funds
	Food Service
<b>Assets</b>	
Current assets:	
Cash and cash equivalents	\$ 243,194
Accounts receivable:	
State	4,486
Federal	23,038
Other	30,920
Interfund	55,000
Inventories	23,838
Total current assets	380,476
Capital assets:	
Equipment	569,092
Accumulated depreciation	(468,571)
Total capital assets, net	100,521
Total assets	480,997
<b>Liabilities</b>	
Current liabilities:	
Accounts payable	7,360
Interfund payable	3,739
Unearned revenue	75,385
Total current liabilities	86,484
<b>Net Position</b>	
Investment in capital assets	100,521
Unrestricted	293,992
Total net position	\$ 394,513

*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, 2020

	Major Enterprise Funds
	Food Service
Operating revenues:	
Local sources:	
Daily food sales-reimbursable programs	\$ 531,008
Daily food sales non-reimbursable programs	296,501
Special functions	78,607
Total operating revenues	906,116
Operating expenses:	
Salaries	403,654
Employee benefits	90,012
Other purchased services	129,363
Supplies and materials	41,362
Cost of sales - program	305,724
Cost of sales - nonprogram	102,353
Food distribution program	73,261
Management fee	129,728
Depreciation	18,769
Miscellaneous	10,045
Total operating expenses	1,304,271
Operating (loss)	(398,155)
Nonoperating revenues:	
State sources:	
State school lunch program	15,669
Federal sources:	
School breakfast program	13,221
National school lunch program	228,336
PB lunch - HHFKA	15,802
Food donation program	73,261
Total nonoperating revenues	346,289
Other financing sources	
Transfers in	55,000
Total other financing sources	55,000
Change in net position after transfers	3,134
Total net position-beginning	391,379
Total net position-ending	\$ 394,513

*See accompanying notes to the basic financial statements.*

Fort Lee Public Schools  
Proprietary Fund

Statement of Cash Flows  
Year ended June 30, 2020

		Major Fund Enterprise Fund <u>Food Service</u>
<b>Cash flows from operating activities</b>		
Receipts from customers	\$	923,981
Payments to employees		(403,654)
Payments for employee benefits		(90,012)
Payments to suppliers		(791,741)
Receipt (payments) of interfund		1,037
Net cash (used in) operating activities		(360,389)
 <b>Cash flows from noncapital financing activities</b>		
Cash received from state and federal reimbursements		399,863
Net cash provided by noncapital financing activities		399,863
 Net increase in cash and cash equivalents		 39,474
Cash and cash equivalents, beginning of year		203,720
Cash and cash equivalents, end of year	\$	243,194
 <b>Reconciliation of operating (loss) to net cash (used in) operating activities:</b>		
Operating (loss)	\$	(398,155)
Adjustments to reconcile operating (loss) to net cash (used in) operating activities:		
Depreciation		18,769
Change in assets and liabilities:		
(Increase) in other receivable		(8,390)
(Increase) in inventories		(7,265)
Increase in accounts payable		7,360
Increase in interfunds payable		1,037
Increase in unearned revenue		26,255
Net cash (used in) operating activities	\$	(360,389)

**Noncash noncapital financing activities:**

The District received \$79,128 of food commodities from the U.S. Department of Agriculture for the year ended June 30, 2020.

## **Fiduciary Funds**

Fort Lee Public Schools  
Fiduciary Funds

Statement of Fiduciary Net Position

Year Ended June 30, 2020

	<u>Private-Purpose Scholarship Funds</u>	<u>Unemployment Compensation Trust</u>	<u>Agency Funds</u>
<b>Assets</b>			
Cash and cash equivalents	\$ 30,555	\$ 261,956	\$ 568,707
Interfund receivables		17,721	
Accounts receivable		34,821	
Total assets	<u>30,555</u>	<u>314,498</u>	<u>\$ 568,707</u>
<b>Liabilities</b>			
Payroll deductions payable			\$ 426,395
Accounts payable		63,180	
Interfunds payable			19,543
Due to student groups			122,769
Total liabilities		<u>63,180</u>	<u>\$ 568,707</u>
<b>Net position</b>			
Held in trust for unemployment claims		<u>\$ 251,318</u>	
Held in trust for scholarships	<u>\$ 30,555</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, 2020

	<b>Private-Purpose Scholarship Funds</b>	<b>Unemployment Compensation Trust</b>
	<u>                    </u>	<u>                    </u>
<b>Additions</b>		
Contributions:		
Employee		\$ 61,412
CARES Act Federal Contribution		34,821
Other	\$ 8,669	
Total additions	<u>8,669</u>	<u>96,233</u>
<b>Deductions</b>		
Unemployment claims paid		114,139
Scholarship payments	12,250	
Total deductions	<u>12,250</u>	<u>114,139</u>
Change in net position	(3,581)	(17,906)
Net position-beginning of the year	34,136	269,224
Net position-end of the year	<u>\$ 30,555</u>	<u>\$ 251,318</u>

*See accompanying notes to the basic financial statements.*



# Fort Lee Public Schools

## Notes to the Basic Financial Statements

Year ended June 30, 2020

### 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, 2020

#### **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, 2020

**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, 2020

**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.

Fort Lee Public Schools

Notes to the Basic Financial Statements

Year ended June 30, 2020

**1. Summary of Significant Accounting Policies (continued)**

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

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 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

Fort Lee Public Schools

Notes to the Basic Financial Statements

Year ended June 30, 2020

**1. Summary of Significant Accounting Policies (continued)**

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

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.

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

Fort Lee Public Schools

Notes to the Basic Financial Statements

Year ended June 30, 2020

**1. Summary of Significant Accounting Policies (continued)**

**D. Budgets/Budgetary Control (continued)**

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 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, 2020, the District had inventories in the Food Service Enterprise Fund of \$23,838.

**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 2019-20 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

Fort Lee Public Schools

Notes to the Basic Financial Statements

Year ended June 30, 2020

**1. Summary of Significant Accounting Policies (continued)**

**H. Capital Assets (continued)**

years. Such assets are recorded at historical cost or estimated historical cost through estimation procedures performed by an independent appraisal company.

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

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, 2020, a liability existed for compensated absences in the government-wide financial statements in the amount of \$4,457,223 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, 2020

**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. 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, 2020

**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, 2020

**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 \$14,597,842 of fund balance in the General Fund, \$286,085 are encumbrances which are classified assigned to other purposes, \$9,477,505 has been restricted for the capital reserve, \$600,000 has been restricted for the emergency reserve, \$1,500,000 has been restricted for the maintenance reserve, \$911,487 has been restricted for excess surplus – prior year, \$513 has been assigned and designated for subsequent year's expenditures, and \$1,822,252 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, particularly given the significant social and economic disruptions and uncertainties associated with the ongoing COVID-19 ("Coronavirus") pandemic and the mitigation responses, and such differences may be material. See Note 11.

Fort Lee Public Schools

Notes to the Basic Financial Statements

Year ended June 30, 2020

**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's excess fund balance at June 30, 2020 was \$911,487. Of this amount, \$911,487 has been appropriated in 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, 2020

**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. During 2019-2020, the District received \$471,000 in PILOT payments.

**T. Recently Issued Accounting Pronouncements to be Implemented in Future Years**

The GASB issued Statement No. 84, *Fiduciary Activities* in January 2017. This Statement establishes standards of accounting and financial reporting for fiduciary activities. The requirements of this Statement are effective for periods beginning after December 15, 2018. Due to the COVID-19 pandemic, the effective date has been postponed by one year. Management has not determined the impact of the Statement on the financial statements.

The GASB issued Statement No. 87, *Leases* in June 2017. This Statement establishes standards of accounting and financial reporting for leases by lessees and lessors. The requirements of this Statement are effective for periods beginning after December 15, 2019. Due to the COVID-19 pandemic, the effective date has been postponed by eighteen months. Management has not determined the impact of the Statement on the financial statements.

**U. Subsequent Events**

Management has reviewed and evaluated all events and transactions that occurred between June 30, 2020 and January 26, 2021, the date that the financial statements were issued, for possible disclosure and recognition in the financial statements, and no items have come to the attention of the District that would require disclosure, except for the following:

The State of New Jersey made cuts of state aid to certain districts after school budgets had been finalized and after the new budget year began. School districts were given a number of options in how to amend its budget during the 2021 fiscal year in order to address the reduction of state aid. The District elected to appropriate unassigned fund balance in the amount of \$351,933 during the 2021 fiscal year in order to maintain the total appropriations that had been approved during the budget process.

Fort Lee Public Schools

Notes to the Basic Financial Statements

Year ended June 30, 2020

**1. Summary of Significant Accounting Policies (continued)**

**U. Subsequent Events (continued)**

On October 22, 2020 the District issued \$11,285,000 in Refunding School Bonds with interest rates ranging from 4.00% to 5.00%. The District issued the bonds to advance refund \$18,450,000 of the outstanding School Bonds dated August 16, 2012 with interest rates ranging from 4.00% to 5.00%. As a result, \$18,450,000 of the refunded bonds is considered defeased and the liability will be removed from the basic financial statements. This advance refunding was undertaken to reduce total debt service payments over the next twelve years by \$731,905 and resulted in a net present value savings of \$659,969.

**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 \$67,048,288 difference are as follows:

Bonds payable	\$ 56,710,000
Capital leases payable	4,422,628
Unamortized premium on bonds	1,458,437
Compensated absences	4,457,223
Net adjustment to reduce fund balance-total governmental funds to arrive at net position – governmental activities	<u>\$ 67,048,288</u>

## Fort Lee Public Schools

### Notes to the Basic Financial Statements

Year ended June 30, 2020

#### **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, 2020

**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, 2020, the District's carrying amount of deposits was \$14,333,476 and the bank balance was \$16,022,429. Of the bank balance, \$250,000 was secured by federal depository insurance and \$15,329,374 was covered by the New Jersey Governmental Unit Deposit Protection Act (GUDPA). \$443,055 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.

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.



Fort Lee Public Schools

Notes to the Basic Financial Statements

Year ended June 30, 2020

**3. Deposits and Investments (continued)**

**Deposits (continued)**

- 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, 2020, the District's bank and book balance in NJARM was \$5,042,649 and \$3,875,733, respectively. Of this amount, \$0 is classified as investments and \$3,875,733 is classified as cash equivalents.

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

**Investments**

*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, 2020

**4. Capital Assets**

	Beginning Balance	Increases	Transfers In/Out	Ending Balance
<b>Governmental activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 2,509,321			\$ 2,509,321
Construction in progress	41,361,106	\$ 4,986,639	\$ (1,420,315)	44,927,430
Total capital assets, not being depreciated	43,870,427	4,986,639	(1,420,315)	47,436,751
Capital assets, being depreciated:				
Site Improvements	3,506,256	20,000	26,068	3,552,324
Buildings and building improvements	67,598,745	1,306,529	1,394,247	70,299,521
Machinery, equipment and vehicles	4,201,842	294,594		4,496,436
Total capital assets being depreciated	75,306,843	1,621,123	1,420,315	78,348,281
Less accumulated depreciation for:				
Site Improvements	1,827,467	150,413		1,977,880
Buildings and building improvements	28,908,024	2,030,820		30,938,844
Machinery, equipment and vehicles	3,309,168	78,295		3,387,463
Total accumulated depreciation	34,044,659	2,259,528		36,304,187
Total capital assets, being depreciated, net	41,262,184	(638,405)		42,044,094
Governmental activities capital assets, net	<u>\$ 85,132,611</u>	<u>\$ 4,348,234</u>	<u>\$ -</u>	<u>\$ 89,480,845</u>

The following schedule is a summarization of the governmental activities changes in capital assets for the year ended June 30, 2020:

Depreciation expense was charged to functions/programs of the District for the year ended June 30, 2020 as follows:

Instruction	\$ 1,342,459
Attendance/social work	12,704
Health services	26,008
Other support services	296,064
Improvement of instruction	18,945
Education media library	25,257
Other support: Instruction staff	806
General administration	47,969
School administration	111,510
Central services	36,561
Administrative information technology	12,896
Plant operation and maintenance	246,963
Student transportation	81,386
Total depreciation expense - governmental activities	<u>\$ 2,259,528</u>

Fort Lee Public Schools

Notes to the Basic Financial Statements

Year ended June 30, 2020

**4. Capital Assets (continued)**

The following schedule is a summarization of business-type activities changes in capital assets for the year ended June 30, 2020:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Ending Balance</u>
<b>Business-type activities</b>			
Capital assets, being depreciated:			
Equipment	\$ 569,092		\$ 569,092
Less accumulated depreciation for:			
Equipment	449,802	\$ 18,769	468,571
Total business-type activities capital assets, net	<u>\$ 119,290</u>	<u>\$ (18,769)</u>	<u>\$ 100,521</u>

**5. Long-Term Liabilities**

During the year ended June 30, 2020, the following changes occurred in governmental activities long-term liabilities:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due within One Year</u>
<b>Governmental activities:</b>					
Compensated absences payable	\$ 4,131,634	\$ 557,729	\$ 232,140	\$ 4,457,223	\$ 446,000
Bonds payable	58,940,000		2,230,000	56,710,000	2,325,000
Unamortized premium on bonds	1,578,721		120,284	1,458,437	120,284
Capital lease payable	4,708,941		286,313	4,422,628	303,951
Subtotal	69,359,296	557,729	2,868,737	67,048,288	3,195,235
Net pension liability	14,219,883		1,569,467	12,650,416	
Governmental activity long-term liabilities	<u>\$ 83,579,179</u>	<u>\$ 557,729</u>	<u>\$ 4,438,204</u>	<u>\$ 79,698,704</u>	<u>\$ 3,195,235</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, 2020

**5. Long-Term Liabilities (continued)**

**Capital Lease Payable**

The District 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, 2020 were \$402,026. Future minimum lease payments are as follows:

	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
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	373,083	75,552	448,635
2026-2030	2,206,895	224,917	2,431,812
2031	540,816	10,295	551,111
	<u>\$ 4,422,628</u>	<u>\$ 697,403</u>	<u>\$ 5,120,031</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:

	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
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	2,690,000	1,566,788	4,256,788
2026-2030	14,975,000	6,353,520	21,328,520
2031-2035	13,560,000	3,763,225	17,323,225
2036-2040	12,895,000	1,639,663	14,534,663
2041	2,780,000	48,650	2,828,650
	<u>\$ 56,710,000</u>	<u>\$ 20,591,798</u>	<u>\$ 77,301,798</u>

## Fort Lee Public Schools

### Notes to the Basic Financial Statements

Year ended June 30, 2020

#### **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 2032 fiscal year at annual interest rates ranging from 4.00% 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.

Fort Lee Public Schools

Notes to the Basic Financial Statements

Year ended June 30, 2020

**6. Pension Plans (continued)**

**Teachers' Pension and Annuity Fund (continued)**

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 1/55<sup>th</sup> 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 1/60<sup>th</sup> 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.

**Public Employees' 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 1/55<sup>th</sup> 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 1/55<sup>th</sup> 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 1/60<sup>th</sup> 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.

Fort Lee Public Schools

Notes to the Basic Financial Statements

Year ended June 30, 2020

**6. Pension Plans (continued)**

**Public Employee's Retirement System (continued)**

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 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 were increased 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, 2020, the State of New Jersey contributed \$7,803,304 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 \$2,104,019 during the year ended June 30, 2020 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.

The Board's actuarially determined contributions to PERS for each of the years ended June 30, 2020, 2019 and 2018 were \$682,917, \$718,362, and \$685,623 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, 2020, the District reported a liability of \$12,650,416 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019,

Fort Lee Public Schools

Notes to the Basic Financial Statements

Year ended June 30, 2020

**6. Pension Plans (continued)**

and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation July 1, 2018, which was rolled forward to June 30, 2019. 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, 2019, the District's proportion was 0.0702079967 percent, which was a decrease of 0.0020126396 from its proportion measured as of June 30, 2018.

For the year ended June 30, 2020, the District recognized full accrual pension expense of \$764,868 in the government-wide financial statements. At June 30, 2020 and 2019, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<b>2020</b>	
	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 227,058	\$ 55,884
Changes of assumptions	1,263,190	4,390,919
Net difference between projected and actual earnings on pension plan investments		199,692
Changes in proportion and differences between District contributions and proportionate share of contributions	856,291	985,340
District contributions subsequent to the measurement date	735,538	
	<u>\$ 3,082,077</u>	<u>\$ 5,631,835</u>

The \$735,538 of deferred outflows of resources 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:

<b>Year ended June 30:</b>	
2021	\$ (373,133)
2022	(1,153,055)
2023	(1,060,312)
2024	(631,166)
2025	(67,630)
	<u>\$ (3,285,296)</u>



Fort Lee Public Schools

Notes to the Basic Financial Statements

Year ended June 30, 2020

**6. Pension Plans (continued)**

*Actuarial Assumptions*

The collective total pension liability for the June 30, 2019 measurement date was determined by an actuarial valuation as of July 1, 2018, which was rolled forward to June 30, 2019. This actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

**June 30, 2019**

Inflation rate	
Price	2.75%
Wage	3.25%
Salary increases:	
Through 2026	2.00 - 6.00%
	based on years of service
Thereafter	3.00 - 7.00%
	based on years of service
Investment rate of return	7.00%

*Mortality Rates*

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and a 101.4% adjustment for females, with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and a 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and a 117.2% adjustment for females, and with a future improvement from the base year of 2010 on a generational basis. Mortality improvements are based on Scale MP-2019.

The actuarial assumptions used in the July 1, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018. It is likely 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

Fort Lee Public Schools

Notes to the Basic Financial Statements

Year ended June 30, 2020

**6. Pension Plans (continued)**

lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

*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, 2019) 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, 2019 is summarized in the following table:

<b>2019</b>		
<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Real Rate of Return</b>
Risk Mitigation Strategies	3.00%	4.67%
Cash Equivalents	5.00%	2.00%
U.S. Treasuries	5.00%	2.68%
Investment Grade Credit	10.00%	4.25%
High Yield	2.00%	5.37%
Private Credit	6.00%	7.92%
Real Assets	2.50%	9.31%
Real Estate	7.50%	8.33%
U.S. Equity	28.00%	8.26%
Non-U.S. Developed Markets Equity	12.50%	9.00%
Emerging Markets Equity	6.50%	11.37%
Private Equity	12.00%	10.85%
	<u>100.00%</u>	

Fort Lee Public Schools

Notes to the Basic Financial Statements

Year ended June 30, 2020

**6. Pension Plans (continued)**

*Discount rate*

The discount rate used to measure the total pension liability was 6.28% as of June 30, 2019. 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 3.50% as of June 30, 2019 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 based on 70% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. 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 2057. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2057 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>2019</u>	<b>At 1% Decrease (5.28%)</b>	<b>At Current Discount Rate (6.28%)</b>	<b>At 1% Increase (7.28%)</b>
District's proportionate share of the net pension liability	\$ 15,979,531	\$ 12,650,416	\$ 9,845,165

Fort Lee Public Schools

Notes to the Basic Financial Statements

Year ended June 30, 2020

**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, 2019 are as follows:

Deferred outflows of resources	\$ 3,149,522,616
Deferred inflows of resources	\$ 7,645,087,574
Net pension liability	\$ 18,143,832,135
District's Proportion	0.0702079967%

Collective pension expense for the Local Group for the measurement period ended June 30, 2019 is \$974,471,686. The average of the expected remaining service lives of all plan members is 5.21, 5.63, 5.48, 5.57, 5.72 and 6.44 years for 2019, 2018, 2017, 2016, 2015 and 2014, 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.

The State's proportionate share of the TPAF net pension liability associated with the District as of June 30, 2019 was \$163,817,691. The District's proportionate share was \$0. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018, which was rolled forward to June 30, 2019. The State's proportionate share

Fort Lee Public Schools

Notes to the Basic Financial Statements

Year ended June 30, 2020

**6. Pension Plans (continued)**

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, 2019, the State's proportionate share of the TPAF net pension liability associated with the District was 0.2669303760 percent, which was an increase of 0.0025733203 from its proportion measured as of June 30, 2018.

For the year ended June 30, 2020, the District recognized on-behalf pension expense and revenue in the government wide financial statements of \$9,662,405 for contributions incurred by the State.

*Actuarial assumptions*

The total pension liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

**June 30, 2019**

Inflation rate:	
Price	2.75%
Wage	3.25%
Salary increases:	
Through 2026	1.55 - 4.45%
	based on years of service
Thereafter	2.75 - 5.65%
	based on years of service
Investment rate of return	7.00%

*Mortality Rates*

Pre-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Employee mortality table with a 93.9% adjustment for males and 85.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Healthy Retiree mortality table with a 114.7% adjustment for males and a 99.6% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability mortality rates were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 106.3% adjustment for males and 100.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2019.

Fort Lee Public Schools

Notes to the Basic Financial Statements

Year ended June 30, 2020

**6. Pension Plans (continued)**

The actuarial assumptions used in the July 1, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2018.

*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, 2019) 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, 2019 is summarized in the following table:

<b>2019</b>		
<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Real Rate of Return</b>
Risk Mitigation Strategies	3.00%	4.67%
Cash Equivalents	5.00%	2.00%
U.S. Treasuries	5.00%	2.68%
Investment Grade Credit	10.00%	4.25%
High Yield	2.00%	5.37%
Private Credit	6.00%	7.92%
Real Assets	2.50%	9.31%
Real Estate	7.50%	8.33%
US Equity	28.00%	8.26%
Non-U.S. Developed Markets Equity	12.50%	9.00%
Emerging Markets Equity	6.50%	11.37%
Private Equity	12.00%	10.85%
	<u>100.00%</u>	

Fort Lee Public Schools  
Notes to the Basic Financial Statements  
Year ended June 30, 2020

**6. Pension Plans (continued)**

*Discount Rate*

The discount rate used to measure the total pension liability was 5.60% as of June 30, 2019. 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 3.50% as of June 30, 2019 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 based on 70% of the actuarially determined contributions for the State. 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 2054. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2054 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

*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:

<b>2019</b>	<b>At 1% Decrease (4.60%)</b>	<b>At Current Discount Rate (5.60%)</b>	<b>At 1% Increase (6.60%)</b>
District's proportionate share of the net pension liability	\$ 193,177,316	\$ 163,817,691	\$ 139,458,473

*Pension plan fiduciary net position*

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

Fort Lee Public Schools  
Notes to the Basic Financial Statements  
Year ended June 30, 2020

**6. Pension Plans (continued)**

**Additional Information**

Collective balances at June 30, 2019 are as follows:

Deferred outflows of resources	\$ 10,129,162,237
Deferred inflows of resources	\$ 17,736,240,054
Net pension liability	\$ 61,519,112,443
State's proportionate share associated with the District	0.2669303760%

Collective pension expense for the plan for the measurement period ended June 30, 2019 is \$3,628,861,805. 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, 2019, 2018, 2017, 2016, 2015 and 2014 is 8.0, 8.3, 8.3, 8.3, 8.3 years and 8.5 years, respectively.

**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



Fort Lee Public Schools

Notes to the Basic Financial Statements

Year ended June 30, 2020

**7. Post-Retirement Benefits (continued)**

**Funding Policy (continued)**

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, 2020, 2019 and 2018 were \$2,110,208, \$2,431,183, and \$2,575,455, respectively, which equaled the regional contributions for each year.

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 \$41,729,081,045.

Fort Lee Public Schools

Notes to the Basic Financial Statements

Year ended June 30, 2020

**7. Post-Retirement Benefits (continued)**

The following members were covered by the benefit terms:

Local Education	June 30, 2019
Active Plan Members	216,892
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	148,051
Inactive Plan Members Entitled to but Not Yet Receiving Benefits	-
Total Plan Members	364,943

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, 2019 was \$89,366,419 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, 2019 was determined by an actuarial valuation as of June 30, 2018, which was rolled forward to June 30, 2019. 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%	
	<b>TPAF/ABP</b>	<b>PERS</b>
Salary increases:		
Through 2026	1.55 - 3.05%	2.00 - 6.00%
	based on years of service	based on age
Thereafter	1.55 - 3.05%	3.00 - 7.00%
	based on years of service	based on age

Fort Lee Public Schools

Notes to the Basic Financial Statements

Year ended June 30, 2020

**7. Post-Retirement Benefits (continued)**

Preretirement mortality rates were based on the Pub-2010 Health “Teachers” (TPAF/ABP) and, “General” (PERS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019. Postretirement mortality rates were based on the Pub-2010 “General” classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019.

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of actuarial experience studies for the periods July 1, 2015 – June 30, 2018 and, July 1, 2014 – June 30, 2018, for TPAF and PERS, respectively.

***Health Care Trend Assumptions***

For pre-Medicare preferred provider organization (PPO) medical benefits, this amount initially is 5.7% and decreases to a 4.5% long-term trend rate after eight years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rate for fiscal year 2002 are reflected. The assumed post-65 medical trend is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.5% and decreases to a 4.5% long-term trend rate after eight years. For Medicare Part B reimbursement, the trend rate is 5.0%.

***Discount Rate***

The discount rate for June 30, 2019 was 3.50%. This represents the municipal bond return rate as chosen by the Division. The source is 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, 2020

**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, 2018		\$ 97,373,159
Increased by:		
Service cost	\$ 3,962,688	
Interest cost	3,870,677	
Member contributions	<u>81,319</u>	
		<u>7,914,682</u>
		105,287,841
Decreased by:		
Diff. between expected and actual exp.	14,510,600	
Changes of assumptions	(1,332,461)	
Gross benefit payments	<u>2,743,283</u>	
		<u>15,921,422</u>
Balance at June 30, 2019		<u><u>\$ 89,366,419</u></u>

The State's proportionate share of deferred outflows and inflows of resources associated with the District at June 30, 2019 was \$4,498,728 and \$40,618,381, 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 (2.50%)	At Current Discount Rate (3.50%)	1% Increase (4.50%)
Net OPEB Liability (Allocable to the District and the responsibility of the State)	\$105,577,056	\$89,366,419	\$76,489,578

Fort Lee Public Schools

Notes to the Basic Financial Statements

Year ended June 30, 2020

**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)	\$73,633,946	\$89,366,419	\$110,192,983

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

For the year ended June 30, 2020, the District recognized on-behalf OPEB expense and revenue in the government-wide financial statements of \$3,004,566 for OPEB expenses incurred by the State.

Collective balances of the Education Group at June 30, 2019 are as follows:

Deferred outflows of resources	\$ 1,921,145,183
Deferred inflows of resources	\$ 20,887,639,826
Collective OPEB expense	\$ 1,015,664,874

**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

Fort Lee Public Schools

Notes to the Basic Financial Statements

Year ended June 30, 2020

**9. Interfund Receivables and Payables**

The total interfund receivables and payables for the District at June 30, 2020 are as follows:

Fund	2020	
	Interfund Receivable	Interfund Payable
General Fund	\$ 478,327	\$ 55,000
Special Revenue Fund		364,607
Capital Projects Fund		108,159
Food Service Enterprise Fund	55,000	3,739
Unemployment Compensation Trust Fund	17,721	
Payroll Agency Fund		17,721
Student Activity Fund		1,822
	\$ 551,048	\$ 551,048

As of June 30, 2020, the Special Revenue Fund owes the General Fund for cash disbursed on its behalf before it was submitted for reimbursement to the State of New Jersey. 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 General Fund owes the Food Service Fund for the funding of the operating deficit. 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. All interfunds are expected to be liquidated during the next fiscal year.

**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.

**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

Fort Lee Public Schools

Notes to the Basic Financial Statements

Year ended June 30, 2020

**11. Contingent Liabilities (continued)**

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.

COVID-19, a respiratory disease caused by a new strain of coronavirus, has been characterized as a pandemic (the "*Pandemic*") by the World Health Organization and is currently affecting many parts of the world, including the United States and the State of New Jersey. On January 31, 2020, the Secretary of the United States Department of Health and Human Services declared a public health emergency for the United States and, on March 13, 2020, the President of the United States declared the outbreak of COVID-19 in the United States a national emergency. Subsequently, the President's Coronavirus Guidelines for America and the United States Centers for Disease Control and Prevention called upon Americans to take actions to slow the spread of COVID-19 in the United States.

In New Jersey, Governor Murphy declared a state of emergency on March 9, 2020, and has since issued multiple Executive Orders regarding the Pandemic. The District expects ongoing actions will be taken by State, federal and local governments and private entities to mitigate the spread and impacts of the Pandemic. The Pandemic has negatively affected travel, commerce and financial markets globally, and is widely expected to continue negatively affecting economic growth and financial markets worldwide.

The District cannot reasonably predict how long the Pandemic in New Jersey is expected to last, how the outbreak may impact the financial condition or operations of the District, any unexpected deferrals of tax payments, and/or state or federal aid to the District or the costs associated with this or any other potential infectious disease outbreak, including whether there will be any reduction in State funding or an increase in operational costs of the District.

Fort Lee Public Schools

Notes to the Basic Financial Statements

Year ended June 30, 2020

**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.

**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**

The following presents a reconciliation of transfers during the 2020 fiscal year:

Fund	2020	
	In	Out
General Fund	\$ 108,159	\$ 55,000
Capital Projects Fund		108,159
Food Service Fund	55,000	
	<u>\$ 163,159</u>	<u>\$ 163,159</u>



Fort Lee Public Schools

Notes to the Basic Financial Statements

Year ended June 30, 2020

**15. Transfers (continued)**

During the 2020 fiscal year, the transfer from the capital projects fund to the general fund represents the transfer of interest earned. The transfer from the general fund to the food service fund was for the funding of the operating deficit.

**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.

The activity of the capital reserve for the July 1, 2019 to June 30, 2020 fiscal year is as follows:

Beginning balance, July 1, 2019	\$ 7,322,054
Withdrawal:	
Budgeted Withdrawal	1,459,033
Deposits:	
Approved by June 2020 Resolution	3,566,384
Unspent Funds	15,602
Interest Earned	32,498
Ending balance, June 30, 2020	<u>\$ 9,477,505</u>

The June 30, 2020 LRFP balance of local support costs of uncompleted capital projects exceeded the amount in the capital reserve. The District utilized \$1,820,000 of its capital reserve account in its 2020-21 budget.

Fort Lee Public Schools

Notes to the Basic Financial Statements

Year ended June 30, 2020

**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.

The activity of the emergency reserve for the July 1, 2019 to June 30, 2020 fiscal year is as follows:

Beginning balance, July 1, 2019	\$ 250,000
Deposits:	
Approved by June 2020 resolution	<u>350,000</u>
Ending balance, June 30, 2020	<u>\$ 600,000</u>

**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, 2019 to June 30, 2020 fiscal year is as follows:

Beginning balance, July 1, 2019	\$ 500,000
Deposits:	
Approved by June 2020 resolution	<u>1,000,000</u>
Ending balance, June 30, 2020	<u>\$ 1,500,000</u>

Fort Lee Public Schools

Notes to the Basic Financial Statements

Year ended June 30, 2020

**19. Commitments**

The District has contractual commitments at June 30, 2020 to various vendors, which are recorded in the general fund as fund balance assigned to other purposes in the amount of \$286,085. In addition, the District has \$424,361 of contractual commitments at June 30, 2020, 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 and OPEB Schedules**

Fort Lee Public Schools  
 Required Supplementary Information  
 Schedule of the District's Proportionate Share of the Net Pension Liability  
 Public Employees' Retirement System

Last Ten Fiscal Years\*

	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
District's proportion of the net pension liability (asset) - Local Group	0.0702079967%	0.0722206363%	0.0740099344%	0.0664154082%	0.0723106900%	0.0734123712%	0.0652200824%
District's proportionate share of the net pension liability (asset)	\$ 12,650,416	\$ 14,219,883	\$ 17,228,330	\$ 19,670,339	\$ 16,232,301	\$ 13,744,804	\$ 12,464,854
District's covered-employee payroll	\$ 4,877,243	\$ 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	259.38%	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	56.27%	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 5.66% as of June 30, 2018 to 6.28% as of June 30, 2019.

Fort Lee Public Schools  
 Required Supplementary Information  
 Schedule of District Contributions  
 Public Employees' Retirement System

Last Ten Fiscal Years\*

	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 682,917	\$ 718,362	\$ 685,623	\$ 590,025	\$ 621,678	\$ 611,780	\$ 539,873
Contributions in relation to the contractually required contribution	(682,917)	(718,362)	(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>	<u>\$ -</u>
District's covered-employee payroll	\$ 5,083,574	\$ 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	13.43%	14.73%	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  
 Required Supplementary Information  
 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\*

	2020	2019	2018	2017	2016	2015	2014
State's proportion of the net pension liability (asset) associated with the District - Local Group	0.2669303760%	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	163,817,691	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>\$ 163,817,691</u>	<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	26.95%	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 4.86% as of June 30, 2018 to 5.60% as of June 30, 2019.

Fort Lee Public Schools  
 Required Supplementary Information  
 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, 2020	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%	0.21%
District's proportionate share of the OPEB liability	\$ -	\$ -	\$ -
State's proportionate share of the OPEB liability associated with the District	\$ 89,366,419	\$ 97,373,159	\$ 110,156,193
Total proportionate share of the OPEB liability associated with the District	<u>\$ 89,366,419</u>	<u>\$ 97,373,159</u>	<u>\$ 110,156,193</u>
Balance at June 30 (beginning)	\$ 97,373,159	\$ 110,156,193	\$ 118,561,227
Increased by:			
Service cost	3,962,686	4,370,142	5,280,118
Interest cost	3,870,677	4,055,443	3,494,705
Member contributions	81,319	89,989	93,951
	<u>105,287,841</u>	<u>118,671,767</u>	<u>127,430,001</u>
Decreased by:			
Difference between expected and actual experience	14,510,600	7,520,827	
Changes of assumptions	(1,332,461)	11,174,057	14,722,357
Gross benefit payments	2,743,283	2,603,724	2,551,451
	<u>\$ 89,366,419</u>	<u>\$ 97,373,159</u>	<u>\$ 110,156,193</u>
Balance at June 30 (ending)	\$ 89,366,419	\$ 97,373,159	\$ 110,156,193
Covered by employee payroll	\$ 34,827,633	\$ 34,047,988	\$ 32,762,448
Total OPEB liability as a percentage of covered employee payroll	256.60%	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 3.87% as of June 30, 2018 to 3.50% as of June 30, 2019.



**Required Supplementary Information – Part III**

**Budgetary Comparison Schedules**

Fort Lee Public Schools  
General Fund  
Budgetary Comparison Schedule  
(Budgetary Basis)  
Year ended June 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>Revenues</b>					
Local sources:					
Local tax levy	\$ 66,085,732		\$ 66,085,732	\$ 66,085,732	
Revenue in lieu of taxes	471,000		471,000	471,000	
Tuition from Individuals	103,800		103,800	182,684	\$ 78,884
Rents and royalties	61,000		61,000	61,386	386
Miscellaneous	93,775		93,775	83,677	(10,098)
<b>Total revenues - local sources</b>	<b>66,815,307</b>		<b>66,815,307</b>	<b>66,884,479</b>	<b>69,172</b>
State sources:					
Categorical Special Education aid	2,240,880		2,240,880	2,240,880	
Categorical Transportation aid	685,744		685,744	685,744	
Extraordinary aid	785,000		785,000	1,437,714	652,714
Cateqorical Security aid	105,243		105,243	105,243	
TPAF pension contributions (non-budgeted)				5,688,174	5,688,174
TPAF post-retirement medical contributions (non-budgeted)				2,110,208	2,110,208
TPAF long-term disability insurance contributions (non-budgeted)				4,922	4,922
Reimbursed TPAF social security contributions (non-budgeted)				2,104,019	2,104,019
<b>Total revenues - State sources</b>	<b>3,816,867</b>		<b>3,816,867</b>	<b>14,376,904</b>	<b>10,560,037</b>
Federal sources:					
Medical reimbursement	74,718		74,718	43,099	(31,619)
<b>Total Federal sources</b>	<b>74,718</b>		<b>74,718</b>	<b>43,099</b>	<b>(31,619)</b>
<b>Total revenues</b>	<b>70,706,892</b>		<b>70,706,892</b>	<b>81,304,482</b>	<b>10,597,590</b>
<b>Expenditures</b>					
Current expenditures:					
Instruction - regular programs:					
Salaries of teachers:					
Preschool/kindergarten	1,446,434	\$ (148,426)	1,298,008	1,298,008	
Grades 1-5	6,865,897	308,219	7,174,116	7,174,116	
Grades 6-8	4,601,929	(110,702)	4,491,227	4,491,033	194
Grades 9-12	5,348,250	(113,241)	5,235,009	5,235,009	
Home instruction - regular programs:					
Salaries of teachers	106,500	88,397	194,897	194,897	
Purchased professional-educational services	10,000	(531)	9,469	9,469	
Undistributed instruction - regular programs:					
Salaries of teachers	139,830	36,006	175,836	175,836	
Purchased professional-educational services	10,500	(4,500)	6,000	5,398	602
Purchased technical services	53,000	(20,480)	32,520	31,556	964
Purchased property services	83,430	(1,780)	81,650	69,225	12,425
Rentals	77,683	15,749	93,432	81,313	12,119
General supplies	1,026,429	42,840	1,069,269	971,920	97,349
Textbooks	58,520	(40,408)	18,112	12,788	5,324
Other objects	21,100	(4,634)	16,466	15,861	605
<b>Total instruction - regular programs</b>	<b>19,849,502</b>	<b>46,509</b>	<b>19,896,011</b>	<b>19,766,429</b>	<b>129,582</b>

Fort Lee Public Schools  
General Fund

Budgetary Comparison Schedule  
(Budgetary Basis)

Year ended June 30, 2020

<b>Expenditures (continued)</b>	<b>Original Budget</b>	<b>Budget Transfers</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Final to Actual</b>
Learning and/or language disabilities:					
Salaries of teachers	\$ 573,260	\$ (85,901)	\$ 487,359	\$ 471,775	\$ 15,584
Other salaries for instruction	159,410	40,674	200,084	194,379	5,705
General supplies	3,100	(1,290)	1,810	1,624	186
Total learning and/or language disabilities	<u>735,770</u>	<u>(46,517)</u>	<u>689,253</u>	<u>667,778</u>	<u>21,475</u>
Behavioral disabilities:					
Salaries of teachers		64,975	64,975	64,175	800
General supplies		250	250	228	22
Total behavioral disabilities		<u>65,225</u>	<u>65,225</u>	<u>64,403</u>	<u>822</u>
Multiple disabilities:					
Salaries of teachers		144,582	144,582	141,900	2,682
General supplies	2,800	(1,750)	1,050	837	213
Total multiple disabilities	<u>2,800</u>	<u>142,832</u>	<u>145,632</u>	<u>142,737</u>	<u>2,895</u>
Resource room/center:					
Salaries of teachers	3,057,890	(337,706)	2,720,184	2,618,123	102,061
Other salaries for instruction	884,499	(37,297)	847,202	820,986	26,216
General supplies	3,200	(1,950)	1,250	672	578
Total resource room/center	<u>3,945,589</u>	<u>(376,953)</u>	<u>3,568,636</u>	<u>3,439,781</u>	<u>128,855</u>
Autism:					
Salaries of teachers	407,360	(128,771)	278,589	278,589	
Other salaries for instruction	108,110	(66,152)	41,958	22,392	19,566
General supplies	2,800		2,800	2,677	123
Total autism	<u>518,270</u>	<u>(194,923)</u>	<u>323,347</u>	<u>303,658</u>	<u>19,689</u>
Preschool disabilities - full time:					
Salaries of teachers	409,650	87,068	496,718	467,473	29,245
Other salaries for instruction	281,000		281,000	254,174	26,826
General supplies	2,700	(1,600)	1,100	1,072	28
Total preschool disabilities - full time	<u>693,350</u>	<u>85,468</u>	<u>778,818</u>	<u>722,719</u>	<u>56,099</u>
Total special education	<u>5,895,779</u>	<u>(324,868)</u>	<u>5,570,911</u>	<u>5,341,076</u>	<u>229,835</u>

Fort Lee Public Schools  
General Fund

Budgetary Comparison Schedule  
(Budgetary Basis)

Year ended June 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>Expenditures (continued)</b>					
Current expenditures (continued):					
Basic skills/remedial - instruction:					
Salaries of teachers	\$ 664,810	\$ 65,422	\$ 730,232	\$ 694,393	\$ 35,839
Total basic skills/remedial - instruction	664,810	65,422	730,232	694,393	35,839
Bilingual education - instruction:					
Salaries of teachers	1,400,040	64,038	1,464,078	1,346,619	117,459
Travel	300	(200)	100		100
General supplies	2,000		2,000		2,000
Total bilingual education - instruction	1,402,340	63,838	1,466,178	1,346,619	119,559
School - sponsored cocurricular and extra-curricular activities:					
Salaries	282,000	5,123	287,123	287,123	
Other purchased professional and technical services	17,000	6,955	23,955	17,875	6,080
Other purchased services	2,500		2,500	2,100	400
Supplies and materials	49,263	(673)	48,590	32,270	16,320
Other objects	15,450	37,750	53,200	23,246	29,954
Total school-sponsored cocurricular and extra-curricular activities	366,213	49,155	415,368	362,614	52,754
School - sponsored athletics - instruction:					
Salaries	434,560	17,382	451,942	395,418	56,524
Other purchased professional and technical services	54,061	(1,226)	52,835	52,835	
Cleaning, repair and maintenance services	9,900	7,883	17,783	17,783	
Travel	2,500	(95)	2,405	1,950	455
Supplies and materials	66,800	9,565	76,365	75,428	937
Other objects	36,693	(419)	36,274	36,274	
Total school - sponsored athletics - instruction	604,514	33,090	637,604	579,688	57,916
Summer School- Instruction					
Salaries of Teachers	159,754	(39,916)	119,838	119,838	
Other salaries for instruction	52,186	(12,883)	39,303	39,303	
Total Summer School- Instruction	211,940	(52,799)	159,141	159,141	
Total instruction	28,995,098	(119,653)	28,875,445	28,249,960	625,485
Undistributed expenditures:					
Instruction:					
Tuition to county vocational school districts within the state - regular	834,498		834,498	663,493	171,005
Tuition to other LEAs w/in the state - regular education		8,337	8,337	8,332	5
Tuition to other LEAs w/in the state - special education	384,927	138,000	522,927	520,895	2,032
Tuition to county special services districts and regional day schools	954,090	66,610	1,020,700	1,020,700	
Tuition to private schools for the disabled within the state	1,929,946	(239,527)	1,690,419	1,458,749	231,670
Tuition to private schools for the disabled and other leas - special education - outside the state	190,357	164,500	354,857	291,104	63,753
Tuition - state facilities	79,744		79,744	79,744	
Total instruction	4,373,562	137,920	4,511,482	4,043,017	468,465

Fort Lee Public Schools  
General Fund

Budgetary Comparison Schedule  
(Budgetary Basis)

Year ended June 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>Expenditures (continued)</b>					
Current expenditures (continued):					
Undistributed expenditures (continued):					
Attendance and social work services:					
Salaries	\$ 158,950	\$ 15,070	\$ 174,020	\$ 174,020	
Salaries of Family Support Teams	83,440		83,440	82,775	\$ 665
Purchased professional and technical services	51,230		51,230	51,230	
Supplies and materials	1,900	3,597	5,497	5,242	255
Total attendance and social work service	295,520	18,667	314,187	313,267	920
Health services:					
Salaries	533,620	(11,379)	522,241	521,479	762
Purchased professional and technical services	58,960	(966)	57,994	52,170	5,824
Purchased professional - educational services	60,000		60,000	52,081	7,919
Travel	200	(75)	125		125
Miscellaneous purchased services	6,490		6,490	6,490	
Supplies and materials	12,250	(810)	11,440	9,117	2,323
Total health services	671,520	(13,230)	658,290	641,337	16,953
Speech, OT, PT, and related services:					
Salaries	776,080	(5,841)	770,239	741,423	28,816
Purchased professional - educational services	784,065	32,398	816,463	764,186	52,277
Supplies and materials	5,000	450	5,450	5,025	425
Total Speech, OT, PT, and related services	1,565,145	27,007	1,592,152	1,510,634	81,518
Extraordinary services:					
Salaries	1,550,215	39,689	1,589,904	1,589,904	
Purchased professional - educational services	800,776	2,047	802,823	713,584	89,239
Supplies and materials	6,000	3,910	9,910	9,465	445
Total extraordinary services	2,356,991	45,646	2,402,637	2,312,953	89,684
Guidance services:					
Salaries of other professional staff	1,224,350	(15,320)	1,209,030	1,176,889	32,141
Salaries of secretarial and clerical assistants	127,220		127,220	124,280	2,940
Purchased professional - educational services	500	1,210	1,710	1,710	
Other purchased professional and technical services	78,500	(23,000)	55,500	53,507	1,993
Travel	1,000		1,000		1,000
Supplies and materials	18,724	7,063	25,787	23,905	1,882
Miscellaneous expenditures	4,500		4,500	3,075	1,425
Total guidance services	1,454,794	(30,047)	1,424,747	1,383,366	41,381
Child Study Teams:					
Salaries of other professional staff	1,361,720	22,464	1,384,184	1,372,150	12,034
Salaries of secretarial and clerical assistants	194,310		194,310	185,920	8,390
Purchased professional - educational services	15,400	1,700	17,100	6,147	10,953
Other purchased professional and technical services	33,618	(3,950)	29,668	27,887	1,781
Travel	1,500		1,500	99	1,401
Residential Costs	141,090	(140,000)	1,090		1,090
Supplies and materials	16,751	2,200	18,951	18,941	10
Total child study team	1,764,389	(117,586)	1,646,803	1,611,144	35,659

Fort Lee Public Schools  
General Fund

Budgetary Comparison Schedule  
(Budgetary Basis)

Year ended June 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>Expenditures (continued)</b>					
Current expenditures (continued):					
Undistributed expenditures (continued):					
Improvement of instruction services:					
Salaries of supervisors of instruction	\$ 326,020	\$ (10,568)	\$ 315,452	\$ 312,668	\$ 2,784
Salaries of other professional staff	107,400	379	107,779	107,667	112
Purchased professional - educational services	64,240	(27,540)	36,700	36,700	
Travel	13,950	(9,221)	4,729	3,974	755
Supplies and materials		3,597	3,597	3,597	
Miscellaneous expenditures	4,500	(1,925)	2,575	2,575	
Total improvement of instructional services	516,110	(45,278)	470,832	467,181	3,651
Educational media/library services:					
Salaries	517,890		517,890	377,557	140,333
Salaries of Technology Coordinators	145,280		145,280	133,850	11,430
Purchased professional - educational services	53,250	(28,935)	24,315	22,663	1,652
Supplies and materials	91,070	8,191	99,261	88,755	10,506
Total educational media services/school library	807,490	(20,744)	786,746	622,825	163,921
Instructional staff training services:					
Salaries of other professional staff		900	900	810	90
Other Salaries	8,100	(7,535)	565	135	430
Other purchased services	9,250	(500)	8,750	6,325	2,425
Travel	30,725	(9,315)	21,410	12,610	8,800
Total instructional staff training services	48,075	(16,450)	31,625	19,880	11,745
Support services-general administration:					
Salaries	516,030	9,492	525,522	520,793	4,729
Other Salaries	7,500	300	7,800	7,500	300
Legal services	171,360	(15,000)	156,360	108,770	47,590
Audit fees	44,000	44,000	88,000	44,000	44,000
Architectural/engineering services		21,086	21,086	19,146	1,940
Other professional services	16,225	(227)	15,998	6,535	9,463
Purchased technical services	20,000	(10,000)	10,000	5,242	4,758
Rentals	12,886	(3,957)	8,929	7,794	1,135
Communications/telephone	171,981	32,200	204,181	179,006	25,175
Travel	10,000	(1,300)	8,700	5,917	2,783
BOE other purchased services	6,500	2,700	9,200	7,442	1,758
Miscellaneous purchased services	225,930	21,754	247,684	211,827	35,857
General supplies	20,000	10,794	30,794	25,145	5,649
BOE in House Training/Meeting Supplies	200		200		200
Miscellaneous expenditures	15,000		15,000	10,098	4,902
BOE membership dues and fees	28,000	(1,000)	27,000	23,691	3,309
Total support services-general administration	1,265,612	110,842	1,376,454	1,182,906	193,548

Fort Lee Public Schools  
General Fund

Budgetary Comparison Schedule  
(Budgetary Basis)

Year ended June 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>Expenditures (continued)</b>					
Current expenditures (continued):					
Undistributed expenditures (continued):					
Support services-school administration:					
Salaries of principals/assistant principals	\$ 1,859,680	\$ (36,343)	\$ 1,823,337	\$ 1,823,337	
Salaries of secretarial and clerical assistants	608,830	7,582	616,412	616,412	
Unused vacation payments to terminated/retired staff	57,375	106,270	163,645	163,645	
Travel	14,500	(3,979)	10,521	10,521	
Supplies and materials	88,200	35,827	124,027	119,304	\$ 4,723
Miscellaneous expenditures	33,445	(16,878)	16,567	16,567	
Total support services-school administration	2,662,030	92,479	2,754,509	2,749,786	4,723
Central services:					
Salaries	711,430	47,255	758,685	708,061	50,624
Unused vacation payments to terminated/retired staff	5,162	(4,348)	814		814
Other purchased professional services	37,386	1,193	38,579	38,579	
Purchased technical services	61,087	51,034	112,121	76,251	35,870
Rentals	5,880	2,170	8,050	6,841	1,209
Travel	15,899	(502)	15,397	6,972	8,425
Miscellaneous purchased services	16,302	4,000	20,302	18,746	1,556
Supplies and materials	27,200	18,813	46,013	40,615	5,398
Miscellaneous expenditures	7,515	(300)	7,215	5,515	1,700
Total central services	887,861	119,315	1,007,176	901,580	105,596
Administrative information technology:					
Salaries	211,950	13,089	225,039	225,039	
Purchased technical services	83,100	14,778	97,878	74,111	23,767
Travel	1,000		1,000	714	286
Supplies and Materials	35,000	(17,421)	17,579	17,579	
Miscellaneous expenditures	500	575	1,075	575	500
Total administrative information technology	331,550	11,021	342,571	318,018	24,553
Required maintenance for school facilities:					
Salaries	265,620	(1,024)	264,596	262,020	2,576
Other salaries	46,000		46,000	10,700	35,300
Cleaning, repair and maintenance services	515,202	(44,358)	470,844	459,138	11,706
Miscellaneous expenditures	6,606	(6,096)	510	510	
Total required maintenance for school facilities	833,428	(51,478)	781,950	732,368	49,582
Custodial Services and Bulding Rentals:					
Salaries	1,553,687	(36,600)	1,517,087	1,393,645	123,442
Other salaries	13,938	810	14,748	8,524	6,224
Unused vacation payments to terminated/retired staff	12,452		12,452		12,452
Purchased professional and technical services	21,624	(948)	20,676	19,890	786
Cleaning, repair and maintenance services	1,335,368	239,270	1,574,638	1,408,779	165,859
Rental of land and buildings	173,458		173,458	171,680	1,778
Other purchased property services	98,788		98,788	92,037	6,751
Insurance	195,442		195,442	163,109	32,333
Travel	2,860	(199)	2,661	2,661	
General supplies	459,721	29,769	489,490	333,023	156,467
Natural gas	92,500	63,000	155,500	128,202	27,298
Electricity	678,000	29,500	707,500	601,296	106,204
Gasoline	18,000		18,000	2,481	15,519
Miscellaneous expenditures	9,015	(430)	8,585	6,759	1,826
Interest- energy savings impr prog bonds	115,714		115,714	115,714	
Principal- energy saving impr prog bonds	286,313		286,313	286,313	
Total custodial services and building rentals	5,066,880	324,172	5,391,052	4,734,113	656,939
Care & upkeep of grounds:					
Salaries	20,000	(860)	19,140	11,791	7,349
Cleaning, repair and maintenance services	166,995	(3,574)	163,421	156,743	6,678
General supplies	33,660	(3,155)	30,505	30,368	137
Total care & upkeep of grounds	220,655	(7,589)	213,066	198,902	14,164

Fort Lee Public Schools  
General Fund

Budgetary Comparison Schedule  
(Budgetary Basis)

Year ended June 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>Expenditures (continued)</b>					
Current expenditures (continued):					
Undistributed expenditures (continued):					
Security					
Salaries	\$ 203,950	\$ 51	\$ 204,001	\$ 162,339	\$ 41,662
Purchased professional and technical services	428,330	(211,500)	216,830	215,284	1,546
Cleaning, repair and maintenance services	33,558	8,652	42,210	41,710	500
General supplies	5,487	(306)	5,181	5,153	28
Other objects		350	350	150	200
Total Security	671,325	(202,753)	468,572	424,636	43,936
Student transportation services:					
Salaries for pupil transportation:					
Between home and school - special education	397,210	118,729	515,939	447,373	68,566
Other employee benefits	1,800	(1,800)			
Cleaning, repair and maintenance	41,000	5,600	46,600	38,487	8,113
Contracted services:					
Aid in lieu - nonpublic	191,000		191,000	98,413	92,587
Between home & school - vendor	243,990		243,990	194,082	49,908
Other between home & school - vendors	150,626	(58,108)	92,518	41,555	50,963
Vendors - special ed	1,333,660		1,333,660	1,170,066	163,594
Miscellaneous purchased services - transportation		1,360	1,360	1,073	287
Transportation Supplies and materials	34,700	(8,209)	26,491	13,499	12,992
Miscellaneous expenditures	1,500	916	2,416	2,416	
Total student transportation services	2,395,486	58,488	2,453,974	2,006,964	447,010
Unallocated benefits:					
Social security contributions	774,283	13,000	787,283	716,148	71,135
Other retirement contributions - PERS	790,327	(50,000)	740,327	726,314	14,013
Worker's compensation	200,000	1,200	201,200	187,716	13,484
Health benefits	11,119,552	(320,556)	10,798,996	9,708,837	1,090,159
Tuition reimbursement	105,000		105,000	85,000	20,000
Other employee benefits	62,224	11,021	73,245	72,522	723
Unused vacation payments to terminated/retired staff	269,451		269,451		269,451
Total unallocated benefits	13,320,837	(345,335)	12,975,502	11,496,537	1,478,965
TPAF pension contributions (non-budgeted)					
				5,688,174	(5,688,174)
TPAF post-retirement medical contributions (non-budgeted)					
				2,110,208	(2,110,208)
TPAF long-term disability insurance contributions (non-budgeted)					
				4,922	(4,922)
Reimbursed TPAF social security contributions (non-budgeted)					
				2,104,019	(2,104,019)
Total personal services: benefits					
	13,320,837	(345,335)	12,975,502	21,403,860	(8,428,358)
Total undistributed expenditures					
	41,509,260	95,067	41,604,327	47,578,737	(5,974,410)
Total current expenditures	70,504,358	(24,586)	70,479,772	75,828,697	(5,348,925)



Fort Lee Public Schools  
General Fund

Budgetary Comparison Schedule  
(Budgetary Basis)

Year ended June 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>Expenditures (continued)</b>					
Capital outlay:					
Equipment:					
Undistributed expenditures:					
Instructional equipment		\$ 9,457	\$ 9,457	\$ 9,457	
School-sponsored co-curricular and extra-curricular	\$ 20,000		20,000	18,940	\$ 1,060
Required maint for school facilities	170,000		170,000	160,343	9,657
Student transportation services - school buses - regular	95,000	4,720	99,720	99,720	
Total equipment	285,000	14,177	299,177	288,460	10,717
Facilities acquisition and construction services:					
Construction services	1,205,000	263,033	1,468,033	1,332,663	135,370
Assessment for Debt Service on SDA Funding	17,534		17,534	17,534	
Total facilities acquisition and construction services	1,222,534	263,033	1,485,567	1,350,197	135,370
Total expenditures - capital outlay	1,507,534	277,210	1,784,744	1,638,657	146,087
Interest Deposit to Capital Reserve	50	(50)			
Total expenditures	72,011,942	252,574	72,264,516	77,467,354	(5,202,838)
(Deficiency) excess of revenues (under) over expenditures	(1,305,050)	(252,574)	(1,557,624)	3,837,128	15,800,428
Other financing sources:					
Transfers in				108,159	108,159
Transfers out - Food Service Fund		(55,000)	(55,000)	(55,000)	
Total other financing sources		(55,000)	(55,000)	53,159	108,159
(Deficiency) excess of revenues (under) over expenditures and other financing sources	(1,305,050)	(307,574)	(1,612,624)	3,890,287	5,502,911
Fund balances, July 1	10,889,218		10,889,218	10,889,218	
Fund balances, June 30	\$ 9,584,168	\$ (307,574)	\$ 9,276,594	\$ 14,779,505	\$ 5,502,911
<b>Recapitulation of (deficiency) excess of revenues (under)   over expenditures and other financing sources (uses)</b>					
Budgeted fund balance	\$ (100,000)		\$ (100,000)	\$ 5,402,911	\$ 5,502,911
Budgeted increase in capital reserve	(50)	\$ 50			
Budgeted withdrawal from capital reserve	(1,205,000)	(254,033)	(1,459,033)	(1,459,033)	
Adjustment for prior year encumbrances, net of cancellation		(53,591)	(53,591)	(53,591)	
Total	\$ (1,305,050)	\$ (307,574)	\$ (1,612,624)	\$ 3,890,287	\$ 5,502,911
Recapitulation of fund balance:					
Restricted for:					
Emergency reserve				\$ 600,000	
Capital reserve				9,477,505	
Maintenance reserve				1,500,000	
Excess surplus - prior year				911,487	
Assigned to:					
Year end encumbrances				286,085	
Designated for subsequent year's expenditures				513	
Unassigned fund balance				2,003,915	
				14,779,505	
Reconciliation to Government Funds Statements GAAP:					
Last two state aid payments not recognized on GAAP basis					
				(181,663)	
Fund balance per Government Funds (GAAP) (B-1)				\$ 14,597,842	

Fort Lee Public Schools  
Special Revenue Fund

Budgetary Comparison Schedule  
(Budgetary Basis)

Year ended June 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenues:					
State sources	\$ 114,317	\$ 27,819	\$ 142,136	\$ 119,069	\$ (23,067)
Federal sources	1,250,753	798,664	2,049,417	1,189,490	(859,927)
Other sources	-	12,736	12,736	9,920	(2,816)
Total revenues	1,365,070	839,219	2,204,289	1,318,479	(885,810)
Expenditures:					
Current expenditures:					
Instruction:					
Salaries of teachers	445,720	80,023	525,743	366,382	159,361
Purchased professional services		12,970	12,970	12,970	
Tuition	589,801	174,773	764,574	323,743	440,831
General Supplies	47,682	154,431	202,113	104,033	98,080
Textbooks	9,014	(791)	8,223	8,219	4
Other objects		1,750	1,750	167	1,583
Total instruction	1,092,217	423,156	1,515,373	815,514	699,859
Support services:					
Salaries of other professional staff	41,600	32,657	74,257	35,597	38,660
Personnel services – employee benefits	58,804	86,158	144,962	131,828	13,134
Purchased professional - educational services	123,849	140,959	264,808	184,104	80,704
Other purchased professional services	25,318	(1,918)	23,400	21,352	2,048
Purchased property services		9,714	9,714	9,714	
Travel		10,000	10,000	735	9,265
Supplies and materials	23,282	138,493	161,775	119,635	42,140
Total support services	272,853	416,063	688,916	502,965	185,951
Total expenditures	1,365,070	839,219	2,204,289	1,318,479	885,810
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ -	\$ -	\$ -	\$ -

Fort Lee Public Schools  
Note to Required Supplementary Information

Budget to GAAP Reconciliation

Year ended June 30, 2020

	<b>General Fund</b>	<b>Special Revenue Fund</b>
<b>Sources/inflows of resources</b>		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule (C-1, C-2)	\$ 81,304,482	\$ 1,318,479
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		
Current year		(24,191)
State aid payments recognized for budgetary purposes, not recognized for GAAP statements.		
Prior year	167,948	
Current year	(181,663)	
<hr/>		
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds (B-2)	<u>\$ 81,290,767</u>	<u>\$ 1,294,288</u>
<b>Uses/outflows of resources</b>		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule (C-1, C-2)	\$ 77,467,354	\$ 1,318,479
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		
Current year		(24,191)
<hr/>		
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (B-2)	<u>\$ 77,467,354</u>	<u>\$ 1,294,288</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, 2020

	Title I Regular Part A	I.D.E.A. Part B Regular      Part B Preschool		Title II Part A Regular	Title III Regular	Title IV Regular	Carl D. Perkins Regular	CARES Act Education Stabilization Fund Regular	Comp Ed Regular Program
Revenues:									
State sources									\$ 18,591
Federal sources	\$ 385,644	\$ 486,176	\$ 17,112	\$ 71,147	\$ 64,612	\$ 26,816	\$ 11,626	\$ 126,357	
Other sources									
Total revenues	<u>\$ 385,644</u>	<u>\$ 486,176</u>	<u>\$ 17,112</u>	<u>\$ 71,147</u>	<u>\$ 64,612</u>	<u>\$ 26,816</u>	<u>\$ 11,626</u>	<u>\$ 126,357</u>	<u>\$ 18,591</u>
Expenditures:									
Instruction:									
Salaries of teachers	\$ 260,976	\$ 98,671			\$ 4,185		\$ 1,800		
Purchased professional services			\$ 12,970						
Tuition		323,743							
General Supplies	26,943	1,976	4,142		31,684	\$ 14,816	9,688		
Textbooks									
Other objects	167								
Total instruction	<u>288,086</u>	<u>424,390</u>	<u>17,112</u>		<u>35,869</u>	<u>14,816</u>	<u>11,488</u>		
Support services:									
Salaries of other professional staff	5,000			\$ 30,597					
Personnel services - employee benefits	89,063	30,236		10,630	1,761		138		
Purchased professional - educational services		31,550		29,920	26,750	12,000			\$ 18,591
Other purchased professional services									
Purchased property services								\$ 9,714	
Travel	735								
Supplies and materials	2,760				232			116,643	
Total support services	<u>97,558</u>	<u>61,786</u>	<u>-</u>	<u>71,147</u>	<u>28,743</u>	<u>12,000</u>	<u>138</u>	<u>126,357</u>	<u>18,591</u>
Total expenditures	<u>\$ 385,644</u>	<u>\$ 486,176</u>	<u>\$ 17,112</u>	<u>\$ 71,147</u>	<u>\$ 64,612</u>	<u>\$ 26,816</u>	<u>\$ 11,626</u>	<u>\$ 126,357</u>	<u>\$ 18,591</u>

Fort Lee Public Schools  
Special Revenue Fund

Combining Schedule of Revenues and Expenditures

Budgetary Basis

Year ended June 30, 2020

	ESL Regular Program	Exam & Class Regular Program	Corrective Speech Regular Program	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	\$25,387	\$ 6,807	\$ 11,740	\$ 6,227	\$ 15,132	\$ 5,614	\$ 8,219	\$ 21,352		\$ 119,069
Federal sources										1,189,490
Other sources									\$ 9,920	9,920
Total revenues	\$25,387	\$ 6,807	\$ 11,740	\$ 6,227	\$ 15,132	\$ 5,614	\$ 8,219	\$ 21,352	\$ 9,920	\$ 1,318,479
Expenditures:										
Instruction:										
Salaries of teachers									\$ 750	\$ 366,382
Purchased educational services										12,970
Tuition										323,743
General Supplies						\$ 5,614			9,170	104,033
Textbooks							\$ 8,219			8,219
Other objects										167
Total instruction						5,614	8,219		9,920	815,514
Support services:										
Salaries of other professional staff										35,597
Personnel services - employee benefits										131,828
Purchased professional - educational services	\$25,387	\$ 6,807	\$ 11,740	\$ 6,227	\$ 15,132					184,104
Other purchased professional services								\$ 21,352		21,352
Purchased property services										9,714
Travel										735
Supplies and materials										119,635
Total support services	25,387	6,807	11,740	6,227	15,132			21,352		502,965
Total expenditures	\$25,387	\$ 6,807	\$ 11,740	\$ 6,227	\$ 15,132	\$ 5,614	\$ 8,219	\$ 21,352	\$ 9,920	\$ 1,318,479

## **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, 2020

**Revenues and other financing sources**

Investment Income	\$ 108,159
Total revenues	108,159

**Expenditures and Other Financing Uses**

Purchased professional and technical services	324,478
Construction services	2,817,521
Equipment	1,598,046
Other objects	246,594
Total expenditures	4,986,639

(Deficiency) of revenues (under) expenditures	(4,878,480)
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**Other Financing sources**

Transfers out	(108,159)
Total other financing sources	(108,159)

(Deficiency) of revenues (under) expenditures and other financing sources	(4,986,639)
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Fund Balance, July 1	8,143,095
Fund Balance, June 30	\$ 3,156,456

Fund balance, budgetary-basis	\$ 3,156,456
Less difference in grant revenue recognized	-
Fund balance, GAAP-basis	\$ 3,156,456

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, 2020

	Prior Periods	Current Year	Totals	Revised Authorized Cost
<b>Revenues and other financing sources</b>				
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
Total revenues	<u>73,200,111</u>		<u>73,200,111</u>	<u>\$ 73,200,111</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased professional and technical services	6,422,147	\$ 324,478	6,746,625	
Construction services	58,622,164	2,817,521	61,439,685	
Equipment	12,705	1,598,046	1,610,751	
Other objects		246,594	246,594	
Total expenditures	<u>65,057,016</u>	<u>4,986,639</u>	<u>70,043,655</u>	
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 8,143,095</u>	<u>\$ (4,986,639)</u>	<u>\$ 3,156,456</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, 2020

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and other financing sources</b>				
State Sources - SDA Grant	\$ 420,000		\$ 420,000	\$ 420,000
Bond proceeds and transfers	998,126	\$ (122,742)	875,384	875,384
Total revenues	<u>1,418,126</u>	<u>(122,742)</u>	<u>1,295,384</u>	<u>\$ 1,295,384</u>
 <b>Expenditures and Other Financing Uses</b>				
Purchased professional and technical services	127,803		127,803	
Land and improvements				
Construction services	1,167,581		1,167,581	
Equipment				
Other objects				
Total expenditures	<u>1,295,384</u>		<u>1,295,384</u>	
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 122,742</u>	<u>\$ (122,742)</u>	<u>\$ -</u>	
 <b>Additional project information</b>				
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	\$ 1,418,126			
Additional Authorized Cost	(122,742)			
Revised Authorized Cost	\$ 1,295,384			
Percentage Decrease over Original Authorized Cost	-8.66%			
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, 2020

	Prior Periods	Current Year	Totals	Revised Authorized Cost
<b>Revenues and other financing sources</b>				
State Sources - SDA Grant	\$ 1,311,247		\$ 1,311,247	\$ 1,311,247
Bond proceeds and transfers	1,997,577	\$ (40,200)	1,957,377	1,957,377
Total revenues	<u>3,308,824</u>	<u>(40,200)</u>	<u>3,268,624</u>	<u>\$ 3,268,624</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased professional and technical services	388,132		388,132	
Land and improvements				
Construction services	2,880,492		2,880,492	
Equipment				
Other objects				
Total expenditures	<u>3,268,624</u>		<u>3,268,624</u>	
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 40,200</u>	<u>\$ (40,200)</u>	<u>\$ -</u>	
<b>Additional project information</b>				
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	(871,376)			
Revised Authorized Cost	\$ 3,268,624			
Percentage Decrease over Original Authorized Cost	-21.05%			
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, 2020

	Prior Periods	Current Year	Totals	Revised Authorized Cost
<b>Revenues and other financing sources</b>				
State Sources - SDA Grant	\$ 192,121		\$ 192,121	\$ 192,121
Bond proceeds and transfers	288,182	\$ (602)	287,580	287,580
Total revenues	<u>480,303</u>	<u>(602)</u>	<u>479,701</u>	<u>\$ 479,701</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased professional and technical services	47,724		47,724	
Land and improvements				
Construction services	431,977		431,977	
Equipment				
Other objects				
Total expenditures	<u>479,701</u>		<u>479,701</u>	
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 602</u>	<u>\$ (602)</u>	<u>\$ -</u>	
<b>Additional project information</b>				
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	\$ 479,701			
Percentage Decrease over Original Authorized Cost	-9.83%			
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, 2020

	Prior Periods	Current Year	Totals	Revised Authorized Cost
<b>Revenues and other financing sources</b>				
State Sources - SDA Grant	\$ 1,542,652		\$ 1,542,652	\$ 1,542,652
Bond proceeds and transfers	11,038,762	\$ (213,850)	10,824,912	10,824,912
Total revenues	12,581,414	(213,850)	12,367,564	\$ 12,367,564
 <b>Expenditures and Other Financing Uses</b>				
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	
Other objects				
Total expenditures	12,367,564		12,367,564	
Excess (deficiency) of revenues over (under) expenditures	\$ 213,850	\$ (213,850)	\$ -	14,793.26 9,943.80 2,118.95 26,856.01 (213,850.00) (186,993.99)
 <b>Additional project information</b>				
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	2,707,564			
Revised Authorized Cost	\$ 12,367,564			
 Percentage Increase over Original				
Authorized Cost	28.03%			
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, 2020

	Prior Periods	Current Year	Totals	Revised Authorized Cost
<b>Revenues and other financing sources</b>				
State Sources - SDA Grant				
Bond proceeds and transfers	\$ 37,255,566		\$ 37,255,566	\$ 37,255,566
Total revenues	<u>37,255,566</u>		<u>37,255,566</u>	<u>\$ 37,255,566</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased professional and technical services	3,233,981	\$ 275,765	3,509,746	
Construction services	26,725,681	2,295,846	29,021,527	
Equipment		1,598,046	1,598,046	
Other objects		241,609	241,609	
Total expenditures	<u>29,959,662</u>	<u>4,411,266</u>	<u>34,370,928</u>	
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 7,295,904</u>	<u>\$ (4,411,266)</u>	<u>\$ 2,884,638</u>	\$ 104,620.00
				997,589.35
				5,000.00
				20,878.00
				519,004.14
				4,328.50
				19,637,749.78
				281,190.00
				2,614,819.04
				24,185,178.81
				(24,181,015.00)
				\$ 4,163.81
<b>Additional project information</b>				
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	92.26%			
Original target completion date	12/31/2016			
Revised target completion date	6/30/2021			

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, 2020

	Prior Periods	Current Year	Totals	Revised Authorized Cost
<b>Revenues and other financing sources</b>				
State Sources - SDA Grant				
Bond proceeds and transfers	\$ 10,970,000		\$ 10,970,000	\$ 10,970,000
Total revenues	<u>10,970,000</u>		<u>10,970,000</u>	<u>\$ 10,970,000</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased professional and technical services	985,421	\$ 32,497	1,017,918	
Construction services	9,542,496	184,267	9,726,763	
Equipment				
Other objects		4,985	4,985	
Total expenditures	<u>10,527,917</u>	<u>221,749</u>	<u>10,749,666</u>	
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 442,083</u>	<u>\$ (221,749)</u>	<u>\$ 220,334</u>	
<b>Additional project information</b>				
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	6/30/2021			



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, 2020

	Prior Periods	Current Year	Totals	Revised Authorized Cost
<b>Revenues and other financing sources</b>				
State Sources - SDA Grant				
Bond proceeds and transfers	\$ 1,614,434		\$ 1,614,434	\$ 1,614,434
Total revenues	<u>1,614,434</u>		<u>1,614,434</u>	<u>\$ 1,614,434</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased professional and technical services	86,974		86,974	
Construction services	1,501,392	\$ 26,068	1,527,460	
Equipment				
Other objects				
Total expenditures	<u>1,588,366</u>	<u>26,068</u>	<u>1,614,434</u>	
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 26,068</u>	<u>\$ (26,068)</u>	<u>\$ -</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 Decrease 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, 2020

	Prior Periods	Current Year	Totals	Revised Authorized Cost
<b>Revenues and other financing sources</b>				
State Sources - SDA Grant				
Capital lease proceeds and transfers	\$ 5,571,444		\$ 5,571,444	\$ 5,571,444
Total revenues	<u>5,571,444</u>		<u>5,571,444</u>	<u><u>\$ 5,571,444</u></u>
<b>Expenditures and Other Financing Uses</b>				
Purchased professional and technical services				
Construction services	5,569,798		5,569,798	
Equipment				
Other objects				
Total expenditures	<u>5,569,798</u>		<u>5,569,798</u>	
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 1,646</u>	<u>\$ -</u>	<u>\$ 1,646</u>	
<b>Additional project information</b>				
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

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

High School Masonry Project

From Inception and for the year ended June 30, 2020

	Prior Periods	Current Year	Totals	Revised Authorized Cost
<b>Revenues and other financing sources</b>				
State Sources - SDA Grant				
Bond proceeds and transfers		\$ 377,394	\$ 377,394	\$ 377,394
Total revenues		<u>377,394</u>	<u>377,394</u>	<u><u>\$ 377,394</u></u>
<b>Expenditures and Other Financing Uses</b>				
Purchased professional and technical services		16,216	16,216	
Construction services		311,340	311,340	
Equipment				
Other objects				
Total expenditures		<u>327,556</u>	<u>327,556</u>	
Excess (deficiency) of revenues over (under) expenditures	<u>\$ -</u>	<u>\$ 49,838</u>	<u>\$ 49,838</u>	

**Additional project information**

Project number	1550-050-10-XXXX
Grant date	9/28/2010
Bond authorization date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 377,394
Additional Authorized Cost	-
Revised Authorized Cost	\$ 377,394
Percentage Increase over Original Authorized Cost	0.00%
Percentage completion	86.79%
Original target completion date	6/30/2021
Revised target completion date	6/30/2021

Fort Lee Public Schools  
Capital Projects Fund

Summary Schedule of Project Expenditures  
(Budgetary Basis)

From Inception and for the Year Ended June 30, 2020

Issue/Project Title	Appropriations	Expenditures to Date		Unexpended Balance
		Prior Years	Current Year	
High School Window Replacement	\$ 1,295,384	\$ 1,295,384		
School 4 HVAC Upgrades	3,268,624	3,268,624		
School 4 Roof Replacement	479,701	479,701		
Lewis F. Cole Middle School Additions and Rehabilitation	12,367,564	12,367,564		
Lewis F. Cole Middle School Additions	37,255,566	29,959,662	\$ 4,411,266	\$ 2,884,638
School 2 Additions	10,970,000	10,527,917	221,749	220,334
Energy Savings Investment Plan	5,571,444	5,569,798		1,646
High School Field Improvements	1,614,434	1,588,366	26,068	
High School Masonry Project	377,394		327,556	49,838
	<u>\$ 73,200,111</u>	<u>\$ 65,057,016</u>	<u>\$ 4,986,639</u>	<u>\$ 3,156,456</u>

## **Fiduciary Funds**

Fort Lee Public Schools  
Trust and Agency Funds

Combining Statement of Fiduciary Net Position

Year ended June 30, 2020

	<u>Trust</u>			<u>Agency</u>		
	<u>Private- Purpose Scholarship Funds</u>	<u>Unemployment Compensation</u>	<u>Total Trust</u>	<u>Student Activity</u>	<u>Payroll</u>	<u>Total Agency</u>
<b>Assets</b>						
Cash and cash equivalents	\$ 30,555	\$ 261,956	\$ 292,511	\$ 124,591	\$ 444,116	\$ 568,707
Interfund receivable		17,721	17,721			
Accounts receivable - federal		34,821	34,821			
Total assets	<u>30,555</u>	<u>314,498</u>	<u>345,053</u>	<u>\$ 124,591</u>	<u>\$ 444,116</u>	<u>\$ 568,707</u>
<b>Liabilities</b>						
Payroll deductions and withholdings payable					\$ 426,395	\$ 426,395
Accounts payable		63,180	63,180			
Interfund payable				\$ 1,822	17,721	19,543
Due to student groups				122,769		122,769
Total liabilities		<u>63,180</u>	<u>63,180</u>	<u>\$ 124,591</u>	<u>\$ 444,116</u>	<u>\$ 568,707</u>
<b>Net position</b>						
Held in trust for unemployment claims		251,318	251,318			
Held in trust for scholarships	30,555		30,555			
Total net position	<u>\$ 30,555</u>	<u>\$ 251,318</u>	<u>\$ 281,873</u>			

Fort Lee Public Schools  
Trust Funds

Combining Statement of Changes in Fiduciary Net Position

Year ended June 30, 2020

	<b>Private- Purpose Scholarship Funds</b>	<b>Unemployment Compensation</b>	<b>Totals</b>
<b>Additions:</b>			
Contributions	\$ 8,669	\$ 61,412	\$ 70,081
CARES Act Federal Contribution		34,821	34,821
Total additions	<u>8,669</u>	<u>96,233</u>	<u>104,902</u>
<b>Deductions:</b>			
Scholarship payments	12,250		12,250
Unemployment claims paid		114,139	114,139
Total deductions	<u>12,250</u>	<u>114,139</u>	<u>126,389</u>
Change in net position	(3,581)	(17,906)	(21,487)
Net position, beginning	34,136	269,224	303,360
Net position, ending	<u>\$ 30,555</u>	<u>\$ 251,318</u>	<u>\$ 281,873</u>

Fort Lee Public Schools  
Student Activity Agency Fund

Statement of Cash Receipts and Cash Disbursements

Year ended June 30, 2020

	<b>Balance July 1, 2019</b>	<b>Cash Receipts</b>	<b>Cash Disbursements</b>	<b>Balance June 30, 2020</b>
<b>Assets:</b>				
Cash and cash equivalents				
Student Activity Fund	\$ 107,563	\$ 175,279	\$ 160,073	\$ 122,769
Athletic Fund	14,066	54,257	66,501	1,822
Total assets	\$ 121,629	\$ 229,536	\$ 226,574	\$ 124,591
<b>Liabilities:</b>				
Due to student groups				
Student Activity Fund	\$ 107,563	\$ 175,279	\$ 160,073	\$ 122,769
Athletic Fund		52,434	52,434	
Interfund Payable	14,066	1,823	14,067	1,822
Total liabilities	\$ 121,629	\$ 229,536	\$ 226,574	\$ 124,591



Fort Lee Public Schools  
Payroll Agency Fund

Statement of Cash Receipts and Cash Disbursements

Year ended June 30, 2020

	<b>Balance July 1, 2019</b>	<b>Cash Receipts</b>	<b>Cash Disbursements</b>	<b>Balance June 30, 2020</b>
<b>Assets</b>				
Cash and cash equivalents	\$ 78,906	\$ 43,757,130	\$ 43,391,920	\$ 444,116
Total assets	<u>\$ 78,906</u>	<u>\$ 43,757,130</u>	<u>\$ 43,391,920</u>	<u>\$ 444,116</u>
<b>Liabilities</b>				
Payroll deductions payable	\$ 62,040	\$ 43,739,409	\$ 43,375,054	\$ 426,395
Interfunds Payable	16,866	17,721	16,866	17,721
Total liabilities	<u>\$ 78,906</u>	<u>\$ 43,757,130</u>	<u>\$ 43,391,920</u>	<u>\$ 444,116</u>

## **Long-Term Debt**

Fort Lee Public Schools  
Long-Term Debt

Schedule of Serial Bonds Payable

June 30, 2020

Issue	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance July 1, 2019	Retired	Balance June 30, 2020
			Date	Amount				
BCIA Improvement Bonds	8/7/2012	\$ 18,450,000	11/1/2020	\$ 825,000	4.000%	\$ 13,470,000	\$ 775,000	\$ 12,695,000
			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%			
			General Serial Bonds	4/7/2015	49,840,000			
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%						
						45,470,000	1,455,000	44,015,000
						<u>\$ 58,940,000</u>	<u>\$ 2,230,000</u>	<u>\$ 56,710,000</u>

Fort Lee Public Schools  
Long-Term Debt

Schedule of Obligations Under Capital Leases

Year ended June 30, 2020

<b>Purpose</b>	<b>Interest Rate</b>	<b>Amount of Original Issue</b>	<b>Balance July 1, 2019</b>	<b>Retired</b>	<b>Balance June 30, 2020</b>
Energy Saving Investment Plan	2.50%	\$ 5,571,444	\$ 4,708,941	\$ 286,313	\$ 4,422,628
			<u>\$ 4,708,941</u>	<u>\$ 286,313</u>	<u>\$ 4,422,628</u>

Fort Lee Public Schools  
Debt Service Fund

Budgetary Comparison Schedule

Year ended June 30, 2020

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Revenues:					
Local sources:					
Local tax levy	\$ 3,697,351		\$ 3,697,351	\$ 3,697,351	
State sources:					
Debt Service Aid Type II	409,416		409,416	409,416	
Total revenues	<u>4,106,767</u>		<u>4,106,767</u>	<u>4,106,767</u>	
Expenditures:					
Principal on bonds	2,230,000		2,230,000	2,230,000	
Interest on bonds	2,025,112		2,025,112	2,025,112	
Total expenditures	<u>4,255,112</u>		<u>4,255,112</u>	<u>4,255,112</u>	
(Deficiency) of revenues (under) expenditures	(148,345)		(148,345)	(148,345)	
Fund balance, July 1	148,348		148,348	148,348	
Fund balance, June 30	<u>\$ 3</u>	<u>\$ -</u>	<u>\$ 3</u>	<u>\$ 3</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,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Governmental activities</b>										
Invested in capital assets, net of related debt	\$ 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	\$ 30,046,236
Restricted	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	12,488,992
Unrestricted (deficit)	(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)	(18,759,891)
<b>Total governmental activities net position</b>	<b>\$ 10,733,990</b>	<b>\$ 14,252,424</b>	<b>\$ 16,561,460</b>	<b>\$ 17,812,834</b>	<b>\$ 2,167,835</b>	<b>\$ 8,754,941</b>	<b>\$ 10,946,112</b>	<b>\$ 12,899,083</b>	<b>\$ 18,389,352</b>	<b>\$ 23,775,337</b>
<b>Business-type activities</b>										
Invested in capital assets	\$ 100,024	\$ 92,772	\$ 79,460	\$ 65,940	\$ 96,328	\$ 74,036	\$ 103,163	\$ 94,533	\$ 119,290	\$ 100,521
Unrestricted	295,328	449,260	574,732	360,493	271,531	281,090	244,016	289,007	272,089	293,992
<b>Total business-type activities net position</b>	<b>\$ 395,352</b>	<b>\$ 542,032</b>	<b>\$ 542,032</b>	<b>\$ 426,433</b>	<b>\$ 367,859</b>	<b>\$ 355,126</b>	<b>\$ 347,179</b>	<b>\$ 383,540</b>	<b>\$ 391,379</b>	<b>\$ 394,513</b>
<b>District-wide</b>										
Invested in capital assets, net of related debt	\$ 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	\$ 30,146,757
Restricted	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	12,488,992
Unrestricted (deficit)	(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)	(18,465,899)
<b>Total District-wide net position</b>	<b>\$ 11,129,342</b>	<b>\$ 14,794,456</b>	<b>\$ 17,215,652</b>	<b>\$ 18,239,267</b>	<b>\$ 2,535,694</b>	<b>\$ 9,110,066</b>	<b>\$ 11,293,292</b>	<b>\$ 13,282,623</b>	<b>\$ 18,780,731</b>	<b>\$ 24,169,850</b>

Source: CAFR Exhibit A-1



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

	Unaudited									
	Year Ended June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Governmental activities</b>										
Instruction										
Regular	\$ 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	\$ 39,811,506
Special Education	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	5,341,076
Other Special Education	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	2,041,012
Other Education	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	1,101,443
Support Services										
Tuition	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	4,043,017
Student and Instruction Related Services	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	14,354,878
School Administrative Services	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	4,490,894
General Administrative Services	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	1,583,742
Central Services	869,440	892,131	880,547	1,113,877	1,167,626	1,139,101	1,752,401	1,926,128	1,835,821	1,892,306
Plant Operations and Maintenance	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	7,303,228
Pupil Transportation	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	2,387,168
Unallocated Benefits	3,493,585	3,799,983	5,939,141	4,118,192	5,883,397					
Charter Schools					9,686	9,963	9,965			
Interest on Long-Term Debt	(1,730)	(1,800)	616,664	699,444	868,913	2,492,004	2,982,464	1,989,370	1,958,373	1,877,315
Unallocated depreciation	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	-	-	-	-
<b>Total Governmental Activities</b>	<b>56,475,764</b>	<b>57,217,466</b>	<b>63,742,751</b>	<b>66,914,156</b>	<b>78,419,180</b>	<b>70,622,253</b>	<b>86,142,806</b>	<b>89,408,577</b>	<b>86,087,715</b>	<b>86,227,585</b>
<b>Business-Type Activities</b>										
Food Service Fund	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	1,304,271
Latchkey Program	492,737	501,273	521,024	255,711	-	-	-	-	-	-
<b>Total Business-Type Activities</b>	<b>1,640,370</b>	<b>1,624,676</b>	<b>1,732,707</b>	<b>1,502,023</b>	<b>1,406,042</b>	<b>1,417,898</b>	<b>1,531,726</b>	<b>1,516,498</b>	<b>1,591,821</b>	<b>1,304,271</b>
<b>TOTAL DISTRICT EXPENSES</b>	<b>\$ 58,116,134</b>	<b>\$ 58,842,142</b>	<b>\$ 65,475,458</b>	<b>\$ 68,416,179</b>	<b>\$ 79,825,222</b>	<b>\$ 72,040,151</b>	<b>\$ 87,674,532</b>	<b>\$ 90,925,075</b>	<b>\$ 87,679,536</b>	<b>\$ 87,531,856</b>
<b>Program Revenues</b>										
Governmental Activities:										
Charges for Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 83,500	\$ 30,211	\$ 79,028	\$ 182,684
Operating Grants and Contributions	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	1,294,288
<b>Total Governmental Activities Program Revenues</b>	<b>1,886,702</b>	<b>1,733,644</b>	<b>1,810,086</b>	<b>1,675,017</b>	<b>1,451,934</b>	<b>8,309,105</b>	<b>1,920,068</b>	<b>1,647,745</b>	<b>1,853,512</b>	<b>1,476,972</b>
Business-Type Activities:										
Operating grants and Contributions	357,872	442,030	443,442	437,334	429,904	441,169	484,629	445,455	446,001	346,289
Charges for Services	1,343,774	1,437,357	1,460,359	836,887	915,764	964,952	1,039,150	1,107,404	1,323,740	906,116
<b>Total Business-Type Activities Program Revenues</b>	<b>1,701,646</b>	<b>1,879,387</b>	<b>1,903,801</b>	<b>1,274,221</b>	<b>1,345,668</b>	<b>1,406,120</b>	<b>1,523,779</b>	<b>1,552,859</b>	<b>1,769,741</b>	<b>1,252,405</b>
<b>TOTAL DISTRICT PROGRAM REVENUES</b>	<b>\$ 3,588,348</b>	<b>\$ 3,613,031</b>	<b>\$ 3,713,887</b>	<b>\$ 2,949,238</b>	<b>\$ 2,797,602</b>	<b>\$ 9,715,225</b>	<b>\$ 3,443,847</b>	<b>\$ 3,200,604</b>	<b>\$ 3,623,253</b>	<b>\$ 2,729,377</b>
<b>Net (Expense) Revenue</b>										
Governmental Activities	\$ (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)	\$ (84,750,613)
Business-Type Activities	61,276	254,711	171,094	(227,802)	(60,374)	(12,777)	(7,947)	36,361	177,920	(51,866)
<b>Total District-Wide Net Expense</b>	<b>\$ (54,527,786)</b>	<b>\$ (55,229,111)</b>	<b>\$ (61,761,571)</b>	<b>\$ (65,466,941)</b>	<b>\$ (77,027,620)</b>	<b>\$ (62,325,926)</b>	<b>\$ (84,230,685)</b>	<b>\$ (87,724,471)</b>	<b>\$ (84,056,283)</b>	<b>\$ (84,802,479)</b>

Fort Lee Public Schools  
Changes in Net Position  
Last Ten Fiscal Years  
  
(accrual basis of accounting)  
Unaudited

	Year Ended June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 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	\$ 66,085,732
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	3,697,351
Federal and State Aid - Not Restricted	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	19,684,293
Restricted grants and contributions		663,113	1,693,536	2,193,768						
Cancellations Capital Outlay to Capital Reserve				1,397,566						
Tuition					43,650					
Transfers									170,081	(55,000)
Investment Earnings	45	497	5,313	3,978	62,974		163,090	273,161	536,989	108,159
Miscellaneous Income	543,187	483,649	296,094	567,332	361,823	204,628	611,723	561,227	454,513	616,063
Total governmental activities	<u>\$ 55,685,014</u>	<u>\$ 59,002,256</u>	<u>\$ 64,241,701</u>	<u>\$ 66,490,513</u>	<u>\$ 73,787,101</u>	<u>\$ 63,328,810</u>	<u>\$ 86,413,909</u>	<u>\$ 89,713,803</u>	<u>\$ 89,724,472</u>	<u>\$ 90,136,598</u>
Business-type activities:										
Investment earnings		78	78	43	1,800					
Transfers	-	-	-	-	-	-	-	-	(170,081)	55,000
Total district-wide	<u>\$ 55,685,014</u>	<u>\$ 59,002,334</u>	<u>\$ 64,241,779</u>	<u>\$ 66,490,556</u>	<u>\$ 73,788,901</u>	<u>\$ 63,328,810</u>	<u>\$ 86,413,909</u>	<u>\$ 89,713,803</u>	<u>\$ 89,554,391</u>	<u>\$ 90,191,598</u>
<b>Change in Net Position</b>										
Governmental activities	\$ 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	\$ 5,385,985
Business-type activities	61,276	254,789	171,172	(227,759)	(58,574)	(12,777)	(7,947)	36,361	7,839	3,134
Total district	<u>\$ 1,157,228</u>	<u>\$ 3,773,223</u>	<u>\$ 2,480,208</u>	<u>\$ 1,023,615</u>	<u>\$ (3,238,719)</u>	<u>\$ 1,002,884</u>	<u>\$ 2,183,224</u>	<u>\$ 1,989,332</u>	<u>\$ 5,498,108</u>	<u>\$ 5,389,119</u>

Source: CAFR Schedule A-2

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

(modified accrual basis of accounting)  
Unaudited

	2011	2012	2013	2014	2015	June, 30 2016	2017	2018	2019	2020
<b>General Fund</b>										
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	\$ 12,488,992
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	286,598
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	1,822,252
Total general fund	<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>	<u>\$ 14,597,842</u>
<b>All Other Governmental Funds</b>										
Reserved										
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	\$ 3,156,456
Debt Service Fund			76,630	78,838	64,154	74,565	309,314	296,696	148,348	3
Total all other governmental funds	<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>	<u>\$ 3,156,459</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,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Revenues</b>										
Tax Levy	\$ 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	\$ 69,783,083
Interest - Capital Reserves Funds	45	497	5,313	3,978	62,974					
Interest Earnings	37,589	4,894	4,720	1,918	3,777		163,090	273,161	536,989	108,159
Revenues in lieu of taxes									245,414	471,000
Transportation	38,105	8,628								
Tuition	85,973	19,500	34,750	30,000	43,650		24,400	30,211	79,028	182,684
Miscellaneous	386,129	457,199	256,624	535,414	360,945	204,628	680,820	606,764	237,800	154,983
State Sources	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	14,891,674
Federal Sources	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	1,208,398
<b>Total revenue</b>	<b>57,571,716</b>	<b>60,735,900</b>	<b>66,051,787</b>	<b>66,767,964</b>	<b>69,372,473</b>	<b>71,637,915</b>	<b>76,159,814</b>	<b>79,106,689</b>	<b>84,333,008</b>	<b>86,799,981</b>
<b>Expenditures</b>										
Instruction										
Regular	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	20,577,992
Special Education Instruction	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	5,341,076
Other Special Instruction	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	2,041,012
Other Instruction	797,260	782,915	821,867	1,070,951	1,067,469	1,034,701	1,059,091	1,048,649	1,103,144	1,101,443
Support Services										
Tuition	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	4,043,017
Student and Instruction Related Services	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	9,365,312
School Administrative Services	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	2,749,786
General Administrative Services	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	1,182,906
Central Services	713,536	741,121	725,705	889,545	856,281	934,015	1,022,459	1,098,003	1,687,543	1,951,966
Plant Operations and Maintenance	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	5,357,651
Pupil Transportation	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	2,006,964
Employee Benefits	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	21,403,860
Special Schools										
Capital Outlay	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	6,625,296
Debt Service:										
Principal			780,000	655,000	665,000	685,000	2,270,000	2,120,000	2,175,000	2,230,000
Interest and Other Charges			559,900	697,100	680,575	2,165,869	2,243,013	2,170,887	2,099,388	2,025,112
Transfer to Charter School					9,686	9,963	9,965			
<b>Total expenditures</b>	<b>56,049,142</b>	<b>59,065,117</b>	<b>68,740,288</b>	<b>74,780,046</b>	<b>87,288,790</b>	<b>80,041,087</b>	<b>97,989,707</b>	<b>85,037,181</b>	<b>91,836,398</b>	<b>88,003,393</b>
Excess (Deficiency) of Revenues Over/ (Under) Expenditures	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)	(1,203,412)
<b>Other Financing sources (uses)</b>										
Transfer In	747,577	334,958	3,952	157,034	61,946	12,618	163,090	273,161	707,070	108,159
Transfer Out	(747,577)	(334,958)	(3,952)	(157,034)	(61,946)	(12,618)	(163,090)	(273,161)	(536,989)	(163,159)
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				
<b>Total Other Financing Sources</b>	<b>-</b>	<b>-</b>	<b>20,784,919</b>	<b>3,365,291</b>	<b>55,411,444</b>	<b>550,000</b>	<b>-</b>	<b>-</b>	<b>170,081</b>	<b>(55,000)</b>
<b>Net change in fund balances</b>	<b>\$ 1,522,574</b>	<b>\$ 1,670,783</b>	<b>\$ 18,096,418</b>	<b>\$ (4,646,791)</b>	<b>\$ 37,495,127</b>	<b>\$ (7,853,172)</b>	<b>\$ (21,829,893)</b>	<b>\$ (5,930,492)</b>	<b>\$ (7,333,309)</b>	<b>\$ (1,258,412)</b>
Debt service as a percentage of noncapital expenditures	0.00%	0.00%	2.17%	2.15%	2.07%	4.25%	6.47%	5.90%	5.67%	5.52%

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,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>General Fund:</b>										
Interest on Investments	\$ 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	140,550	174,175	95,000	5,500			19,000	45,260	50,705	
Donations	433	89,635	2,150	500	200	8,383				
Transportation	38,105	8,628						3,497	457	
Cancellation of Prior Year Void Checks	2,443		1,737	5,305	5,319					
Refund of prior year's expenditures							204,060	119,576		
Miscellaneous - Restricted:										
Reimbursement of Custodial	97,409	84,620	82,086	203,911	264,722					
Athletic Receipts	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	2,839		2,061	1,282	1,108					
Miscellaneous - Unrestricted	39,935	97,547	46,020	309,636	78,383	137,935	82,192	322,104	20,999	83,677
Total Miscellaneous	543,187	483,649	282,584	567,332	405,473	192,010	315,028	561,227	158,394	83,677
Interest on Capital Reserve Funds	45	497	1,827	1,770	1,028	-	-	-	-	-
<b>Total General Fund</b>	<b>\$ 543,232</b>	<b>\$ 484,146</b>	<b>\$ 284,411</b>	<b>\$ 569,102</b>	<b>\$ 406,501</b>	<b>\$ 192,010</b>	<b>\$ 315,028</b>	<b>\$ 561,227</b>	<b>\$ 158,394</b>	<b>\$ 83,677</b>

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 <sup>a</sup>	Net Valuation Taxable*	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate <sup>b</sup>
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
2020	100,373,300	3,915,229,600			950,132,900	7,383,200	1,640,622,850	6,613,741,850	7,927,515	6,621,669,365	7,347,718,920	1.072

\* 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	
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
2020	1.072	1.062	0.275	2.409

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	2020		Top 10 Taxpayers	2011	
	Taxable Assessed Value	% of Total District Net Assessed Value		Taxable Assessed Value	% of Total District Net Assessed Value
1266 Apartment Corp.	\$ 242,500,000	3.66%	1266 Apartment Corp.	\$ 289,151,000	4.72%
1530 Owners Corp.	168,478,000	2.54%	1530 Owners Corp.	168,478,000	2.75%
Fort Lee Phase I Owners, LLC	134,000,000	2.02%	Executive Park LLC	99,000,000	1.62%
Southbridge Park, LLC	82,673,000	1.25%	Mediterranean Towers West Owners, Inc.	91,058,000	1.49%
TDC Fort Lee, LLC	82,000,000	1.24%	CCA Crest at Fort Lee, LLC	83,825,300	1.37%
Crest at Fort Lee, LLC	82,000,000	1.24%	Southbridge Park, LLC	82,673,000	1.35%
2100 Linwood Avenue Owners Inc.	78,000,000	1.18%	2100 Linwood Avenue Owners Inc.	78,000,000	1.27%
Mediterranean Towers West Owners, Inc.	72,000,000	1.09%	2000 Linwood Avenue Owners Inc.	69,403,000	1.13%
One Century City Apartment Corp.	64,703,000	0.98%	One Century City Apartment Corp	64,703,000	1.06%
Northbridge Park Co-Op, Inc.	63,267,000	0.96%	Northbridge Park Co-op Inc	63,267,000	1.03%
	<u>\$ 1,069,621,000</u>	<u>16.15%</u>		<u>\$ 1,089,558,300</u>	<u>17.80%</u>

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	
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%	
2020	69,783,083	69,783,083	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,	Governmental Activities			Percentage of Personal Income	Per Capita
	General Obligation Bonds	Capital Leases	Total District		
2011		\$ 157,715	\$ 157,715	0.01%	\$ 69,053
2012		107,229	107,229	0.00%	72,152
2013	\$ 17,670,000	409,604	18,079,604	0.70%	71,679
2014	17,015,000	2,248,388	19,263,388	0.71%	74,452
2015	66,190,000	7,750,964	73,940,964	2.62%	77,666
2016	65,505,000	7,672,224	73,177,224	2.49%	79,145
2017	63,235,000	6,656,463	69,891,463	2.30%	81,483
2018	61,115,000	5,733,073	66,848,073	2.06%	85,951
2019	58,940,000	4,708,941	63,648,941	1.92% *	85,951
2020	56,710,000	4,422,628	61,132,628	1.95%	81,203

Source: District CAFR Schedules I-1, I-2 and District records.

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 <sup>a</sup> of Property	Per Capita <sup>b</sup>
2011					\$ 69,053
2012					72,152
2013	\$ 17,670,000	\$ (76,630)	\$ 17,593,370	0.29%	71,679
2014	17,015,000	(78,838)	16,936,162	0.28%	74,452
2015	66,190,000	(64,154)	66,125,846	1.08%	77,666
2016	65,505,000	(74,565)	65,430,435	1.05%	79,145
2017	63,235,000	(309,314)	62,925,686	0.98%	81,483
2018	61,115,000	(296,696)	60,818,304	0.93%	85,951
2019	58,940,000	(148,348)	58,791,652	0.90%	85,951 *
2020	56,710,000	(3)	56,709,997	0.86%	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, 2020

Unaudited

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable <sup>a</sup></u>	<u>Estimated Share of Overlapping Debt</u>
Debt Repaid with Property Taxes:			
Net Overlapping Debt of School District:			
Borough of Fort Lee	\$ 58,240,334	100%	\$ 58,240,334
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			<u>58,240,334</u>
Fort Lee School District Direct Debt			<u>56,710,000</u>
<b>Total Direct and Overlapping Bonded Debt</b>			<b><u>\$ 114,950,334</u></b>

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

2020	\$	7,004,004,214
2019		7,150,194,994
2018		<u>6,584,983,258</u>

[A] \$ 20,739,182,466

Average Equalized Valuation of Taxable Property	\$	<u>6,913,060,822</u>
Debt Limit (4% of Average Equalization Value)	\$	276,522,433
Net Bonded School Debt		<u>56,709,997</u>
Legal Debt Margin	\$	<u>219,812,436</u>

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Debt limit	\$ 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	\$ 276,522,433
Total net debt applicable to limit			17,593,370	16,936,162	66,125,846	65,430,435	62,925,686	60,818,304	58,791,652	56,709,997
Legal debt margin	\$ 256,555,056	\$ 172,693,511	\$ 222,238,326	\$ 222,895,534	\$ 196,776,628	\$ 199,653,042	\$ 200,132,852	\$ 208,570,482	\$ 210,273,274	\$ 219,812,436
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	7.34%	7.06%	25.15%	24.68%	23.92%	22.58%	21.85%	20.51%

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 <sup>a</sup>	Personal Income <sup>b</sup>	Bergen County Per Capita Personal Income <sup>c</sup>	Unemployment Rate <sup>d</sup>
2011	35,727	\$ 2,467,056,531	\$ 69,053	6.2%
2012	35,870	2,588,092,240	72,152	5.8%
2013	36,202	2,594,923,158	71,679	5.8%
2014	36,242	2,698,289,384	74,452	4.2%
2015	36,292	2,818,654,472	77,666	3.5%
2016	37,186	2,943,085,970	79,145	3.2%
2017	37,316	3,040,619,628	81,483	3.1%
2018	37,796	3,248,603,996	85,951	2.6%
2019	38,605	3,318,138,355 *	85,951	2.2%
2020	38,605	3,134,841,815	81,203 *	2.2%

Source:

<sup>a</sup> Population information provided by the NJ Dept of Labor and Workforce Development.

<sup>b</sup> Personal income has been estimated based upon the municipal population and per capita personal income presented.

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

<sup>d</sup> 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>2020</u>		<u>2011</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%
	<u>-</u>	<u>0.00%</u>	<u>-</u>	<u>0.00%</u>

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

Unaudited

<b>Function/Program</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
<b>Instruction</b>										
Regular	229.0	212.0	231.0	260.0	271.5	271.5	237.1	219.4	226.6	256.0
Special Education	37.0	64.0	82.0	63.0	61.5	61.5	70.3	101.7	98.3	97.0
Other Special Education	33.5	23.0	24.0	27.0	26.0	26.0	47.0	45.6	56.5	75.0
Other Instructional							25.2	25.8	28.7	37.0
<b>Support Services:</b>										
Student and Instructional Related Services	71.5	78.5	95.0	82.0	79.0	79.0	55.6	60.8	62.8	40.0
General Administration	10.0	8.5	8.0	8.0	8.5	8.5	5.0	5.0	5.0	6.0
School Administrative Services	24.0	24.0	22.0	26.0	26.5	26.5	25.8	23.7	23.7	23.7
Business Administrative Services	13.0	14.0	15.0	17.0	17.0	17.0	21.6	21.5	24.5	24.5
Plant Operations and Maintenance	21.0	20.5	21.0	21.0	22.0	22.0	24.1	23.6	26.6	24.0
<b>Total</b>	<b>439.0</b>	<b>444.5</b>	<b>498.0</b>	<b>504.0</b>	<b>512.0</b>	<b>512.0</b>	<b>511.7</b>	<b>527.1</b>	<b>552.8</b>	<b>583.2</b>

**Source:** District Personnel Records



Fort Lee Public Schools  
 Operating Statistics  
 Last Ten Fiscal Years

Unaudited

Fiscal Year	Enrollment	Operating Expenditures <sup>a</sup>	Cost Per Pupil	Percentage Change	Teaching Staff <sup>b</sup>	Teacher Ratio/Pupil			Average Daily Enrollment (ADE) <sup>c</sup>	Average Daily Attendance (ADA) <sup>c</sup>	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle	Senior High School				
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%
2020	4,176	77,122,985	18,468	0.27%	308.5	1:15	1:14	1:14	4,154.3	4,021.8	2.51%	96.81%

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

<b>Facility</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
<b>Elementary</b>										
<u>Elementary</u>										
Elementary School #1										
Square Feet	57,938	57,938	57,938	57,938	57,938	57,938	57,938	64,300	64,300	64,300
Functional Capacity	447	447	447	447	447	447	447	496	496	496
Enrollment	634	644	678	708	666	708	677	697	746	585
Elementary School #2										
Square Feet	50,989	50,989	50,989	50,989	50,989	50,989	50,989	68,526	68,526	68,526
Functional Capacity	339	339	339	339	339	447	447	600	600	600
Enrollment <sup>a</sup>	422	428	455	457	470	457	483	486	501	398
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	513	533	530	536	534	536	560	578	579	395
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	535	516	540	541	551	541	574	618	599	437
<b>Middle Schools</b>										
<u>Middle Schools</u>										
Lewis F. Cole Middle School										
Square Feet	78,455	78,455	78,455	78,455	78,455	78,455	78,455	77,228	77,228	77,228
Functional Capacity	295	295	295	295	295	395	395	626	626	626
Enrollment	526	556	574	558	534	541	578	611	593	1,264
<b>High School</b>										
<u>High School</u>										
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	979	995	959	978	983	978	953	920	1,019	1,074

Number of Schools at June 30, 2020

    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

School Facilities	School #	June 30,									
		2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Fort Lee High School	50	\$ 198,569	\$ 158,103	\$ 140,272	\$ 178,060	\$ 230,785	\$ 143,804	\$ 211,437	\$ 177,364	\$ 201,794	\$ 136,945
Lewis F. Cole Middle School	100	141,454	122,407	54,299	67,317	52,546	77,481	97,829	80,173	78,468	67,095
Elementary School #1	60	84,112	78,014	76,923	97,856	45,004	50,383	80,468	65,678	78,720	76,040
Elementary School #2	70	110,425	73,770	58,824	76,727	26,777	53,205	39,226	39,221	82,480	49,203
Elementary School #3	80	92,977	65,034	49,774	63,688	42,970	42,834	47,362	53,743	48,255	44,730
Elementary School #4	90	104,831	68,626	72,398	92,449	100,747	34,504	71,315	68,262	50,202	53,676
		<u>\$ 732,368</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>

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

Source: District records of required maintenance.

Fort Lee Public Schools  
Insurance Schedule  
June 30, 2020

Unaudited

	<u>Coverage</u>	<u>Deductible</u>
<b>School Package Property - School Alliance Fund</b>		
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, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated January 26, 2021.

**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) as a basis for designing 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.

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

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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 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 financial statements. 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*

January 26, 2021  
Cranford, New Jersey

*David J. Gannon*

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 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, 2020. 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.

***Auditor's 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



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

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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 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, 2020.

**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.

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

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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.

**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*

January 26, 2021  
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, 2020

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Federal FAIN Number	Award Amount	Grant Period		Balance at June 30, 2019	Carryover/Walkover Amount	Cash Received	Budgetary Expenditures	Balance June 30, 2020		
				From	To					(Accounts Receivable)	Unearned Revenue	Due to Grantor
<b>U.S. Department of Health and Human Services</b>												
<b>Passed Through State Department of Education</b>												
General Fund:												
Medical Assistance Program - SEMI	93.778	1905NJ5MAP	\$ 43,099	7/1/2019	6/30/2020			\$ 43,099	\$ (43,099)			
Total General Fund								43,099	(43,099)			
<b>U.S. Department of Education--Passed-Through State Department of Education</b>												
Special Revenue Fund:												
Title I, Part A	84.010A	S010A200030	491,654	7/1/2019	9/30/2020			228,775	(385,644)	\$ (156,869)		
Title I, Part A	84.010A	S010A190030	524,544	7/1/2018	9/30/2019	\$ (231,145)		231,145				
Title II, Part A	84.367A	S367A200029	97,435	7/1/2019	9/30/2020			57,500	(71,147)	(13,647)		
Title II, Part A	84.367A	S367A190029	103,241	7/1/2018	9/30/2019	(39,384)		39,384				
Title III	84.365A	S365A200030	96,135	7/1/2019	9/30/2020			38,355	(60,434)	(22,079)		
Title III	84.365A	S365A190030	103,541	7/1/2018	9/30/2019	(56,910)		61,088	(4,178)			
Title IV	84.424A	S424A200031	29,828	7/1/2019	9/30/2020			14,214	(26,816)	(12,602)		
Title IV	84.424A	S424A190031	29,103	7/1/2018	9/30/2019	(2,000)		2,000				
Carl Perkins - Entitlement Federal	84.048	S048A200030	11,885	7/1/2019	9/30/2020			10,589	(11,626)	(1,037)		
Special Education Cluster:												
IDEA Part B	84.027	S027A200100	912,554	7/1/2019	9/30/2020			292,768	(486,176)	(193,408)		
IDEA Part B	84.027	S027A190100	947,449	7/1/2018	9/30/2019	(556,482)		556,482				
IDEA Preschool	84.173	S173A200114	46,056	7/1/2019	9/30/2020			7,043	(17,112)	(10,069)		
IDEA Preschool	84.173	S173A190114	31,504	7/1/2018	9/30/2019	(8,469)		8,469				
Subtotal of Special Education Cluster						(564,951)		864,762	(503,288)	(203,477)		
CARES Act Education Stabilization Fund	84.425D	Not available	363,870	3/13/2020	9/30/2022				(126,357)	(126,357)		
Total Special Revenue Fund						(894,390)		1,547,812	(1,189,490)	(536,068)		
<b>U.S. Department of Agriculture--Passed-Through State Department of Agriculture</b>												
Enterprise Fund:												
Child Nutrition Cluster:												
Food Donation Program (NC)	10.555	201NJ304N109	79,129	7/1/2019	6/30/2020			79,128	(71,517)	\$ 7,611		
Food Donation Program (NC)	10.555	191NJ304N109	83,299	7/1/2018	6/30/2019	1,744			(1,744)			
School Breakfast Program	10.553	201NJ304N109	13,221	7/1/2019	6/30/2020			13,221	(13,221)			
School Breakfast Program	10.553	191NJ304N109	25,321	7/1/2018	6/30/2019	(5,528)		5,528				
National School Lunch Program	10.555	201NJ304N109	202,730	7/1/2019	6/30/2020			202,730	(202,730)			
National School Lunch Program	10.555	191NJ304N109	304,408	7/1/2018	6/30/2019	(62,582)		62,582				
Seamless Summer Option (Cares Act)	10.555	201NJ304N109	25,606	7/1/2019	6/30/2020			3,032	(25,606)	(22,574)		
Subtotal of Child Nutrition Cluster						(66,366)		366,221	(314,818)	(22,574)	7,611	
Federal PB Lunch - Healthy Hunger-Free Kids Act of 2010	10.555	201NJ304N109	15,802	7/1/2019	6/30/2020			15,338	(15,802)	(464)		
Federal PB Lunch - Healthy Hunger-Free Kids Act of 2010	10.555	191NJ304N109	18,741	7/1/2018	6/30/2019	(3,844)		3,844				
Total Enterprise Fund						(70,210)		385,403	(330,620)	(23,038)	7,611	
<b>U.S. Department of Labor - Passed-through State Department of Labor</b>												
Agency Fund:												
Cares Act DOL Unemployment Grant	17.000	Not available	34,821	7/1/2019	6/30/2020				(34,821)	(34,821)		
Total Agency Fund									(34,821)	(34,821)		
Total Federal Awards						\$ (964,600)	\$ -	\$ 1,976,314	\$ (1,598,030)	\$ (593,927)	\$ 7,611	\$ -
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, 2020

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period		Balance June 30, 2019			Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	Balance June 30, 2020			Memo	
			From	To	Unearned Rev.	(Accounts Receivable)	Due to Grantor					Unearned Revenue	(Accounts Receivable)	Due to Grantor	Budgetary Receivable	Cumulative Expenditures
<b>State Department of Education</b>																
General Fund:																
Special Education Categorical Aid	495-034-5120-089	\$ 2,240,880	7/1/2019	6/30/2020			\$ 2,106,611	\$ (2,240,880)						\$ (134,269)	\$ (2,240,880)	
Special Education Categorical Aid	495-034-5120-089	1,916,432	7/1/2018	6/30/2019		\$ (118,881)	118,881									
Categorical Transportation Aid	495-034-5120-014	685,744	7/1/2019	6/30/2020			644,656	(685,744)						(41,088)	(685,744)	
Categorical Transportation Aid	495-034-5120-014	685,744	7/1/2018	6/30/2019		(42,539)	42,539									
Security Aid	495-034-5120-084	105,243	7/1/2019	6/30/2020			98,937	(105,243)						(6,306)	(105,243)	
Security Aid	495-034-5120-084	105,243	7/1/2018	6/30/2019		(6,528)	6,528									
Extraordinary Aid	100-034-5120-473	1,437,714	7/1/2019	6/30/2020				(1,437,714)				\$ (1,437,714)			(1,437,714)	
Extraordinary Aid	100-034-5120-473	1,389,522	7/1/2018	6/30/2019		(1,389,522)	1,389,522									
Additional NP Transportation Aid	Not Available	65,990	7/1/2018	6/30/2019		(65,990)	65,990									
Reimbursed TPAF - Social Security	495-034-5094-003	2,104,019	7/1/2019	6/30/2020			2,001,360	(2,104,019)					(102,659)		(2,104,019)	
Reimbursed TPAF - Social Security	495-034-5094-003	2,181,584	7/1/2018	6/30/2019		(101,624)	101,624									
On-behalf TPAF Contributions																
Pension Benefit Contribution	495-034-5094-002	5,688,174	7/1/2019	6/30/2020			5,688,174	(5,688,174)							(5,688,174)	
Post-Retirement Medical Contribution	495-034-5094-001	2,110,208	7/1/2019	6/30/2020			2,110,208	(2,110,208)							(2,110,208)	
Long-Term Disability Insurance Contributions	495-034-5094-004	4,922	7/1/2019	6/30/2020			4,922	(4,922)							(4,922)	
<b>Total General Fund</b>						(1,725,084)	14,379,952	(14,376,904)				(1,540,373)		(181,663)	(14,376,904)	
Special Revenue Fund:																
New Jersey Non-Public Aid:																
Nursing Aid	100-034-5120-070	15,132	7/1/2019	6/30/2020			15,132	(15,132)							(15,132)	
Textbook Aid	100-034-5120-064	8,223	7/1/2019	6/30/2020			8,223	(8,219)					\$ 4		(8,219)	
Textbook Aid	100-034-5120-064	11,267	7/1/2018	6/30/2019		\$ 15				\$ (15)						
Technology Initiative	100-034-5120-070	5,616	7/1/2019	6/30/2020			5,616	(5,614)					2		(5,614)	
Security Aid	100-034-5120-509	23,400	7/1/2019	6/30/2020			23,400	(21,352)					2,048		(21,352)	
Security Aid	100-034-5120-509	31,650	7/1/2018	6/30/2019			5,794				(5,794)					
Non Public Auxiliary Services (Ch. 192):																
English as a Second Language	100-034-5120-067	30,276	7/1/2019	6/30/2020			27,040	(25,387)					4,889	(3,236)	(25,387)	
English as a Second Language		25,969	7/1/2018	6/30/2019			4,830				(4,830)					
Compensatory Education		22,713	7/1/2019	6/30/2020			20,284	(18,591)					4,122	(2,429)	(18,591)	
Compensatory Education		39,763	7/1/2018	6/30/2019			22,420				(22,420)					
Non Public Handicapped Services (Ch. 193):																
Supplemental Instruction	100-034-5120-066	8,095	7/1/2019	6/30/2020			7,043	(6,227)					1,868	(1,052)	(6,227)	
Supplemental Instruction		8,723	7/1/2018	6/30/2019			2,775				(2,775)					
Examination and Classification		12,822	7/1/2019	6/30/2020			11,155	(6,807)					6,015	(1,667)	(6,807)	
Examination and Classification		16,194	7/1/2018	6/30/2019			7,096				(7,096)					
Corrective Speech		15,858	7/1/2019	6/30/2020			13,796	(11,740)					4,118	(2,062)	(11,740)	
Corrective Speech		19,196	7/1/2018	6/30/2019			6,965				(6,965)					
<b>Total Special Revenue Fund</b>							49,895	131,689	(119,069)				(49,895)		23,066 (10,446) (119,069)	
Debt Service Fund:																
Type II Debt Service aid	495-034-5120-125	409,416	7/1/2019	6/30/2020			409,416	(409,416)							(409,416)	
<b>Total Debt Service Fund</b>							409,416	(409,416)							(409,416)	
<b>State Department of Agriculture</b>																
Enterprise Fund:																
State School Lunch Program (State share)	20-000-010-3350-023	15,669	7/1/2019	6/30/2020			10,972	(15,256)					(4,284)		(15,256)	
State School Lunch Program (State share)	19-000-010-3350-023	15,976	7/1/2018	6/30/2019		(3,277)	3,277									
Seamless Summer Option	20-000-010-3350-023	413	7/1/2019	6/30/2020			211	(413)					(202)		(413)	
<b>Total Enterprise Fund</b>						(3,277)	14,460	(15,669)					(4,486)		(15,669)	
<b>Total State Financial Assistance</b>						\$ -	\$ (1,728,361)	\$ 49,895	\$ 14,935,517	\$ (14,921,058)	\$ -	\$ (49,895)	\$ -	\$ (1,544,859)	\$ 23,066 (192,109) (14,921,058)	
<b>State Financial Assistance Not Subject to Single Audit Determination:</b>																
General Fund:																
On-behalf TPAF Contributions																
Pension Benefit Contribution	495-034-5094-002	5,688,174	7/1/2019	6/30/2020			(5,688,174)	5,688,174							5,688,174	
Post-Retirement Medical Contribution	495-034-5094-001	2,110,208	7/1/2019	6/30/2020			(2,110,208)	2,110,208							2,110,208	
Long-Term Disability Insurance Contributions	495-034-5094-004	4,922	7/1/2019	6/30/2020			(4,922)	4,922							4,922	
<b>Total State Financial Assistance Subject to Single Audit Determination</b>						\$ -	\$ (1,728,361)	\$ 49,895	\$ 7,132,213	\$ (7,117,754)	\$ -	\$ (49,895)	\$ -	\$ (1,544,859)	\$ 23,066 (192,109) (7,117,754)	

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, 2020

**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, 2020

**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.

Additionally, on the budgetary basis, the special revenue fund will recognize an accounts receivable balance and an amount due back to state for non-public entitlement amounts not received at year-end. However, on the GAAP basis, the accounts receivable and the amount due back to state is impacted strictly by the amount of non-public entitlement funds received and expended, respectively at year-end. As a result, the state accounts receivable and the state payable balances in the special revenue fund on the budgetary basis differs from the GAAP basis as follows:

		Less: State Aid Not Received At June 30, 2020	
Accounts Receivable	Budgetary Basis		GAAP Basis
State	\$ 10,446	\$ 10,446	\$ -
		Less: State Aid Not Received At June 30, 2020	
Due to Grantor	Budgetary Basis		GAAP Basis
State	\$ 23,066	\$ 10,446	\$12,620

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$(13,715) for the general fund and \$(24,191) 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).

Fort Lee Public Schools

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

Year ended June 30, 2020

**3. Relationship to Basic Financial Statements (Continued)**

	Federal	State	Total
General Fund	\$ 43,099	\$ 14,363,189	\$ 14,406,288
Special Revenue Fund	1,165,299	119,069	1,284,368
Food Service Enterprise Fund	330,620	15,669	346,289
Debt Service Fund		409,416	409,416
Agency Fund	34,821		34,821
Total financial award revenues	<u>\$ 1,573,839</u>	<u>\$ 14,907,343</u>	<u>\$ 16,481,182</u>

Federal and State award revenues are reported in the District's basic financial statements on a GAAP basis as follows:

**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.

**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, 2020. The post-retirement pension, medical and disability insurance benefits received on behalf of the District for the year ended June 30, 2020 amounted to \$7,803,304. 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, 2020

**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	S027A200100	Special Education Cluster:
84.173	S173A200114	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, 2020

**Part I - Summary of Auditor's Results**

**State Financial Assistance 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:

<b>GMIS/Program Number</b>	<b>Name of State Program or Cluster</b>
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, 2020

**Part II – Schedule of Financial Statement Findings**

No compliance or internal control over financial reporting 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, 2020

**Part III – Schedule of Federal Award and State Financial Assistance 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, 2020

No prior year audit findings were noted.