



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



***Annual Comprehensive Financial Report
For the Year Ended
June 30, 2021***

Fort Lee Public Schools

Fort Lee, New Jersey

Annual Comprehensive Financial Report
For the Year Ended June 30, 2021

Prepared by

Business Office

Fort Lee Public Schools

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Introductory Section



Central Administration Offices

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Phone: 201.585.4612 ♦ Fax: 201.585.1305

www.FLBOE.com

Robert L. Kravitz
Superintendent of Schools

Diane Collazo-Baker
Assistant Superintendent of Schools

Haquisha Q. Taylor
Business Administrator/Board Secretary

February 23, 2022

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 Annual Comprehensive Financial Report (ACFR) of the Borough of Fort Lee Public Schools for the fiscal year ended June 30, 2021. This ACFR includes the District's Basic Financial Statements prepared in accordance with Governmental Accounting Standards Board Statement 34. The District believes that this 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 Annual Comprehensive Financial Report is presented in four sections as follows:

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

- **The Statistical Section** includes financial trends, revenue capacity, debt capacity, demographic and economic information, and operating information of the School District, generally presented on a multi-year basis.
- **The Single Audit Section** – the District is required to undergo an annual single audit in conformity with the provisions of Title 2 *U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey and New Jersey OMB's Circular 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 4,070 students, in district and out-of-district, in grades kindergarten through twelve.

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

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

Reporting Entity

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

Economic Conditions and Outlook

The District completed the 2020-2021 fiscal year with an average daily enrollment of 4,070 students, which is eighty-one students less 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.

<u>Fiscal Year</u>	<u>Average Daily Enrollment Student Enrollment</u>	<u>Percent Change</u>
2020-2021	4,070	-1.93%
2019-2020	4,154	2.49%
2018-2019	4,053	3.38%
2017-2018	3,920	4.62%
2016-2017	3,747	1.13%

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 2020-2021 school year by 3.22%, but the increase in expenditures from inflationary pressures, contractual agreements and benefits have outpaced the additional revenue. The District's administration is closely monitoring the cost of operations and continues to look for innovative ways to contain costs in addition to new funding sources in order to maintain the quality educational services that the District has been accustomed to providing.

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

Major Initiatives/Educational Program

Major activities for the Fort Lee School District for the 2020-2021 school year include:

English Language Arts:

- Revised K-12 English Language Arts curriculum
- Implemented My On and Raz-Plus to increase student access to digital texts during remote learning
- Continued to provide professional development to support literacy instruction across grade levels
- Implemented activities to support the Diversity, Equity and Inclusion DOE mandate

Social Studies:

- Implemented activities to support the Diversity, Equity and Inclusion DOE mandate
- Added resources to grade 5 curriculum to support interdisciplinary unit with English language arts
- Explored new resources for 8th grade Civics course
- Updated resources for high school courses

Math

- Adopted new math program for grades 5 & 6

Science

- Adopted new biology textbook for high school course
- Continue to monitor STEAM and MakerSpace programs

Business

- Adopted new personal finance textbook for high school course

Visual and Performing Arts

- Adopted new AP Two-Dimensional Design Curriculum

Across Content Areas

- Monitored STAR and Fountas and Pinnell Assessment Data
- Implemented the IXL program and offered professional support to educators
- Purchased and piloted a new curriculum management system, Rubicon Atlas, and offered professional support to educators and administrators to prepare for implementation

Professional Development

- Offered professional development to support instruction in literacy, world language, equity, and meeting the needs of our English learners using the Sheltered Instruction methodology, as well as how to use google extensions to enhance instruction in math and science.
- The district continued its equity initiative by partnering with the Montclair State University Network for Education Renewal to conduct an equity audit and provide professional support to educators and administrators

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

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

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

In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the general fund, special revenue fund and debt service fund. Project length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section. An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year end are either cancelled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 2021.

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

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

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

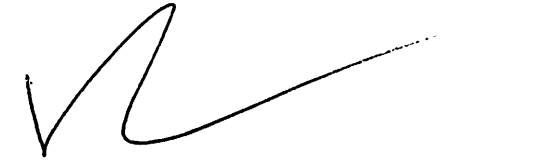
Acknowledgements:

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

Respectfully submitted,

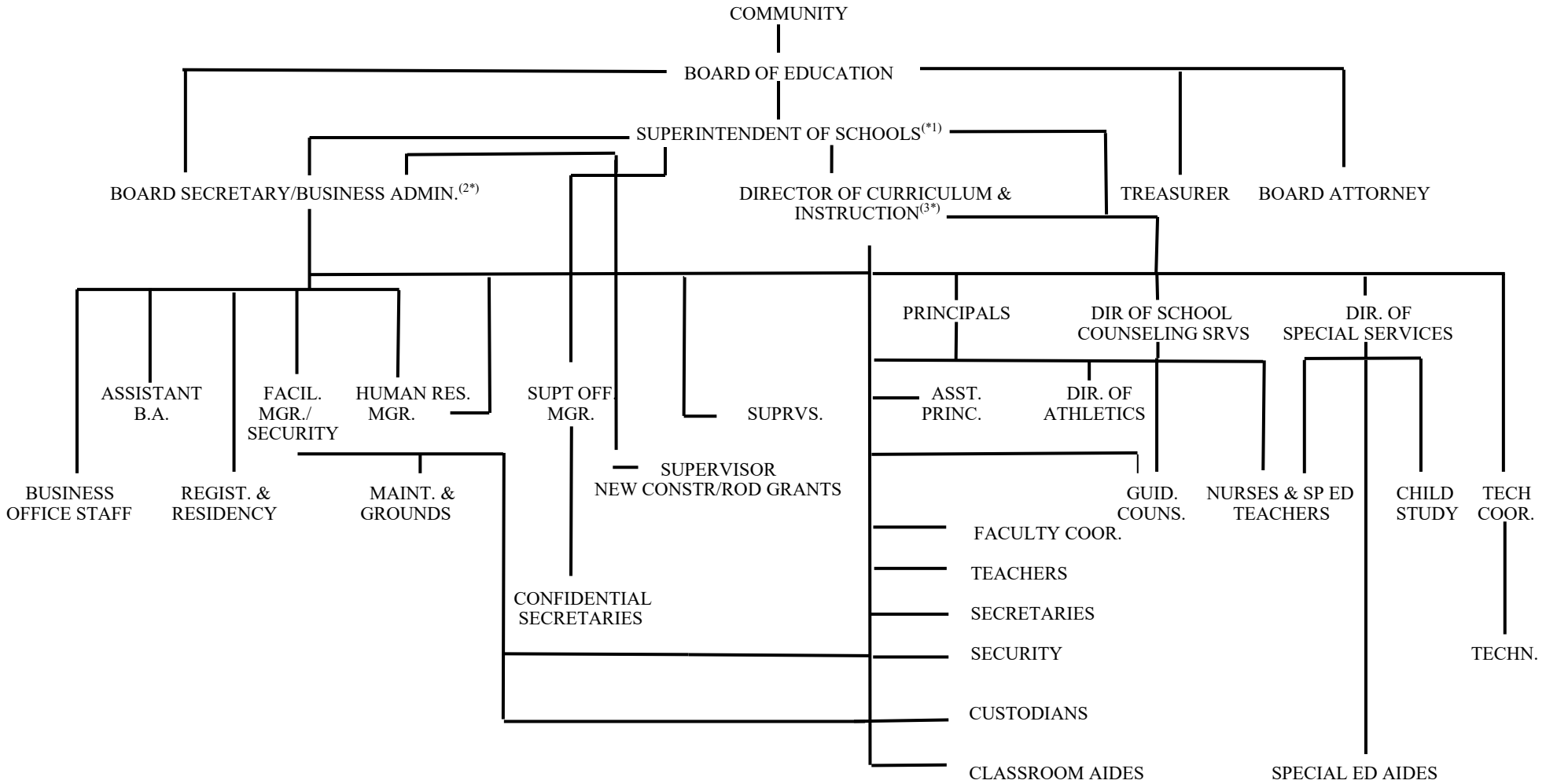


Superintendent of Schools



Business Administrator

**ORGANIZATION OF PERSONNEL AND REPORTING RESPONSIBILITIES
FORT LEE PUBLIC SCHOOLS
2020-2021**



*Order of Authority
 — Order of Responsibility

2P*

Fort Lee Public Schools
Fort Lee, New Jersey

Roster of Officials

June 30, 2021

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Mrs. Paula Colbath, President	12/31/2022
Mrs. Kristen Richter, Vice President	12/31/2024
Mrs. Elisa Cho	12/31/2023
Mrs. Kim Curry	12/31/2023
Mrs. Holly Morell	12/31/2024
Mrs. Min Jeong Kim	12/31/2024
Mrs. Candace Romba	12/31/2022
Mr. Michael Rubino	12/31/2022
Ms. Julene Stassou	12/31/2023

Other Officials

Mr. Robert Kravitz, Superintendent of Schools (Effective September 29, 2021)

Mr. Kenneth Rota, Superintendent of Schools (July 1, 2020 through June 30, 2021)

Dr. Lauren Schoen, Interim Superintendent (June 16, 2021 through September 28, 2021)

Ms. Diane Collazo-Baker, Assistant Superintendent of Schools

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

Ms. Frances L. Febres, 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

Cleary, Giacobbe, Jacobs LLC
169 Ramapo Valley Road
Upper Level – Suite 105
Oakland, NJ 07436

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, and each major fund 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, 2021, 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 and requirements require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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
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**The Honorable President and Members
of the Board of Education
Fort Lee Public Schools**

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities and each major fund of the District as of June 30, 2021, 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.

Emphasis of Matter

We draw attention to Note 1T and Note 20 in the notes to financial statements which disclose the effects of the District's adoption of the provisions of Governmental Accounting Standards Board ("GASB") Statement No. 84, *Fiduciary Activities*. Our opinion is not modified with respect to this matter.

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

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

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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 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 February 23, 2022 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

Cranford, New Jersey
February 23, 2022

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, 2021

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, 2021. 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 (2020-2021) and the prior fiscal year (2019-2020) 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 two categories: governmental funds and proprietary 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.

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 31 - 74 of this report.

Other information. The combining statements referred to earlier in connection with governmental funds are presented immediately following the notes to the basic financial statements. Combining and individual fund statements and schedules can be found on pages 79 - 101 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, 2021 and 2020:

Fort Lee Public Schools Fort Lee, New Jersey Net Position						
	June 30, 2021			June 30, 2020 (Restated)		
	Governmental Activities	Business Type- Activities	Total	Governmental Activities	Business Type- Activities	Total
Assets						
Current and other assets	\$ 26,438,399	\$ 549,064	\$ 26,987,463	\$ 20,530,028	\$ 376,737	\$ 20,906,765
Capital assets, net	88,493,743	91,101	88,584,844	89,480,845	100,521	89,581,366
Total assets	114,932,142	640,165	115,572,307	110,010,873	477,258	110,488,131
Deferred outflows	2,199,914		2,199,914	3,082,077		3,082,077
Liabilities						
Current liabilities	5,987,272	98,378	6,085,650	9,971,080	82,745	10,053,825
Net pension liability	10,961,900		10,961,900	12,650,416		12,650,416
Long Term Liabilities	60,408,779		60,408,779	60,657,818		60,657,818
Total liabilities	77,357,951	98,378	77,456,329	83,279,314	82,745	83,362,059
Deferred inflows	5,760,118		5,760,118	5,631,835		5,631,835
Net position						
Net investment in capital assets	31,660,241	91,101	31,751,342	30,046,236	100,521	30,146,757
Restricted	17,235,867		17,235,867	12,893,634		12,893,634
Unrestricted (deficit)	(14,882,121)	450,686	(14,431,435)	(18,758,069)	293,992	(18,464,077)
Total net position	\$ 34,013,987	\$ 541,787	\$ 34,555,774	\$ 24,181,801	\$ 394,513	\$ 24,576,314

Key financial highlights for the 2020-2021 fiscal year include the following:

- Governmental net position increased \$9,832,186 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 2020-2021 last two state aid payments until July 2021.

The District's cash balances increased significantly during the 2021 fiscal year as a result of progress made on the District's capital projects in prior years which resulted in much less spending in the current year. 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 2021 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, 2019, which was rolled forward to June 30, 2020. The net pension liability associated with the District's governmental activities at June 30, 2021 amounted to \$10,961,900, which decreased in the amount of \$1,688,516 resulting from changes in the net pension liability calculation. Long-term liabilities decreased by principal payments made in the amount of \$2,585,000 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, 2021 and 2020 are as follows:

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

	Year ended June 30,					
	2021			2020		
	Governmental Activities	Business Type- Activities	Total	Governmental Activities	Business Type- Activities	Total
Revenues:						
Program revenues:						
Charges for services	\$ 372,318	\$ 36,750	\$ 409,068	\$ 182,684	\$ 906,116	\$ 1,088,800
Operating grants and contributions	2,526,002	968,144	3,494,146	1,294,288	346,289	1,640,577
General revenues:						
Property taxes	72,075,317		72,075,317	69,783,083		69,783,083
State and federal aid not restricted to a specific purpose	26,454,791		26,454,791	19,684,293		19,684,293
Investment Income	2,921		2,921	108,159		108,159
Miscellaneous	870,144		870,144	616,063		616,063
Total revenue	<u>102,301,493</u>	<u>1,004,894</u>	<u>103,306,387</u>	<u>91,668,570</u>	<u>1,252,405</u>	<u>92,920,975</u>
Expenses:						
Instructional services	56,333,822		56,333,822	52,338,054		52,338,054
Support services	34,454,202		34,454,202	32,012,216		32,012,216
Interest on long term debt	1,681,283		1,681,283	1,877,315		1,877,315
Business Type Activities		857,620	857,620		1,304,271	1,304,271
Total expenses	<u>92,469,307</u>	<u>857,620</u>	<u>93,326,927</u>	<u>86,227,585</u>	<u>1,304,271</u>	<u>87,531,856</u>
Increase in net position before transfers	<u>9,832,186</u>	<u>147,274</u>	<u>9,979,460</u>	<u>5,440,985</u>	<u>(51,866)</u>	<u>5,389,119</u>
Transfers	-	-	-	(55,000)	55,000	-
Change in net position	<u>9,832,186</u>	<u>147,274</u>	<u>9,979,460</u>	<u>5,385,985</u>	<u>3,134</u>	<u>5,389,119</u>
Net position - Restatement Adjustment				18,389,352	391,379	18,780,731
Net position-beginning, restated	24,181,801	394,513	24,576,314	406,464		406,464
Net position—ending	<u>\$ 34,013,987</u>	<u>\$ 541,787</u>	<u>\$ 34,555,774</u>	<u>\$ 24,181,801</u>	<u>\$ 394,513</u>	<u>\$ 24,576,314</u>

Property tax revenue increased \$2,292,224 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 \$21.8 million in state aid. These amounts also are included in the expenses of the school district. Total expenses were relatively level from 2020.

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 \$22,170,099 fund balance in the General Fund, \$13,556,828 is restricted in the capital reserve account, \$763,325 is restricted in the emergency reserve account, \$2,500,000 is restricted in the maintenance reserve account, \$251,883 is restricted in the unemployment reserve account, \$1,555,757 of encumbrances is assigned to other purposes, and \$3,542,306 is unassigned. Fund balance in the General Fund increased by \$7,320,939 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 increased from the prior fiscal year due to the inclusion of Student Activities and Scholarships resulting from the implementation of GASB 84 and an increase in federal aid due to the CARES Act. IDEA continues to be the largest grant in the special revenue fund, with expenditures in the current fiscal year of \$1,069,724.

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 \$340,713 in the current fiscal year compared to expenditures of \$4,986,639 in the prior year. Total fund balance was \$2,815,743 and \$3,156,456 as of June 30, 2021 and 2020, 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 \$67,385. 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, 2021, 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 2020</u>	<u>Percent of Increase (Decrease)</u>
Local sources	\$ 73,232,802	77.82%	\$ 2,641,052	3.74%
State sources	18,452,519	19.61%	3,560,845	23.91%
Federal sources	2,417,543	2.57%	1,209,145	100.06%
Total	<u>\$ 94,102,864</u>	<u>100.00%</u>	<u>\$ 7,411,042</u>	<u>8.55%</u>

The increase in local sources was primarily the result of an increase in the local tax levy. The increase in state sources was mainly attributable to the increase in contributions for

TPAF pension and retiree medical contributions the State pays on behalf of the District. The increase in federal sources is the result of an increase in Title I, IDEA, and CARES Act 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, 2021 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 2020</u>	<u>Percent of Increase (Decrease)</u>
Current expenditures:				
Instruction	\$ 30,894,992	35.60%	\$ 1,833,469	6.31%
Support services	50,922,101	58.66%	2,860,639	5.95%
Debt service:				
Principal	2,578,612	2.97%	348,612	15.63%
Interest and other charges	1,722,342	1.98%	(302,770)	-14.95%
Capital outlay	685,167	0.79%	(953,490)	-58.19%
Total	<u>\$ 86,803,214</u>	<u>100.00%</u>	<u>\$ 3,786,460</u>	<u>4.56%</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 4.56%.

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, 2021, and the increases (decreases) in relation to the prior year:

<u>Revenue</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>(Decrease) from 2020</u>	<u>Percent of (Decrease)</u>
Local sources	\$ 36,750	3.66%	\$ (869,366)	-95.94%
State sources	25,328	2.52%	9,659	61.64%
Federal sources	942,816	93.82%	612,196	185.17%
Total	<u>\$ 1,004,894</u>	<u>100.00%</u>	<u>\$ (247,511)</u>	<u>-19.76%</u>

The decrease in local sources is mainly attributable to a decrease in daily revenue in the food service program as the District continues to be impacted by the COVID-19 pandemic causing a decrease in both daily food sales and special functions. The increase in state sources is mainly attributable to increased funding from the State school lunch program. The increase in federal funding is mainly attributed to the National School Lunch program as well as new funding from the National School Lunch – Equipment Assistance program as well as the Emergency Operational Cost Program.

The following schedule presents a summary of the Enterprise fund operating expenses for the fiscal year ended June 30, 2021, and the increases and (decreases) in relation to the prior year:

Expenditures	Amount	Percent of Total	(Decrease) Increase From 2020	Percent of (Decrease) Increase
Cost of sales	\$ 330,192	38.50%	\$ (77,885)	-19.09%
Salaries/employee benefits	234,068	27.29%	(259,598)	-52.59%
Other purchased services	81,955	9.56%	(47,408)	-36.65%
Food distribution program	70,231	8.19%	(3,030)	-4.14%
Supplies and materials	54,175	6.32%	12,813	30.98%
Management fee	72,481	8.45%	(57,247)	-44.13%
Depreciation	9,420	1.10%	(9,349)	-49.81%
Miscellaneous	5,098	0.59%	(4,947)	-49.25%
	<u>\$ 857,620</u>	<u>100.00%</u>	<u>\$ (446,651)</u>	<u>-34.25%</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

The net position of the food service fund is comprised of investment in capital assets of \$91,101 and unrestricted net position of \$450,686.

Capital Assets and Debt Administration

Capital Assets

At June 30, 2021, the District's governmental activities had capital assets of \$88,493,743 (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, 2021 and 2020:

	June 30,	
	2021	2020
Land	\$ 2,509,321	\$ 2,509,321
Construction in progress	513,023	44,927,430
Site improvements	1,518,825	1,574,444
Buildings and building improvements	82,253,171	39,360,678
Machinery and equipment	1,699,403	1,108,972
Total capital assets, net	<u>\$ 88,493,743</u>	<u>\$ 89,480,845</u>

Debt Administration

During the 2021 fiscal year, the District had outstanding long-term liabilities of \$63,864,252 (excluding the net pension liability) of which \$3,455,473 was classified as the current portion.

At June 30, 2021 and 2020, the District's governmental activities long-term liabilities consisted of:

	June 30	
	2021	2020
Bonds payable	\$ 55,290,000	\$ 56,710,000
Unamortized premium on bonds	240,568	1,458,437
Capital leases payable	4,118,677	4,422,628
Compensated absences payable	4,215,007	4,457,223
Total long-term liabilities	<u>\$ 63,864,252</u>	<u>\$ 67,048,288</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 Note 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 a cut in state aid subsequent to the approval of the budget in the amount of \$351,933.

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

- Instruction – regular programs – The final budget for preschool/kindergarten grades 6-8 and 9-12 exceeded the actual expenditures by \$656,839 because of Covid-19 pandemic and trouble hiring new teachers for the program.
- Extraordinary services – The final budget for extraordinary services exceeded the actual expenditures by \$620,523 because of decreased services of the program resulted in less staff required for running the program and less outside education service vendors providing services due to the Covid-19 pandemic.
- Undistributed expenditure – Contracted services: vendors – special education - a remaining balance of \$349,999 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 \$1,171,246 because of lower claims costs in the current year.
- Capital outlay – construction services - The final budget for construction services exceeded the actual expenditures by \$2,255,950 due to the timing of projects in the current year, offset by encumbrances of \$1,486,957 not liquidated by the end of the 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, 231 Main Street, 3rd Floor, 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, 2021.

Fort Lee Public Schools

Statement of Net Position

June 30, 2021

	Governmental Activities	Business-type Activities	Total
Assets			
Cash and cash equivalents	\$ 23,496,223	\$ 291,080	\$ 23,787,303
Accounts receivable	2,921,946	243,750	3,165,696
Other current assets	20,230		20,230
Inventories		14,234	14,234
Capital assets, non-depreciable	3,022,344		3,022,344
Capital assets, depreciable, net	85,471,399	91,101	85,562,500
Total assets	<u>114,932,142</u>	<u>640,165</u>	<u>115,572,307</u>
Deferred Outflow Of Resources			
Pension deferrals	<u>2,199,914</u>		<u>2,199,914</u>
Liabilities			
Accounts payable	1,436,109	34,954	1,471,063
Other liabilities	60,606		60,606
Payroll deductions and withholdings payable	405,341		405,341
Accrued interest payable	487,619		487,619
Intergovernmental payables - State	39,680		39,680
Unearned revenue	102,444	63,424	165,868
Net pension liability	10,961,900		10,961,900
Current portion of long-term obligations	3,455,473		3,455,473
Noncurrent portion of long-term obligations	60,408,779		60,408,779
Total liabilities	<u>77,357,951</u>	<u>98,378</u>	<u>77,456,329</u>
Deferred Inflow Of Resources			
Pension deferrals	<u>5,760,118</u>		<u>5,760,118</u>
	5,760,118		5,760,118
Net Position			
Net investment in capital assets	31,660,241	91,101	31,751,342
Restricted for:			
Capital reserve	13,556,828		13,556,828
Emergency reserve	763,325		763,325
Maintenance reserve	2,500,000		2,500,000
Unemployment reserve	251,883		251,883
Reserve for student activities	132,507		132,507
Reserve for scholarships	31,324		31,324
Unrestricted (deficit)	(14,882,121)	450,686	(14,431,435)
Total net position	<u>\$ 34,013,987</u>	<u>\$ 541,787</u>	<u>\$ 34,555,774</u>

See accompanying notes to the basic financial statements.

Fort Lee Public Schools
Statement of Activities
Year ended June 30, 2021

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position		Total
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	
Governmental activities						
Instruction	\$ 56,333,822	\$ 223,487	\$ 1,951,104	\$ (54,159,231)		\$ (54,159,231)
Support services:						
Attendance/social work	636,061			(636,061)		(636,061)
Health services	1,255,881			(1,255,881)		(1,255,881)
Other support services	11,375,863	148,831	564,905	(10,662,127)		(10,662,127)
Improvement of instruction	749,012			(749,012)		(749,012)
Other support: instructional staff	18,279			(18,279)		(18,279)
School library	1,413,565			(1,413,565)		(1,413,565)
General administration	2,009,728			(2,009,728)		(2,009,728)
School administration	4,992,370			(4,992,370)		(4,992,370)
Central services	1,498,336			(1,498,336)		(1,498,336)
Administrative information technology	504,905			(504,905)		(504,905)
Plant operation and maintenance	7,726,066		9,993	(7,716,073)		(7,716,073)
Student transportation	2,274,136			(2,274,136)		(2,274,136)
Interest on long-term debt	1,681,283			(1,681,283)		(1,681,283)
Total governmental activities	92,469,307	372,318	2,526,002	(89,570,987)		(89,570,987)
Business-type activities						
Food Service	857,620	36,750	968,144		\$ 147,274	147,274
Total business-type activities	857,620	36,750	968,144		147,274	147,274
Total primary government	\$ 93,326,927	\$ 409,068	\$ 3,494,146	(89,570,987)	147,274	(89,423,713)
General revenues:						
Taxes:						
Property taxes, levied for general purposes				68,211,586		68,211,586
Property taxes, levied for debt service				3,863,731		3,863,731
State and federal sources - unrestricted				26,454,791		26,454,791
Investment income - Unrestricted				2,356		2,356
Investment income - Restricted				565		565
Miscellaneous				870,144		870,144
Total general revenues				99,403,173	-	99,403,173
Change in net position				9,832,186	147,274	9,979,460
Net Position - beginning - restated				24,181,801	394,513	24,576,314
Net Position - ending				\$ 34,013,987	\$ 541,787	\$ 34,555,774

See accompanying notes to the basic financial statements.

Fund Financial Statements

Governmental Funds

Fort Lee Public Schools
Governmental Funds

Balance Sheet

June 30, 2021

	Major Funds				Total Governmental Funds
	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	
Assets					
Cash and cash equivalents	\$ 20,449,264	\$ 163,831	\$ 2,815,743	\$ 67,385	\$ 23,496,223
Accounts receivable:					
State	2,062,202				2,062,202
Federal		836,926			836,926
Other	22,818				22,818
Interfund	563,192				563,192
Other current assets	20,230				20,230
Total assets	<u>\$ 23,117,706</u>	<u>\$ 1,000,757</u>	<u>\$ 2,815,743</u>	<u>\$ 67,385</u>	<u>\$ 27,001,591</u>
Liabilities and Fund Balances					
Liabilities:					
Accounts payable	\$ 410,879	\$ 202,391			\$ 613,270
Other liabilities	60,606				60,606
Payroll deductions and withholdings payable	405,341				405,341
Intergovernmental payables:					
State	146	39,534			39,680
Interfunds payable		563,192			563,192
Unearned revenue	70,635	31,809			102,444
Total liabilities	<u>947,607</u>	<u>836,926</u>			<u>1,784,533</u>
Fund balances:					
Restricted for:					
Capital reserve	13,556,828				13,556,828
Emergency reserve	763,325				763,325
Maintenance reserve	2,500,000				2,500,000
Unemployment reserve	251,883				251,883
Capital projects			\$ 2,815,743		2,815,743
Debt service				\$ 67,385	67,385
Student activities		132,507			132,507
Scholarships		31,324			31,324
Assigned to:					
Other purposes	1,555,757				1,555,757
Unassigned	3,542,306				3,542,306
Total fund balances	<u>22,170,099</u>	<u>163,831</u>	<u>2,815,743</u>	<u>67,385</u>	<u>25,217,058</u>
Total liabilities and fund balances	<u>\$ 23,117,706</u>	<u>\$ 1,000,757</u>	<u>\$ 2,815,743</u>	<u>\$ 67,385</u>	<u>\$ 27,001,591</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 \$127,722,228 and the accumulated depreciation is \$39,228,485.	88,493,743
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.	(487,619)
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.	(63,864,252)
Deferred pension costs in governmental activities are not financial resources and are therefore not reported in the funds.	(3,560,204)
Accrued pension contributions for the June 30, 2021 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.	(822,839)
Net pension liability is not due and payable in the current period and therefore is not reported as a liability in the funds.	<u>(10,961,900)</u>
Net position of governmental activities	<u>\$ 34,013,987</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, 2021

	Major Funds				Total Governmental Funds
	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	
Revenues					
Local sources:					
Local tax levy	\$ 68,211,586			\$ 3,863,731	\$ 72,075,317
Revenues in lieu of taxes	524,000				524,000
Tuition	223,487				223,487
Rents and Royalties	6,500				6,500
Investment Income			\$ 2,356		2,356
Other Restricted Miscellaneous	565				565
Unrestricted Miscellaneous	244,644	\$ 158,289			402,933
Total local sources	69,210,782	158,289	2,356	3,863,731	73,235,158
State sources	17,907,290	135,624		409,605	18,452,519
Federal sources	36,623	2,380,920			2,417,543
Total revenues	87,154,695	2,674,833	2,356	4,273,336	94,105,220
Expenditures					
Current:					
Instruction	28,952,573	1,942,419			30,894,992
Undistributed-current:					
Instruction	3,654,956				3,654,956
Attendance/social work	372,521				372,521
Health services	757,046				757,046
Other support services	6,454,824	713,736			7,168,560
Improvement of instruction	420,039				420,039
Education media library	874,055				874,055
Other support: instructional staff	14,770				14,770
General administration	1,529,980				1,529,980
School administration	2,873,720				2,873,720
Central services	921,452				921,452
Administrative information technology	336,020				336,020
Required maintenance of plant services	627,360				627,360
Operation of plant	5,601,964				5,601,964
Student transportation	1,871,959				1,871,959
Unallocated benefits	11,209,274				11,209,274
On-behalf TPAF social security and pension contributions	12,688,425				12,688,425
Capital outlay	675,174	9,993	340,713		1,025,880
Debt Service:					
Principal				2,578,612	2,578,612
Interest				1,627,342	1,627,342
Cost of issuance				95,000	95,000
Total expenditures	79,836,112	2,666,148	340,713	4,300,954	87,143,927
Excess (deficiency) of revenues over (under) expenditures	7,318,583	8,685	(338,357)	(27,618)	6,961,293
Other financing sources (uses)					
Refunding bonds issued				11,285,000	11,285,000
Underwriter's discount				(36,112)	(36,112)
Payment to refunding bond escrow agent				(11,153,888)	(11,153,888)
Transfers in	2,356				2,356
Transfers out	-		(2,356)		(2,356)
Total other financing sources (uses)	2,356	-	(2,356)	95,000	95,000
Net change in fund balances	7,320,939	8,685	(340,713)	67,382	7,056,293
Fund balances, July 1 - restated	14,849,160	155,146	3,156,456	3	18,160,765
Fund balances, June 30	\$ 22,170,099	\$ 163,831	\$ 2,815,743	\$ 67,385	\$ 25,217,058

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, 2021

Total net change in fund balances - governmental funds (from B-2)		\$ 7,056,293
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 depreciation exceeded capital outlays in the period.		
Depreciation expense	\$ (2,924,299)	
Capital additions	<u>1,937,197</u>	(987,102)
The issuance of long-term debt for general and refunding purposes provides current financial resources to governmental funds, however has no effect on net position.		
Refunding Bonds Issued	(11,285,000)	
Bonds Refunded	<u>10,120,000</u>	(1,165,000)
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	2,585,000	
Capital lease payment	<u>303,951</u>	2,888,951
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		1,217,869
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.		
		(11,810)
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).		
		242,216
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>590,769</u>
Change in net position of governmental activities (A-2)		<u>\$ 9,832,186</u>

See accompanying notes to the basic financial statements.

Proprietary Funds

Fort Lee Public Schools
Proprietary Fund

Statement of Net Position

June 30, 2021

	<u>Major Enterprise Funds</u>
	Food Service
Assets	
Current assets:	
Cash and cash equivalents	\$ 291,080
Accounts receivable:	
State	4,516
Federal	226,206
Other	13,028
Inventories	14,234
Total current assets	549,064
Capital assets:	
Equipment	569,092
Accumulated depreciation	(477,991)
Total capital assets, net	91,101
Total assets	640,165
Liabilities	
Current liabilities:	
Accounts payable	34,954
Unearned revenue	63,424
Total current liabilities	98,378
Net Position	
Investment in capital assets	91,101
Unrestricted	450,686
Total net position	\$ 541,787

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, 2021

	Major Enterprise Funds
	Food Service
Operating revenues:	
Local sources:	
Daily food sales-reimbursable programs	\$ 8,679
Daily food sales non-reimbursable programs	14,859
Special functions	13,212
Total operating revenues	36,750
Operating expenses:	
Salaries	186,266
Employee benefits	47,802
Other purchased services	81,955
Supplies and materials	54,175
Cost of sales - program	327,305
Cost of sales - nonprogram	2,887
Food distribution program	70,231
Management fee	72,481
Depreciation	9,420
Miscellaneous	5,098
Total operating expenses	857,620
Operating (loss)	(820,870)
Nonoperating revenues:	
State sources:	
State school lunch program	25,328
Federal sources:	
National school lunch program	776,676
National school lunch program - Equipment assistance	24,890
Emergency Operational Cost Program - Schools	50,424
P-EBT administration cost	614
PB lunch - HHFKA	12,370
Food donation program	77,842
Total nonoperating revenues	968,144
Change in net position	147,274
Total net position-beginning	394,513
Total net position-ending	\$ 541,787

See accompanying notes to the basic financial statements.

Fort Lee Public Schools
Proprietary Fund

Statement of Cash Flows
Year ended June 30, 2021

		Major Fund Enterprise Fund <u>Food Service</u>
Cash flows from operating activities		
Receipts from customers	\$	40,358
Payments to employees of FSMC		(186,266)
Payments for FSMC employee benefits		(47,802)
Payments to suppliers		(569,323)
Receipt (payments) of interfund		51,261
Net cash (used in) operating activities		<u>(711,772)</u>
 Cash flows from noncapital financing activities		
Cash received from state and federal reimbursements		<u>759,658</u>
Net cash provided by noncapital financing activities		759,658
 Net increase in cash and cash equivalents		
		47,886
Cash and cash equivalents, beginning of year		243,194
Cash and cash equivalents, end of year	\$	<u><u>291,080</u></u>
 Reconciliation of operating (loss) to net cash (used in) operating activities:		
Operating (loss)	\$	(820,870)
Adjustments to reconcile operating (loss) to net cash (used in) operating activities:		
Depreciation		9,420
Change in assets and liabilities:		
Decrease in other receivable		17,892
Decrease in inventories		9,604
Increase in accounts payable		27,594
Decrease in interfunds receivable		55,000
(Decrease) in interfunds payable		(3,739)
(Decrease) in unearned revenue		(6,673)
Net cash (used in) operating activities	\$	<u><u>(711,772)</u></u>

Noncash noncapital financing activities:

The District received \$72,554 of food commodities from the U.S. Department of Agriculture for the year ended June 30, 2021.

See accompanying notes to the basic financial statements.

Fort Lee Public Schools

Notes to the Basic Financial Statements

Year ended June 30, 2021

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, 2021

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, 2021

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. Since the District's unemployment and payroll agency funds do not meet the new criteria defined by the new Governmental Accounting Standards Board Statement No. 84, the unemployment compensation fund, which 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, and the payroll agency fund, which is used to account for the assets that the District held on behalf of others as their agent, are reported in the general fund as governmental activities effective for the year ended June 30, 2021.

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. Since the District's scholarship and student activity funds do not meet the new criteria defined by the new Governmental Accounting Standards Board Statement No. 84, the private purpose scholarship fund which is utilized to provide scholarships to students and to account for the related transactions and student

Fort Lee Public Schools

Notes to the Basic Financial Statements

Year ended June 30, 2021

1. Summary of Significant Accounting Policies (continued)

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

activities which is used to account for funds derived from athletic events or other activities of pupil organizations and to account for the accumulation of money to pay for student group activities are reported in the special revenue fund as governmental activities effective for the year ended June 30, 2021.

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.

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.

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.

Fort Lee Public Schools

Notes to the Basic Financial Statements

Year ended June 30, 2021

1. Summary of Significant Accounting Policies (continued)

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

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

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

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.

Fort Lee Public Schools

Notes to the Basic Financial Statements

Year ended June 30, 2021

1. Summary of Significant Accounting Policies (continued)

D. Budgets/Budgetary Control

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

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

Fort Lee Public Schools

Notes to the Basic Financial Statements

Year ended June 30, 2021

1. Summary of Significant Accounting Policies (continued)

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, 2021, the District had inventories in the Food Service Enterprise Fund of \$14,234.

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 2020-21 fiscal year were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

H. Capital Assets

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

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.

Fort Lee Public Schools

Notes to the Basic Financial Statements

Year ended June 30, 2021

1. Summary of Significant Accounting Policies (continued)

H. Capital Assets (continued)

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, 2021, a liability existed for compensated absences in the government-wide financial statements in the amount of \$4,215,007 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, 2021

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, 2021

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, 2021

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 \$22,170,099 of fund balance in the General Fund, \$1,555,757 are encumbrances which are classified assigned to other purposes, \$13,556,828 has been restricted for the capital reserve, \$763,325 has been restricted for the emergency reserve, \$2,500,000 has been restricted for the maintenance reserve, \$251,883 has been restricted for unemployment, and \$3,542,306 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.

Fort Lee Public Schools

Notes to the Basic Financial Statements

Year ended June 30, 2021

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, 2021 was \$- 0 -.

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, 2021

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 2020-2021, the District received \$524,000 in PILOT payments.

T. Recently Issued Accounting Pronouncements

The GASB issued Statement No. 84, *Fiduciary Activities*, which requires compliance by June 30, 2021. GASB 84 establishes specific criteria for identifying fiduciary activities based primarily on whether the school district is controlling the assets of the fiduciary activity and the beneficiaries with whom a fiduciary relationship exists. If the activity is not a “fiduciary activity,” then it is a “governmental activity.” The school district examined its current fiduciary funds and determined they do not meet the new terms and conditions of a fiduciary activity, as set forth by GASB 84. Therefore, the District’s payroll and agency activity and unemployment compensation activity will now be reported in the general fund and the District’s scholarship and student activity funds will be reported in the special revenue fund as governmental activities accordingly. Management has appropriately implemented this standard for the year ended June 30, 2021.

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.

Fort Lee Public Schools

Notes to the Basic Financial Statements

Year ended June 30, 2021

1. Summary of Significant Accounting Policies (continued)

U. Subsequent Events

Management has reviewed and evaluated all events and transactions that occurred between June 30, 2021 and February 23, 2022, 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.

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 \$63,864,252 difference are as follows:

Bonds payable	\$ 55,290,000
Capital leases payable	4,118,677
Unamortized premium on bonds	240,568
Compensated absences	<u>4,215,007</u>
Net adjustment to reduce fund balance-total governmental funds to arrive at net position – governmental activities	<u>\$ 63,864,252</u>

Fort Lee Public Schools

Notes to the Basic Financial Statements

Year ended June 30, 2021

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, 2021

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, 2021, the District's carrying amount of deposits was \$20,430,980 and the bank balance was \$22,139,936. Of the bank balance, \$250,000 was secured by federal depository insurance and \$21,500,031 was covered by the New Jersey Governmental Unit Deposit Protection Act (GUDPA). \$389,906 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, 2021

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, 2021, the District's bank and book balance in NJARM was \$3,356,323 and \$5,042,649, respectively. Of this amount, \$0 is classified as investments and \$3,356,323 is classified as cash equivalents.

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

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

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

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

Fort Lee Public Schools

Notes to the Basic Financial Statements

Year ended June 30, 2021

4. Capital Assets

The following schedule is a summarization of the governmental activities changes in capital assets for the year ended June 30, 2021:

	Beginning Balance	Increases	Transfers In/Out	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 2,509,321			\$ 2,509,321
Construction in progress	44,927,429	\$ 631,799	\$ (45,046,205)	513,023
Total capital assets, not being depreciated	47,436,750	631,799	(45,046,205)	3,022,344
Capital assets, being depreciated:				
Site Improvements	3,552,324	78,290		3,630,614
Buildings and building improvements	70,299,521	446,593	45,046,205	115,792,319
Machinery, equipment and vehicles	4,496,436	780,515		5,276,951
Total capital assets being depreciated	78,348,281	1,305,398	45,046,205	124,699,884
Less accumulated depreciation for:				
Site Improvements	1,977,880	133,909		2,111,789
Buildings and building improvements	30,938,843	2,600,305		33,539,148
Machinery, equipment and vehicles	3,387,463	190,085		3,577,548
Total accumulated depreciation	36,304,186	2,924,299		39,228,485
Total capital assets, being depreciated, net	42,044,095	(1,618,901)		85,471,399
Governmental activities capital assets, net	\$ 89,480,845	\$ (987,102)	\$ -	\$ 88,493,743

Depreciation expense was charged to functions/programs of the District for the year ended June 30, 2021 as follows:

Instruction	\$ 1,744,397
Attendance/social work	18,808
Health services	38,223
Other support services	361,934
Improvement of instruction	21,207
Education media library	44,130
Other support: Instruction staff	746
General administration	77,247
School administration	145,092
Central services	46,523
Administrative information technology	16,965
Plant operation and maintenance	314,513
Student transportation	94,514
Total depreciation expense - governmental activities	<u>\$ 2,924,299</u>

Fort Lee Public Schools

Notes to the Basic Financial Statements

Year ended June 30, 2021

4. Capital Assets (continued)

The following schedule is a summarization of business-type activities changes in capital assets for the year ended June 30, 2021:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Ending Balance</u>
Business-type activities			
Capital assets, being depreciated:			
Equipment	\$ 569,092		\$ 569,092
Less accumulated depreciation for:			
Equipment	468,571	\$ 9,420	477,991
Total business-type activities capital assets, net	<u>\$ 100,521</u>	<u>\$ (9,420)</u>	<u>\$ 91,101</u>

5. Long-Term Liabilities

During the year ended June 30, 2021, 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>
Governmental activities:					
Compensated absences payable	\$ 4,457,223		\$ 242,216	\$ 4,215,007	\$ 422,000
Bonds payable	56,710,000	\$ 11,285,000	12,705,000	55,290,000	2,600,000
Unamortized premium on bonds	1,458,437		1,217,869	240,568	120,284
Capital lease payable	4,422,628		303,951	4,118,677	313,189
Subtotal	67,048,288	11,285,000	14,469,036	63,864,252	3,455,473
Net pension liability	12,650,416		1,688,516	10,961,900	
Governmental activity long-term liabilities	<u>\$ 79,698,704</u>	<u>\$ 11,285,000</u>	<u>\$ 16,157,552</u>	<u>\$ 74,826,152</u>	<u>\$ 3,455,473</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, 2021

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, 2021 were \$412,411. Future minimum lease payments are as follows:

	Principal	Interest	Total
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	394,672	66,110	460,782
2027-2031	2,353,039	169,102	2,522,141
	<u>\$ 4,118,677</u>	<u>\$ 588,942</u>	<u>\$ 4,707,619</u>

Bonds Payable

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

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

	Principal	Interest	Total
2022	\$ 2,600,000	\$ 1,591,116	\$ 4,191,116
2023	2,685,000	1,503,243	4,188,243
2024	2,770,000	1,426,721	4,196,721
2025	2,830,000	1,365,926	4,195,926
2026	2,895,000	1,301,669	4,196,669
2027-2031	15,645,000	5,389,952	21,034,952
2032-2036	12,625,000	3,306,623	15,931,623
2037-2041	13,240,000	1,182,300	14,422,300
	<u>\$ 55,290,000</u>	<u>\$ 17,067,550</u>	<u>\$ 72,357,550</u>

Fort Lee Public Schools

Notes to the Basic Financial Statements

Year ended June 30, 2021

5. Long-Term Liabilities (continued)

Bonds Payable (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%. The refunding resulted in a reduction of debt service payments over the life of the debt of \$731,905 and to obtain an economic gain (the difference between the present values of the old and new debt service) of \$659,969 or 6.52%. The bonds are due to mature annually through the 2031 fiscal year at annual interest rates from 0.55% to 2.13%.

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 2022 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.

Fort Lee Public Schools

Notes to the Basic Financial Statements

Year ended June 30, 2021

6. Pension Plans (continued)

Teachers' Pension and Annuity Fund

The Teachers' Pension and Annuity Fund was established in January 1955 under the provisions of N.J.S.A. 18A:66 to provide coverage including post-retirement health care to substantially all full time public school employees in the State. Membership is mandatory for such employees and vesting occurs after 10 years of service for pension benefits and 25 years for health care coverage. Age eligibility and benefit provisions were affected by Chapters 92 and 103, P.L. 2007, Chapter 89, P.L. 2008, Chapter 1, P.L. 2010, and Chapter 78, P.L. 2011. Members are classified into one of five tiers dependent upon the date of their enrollment.

Tier 1, 2 and 3 members are eligible to retire at age 60, 60, and 62, respectively, with an annual benefit generally determined to be 1/55th of the average annual compensation for the highest three fiscal years' compensation for each year of membership during years of credited service. Tier 4 and 5 members are eligible to retire at age 62 and 65, respectively, with an annual benefit generally determined to be 1/60th of the average annual compensation for the highest five fiscal years' compensation for each year of membership during years of credited service. Anyone who retires early and is under their respective tier's retirement age 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 1/55th of the average annual compensation for the highest three fiscal years' compensation for each year of membership during years of credited service. Tier 4 and 5 members are eligible to retire at age 62 and 65, respectively with an annual benefit generally determined to be 1/60th of the average annual compensation for the highest five fiscal years' compensation for each year of membership during years of credited service.

Fort Lee Public Schools

Notes to the Basic Financial Statements

Year ended June 30, 2021

6. Pension Plans (continued)

Public Employee's Retirement System (continued)

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.

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, 2021, the State of New Jersey contributed \$10,409,115 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 \$2,279,310 during the year ended June 30, 2021 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, 2021, 2020 and 2019 were \$735,358, \$682,917, and \$718,362 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.

Fort Lee Public Schools

Notes to the Basic Financial Statements

Year ended June 30, 2021

6. Pension Plans (continued)

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, 2021, the District reported a liability of \$10,961,900 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation July 1, 2019, which was rolled forward to June 30, 2020. 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, 2020, the District's proportion was 0.0672204665 percent, which was a decrease of 0.0029875302 from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the District recognized full accrual pension expense of \$144,590 in the government-wide financial statements. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	2021	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 199,598	\$ 38,766
Changes of assumptions	355,616	4,589,851
Net difference between projected and actual earnings on pension plan investments	374,687	
Changes in proportion and differences between District contributions and proportionate share of contributions	447,174	1,131,501
District contributions subsequent to the measurement date	822,839	
	<u>\$ 2,199,914</u>	<u>\$ 5,760,118</u>

Fort Lee Public Schools

Notes to the Basic Financial Statements

Year ended June 30, 2021

6. Pension Plans (continued)

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

The \$822,839 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:

Year ended June 30:	
2022	\$ (1,240,678)
2023	(1,410,700)
2024	(1,118,992)
2025	(532,665)
2026	(80,008)
	<u>\$ (4,383,043)</u>

Actuarial Assumptions

The collective total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. This actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

<u>June 30, 2020</u>	
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%

Fort Lee Public Schools

Notes to the Basic Financial Statements

Year ended June 30, 2021

6. Pension Plans (continued)

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-2020.

The actuarial assumptions used in the July 1, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.

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, 2020) 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.

Fort Lee Public Schools

Notes to the Basic Financial Statements

Year ended June 30, 2021

6. Pension Plans (continued)

Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2020 is summarized in the following table:

2020		
Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Equity	27.00%	7.71%
Non-U.S. Developed Market Equity	13.50%	8.57%
Emerging Market Equity	5.50%	10.23%
Private Equity	13.00%	11.42%
Real Assets	3.00%	9.73%
Real Estate	8.00%	9.56%
High Yield	2.00%	5.95%
Private Credit	8.00%	7.59%
Investment Grade Credit	8.00%	2.67%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Risk Mitigation Strategies	3.00%	3.40%
	<u>100.00%</u>	

Fort Lee Public Schools

Notes to the Basic Financial Statements

Year ended June 30, 2021

6. Pension Plans (continued)

Discount rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2020. 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 78% 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 all projected future benefit payments of current plan members. 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 all projected benefit payments to in determine 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>2020</u>	At 1% Decrease (6.00%)	At Current Discount Rate (7.00%)	At 1% Increase (8.00%)
District's proportionate share of the net pension liability	\$ 13,799,203	\$ 10,961,900	\$ 8,554,371

Fort Lee Public Schools

Notes to the Basic Financial Statements

Year ended June 30, 2021

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, 2020 are as follows:

Deferred outflows of resources	\$ 2,347,583,337
Deferred inflows of resources	\$ 7,849,949,467
Net pension liability	\$ 16,435,616,426
District's Proportion	0.0672204665%

Collective pension expense for the Local Group for the measurement period ended June 30, 2020 is \$407,705,399. The average of the expected remaining service lives of all plan members is 5.16, 5.21, 5.63, 5.48, 5.57, 5.72 and 6.44 years for 2020, 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, 2021 was \$167,760,993. The District's proportionate share was \$0. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. The State's proportionate share

Fort Lee Public Schools

Notes to the Basic Financial Statements

Year ended June 30, 2021

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, 2020, the State's proportionate share of the TPAF net pension liability associated with the District was 0.2547669834 percent, which was a decrease of 0.0121633926 from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the District recognized on-behalf pension expense and revenue in the government wide financial statements of \$10,432,093 for contributions incurred by the State.

Actuarial assumptions

The total pension liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

<u>June 30, 2020</u>	
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-2020.

Fort Lee Public Schools

Notes to the Basic Financial Statements

Year ended June 30, 2021

6. Pension Plans (continued)

The actuarial assumptions used in the July 1, 2019 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, 2020) 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, 2020 is summarized in the following table:

2020		
Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Equity	27.00%	7.71%
Non-U.S. Developed Market Equity	13.50%	8.57%
Emerging Market Equity	5.50%	10.23%
Private Equity	13.00%	11.42%
Real Assets	3.00%	9.73%
Real Estate	8.00%	9.56%
High Yield	2.00%	5.95%
Private Credit	8.00%	7.59%
Investment Grade Credit	8.00%	2.67%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Risk Mitigation Strategies	3.00%	3.40%
	100.00%	

Fort Lee Public Schools

Notes to the Basic Financial Statements

Year ended June 30, 2021

6. Pension Plans (continued)

Discount Rate

The discount rate used to measure the total pension liability was 5.40% as of June 30, 2020. 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 2.21% as of June 30, 2020 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 78% 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 2062. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2062 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:

2020	At 1% Decrease (4.40%)	At Current Discount Rate (5.40%)	At 1% Increase (6.40%)
District's proportionate share of the net pension liability	\$ 197,054,934	\$ 167,760,993	\$ 143,437,292

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, 2021

6. Pension Plans (continued)

Additional Information

Collective balances at June 30, 2020 are as follows:

Deferred outflows of resources	\$	9,626,548,228
Deferred inflows of resources	\$	14,591,988,841
Net pension liability	\$	65,993,498,688
State's proportionate share associated with the District		0.2547669834%

Collective pension expense for the plan for the measurement period ended June 30, 2020 is \$4,099,006,933. 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, 2020, 2019, 2018, 2017, 2016, 2015 and 2014 is 8.0, 8.0, 8.3, 8.3, 8.3, 8.3 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, 2021

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, 2021, 2020 and 2019 were \$2,482,549, \$2,110,208, and \$2,431,183, 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 \$67,809,962,608.

Fort Lee Public Schools

Notes to the Basic Financial Statements

Year ended June 30, 2021

7. Post-Retirement Benefits (continued)

The following members were covered by the benefit terms:

Local Education	June 30, 2019
Active Plan Members	216,804
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	149,304
Inactive Plan Members Entitled to but Not Yet Receiving Benefits	-
Total Plan Members	366,108

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, 2020 was \$145,327,297 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, 2020 was determined by an actuarial valuation as of June 30, 2019, which was rolled forward to June 30, 2020. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Actuarial Assumptions and Other Inputs

Inflation rate	2.50%	
	TPAF/ABP	PERS
Salary increases:		
Through 2026	1.55 - 4.45%	2.00 - 6.00%
	based on years of service	based on age
Thereafter	1.55 - 4.45%	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, 2021

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-2020. 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-2020.

The actuarial assumptions used in the June 30, 2019 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 5.6% and decreases to a 4.5% long-term trend rate after seven years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rate for fiscal year 2021 through 2022 are reflected. The assumed post-65 medical trend is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.0% and decreases to a 4.5% long-term trend rate after seven years. For Medicare Part B reimbursement, the trend rate is 5.0%.

Discount Rate

The discount rate for June 30, 2020 was 2.21%. 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. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

Fort Lee Public Schools
Notes to the Basic Financial Statements
Year ended June 30, 2021

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, 2019		\$ 89,366,419
Increased by:		
Service cost	\$ 4,167,095	
Interest cost	3,231,109	
Member contributions	76,685	
		7,474,889
		96,841,301
Decreased by:		
Diff. between expected and actual exp.	(24,469,715)	
Changes of assumptions	(26,546,303)	
Gross benefit payments	2,530,029	
		(48,485,989)
Balance at June 30, 2020		\$145,327,297

The State's proportionate share of deferred outflows and inflows of resources associated with the District at June 30, 2020 was \$50,786,773 and \$36,236,912, 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 (1.21%)	At Current Discount Rate (2.21%)	1% Increase (3.21%)
Net OPEB Liability (Allocable to the District and the responsibility of the State)	\$175,199,558	\$145,327,297	\$121,970,066

Fort Lee Public Schools

Notes to the Basic Financial Statements

Year ended June 30, 2021

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)	<u>\$117,313,095</u>	<u>\$145,327,297</u>	<u>\$178,685,985</u>

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

For the year ended June 30, 2021, the District recognized on-behalf OPEB expense and revenue in the government-wide financial statements of \$8,073,466 for OPEB expenses incurred by the State.

Collective balances of the Education Group at June 30, 2020 are as follows:

Deferred outflows of resources	\$ 24,023,298,802
Deferred inflows of resources	\$ 19,101,933,244
Collective OPEB expense	\$ 3,337,755,596

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, 2021

9. Interfund Receivables and Payables

The total interfund receivables and payables for the District at June 30, 2021 are as follows:

Fund	2021	
	Interfund Receivable	Interfund Payable
General Fund	\$ 563,192	
Special Revenue Fund		\$ 563,192
	<u>\$ 563,192</u>	<u>\$ 563,192</u>

As of June 30, 2021, 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. 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 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.

Fort Lee Public Schools

Notes to the Basic Financial Statements

Year ended June 30, 2021

11. Contingent Liabilities (continued)

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

12. Risk Management

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

Property and Liability Insurance

The District maintains commercial insurance coverage for property, liability, student accident and surety bonds and does not retain risk of loss. A complete schedule of insurance coverage can be found in the Statistical Section of this Annual Comprehensive 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.

During fiscal year 2021, the New Jersey Department of Labor has been delayed in issuing bills to New Jersey governmental units and as such the District has not been billed for any quarters during the fiscal year. Unemployment claims for the fiscal year are estimated to be \$181,777, however, it is expected that the Federal Government through the CARES act will reimburse the State of New Jersey between 50 and 75 percent of all claims incurred. Since the District has not received a bill related to fiscal year 2021, and the amounts due are not known, no provision has been made in the District's financial statements for any liability.

Fort Lee Public Schools

Notes to the Basic Financial Statements

Year ended June 30, 2021

14. Transfers

The following presents a reconciliation of transfers during the 2021 fiscal year:

	2021	
Fund	In	Out
General Fund	\$ 2,356	
Capital Projects Fund		\$ 2,356
	\$ 2,356	\$ 2,356

During the 2021 fiscal year, the transfer from the capital projects fund to the general fund represents the transfer of interest earned.

15. 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, 2020 to June 30, 2021 fiscal year is as follows:

Beginning balance, July 1, 2020	\$ 9,477,505
Withdrawal:	
Budgeted Withdrawal	1,820,000
Prior Year Re-Appropriated Funds	75,208
Deposits:	
Approved by June 2021 Resolution	5,947,329
Unspent Funds	15,602
Interest Earned	11,600
Ending balance, June 30, 2021	\$ 13,556,828

Fort Lee Public Schools

Notes to the Basic Financial Statements

Year ended June 30, 2021

15. Capital Reserve Account (continued)

The June 30, 2021 LRF balance of local support costs of uncompleted capital projects exceeded the amount in the capital reserve. The District utilized \$3,108,750 of its capital reserve account in its 2021-22 budget.

16. 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, 2020 to June 30, 2021 fiscal year is as follows:

Beginning balance, July 1, 2020	\$ 600,000
Deposits:	
Approved by June 2021 resolution	<u>163,325</u>
Ending balance, June 30, 2021	<u><u>\$ 763,325</u></u>

17. 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).

Fort Lee Public Schools

Notes to the Basic Financial Statements

Year ended June 30, 2021

17. Maintenance Reserve Account (continued)

The activity of the maintenance reserve for the July 1, 2020 to June 30, 2021 fiscal year is as follows:

Beginning balance, July 1, 2020	\$ 1,500,000
Deposits:	
Approved by June 2021 resolution	<u>1,000,000</u>
Ending balance, June 30, 2021	<u>\$ 2,500,000</u>

18. Operating Lease Commitments

The District has an operating lease commitment at December 31, 2021 and 2020 for Fort Lee New Jersey. Descriptions of the operating lease are as follows:

231 Main Street, 3rd Floor – In March 2021, the District entered into a lease agreement for the building space use of a total cost of The Tenant agrees to pay rent in the amount of \$150,000 per year, for the first 2 years. On year 3, the rent shall increase to \$160,000. On year 4 and from then on, there shall be an increase of 2% annually. Rent shall be paid in equal monthly installments. The first payment of rent is due upon the signing of this Lease by the Tenant. The Tenant must pay a late charge of \$0.00 as additional rent for each payment that is more than ten (10) days late. This late charge is due with the monthly rent payment. Rent is due on the first of the month. Tenant shall take those steps necessary to obtain approval for payment, accordingly. Tenant's failure to prove payment of rent is a default under the Lease. In the event the Tenant is late on more than two occasions, it will incur a late fee of 5%; which will be owed as additional rent, payable with the next monthly payment.

2175 Lemoine Avenue, 6th Floor – In June 2020, the District entered into a lease agreement for the building space use by month-to-month basis terms of rent under the lease has been paid by tenant only through the date of this certificate and no advance payments of rent have been made. The monthly basic rent presently payable under the terms of the lease is currently \$13,486.67.

19. Commitments

The District has contractual commitments at June 30, 2021 to various vendors, which are recorded in the general fund as fund balance assigned to other purposes in the amount of \$1,555,757. In addition, the District has \$935,362 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.

Fort Lee Public Schools

Notes to the Basic Financial Statements

Year ended June 30, 2021

20. GASB Statement No. 84 Restatement

Effective in the fiscal year ended June 30, 2021, the District implemented Governmental Accounting Standards Board Statement No. 84, *Fiduciary Activities* as described in the recently issued accounting pronouncements footnote above. The implementation of this Statement required a restatement of prior year fund balance and net position in the government-wide and governmental fund financial statements.

Beginning General Fund Budgetary Fund Balance Per Schedule C-1 at June 30, 2020	\$ 14,779,505
General Fund Adjustments	
Recognition of the Following June 30, 2020 Balances:	
Unemployment Compensation Net Position	<u>251,318</u>
Beginning General Fund Budgetary Fund Balance Per Schedule C-1 at June 30, 2020 (as restated)	<u>\$ 15,030,823</u>
Beginning Special Revenue Budgetary and Modified Accrual Fund Balances Per Schedules B-2, C-2 and E-1 at June 30, 2020	\$ -
Special Revenue Fund Adjustments	
Recognition of the Following June 30, 2020 Balances:	
Scholarship Net Position	30,555
Due to Student Groups	<u>124,591</u>
Total	<u>155,146</u>
Beginning Special Revenue Fund Budgetary Fund Balance Per Schedules E-1 and C-2 at June 30, 2020 (as restated)	<u>\$ 155,146</u>
Beginning General Fund Modified Accrual Fund Balances Per Schedule B-2 at June 30, 2020	\$ 14,597,842
General Fund Adjustments	
Recognition of the Following June 30, 2020 Balances:	
Unemployment Compensation Net Position	<u>251,318</u>
Beginning General Fund Modified Accrual Fund Balance - June 30, 2020 (as restated)	<u>\$ 14,849,160</u>
Beginning Full Accrual Net Position Per Schedule A-2 at June 30, 2020	\$ 23,775,337
Adjustments to Government-Wide Net Position	
Recognition of the Following June 30, 2020 Balances:	
Unemployment Compensation Net Position	251,318
Scholarship Net Position	30,555
Due to Student Groups	<u>124,591</u>
Total	<u>406,464</u>
Beginning Full Accrual Net Position Per Schedule A-2 at June 30, 2020 (as restated)	<u>\$ 24,181,801</u>

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, 2021	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	0.0672204665%	0.0702079967%	0.0722206363%	0.0740099344%	0.0664154082%	0.0723106900%	0.0734123712%	0.0652200824%
District's proportionate share of the net pension liability (asset)	\$ 10,961,900	\$ 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	\$ 5,083,574	\$ 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	215.63%	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	58.32%	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 6.28% as of June 30, 2019 to 7.00% as of June 30, 2020.

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

Last Ten Fiscal Years*

	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 735,358	\$ 682,917	\$ 718,362	\$ 685,623	\$ 590,025	\$ 621,678	\$ 611,780	\$ 539,873
Contributions in relation to the contractually required contribution	(735,358)	(682,917)	(718,362)	(685,623)	(590,025)	(621,678)	(611,780)	(539,873)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 5,158,512	\$ 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	14.26%	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*

	2021	2020	2019	2018	2017	2016	2015	2014
State's proportion of the net pension liability (asset) associated with the District - Local Group	0.2547669834%	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	167,760,993	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>\$ 167,760,993</u>	<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	24.60%	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 5.60% as of June 30, 2019 to 5.40% as of June 30, 2020.

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, 2021	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%	0.21%
District's proportionate share of the OPEB liability	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the OPEB liability associated with the District	\$ 145,327,297	\$ 89,366,419	\$ 97,373,159	\$ 110,156,193
Total proportionate share of the OPEB liability associated with the District	<u>\$ 145,327,297</u>	<u>\$ 89,366,419</u>	<u>\$ 97,373,159</u>	<u>\$ 110,156,193</u>
Balance at June 30 (beginning)	\$ 89,366,419	\$ 97,373,159	\$ 110,156,193	\$ 118,561,227
Increased by:				
Service cost	4,167,095	3,962,686	4,370,142	5,280,118
Interest cost	3,231,109	3,870,677	4,055,443	3,494,705
Member contributions	76,685	81,319	89,989	93,951
	<u>96,841,308</u>	<u>105,287,841</u>	<u>118,671,767</u>	<u>127,430,001</u>
Decreased by:				
Difference between expected and actual experience	(24,469,715)	14,510,600	7,520,827	
Changes of assumptions	(26,546,303)	(1,332,461)	11,174,057	14,722,357
Gross benefit payments	<u>2,530,029</u>	<u>2,743,283</u>	<u>2,603,724</u>	<u>2,551,451</u>
Balance at June 30 (ending)	<u>\$ 145,327,297</u>	<u>\$ 89,366,419</u>	<u>\$ 97,373,159</u>	<u>\$ 110,156,193</u>
Covered by employee payroll	\$ 36,358,423	\$ 34,827,633	\$ 34,047,988	\$ 32,762,448
Total OPEB liability as a percentage of covered employee payroll	399.71%	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 3.50% as of June 30, 2019 to 2.21% as of June 30, 2020.

Required Supplementary Information – Part III

Budgetary Comparison Schedules

Fort Lee Public Schools
General Fund
Budgetary Comparison Schedule
(Budgetary Basis)
Year ended June 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenues					
Local sources:					
Local tax levy	\$ 68,211,586		\$ 68,211,586	\$ 68,211,586	
Revenue in lieu of taxes	524,000		524,000	524,000	
Tuition from Individuals	103,800		4,800	223,487	\$ 218,687
Rents and royalties	61,000		61,000	6,500	(54,500)
Other Restricted Miscellaneous				565	565
Unrestricted Miscellaneous	93,825		192,825	244,644	51,819
Total revenues - local sources	<u>68,994,211</u>		<u>68,994,211</u>	69,210,782	216,571
State sources:					
Categorical Special Education aid	2,756,749	\$ (351,933)	2,404,816	2,404,816	
Categorical Transportation aid	685,744		685,744	685,744	
Extraordinary aid	985,000		985,000	2,007,682	1,022,682
Cateqorical Security aid	105,243		105,243	105,243	
Additional non public transportation aid				54,520	54,520
TPAF pension contributions (non-budgeted)				7,921,737	7,921,737
TPAF post-retirement medical contributions (non-budgeted)				2,482,549	2,482,549
TPAF long-term disability insurance contributions (non-budgeted)				4,829	4,829
Reimbursed TPAF social security contributions (non-budgeted)				2,279,310	2,279,310
Total revenues - State sources	<u>4,532,736</u>	<u>(351,933)</u>	<u>4,180,803</u>	17,946,430	13,765,627
Federal sources:					
Medical reimbursement	73,560		73,560	36,623	(36,937)
Total Federal sources	<u>73,560</u>		<u>73,560</u>	<u>36,623</u>	<u>(36,937)</u>
Total revenues	<u>73,600,507</u>	<u>(351,933)</u>	<u>73,248,574</u>	87,193,835	13,945,261
Expenditures					
Current expenditures:					
Instruction - regular programs:					
Salaries of teachers:					
Preschool/kindergarten	1,380,741	7,620	1,388,361	1,342,004	46,357
Grades 1-5	7,442,126	(7,620)	7,434,506	7,429,217	5,289
Grades 6-8	4,602,955		4,602,955	4,365,537	237,418
Grades 9-12	5,678,996		5,678,996	5,259,575	419,421
Home instruction - regular programs:					
Salaries of teachers	96,500		96,500	26,798	69,702
Purchased professional-educational services	15,000		15,000	11,692	3,308
Undistributed instruction - regular programs:					
Salaries of teachers	249,167		249,167	123,889	125,278
Purchased professional-educational services	10,500	(7,800)	2,700	2,603	97
Purchased technical services	51,400		51,400	10,017	41,383
Purchased property services	105,010	1,380	106,390	99,297	7,093
Rentals	82,063		82,063	82,063	
General supplies	1,141,716	180,262	1,321,978	1,072,975	249,003
Textbooks	37,500	4,304	41,804	19,780	22,024
Other objects	23,485	(3,070)	20,415	13,078	7,337
Total instruction - regular programs	<u>20,917,159</u>	<u>175,076</u>	<u>21,092,235</u>	19,858,525	1,233,710

Fort Lee Public Schools
General Fund

Budgetary Comparison Schedule
(Budgetary Basis)

Year ended June 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Expenditures (continued)					
Learning and/or language disabilities:					
Salaries of teachers	\$ 510,877	\$ 84,257	\$ 595,134	\$ 579,891	\$ 15,243
Other salaries for instruction	244,932	44,374	289,306	259,901	29,405
General supplies	3,400		3,400	277	3,123
Total learning and/or language disabilities	759,209	128,631	887,840	840,069	47,771
Behavioral disabilities:					
Salaries of teachers	64,939	5,905	70,844	67,475	3,369
General supplies	300	(100)	200		200
Total behavioral disabilities	65,239	5,805	71,044	67,475	3,569
Multiple disabilities:					
Salaries of teachers	148,284	3,959	152,243	145,000	7,243
General supplies	1,800		1,800	580	1,220
Total multiple disabilities	150,084	3,959	154,043	145,580	8,463
Resource room/center:					
Salaries of teachers	3,132,768	(84,038)	3,048,730	2,979,818	68,912
Other salaries for instruction	909,364	(92,245)	817,119	778,244	38,875
General supplies	5,570	172	5,742	230	5,512
Total resource room/center	4,047,702	(176,111)	3,871,591	3,758,292	113,299
Autism:					
Salaries of teachers	336,524	(47,161)	289,363	273,008	16,355
Other salaries for instruction	2,000	47,161	49,161	43,621	5,540
General supplies	3,500		3,500	3,201	299
Total autism	342,024	-	342,024	319,830	22,194
Preschool disabilities - full time:					
Salaries of teachers	511,214	(19,654)	491,560	474,121	17,439
Other salaries for instruction	264,899	115,538	380,437	355,566	24,871
General supplies	2,800		2,800	1,579	1,221
Total preschool disabilities - full time	778,913	95,884	874,797	831,266	43,531
Total special education	6,143,171	58,168	6,201,339	5,962,512	238,827

Fort Lee Public Schools
General Fund

Budgetary Comparison Schedule
(Budgetary Basis)

Year ended June 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Expenditures (continued)					
Current expenditures (continued):					
Basic skills/remedial - instruction:					
Salaries of teachers	\$ 790,829	\$ (67,741)	\$ 723,088	\$ 639,084	\$ 84,004
Total basic skills/remedial - instruction	790,829	(67,741)	723,088	639,084	84,004
Bilingual education - instruction:					
Salaries of teachers	1,408,945	148,043	1,556,988	1,480,634	76,354
Travel	300		300		300
General supplies	2,000	(100)	1,900		1,900
Total bilingual education - instruction	1,411,245	147,943	1,559,188	1,480,634	78,554
School - sponsored cocurricular and extra-curricular activities:					
Salaries	283,000	(21,158)	261,842	210,598	51,244
Other purchased services	20,000	21,158	41,158	31,579	9,579
Supplies and materials	60,563	4,900	65,463	29,425	36,038
Other objects	15,250	17,744	32,994	5,664	27,330
Total school-sponsored cocurricular and extra-curricular activities	378,813	22,644	401,457	277,266	124,191
School - sponsored athletics - instruction:					
Salaries	438,998	11,917	450,915	388,830	62,085
Other purchased professional and technical services	72,619	34,658	107,277	107,177	100
Travel	2,500	(2,500)			
Supplies and materials	73,400	23,304	96,704	95,944	760
Other objects	36,930	(16,708)	20,222	20,146	76
Total school - sponsored athletics - instruction	624,447	50,671	675,118	612,097	63,021
Summer School- Instruction					
Salaries of Teachers	193,807	(35,167)	158,640	101,457	57,183
Other salaries for instruction	51,000		51,000	20,998	30,002
Total Summer School- Instruction	244,807	(35,167)	209,640	122,455	87,185
Total instruction	30,510,471	351,594	30,862,065	28,952,573	1,909,492
Undistributed expenditures:					
Instruction:					
Tuition to county vocational school districts within the state - regular	796,950	(7,591)	789,359	671,122	118,237
Tuition to other LEAs w/in the state - regular education		7,591	7,591	7,505	86
Tuition to other LEAs w/in the state - special education	539,671	16,099	555,770	555,769	1
Tuition to county special services districts and regional day schools	1,101,070	(84,066)	1,017,004	968,460	48,544
Tuition to private schools for the disabled within the state	1,346,641	17,467	1,364,108	1,319,268	44,840
Tuition to private schools for the disabled and other leas - special education - outside the state	82,357	50,500	132,857	132,832	25
Total instruction	3,866,689	-	3,866,689	3,654,956	211,733

Fort Lee Public Schools
General Fund

Budgetary Comparison Schedule
(Budgetary Basis)

Year ended June 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Expenditures (continued)					
Current expenditures (continued):					
Undistributed expenditures (continued):					
Attendance and social work services:					
Salaries	\$ 170,918	\$ (2,474)	\$ 168,444	\$ 168,444	
Salaries of Family Support Teams	145,889	4,561	150,450	150,450	
Purchased professional and technical services	52,000		52,000	52,000	
Supplies and materials	1,850		1,850	1,627	\$ 223
Total attendance and social work service	370,657	2,087	372,744	372,521	223
Health services:					
Salaries	612,339	39,813	652,152	600,192	51,960
Purchased professional and technical services	120,557	23,943	144,500	83,811	60,689
Purchased professional - educational services	8,555	200	8,755	7,965	790
Travel	200	(200)			
Supplies and materials	13,450	83,127	96,577	65,078	31,499
Total health services	755,101	146,883	901,984	757,046	144,938
Speech, OT, PT, and related services:					
Salaries	803,197	(12,806)	790,391	750,117	40,274
Purchased professional - educational services	645,308	106,425	751,733	751,733	
Supplies and materials	7,350		7,350	2,755	4,595
Total Speech, OT, PT, and related services	1,455,855	93,619	1,549,474	1,504,605	44,869
Extraordinary services:					
Salaries	1,821,011	(128,817)	1,692,194	1,297,194	395,000
Purchased professional - educational services	905,900	(103,000)	802,900	582,922	219,978
Supplies and materials	8,000		8,000	2,455	5,545
Total extraordinary services	2,734,911	(231,817)	2,503,094	1,882,571	620,523
Guidance services:					
Salaries of other professional staff	1,221,321	37,729	1,259,050	1,231,018	28,032
Salaries of secretarial and clerical assistants	131,664	(3,387)	128,277	128,277	
Purchased professional - educational services	500		500		500
Other purchased professional and technical services	82,000	(4,400)	77,600	54,037	23,563
Travel	1,100	(1,000)	100		100
Supplies and materials	20,784	(1,269)	19,515	17,117	2,398
Miscellaneous expenditures	6,000	(4,360)	1,640	1,550	90
Total guidance services	1,463,369	23,313	1,486,682	1,431,999	54,683
Child Study Teams:					
Salaries of other professional staff	1,289,213	172,709	1,461,922	1,426,888	35,034
Salaries of secretarial and clerical assistants	200,958	(13,448)	187,510	177,148	10,362
Purchased professional - educational services	16,400	(8,370)	8,030	1,047	6,983
Other purchased professional and technical services	17,786		17,786	17,786	
Travel	1,500		1,500	50	1,450
Supplies and materials	13,300		13,300	12,730	570
Total child study team	1,539,157	150,891	1,690,048	1,635,649	54,399

Fort Lee Public Schools
General Fund

Budgetary Comparison Schedule
(Budgetary Basis)

Year ended June 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Expenditures (continued)					
Current expenditures (continued):					
Undistributed expenditures (continued):					
Improvement of instruction services:					
Salaries of supervisors of instruction	\$ 320,393		\$ 320,393	\$ 285,742	\$ 34,651
Salaries of other professional staff	137,400	\$ 12,000	149,400	115,288	34,112
Purchased professional - educational services	74,900	(12,000)	62,900	14,041	48,859
Travel	13,950		13,950	2,858	11,092
Miscellaneous expenditures	4,500		4,500	2,110	2,390
Total improvement of instructional services	551,143	-	551,143	420,039	131,104
Educational media/library services:					
Salaries	535,531	(26,147)	509,384	509,084	300
Salaries of Technology Coordinators	148,782	(11,771)	137,011	136,411	600
Purchased professional - educational services	53,100	1,283	54,383	51,410	2,973
Insurance		264	264	264	
Supplies and materials	175,750	6,277	182,027	176,886	5,141
Total educational media services/school library	913,163	(30,094)	883,069	874,055	9,014
Instructional staff training services:					
Other Salaries	8,100		8,100	3,600	4,500
Other purchased services	11,250	(10,500)	750		750
Travel	47,950	(15,357)	32,593	11,170	21,423
Total instructional staff training services	67,300	(25,857)	41,443	14,770	26,673
Support services-general administration:					
Salaries	543,109	(10,575)	532,534	524,472	8,062
Legal services	185,000	(14,000)	171,000	88,458	82,542
Audit fees	46,000	48,400	94,400	45,000	49,400
Architectural/engineering services	30,000	(7,220)	22,780	760	22,020
Other professional services	19,475	7,856	27,331	20,310	7,021
Purchased technical services	20,000	23,214	43,214	43,214	
Rentals	9,000		9,000	8,057	943
Communications/telephone	163,750	7,118	170,868	159,753	11,115
Travel	8,700	(7,000)	1,700	1,222	478
BOE other purchased services	6,500	(5,690)	810		810
Miscellaneous purchased services	225,659	229,969	455,628	438,342	17,286
General supplies	23,600	150,864	174,464	167,868	6,596
BOE in House Training/Meeting Supplies	200		200	124	76
Miscellaneous expenditures	15,000	(5,300)	9,700	8,709	991
BOE membership dues and fees	28,000	(3,326)	24,674	23,691	983
Total support services-general administration	1,323,993	414,310	1,738,303	1,529,980	208,323

Fort Lee Public Schools
General Fund

Budgetary Comparison Schedule
(Budgetary Basis)

Year ended June 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Expenditures (continued)					
Current expenditures (continued):					
Undistributed expenditures (continued):					
Support services-school administration:					
Salaries of principals/assistant principals	\$ 1,880,563	\$ 51,596	\$ 1,932,159	\$ 1,932,159	
Salaries of secretarial and clerical assistants	643,639	(4,188)	639,451	639,451	
Unused vacation payments to terminated/retired staff	82,492	81,735	164,227	164,227	
Travel	14,925	(14,925)			
Supplies and materials	118,100	2,219	120,319	116,098	\$ 4,221
Miscellaneous expenditures	33,345	(11,560)	21,785	21,785	
Total support services-school administration	2,773,064	104,877	2,877,941	2,873,720	4,221
Central services:					
Salaries	746,715		746,715	691,078	55,637
Unused vacation payments to terminated/retired staff	6,787	(5,685)	1,102		1,102
Other purchased professional services	39,483		39,483	39,181	302
Purchased technical services	100,387	41,294	141,681	126,964	14,717
Rentals	5,856		5,856	5,856	
Travel	17,899		17,899	2,435	15,464
Miscellaneous purchased services	13,050	1,000	14,050	13,336	714
Supplies and materials	43,200		43,200	33,969	9,231
Miscellaneous expenditures	8,189	1,200	9,389	8,633	756
Total central services	981,566	37,809	1,019,375	921,452	97,923
Administrative information technology:					
Salaries	277,965	(4,460)	273,505	197,958	75,547
Purchased technical services	81,200	22,180	103,380	103,380	
Travel	1,000	(714)	286	286	
Supplies and Materials	33,000	896	33,896	33,896	
Miscellaneous expenditures	600	(100)	500	500	
Total administrative information technology	393,765	17,802	411,567	336,020	75,547
Required maintenance for school facilities:					
Salaries	297,063		297,063	212,781	84,282
Cleaning, repair and maintenance services	605,990	(131,185)	474,805	413,179	61,626
Miscellaneous expenditures	6,606	(3,806)	2,800	1,400	1,400
Total required maintenance for school facilities	909,659	(134,991)	774,668	627,360	147,308
Custodial Services and Bulding Rentals:					
Salaries	1,513,295		1,513,295	1,458,034	55,261
Unused vacation payments to terminated/retired staff	4,782		4,782		4,782
Purchased professional and technical services	22,224	785	23,009	15,196	7,813
Cleaning, repair and maintenance services	1,405,139	82,280	1,487,419	1,372,900	114,519
Rental of land and buildings	210,200		210,200	181,433	28,767
Other purchased property services	103,265		103,265	94,364	8,901
Insurance	206,792	22,333	229,125		229,125
Travel	2,917	(2,917)			
General supplies	461,741	107,637	569,378	555,783	13,595
Natural gas	163,793		163,793	143,362	20,431
Electricity	773,000	12,843	785,843	507,567	278,276
Gasoline	10,000		10,000	6,519	3,481
Miscellaneous expenditures	15,015	(8,214)	6,801	5,872	929
Interest- energy savings impr prog bonds	108,460		108,460	108,460	
Principal- energy saving impr prog bonds	303,951		303,951	303,951	
Total custodial services and building rentals	5,304,574	214,747	5,519,321	4,753,441	765,880
Care & upkeep of grounds:					
Salaries	20,000	20,149	40,149	13,600	26,549
Cleaning, repair and maintenance services	171,077	33,800	204,877	144,835	60,042
General supplies	34,333	11,000	45,333	42,124	3,209
Total care & upkeep of grounds	225,410	64,949	290,359	200,559	89,800

Fort Lee Public Schools
General Fund

Budgetary Comparison Schedule
(Budgetary Basis)

Year ended June 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Expenditures (continued)					
Current expenditures (continued):					
Undistributed expenditures (continued):					
Security					
Salaries	\$ 239,429	\$ (20,149)	\$ 219,280	\$ 214,751	\$ 4,529
Purchased professional and technical services	504,672	(135,854)	368,818	359,643	9,175
Cleaning, repair and maintenance services	34,229	(9,505)	24,724	24,709	15
General supplies	25,579	90,075	115,654	48,861	66,793
Total Security	803,909	(75,433)	728,476	647,964	80,512
Student transportation services:					
Salaries for pupil transportation:					
Between home and school - special education	469,621		469,621	400,896	68,725
Other employee benefits	2,400	1,650	4,050	1,481	2,569
Cleaning, repair and maintenance	41,000		41,000	28,514	12,486
Contracted services:					
Aid in lieu - nonpublic	191,000		191,000	121,223	69,777
Between home & school - vendor	261,822	67,156	328,978	271,971	57,007
Other between home & school - vendors	164,406	(114,652)	49,754	1,727	48,027
Vendors - special ed	1,476,738	(88,244)	1,388,494	1,038,495	349,999
Miscellaneous purchased services - transportation	4,975		4,975		4,975
Transportation Supplies and materials	34,700	500	35,200	5,519	29,681
Miscellaneous expenditures	14,000	(1,650)	12,350	2,133	10,217
Total student transportation services	2,660,662	(135,240)	2,525,422	1,871,959	653,463
Unallocated benefits:					
Social security contributions	835,212		835,212	773,776	61,436
Other retirement contributions - PERS	787,358		787,358	750,266	37,092
Worker's compensation	201,200	(21,680)	179,520	140,016	39,504
Health benefits	11,416,213	(926,464)	10,489,749	9,318,503	1,171,246
Tuition reimbursement	105,000	1	105,001	88,728	16,273
Other employee benefits	80,200		80,200	76,562	3,638
Unused vacation payments to terminated/retired staff	328,386		328,386	61,423	266,963
Total unallocated benefits	13,753,569	(948,143)	12,805,426	11,209,274	1,596,152
TPAF pension contributions (non-budgeted)				7,921,737	(7,921,737)
TPAF post-retirement medical contributions (non-budgeted)				2,482,549	(2,482,549)
TPAF long-term disability insurance contributions (non-budgeted)				4,829	(4,829)
Reimbursed TPAF social security contributions (non-budgeted)				2,279,310	(2,279,310)
Total personal services: benefits	13,753,569	(948,143)	12,805,426	23,897,699	(11,092,273)
Total undistributed expenditures	42,847,516	(310,288)	42,537,228	50,208,365	(7,671,137)
Total current expenditures	73,357,987	41,306	73,399,293	79,160,938	(5,761,645)

Fort Lee Public Schools
General Fund

Budgetary Comparison Schedule
(Budgetary Basis)

Year ended June 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Expenditures (continued)					
Capital outlay:					
Equipment:					
Undistributed expenditures:					
Instructional equipment	\$ 14,200	\$ 103,872	\$ 118,072	\$ 61,821	\$ 56,251
Student transportation services - school buses - regular	150,736	21,088	171,824		171,824
Total equipment	164,936	124,960	289,896	61,821	228,075
Facilities acquisition and construction services:					
Construction services	2,732,000	119,769	2,851,769	595,819	2,255,950
Assessment for Debt Service on SDA Funding	17,534		17,534	17,534	
Total facilities acquisition and construction services	2,749,534	119,769	2,869,303	613,353	2,255,950
Total expenditures - capital outlay	2,914,470	244,729	3,159,199	675,174	2,484,025
Interest Deposit to Capital Reserve	50		50		50
Total expenditures	76,272,507	286,035	76,558,542	79,836,112	(3,277,570)
(Deficiency) excess of revenues (under) over expenditures	(2,672,000)	(637,968)	(3,309,968)	7,357,723	10,667,691
Other financing sources:					
Transfers in				2,356	2,356
Transfers out - Food Service Fund	(60,000)		(60,000)		60,000
Total other financing sources	(60,000)	-	(60,000)	2,356	62,356
(Deficiency) excess of revenues (under) over expenditures and other financing sources	(2,732,000)	(637,968)	(3,369,968)	7,360,079	10,730,047
Fund balances, July 1	14,779,505		14,779,505	14,779,505	
Prior period adjustment	251,318		251,318	251,318	
Fund balances, July 1, Restated	15,030,823		15,030,823	15,030,823	
Fund balances, June 30	\$ 12,298,823	\$ (637,968)	\$ 11,660,855	\$ 22,390,902	\$ 10,730,047
Recapitulation of (deficiency) excess of revenues (under) over expenditures and other financing sources (uses)					
Budgeted fund balance	\$ (912,000)	\$ (351,933)	\$ (1,263,933)	\$ 9,466,164	\$ 10,730,097
Budgeted increase in capital reserve		50	50		(50)
Budgeted withdrawal from capital reserve	(1,820,000)		(1,820,000)	(1,820,000)	
Adjustment for prior year encumbrances, net of cancellation		(286,085)	(286,085)	(286,085)	
Total	\$ (2,732,000)	\$ (637,968)	\$ (3,369,968)	\$ 7,360,079	\$ 10,730,047
Recapitulation of fund balance:					
Restricted for:					
Emergency reserve				\$ 763,325	
Capital reserve				13,556,828	
Maintenance reserve				2,500,000	
Unemployment reserve				251,883	
Assigned to:					
Year end encumbrances				1,555,757	
Unassigned fund balance				3,763,109	
				22,390,902	
Reconciliation to Government Funds Statements GAAP:					
Last two state aid payments not recognized on GAAP basis					
				(220,803)	
Fund balance per Government Funds (GAAP) (B-1)				\$ 22,170,099	

Fort Lee Public Schools
Special Revenue Fund

Budgetary Comparison Schedule
(Budgetary Basis)

Year ended June 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenues:					
State sources	\$ 111,440	\$ 63,718	\$ 175,158	\$ 135,624	\$ (39,534)
Federal sources	1,236,652	1,830,884	3,067,536	2,358,055	(709,481)
Other sources	-	177,265	177,265	158,961	(18,304)
Total revenues	1,348,092	2,071,867	3,419,959	2,652,640	(767,319)
Expenditures:					
Current expenditures:					
Instruction:					
Salaries of teachers	324,770	344,272	669,042	530,926	138,116
Purchased professional services		250,814	250,814	220,961	29,853
Tuition	697,385	283,151	980,536	683,111	297,425
General Supplies	43,726	518,167	561,893	504,427	57,466
Other objects		1,750	1,750	1,041	709
Total instruction	1,065,881	1,398,154	2,464,035	1,940,466	523,569
Support services:					
Salaries of other professional staff		55,710	55,710	36,055	19,655
Personnel services – employee benefits	52,277	112,475	164,752	156,785	7,967
Purchased professional - educational services	207,342	195,758	403,100	265,457	137,643
Other purchased services		33,841	33,841	1,308	32,533
Travel		23,654	23,654	2,886	20,768
Supplies and materials	22,592	90,510	113,102	84,240	28,862
Scholarships awarded		5,850	5,850	5,850	
Student activities		140,915	140,915	140,915	
Total support services	282,211	658,713	940,924	693,496	247,428
Capital outlay:					
Facilities acquisition and construction services:					
Instructional equipment		15,000	15,000	9,993	5,007
Total facilities acquisition and construction services		15,000	15,000	9,993	5,007
Total expenditures	1,348,092	2,071,867	3,419,959	2,643,955	776,004
Excess of revenues over expenditures	-	-	-	8,685	8,685
Fund Balance, July 1					
Prior Period Adjustment				155,146	
Fund Balance, July 1 (Restated)				155,146	
Fund Balance, June 30				\$ 163,831	
Recapitulation:					
Restricted:					
Student Activities				\$ 132,507	
Scholarships				31,324	
Total Fund Balance				\$ 163,831	

Fort Lee Public Schools
Note to Required Supplementary Information

Budget to GAAP Reconciliation

Year ended June 30, 2021

	General Fund	Special Revenue Fund
Sources/inflows of resources		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule (C-1, C-2)	\$ 87,193,835	\$ 2,652,640
 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		24,191
Current year		(1,998)
State aid payments recognized for budgetary purposes, not recognized for GAAP statements.		
Prior year	181,663	
Current year	(220,803)	
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds (B-2)	<u>\$ 87,154,695</u>	<u>\$ 2,674,833</u>
 Uses/outflows of resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule (C-1, C-2)	\$ 79,836,112	\$ 2,643,955
 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		24,191
Current year		(1,998)
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (B-2)	<u>\$ 79,836,112</u>	<u>\$ 2,666,148</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, 2021

	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	Digital Divide Regular	Coronavirus Relief Fund Regular	ESSER II Regular	Learning Acceleration Regular	Comp Ed Regular Program
Revenues:													
State sources													\$ 17,225
Federal sources	\$ 462,718	\$ 1,028,014	\$ 41,710	\$ 58,727	\$ 94,794	\$ 25,719	\$ 1,927	\$ 112,558	\$ 218,972	\$ 302,009	\$ 4,034	\$ 6,873	
Other sources													
Total revenues	\$ 462,718	\$ 1,028,014	\$ 41,710	\$ 58,727	\$ 94,794	\$ 25,719	\$ 1,927	\$ 112,558	\$ 218,972	\$ 302,009	\$ 4,034	\$ 6,873	\$ 17,225
Expenditures:													
Instruction:													
Salaries of teachers	\$ 263,780	\$ 102,502			\$ 10,013		\$ 113	\$ 11,677		\$ 135,518	\$ 450	\$ 6,873	
Purchased professional services	44,992	132,445	\$ 41,710				1,814						
Tuition		683,111											
General Supplies	27,586	49,869			43,301	\$ 1,480		40,050	\$ 218,972	109,161			
Other objects	1,041												
Total instruction	337,399	967,927	41,710		53,314	1,480	1,927	51,727	218,972	244,679	450	6,873	
Support services:													
Salaries of other professional staff	8,000			\$ 16,630				7,841			3,584		
Personnel services - employee benefits	104,926	44,162		7,697				-					
Purchased professional - educational services		15,925		29,892	41,480	21,590		2,850		28,593			\$ 17,225
Other purchased services				1,308									
Travel				2,886									
Supplies and materials	2,400			314		2,649		50,140		28,737			
Scholarships awarded													
Student activities													
Total support services	115,326	60,087		58,727	41,480	24,239		60,831		57,330	3,584		17,225
Capital outlay:													
Facilities acquisition and construction services:													
Instructional equipment	9,993												
Total facilities acquisition and construction services	9,993												
Total expenditures	\$ 462,718	\$ 1,028,014	\$ 41,710	\$ 58,727	\$ 94,794	\$ 25,719	\$ 1,927	\$ 112,558	\$ 218,972	\$ 302,009	\$ 4,034	\$ 6,873	\$ 17,225
Excess of Revenues Over Expenditures													
Fund Balance, July 1													
Prior Period Adjustment													
Fund Balance, July 1 (Restated)													
Fund Balance, June 30													

Fort Lee Public Schools
Special Revenue Fund

Combining Schedule of Revenues and Expenditures
Budgetary Basis

Year ended June 30, 2021

	ESL Regular Program	Exam & Class Regular Program	Corrective Speech Regular Program	Supple - mentary Instruction Regular Program	Nursing Regular Program	Text - books Regular Program	Security Regular Program	Scholarship Awards	Student Activities	Local Programs	Totals
Revenues:											
State sources	\$ 25,045	\$ 13,964	\$ 12,851	\$ 8,338	\$ 17,645	\$ 10,497	\$ 30,059				\$ 135,624
Federal sources											2,358,055
Other sources								\$ 6,619	\$ 148,831	\$ 3,511	158,961
Total revenues	\$ 25,045	\$ 13,964	\$ 12,851	\$ 8,338	\$ 17,645	\$ 10,497	\$ 30,059	\$ 6,619	\$ 148,831	\$ 3,511	\$ 2,652,640
Expenditures:											
Instruction:											
Salaries of teachers											\$ 530,926
Purchased professional services											220,961
Tuition											683,111
General Supplies						\$ 10,497				\$ 3,511	504,427
Other objects											1,041
Total instruction						10,497				3,511	1,940,466
Support services:											
Salaries of other professional staff											36,055
Personnel services - employee benefits											156,785
Purchased professional - educational services	\$ 25,045	\$ 13,964	\$ 12,851	\$ 8,338	\$ 17,645		\$ 30,059				265,457
Other purchased services											1,308
Travel											2,886
Supplies and materials											84,240
Scholarships awarded							\$ 5,850				5,850
Student activities									\$ 140,915		140,915
Total support services	25,045	13,964	12,851	8,338	17,645		30,059	5,850	140,915		693,496
Capital outlay:											
Facilities acquisition and construction services:											
Instructional equipment											9,993
Total facilities acquisition and construction services											9,993
Total expenditures	\$ 25,045	\$ 13,964	\$ 12,851	\$ 8,338	\$ 17,645	\$ 10,497	\$ 30,059	\$ 5,850	\$ 140,915	\$ 3,511	\$ 2,643,955
Excess of Revenues Over Expenditures								\$ 769	\$ 7,916		\$ 8,685
Fund Balance, July 1											
Prior Period Adjustment								30,555	124,591		155,146
Fund Balance, July 1 (Restated)								30,555	124,591		155,146
Fund Balance, June 30								\$ 31,324	\$ 132,507		\$ 163,831

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, 2021

Revenues and other financing sources

Investment Income	\$ 2,356
Total revenues	<u>2,356</u>

Expenditures and Other Financing Uses

Purchased professional and technical services	137,522
Construction services	91,332
Equipment	6,477
Other objects	105,382
Total expenditures	<u>340,713</u>

(Deficiency) of revenues (under) expenditures (338,357)

Other Financing (uses)

Transfers out	(2,356)
Total other financing (uses)	<u>(2,356)</u>

(Deficiency) of revenues (under) expenditures and other financing sources (340,713)

Fund Balance, July 1	<u>3,156,456</u>
Fund Balance, June 30	<u><u>\$ 2,815,743</u></u>

Fund balance, budgetary-basis	\$ 2,815,743
Less difference in grant revenue recognized	-
Fund balance, GAAP-basis	<u><u>\$ 2,815,743</u></u>

Fort Lee Public Schools
Capital Projects Fund

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

From Inception and for the year ended June 30, 2021

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources				
State Sources - SDA Grant	\$ 1,542,652		\$ 1,542,652	\$ 1,542,652
Bond proceeds and transfers	65,213,166	(213,850)	64,999,316	64,999,316
Total revenues	<u>66,755,818</u>	<u>(213,850)</u>	<u>66,541,968</u>	<u>\$ 66,541,968</u>
Expenditures and Other Financing Uses				
Purchased professional and technical services	6,095,991	\$ 137,522	6,233,513	
Construction services	55,432,175	91,332	55,523,507	
Equipment	1,610,751	6,477	1,617,228	
Other objects	246,595	105,382	351,977	
Total expenditures	<u>63,385,512</u>	<u>340,713</u>	<u>63,726,225</u>	
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 3,370,306</u>	<u>\$ (554,563)</u>	<u>\$ 2,815,743</u>	

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, 2021

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources				
State Sources - SDA Grant	\$ 1,542,652		\$ 1,542,652	\$ 1,542,652
Bond proceeds and transfers	11,038,762	\$ (213,850)	10,824,912	10,824,912
Total revenues	<u>12,581,414</u>	<u>(213,850)</u>	<u>12,367,564</u>	<u>\$ 12,367,564</u>
Expenditures and Other Financing Uses				
Purchased professional and technical services	1,552,112		1,552,112	
Land and improvements				
Construction services	10,802,747		10,802,747	
Equipment	12,705		12,705	
Other objects				
Total expenditures	<u>12,367,564</u>		<u>12,367,564</u>	
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 213,850</u>	<u>\$ (213,850)</u>	<u>\$ -</u>	14,793.26
				9,943.80
				2,118.95
Additional project information				26,856.01
				(213,850.00)
				(186,993.99)
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, 2021

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources				
State Sources - SDA Grant				
Bond proceeds and transfers	\$ 37,255,566		\$ 37,255,566	\$ 37,255,566
Total revenues	<u>37,255,566</u>		<u>37,255,566</u>	<u><u>37,255,566</u></u>
Expenditures and Other Financing Uses				
Purchased professional and technical services	3,509,745	\$ 54,538	3,564,283	
Construction services	29,021,527	17,261	29,038,788	
Equipment	1,598,046	6,477	1,604,523	
Other objects	241,610	105,382	346,992	
Total expenditures	<u>34,370,928</u>	<u>183,658</u>	<u>34,554,586</u>	
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 2,884,638</u>	<u>\$ (183,658)</u>	<u>\$ 2,700,980</u>	

Additional project information

Project number	1550-100-15-1000
Grant date	11/18/2014
Bond authorization date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 37,175,000
Additional Authorized Cost	80,566
Revised Authorized Cost	\$ 37,255,566
Percentage Increase over Original Authorized Cost	0.22%
Percentage completion	92.26%
Original target completion date	12/31/2016
Revised target completion date	6/30/2022

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, 2021

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources				
State Sources - SDA Grant				
Bond proceeds and transfers	\$ 10,970,000		\$ 10,970,000	\$ 10,970,000
Total revenues	<u>10,970,000</u>		<u>10,970,000</u>	<u>\$ 10,970,000</u>
Expenditures and Other Financing Uses				
Purchased professional and technical services	1,017,918	\$ 69,700	1,087,618	
Construction services	9,726,763	45,886	9,772,649	
Equipment				
Other objects	4,985		4,985	
Total expenditures	<u>10,749,666</u>	<u>115,586</u>	<u>10,865,252</u>	
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 220,334</u>	<u>\$ (115,586)</u>	<u>\$ 104,748</u>	

Additional project information

Project number	1550-100-14-1000
Grant date	8/8/2014
Bond authorization date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 10,970,000
Additional Authorized Cost	
Revised Authorized Cost	\$ 10,970,000
Percentage Increase over Original Authorized Cost	0.00%
Percentage completion	81.26%
Original target completion date	11/30/2015
Revised target completion date	6/30/2022

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, 2021

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources				
State Sources - SDA Grant				
Capital lease proceeds and transfers	\$ 5,571,444		\$ 5,571,444	\$ 5,571,444
Total revenues	<u>5,571,444</u>		<u>5,571,444</u>	<u><u>\$ 5,571,444</u></u>
Expenditures and Other Financing Uses				
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>	
Additional project information				
Project number		N/A		
Lease date		4/16/2015		
Bond authorization date		N/A		
Bonds Authorized		N/A		
Bonds Issued		N/A		
Original Authorized Cost	\$ 5,571,444			
Additional Authorized Cost				
Revised Authorized Cost	\$ 5,571,444			
Percentage Increase over Original Authorized Cost		0.00%		
Percentage completion		96.41%		
Original target completion date		9/1/2018		
Revised target completion date		Completed		

Fort Lee Public Schools
Capital Projects Fund

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, 2021

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources				
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>
Expenditures and Other Financing Uses				
Purchased professional and technical services	16,216	\$ 13,284	29,500	
Construction services	311,340	28,185	339,525	
Equipment				
Other objects				
Total expenditures	<u>327,556</u>	<u>41,469</u>	<u>369,025</u>	
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 49,838</u>	<u>\$ (41,469)</u>	<u>\$ 8,369</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	97.78%			
Original target completion date	6/30/2021			
Revised target completion date	Completed			

Fort Lee Public Schools
Capital Projects Fund

Summary Schedule of Project Expenditures
(Budgetary Basis)

From Inception and for the Year Ended June 30, 2021

Issue/Project Title	Appropriations	Expenditures to Date		Unexpended Balance
		Prior Years	Current Year	
Lewis F. Cole Middle School Additions and Rehabilitation	\$ 12,367,564	\$ 12,367,564		
Lewis F. Cole Middle School Additions	37,255,566	34,370,928	\$ 183,658	\$ 2,700,980
School 2 Additions	10,970,000	10,749,666	115,586	104,748
Energy Savings Investment Plan	5,571,444	5,569,798		1,646
High School Masonry Project	377,394	327,556	41,469	8,369
	<u>\$ 66,541,968</u>	<u>\$ 63,385,512</u>	<u>\$ 340,713</u>	<u>\$ 2,815,743</u>

Long-Term Debt

Fort Lee Public Schools
Long-Term Debt

Schedule of Obligations Under Capital Leases

Year ended June 30, 2021

Purpose	Interest Rate	Amount of Original Issue	Balance July 1, 2020	Retired	Balance June 30, 2021
Energy Saving Investment Plan	2.50%	\$ 5,571,444	\$ 4,422,628	\$ 303,951	\$ 4,118,677
			<u>\$ 4,422,628</u>	<u>\$ 303,951</u>	<u>\$ 4,118,677</u>

Fort Lee Public Schools
Debt Service Fund

Budgetary Comparison Schedule

Year ended June 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenues:					
Local sources:					
Local tax levy	\$ 3,863,731		\$ 3,863,731	\$ 3,863,731	
State sources:					
Debt Service Aid Type II	<u>409,605</u>		<u>409,605</u>	<u>409,605</u>	
Total revenues	<u>4,273,336</u>		<u>4,273,336</u>	<u>4,273,336</u>	
Expenditures:					
Principal on bonds	2,325,000		2,585,000	2,578,612	\$ 6,388
Interest on bonds	1,948,336		1,688,336	1,627,342	60,994
Cost of Issuance				95,000	(95,000)
Total expenditures	<u>4,273,336</u>		<u>4,273,336</u>	<u>4,300,954</u>	<u>(27,618)</u>
(Deficiency) of revenues (under) expenditures	-		-	(27,618)	27,618
Other financing (uses) sources:					
Refunding bonds issued				11,285,000	11,285,000
Underwriter's discount				(36,112)	(36,112)
Payment to refunding bond escrow				<u>(11,153,888)</u>	<u>(11,153,888)</u>
Total other financing (uses) sources				<u>95,000</u>	<u>95,000</u>
Excess of revenues over expenditures and other financing (us	-		-	67,382	67,382
Fund balance, July 1	-		-	3	3
Fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 67,385</u>	<u>\$ 67,385</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 annual comprehensive financial reports (ACFR) for the relevant year.*

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

Unaudited

	Ending June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Governmental activities										
Invested in capital assets, net of related debt	\$ 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	\$ 31,660,241
Restricted	4,869,850	22,650,012	18,051,812	56,001,477	48,185,275	2,725,371	4,694,988	8,983,541	12,740,310	17,235,867
Unrestricted (deficit)	(4,733,750)	(4,809,592)	(4,233,820)	(17,662,594)	(18,889,800)	(17,195,519)	(18,660,217)	(18,642,233)	(18,604,745)	(14,882,121)
Total governmental activities net position	<u>\$ 14,252,424</u>	<u>\$ 16,561,460</u>	<u>\$ 17,812,834</u>	<u>\$ 2,167,835</u>	<u>\$ 8,754,941</u>	<u>\$ 10,946,112</u>	<u>\$ 12,899,083</u>	<u>\$ 18,389,352</u>	<u>\$ 24,181,801</u>	<u>\$ 34,013,987</u>
Business-type activities										
Invested in capital assets	\$ 92,772	\$ 79,460	\$ 65,940	\$ 96,328	\$ 74,036	\$ 103,163	\$ 94,533	\$ 119,290	\$ 100,521	\$ 91,101
Unrestricted	449,260	574,732	360,493	271,531	281,090	244,016	289,007	272,089	293,992	450,686
Total business-type activities net position	<u>\$ 542,032</u>	<u>\$ 542,032</u>	<u>\$ 426,433</u>	<u>\$ 367,859</u>	<u>\$ 355,126</u>	<u>\$ 347,179</u>	<u>\$ 383,540</u>	<u>\$ 391,379</u>	<u>\$ 394,513</u>	<u>\$ 541,787</u>
District-wide										
Invested in capital assets, net of related debt	\$ 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	\$ 31,751,342
Restricted	4,869,850	22,650,012	18,051,812	56,001,477	48,185,275	2,725,371	4,694,988	8,983,541	12,740,310	17,235,867
Unrestricted (deficit)	(4,284,490)	(4,234,860)	(3,873,327)	(17,391,063)	(18,608,710)	(16,951,503)	(18,371,210)	(18,370,144)	(18,310,753)	(14,431,435)
Total District-wide net position	<u>\$ 14,794,456</u>	<u>\$ 17,215,652</u>	<u>\$ 18,239,267</u>	<u>\$ 2,535,694</u>	<u>\$ 9,110,066</u>	<u>\$ 11,293,292</u>	<u>\$ 13,282,623</u>	<u>\$ 18,780,731</u>	<u>\$ 24,576,314</u>	<u>\$ 34,555,774</u>

Source: ACFR Exhibit A-1

Note: Reflects Implementation of GASB 68 for 2014 and subsequent years

Note: GASB 84 was implemented during the 2021 fiscal year, which required the restatement of beginning net position in the amount of \$406,464.

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

	Unaudited									
	Year Ended June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Governmental activities										
Instruction										
Regular	\$ 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	\$ 43,584,818
Special Education	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	5,962,512
Other Special Education	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	2,119,718
Other Education	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	1,011,818
Support Services										
Tuition	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	3,654,956
Student and Instruction Related Services	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	15,448,661
School Administrative Services	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	4,992,370
General Administrative Services	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	2,009,728
Central Services	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	2,003,241
Plant Operations and Maintenance	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	7,726,066
Pupil Transportation	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	2,274,136
Unallocated Benefits	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	(1,800)	616,664	699,444	868,913	2,492,004	2,982,464	1,989,370	1,958,373	1,877,315	1,681,283
Unallocated depreciation	731,457	902,366	982,630	976,850	982,981					
Amortization and Capital Lease Obligations		(198,000)	(198,000)	(198,000)	(198,000)					
Capital Outlay	490	364,675	3,378,021	5,588,979	567,534	-	-	-	-	-
Total Governmental Activities	<u>57,217,466</u>	<u>63,742,751</u>	<u>66,914,156</u>	<u>78,419,180</u>	<u>70,622,253</u>	<u>86,142,806</u>	<u>89,408,577</u>	<u>86,087,715</u>	<u>86,227,585</u>	<u>92,469,307</u>
Business-Type Activities										
Food Service Fund	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	857,620
Latchkey Program	501,273	521,024	255,711	-	-	-	-	-	-	-
Total Business-Type Activities	<u>1,624,676</u>	<u>1,732,707</u>	<u>1,502,023</u>	<u>1,406,042</u>	<u>1,417,898</u>	<u>1,531,726</u>	<u>1,516,498</u>	<u>1,591,821</u>	<u>1,304,271</u>	<u>857,620</u>
TOTAL DISTRICT EXPENSES	<u>\$ 58,842,142</u>	<u>\$ 65,475,458</u>	<u>\$ 68,416,179</u>	<u>\$ 79,825,222</u>	<u>\$ 72,040,151</u>	<u>\$ 87,674,532</u>	<u>\$ 90,925,075</u>	<u>\$ 87,679,536</u>	<u>\$ 87,531,856</u>	<u>\$ 93,326,927</u>
Program Revenues										
Governmental Activities:										
Charges for Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 83,500	\$ 30,211	\$ 79,028	\$ 182,684	\$ 372,318
Operating Grants and Contributions	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	2,526,002
Total Governmental Activities Program Revenues	<u>1,733,644</u>	<u>1,810,086</u>	<u>1,675,017</u>	<u>1,451,934</u>	<u>8,309,105</u>	<u>1,920,068</u>	<u>1,647,745</u>	<u>1,853,512</u>	<u>1,476,972</u>	<u>2,898,320</u>
Business-Type Activities:										
Operating grants and Contributions	442,030	443,442	437,334	429,904	441,169	484,629	445,455	446,001	346,289	968,144
Charges for Services	1,437,357	1,460,359	836,887	915,764	964,952	1,039,150	1,107,404	1,323,740	906,116	36,750
Total Business-Type Activities Program Revenues	<u>1,879,387</u>	<u>1,903,801</u>	<u>1,274,221</u>	<u>1,345,668</u>	<u>1,406,120</u>	<u>1,523,779</u>	<u>1,552,859</u>	<u>1,769,741</u>	<u>1,252,405</u>	<u>1,004,894</u>
TOTAL DISTRICT PROGRAM REVENUES	<u>\$ 3,613,031</u>	<u>\$ 3,713,887</u>	<u>\$ 2,949,238</u>	<u>\$ 2,797,602</u>	<u>\$ 9,715,225</u>	<u>\$ 3,443,847</u>	<u>\$ 3,200,604</u>	<u>\$ 3,623,253</u>	<u>\$ 2,729,377</u>	<u>\$ 3,903,214</u>
Net (Expense) Revenue										
Governmental Activities	\$ (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)	\$ (89,570,987)
Business-Type Activities	254,711	171,094	(227,802)	(60,374)	(12,777)	(7,947)	36,361	177,920	(51,866)	147,274
Total District-Wide Net Expense	<u>\$ (55,229,111)</u>	<u>\$ (61,761,571)</u>	<u>\$ (65,466,941)</u>	<u>\$ (77,027,620)</u>	<u>\$ (62,325,926)</u>	<u>\$ (84,230,685)</u>	<u>\$ (87,724,471)</u>	<u>\$ (84,056,283)</u>	<u>\$ (84,802,479)</u>	<u>\$ (89,423,713)</u>

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

(accrual basis of accounting)
Unaudited

	2012		2013		2014		2015		Year Ended June 30,		2016		2017		2018		2019		2020		2021	
General Revenues and Other Changes in Net Position																						
Governmental activities:																						
Property taxes levied for general purposes, net	\$	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	\$	68,211,586		
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		3,863,731		
Federal and State Aid - Not Restricted		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		26,454,791		
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		497		5,313		3,978		62,974				163,090		273,161		536,989		108,159		2,921		
Miscellaneous Income		483,649		296,094		567,332		361,823		204,628		611,723		561,227		454,513		616,063		870,144		
Total governmental activities		<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>		<u>99,403,173</u>		
Business-type activities:																						
Investment earnings		78		78		43		1,800														
Transfers		-		-		-		-		-		-		-		(170,081)		55,000		-		
Total district-wide	\$	<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>	\$	<u>99,403,173</u>		
Change in Net Position																						
Governmental activities	\$	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	\$	9,832,186		
Business-type activities		<u>254,789</u>		<u>171,172</u>		<u>(227,759)</u>		<u>(58,574)</u>		<u>(12,777)</u>		<u>(7,947)</u>		<u>36,361</u>		<u>7,839</u>		<u>3,134</u>		<u>147,274</u>		
Total district	\$	<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>	\$	<u>9,979,460</u>		

Source: ACFR Schedule A-2

Note: GASB 84 was implemented during the 2021 fiscal year, which required the recognition of student activity revenue reported as charges for services. This amount is not reflected in the June 30th prior revenue balances above.

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

(modified accrual basis of accounting)
Unaudited

	June, 30									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Fund										
Restricted	\$ 3,210,976	\$ 3,658,099	\$ 2,475,618	\$ 2,293,993	\$ 3,005,256	\$ 2,725,371	\$ 4,694,988	\$ 8,983,541	\$ 12,740,310	\$ 17,072,036
Committed	1,182,757									
Assigned	1,315,959	1,864,968	1,899,690	1,227,188	724,215	843,983	306,173	153,591	286,598	1,555,757
Unassigned	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	3,542,306
Total general fund	<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>\$ 14,849,160</u>	<u>\$ 22,170,099</u>
All Other Governmental Funds										
Restricted for:										
Special Revenue Fund									\$ 155,146	\$ 163,831
Capital Projects Fund	\$ (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	2,815,743
Debt Service Fund		76,630	78,838	64,154	74,565	309,314	296,696	148,348	3	67,385
Total all other governmental funds	<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>\$ 3,311,605</u>	<u>\$ 3,046,959</u>

Source: ACFR 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.

Note 2: GASB 84 was implemented during the 2021 fiscal year, which required the establishment of new restricted fund balances for Unemployment Compensation, Student Activity, and Scholarship accounts.

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

(modified accrual basis of accounting)
Unaudited

	Year Ended June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Revenues										
Tax Levy	\$ 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	\$ 72,075,317
Interest - Capital Reserves Funds	497	5,313	3,978	62,974						
Interest Earnings	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	524,000
Transportation	8,628									
Tuition	19,500	34,750	30,000	43,650		24,400	30,211	79,028	182,684	223,487
Miscellaneous	457,199	256,624	535,414	360,945	204,628	680,820	606,764	237,800	154,983	412,354
State Sources	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	18,452,519
Federal Sources	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	2,417,543
Total revenue	60,735,900	66,051,787	66,767,964	69,372,473	71,637,915	76,159,814	79,106,689	84,333,008	86,799,981	94,105,220
Expenditures										
Instruction										
Regular	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	21,800,944
Special Education Instruction	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	5,962,512
Other Special Instruction	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	2,119,718
Other Instruction	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	1,011,818
Support Services										
Tuition	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	3,654,956
Student and Instruction Related Services	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	9,606,991
School Administrative Services	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	2,873,720
General Administrative Services	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	1,529,980
Central Services	741,121	725,705	889,545	856,281	934,015	1,022,459	1,098,003	1,687,543	1,951,966	1,884,832
Plant Operations and Maintenance	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	5,601,964
Pupil Transportation	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	1,871,959
Employee Benefits	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	23,897,699
Special Schools										
Capital Outlay	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	1,025,880
Debt Service:										
Principal		780,000	655,000	665,000	685,000	2,270,000	2,120,000	2,175,000	2,230,000	2,578,612
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	1,722,342
Transfer to Charter School				9,686	9,963	9,965				
Total expenditures	59,065,117	68,740,288	74,780,046	87,288,790	80,041,087	97,989,707	85,037,181	91,836,398	88,003,393	87,143,927
Excess (Deficiency) of Revenues Over/ (Under) Expenditures	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)	6,961,293
Other Financing sources (uses)										
Transfer In	334,958	3,952	157,034	61,946	12,618	163,090	273,161	707,070	108,159	2,356
Transfer Out	(334,958)	(3,952)	(157,034)	(61,946)	(12,618)	(163,090)	(273,161)	(536,989)	(163,159)	(2,356)
Bonds Proceeds		20,430,000		49,840,000						11,285,000
Underwriter's Discount										(36,112)
Payment to refunding bond escrow agent										(11,153,888)
Cancellations of Capital Outlay to Capital Reserve		2,700,439	1,397,566	2,920,930						
Capital Leases (Nonbudgeted)		354,919	1,967,725	5,571,444	550,000					
Total Other Financing Sources	-	20,784,919	3,365,291	55,411,444	550,000	-	-	170,081	(55,000)	95,000
Net change in fund balances	\$ 1,670,783	\$ 18,096,418	\$ (4,646,791)	\$ 37,495,127	\$ (7,853,172)	\$ (21,829,893)	\$ (5,930,492)	\$ (7,333,309)	\$ (1,258,412)	\$ 7,056,293
Debt service as a percentage of noncapital expenditures	0.00%	2.17%	2.15%	2.07%	4.25%	6.47%	5.90%	5.67%	5.52%	5.26%

Source: ACFR 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,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Fund:										
Interest on Investments	\$ 4,894	\$ 4,720	\$ 1,918	\$ 3,777	\$ 4,057	\$ 5,154	\$ 66,173	\$ 82,760		\$ 45,211
Summer School tuition and Fees	19,500	34,750	30,000	43,650	38,500					
Prior Years' Refunds										
Rentals	174,175	95,000	5,500			19,000	45,260	50,705		
Donations	89,635	2,150	500	200	8,383					
Transportation	8,628						3,497	457		
Cancellation of Prior Year Void Checks		1,737	5,305	5,319						
Refund of prior year's expenditures						204,060	119,576			46,497
Miscellaneous - Restricted:										
Reimbursement of Custodial	84,620	82,086	203,911	264,722						
Athletic Receipts	4,650	6,198	5,021	3,623	3,135	4,622	4,617	3,473		
Other		7,862	4,259	4,691						
Book Fines		2,061	1,282	1,108						
Miscellaneous - Unrestricted	97,547	46,020	309,636	78,383	137,935	82,192	322,104	20,999	\$ 83,677	152,936
Total Miscellaneous	483,649	282,584	567,332	405,473	192,010	315,028	561,227	158,394	83,677	244,644
Interest on Capital Reserve Funds	497	1,827	1,770	1,028	-	-	-	-	-	-
Total General Fund	\$ 484,146	\$ 284,411	\$ 569,102	\$ 406,501	\$ 192,010	\$ 315,028	\$ 561,227	\$ 158,394	\$ 83,677	\$ 244,644

Source: District Records

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

Unaudited

Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value*	Public Utilities ^a	Net Valuation Taxable*	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate ^b
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
2021	101,867,000	3,952,560,700			943,912,000	6,921,500	1,665,707,480	6,670,968,680	8,586,503	6,679,555,183	7,354,171,183	1.089

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

Source: Borough of Fort Lee Tax Assessor

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	
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
2021	1.089	1.064	0.279	2.432

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	2021		Top 10 Taxpayers	2012	
	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	
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%	
2021	72,075,317	72,075,317	100.00%	

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

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

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

Unaudited

Year Ended June 30,	<u>Governmental Activities</u>			Percentage of Personal Income	Per Capita
	General Obligation Bonds	Capital Leases	Total District		
2012		\$ 107,229	\$ 107,229	0.00%	\$ 72,164
2013	\$ 17,670,000	409,604	18,079,604	0.70%	71,699
2014	17,015,000	2,248,388	19,263,388	0.71%	74,480
2015	66,190,000	7,750,964	73,940,964	2.62%	77,767
2016	65,505,000	7,672,224	73,177,224	2.48%	79,407
2017	63,235,000	6,656,463	69,891,463	2.29%	81,676
2018	61,115,000	5,733,073	66,848,073	2.05%	86,404
2019	58,940,000	4,708,941	63,648,941	1.84%	89,456
2020	56,710,000	4,422,628	61,132,628	1.78% *	89,456
2021	55,290,000	4,118,677	59,408,677	1.73% *	89,456

Source: District ACFR 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 ^a of Property	Per Capita ^b
2012					\$ 72,164
2013	\$ 17,670,000	\$ (76,630)	\$ 17,593,370	0.29%	71,699
2014	17,015,000	(78,838)	16,936,162	0.28%	74,480
2015	66,190,000	(64,154)	66,125,846	1.08%	77,767
2016	65,505,000	(74,565)	65,430,435	1.05%	79,407
2017	63,235,000	(309,314)	62,925,686	0.98%	81,676
2018	61,115,000	(296,696)	60,818,304	0.93%	86,404
2019	58,940,000	(148,348)	58,791,652	0.90%	89,456
2020	56,710,000	(3)	56,709,997	0.86%	* 89,456
2021	55,290,000	(67,385)	55,222,615	0.83%	* 89,456

Notes:

a See Exhibit J-6 for property tax data.

b Population data can be found in J-14.

* Estimate - Used prior years amount

Source: Fort Lee Public Schools District Financial Reports.

Fort Lee Public Schools
Direct and Overlapping Governmental Activities Debt
As of June 30, 2021

Unaudited

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable ^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt Repaid with Property Taxes:			
Net Overlapping Debt of School District:			
Borough of Fort Lee	\$ 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>55,290,000</u>
Total Direct and Overlapping Bonded Debt			<u>\$ 113,530,334</u>

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
2021	\$ 7,354,171,183
2020	7,347,718,920
2019	<u>7,284,815,159</u>

[A] \$ 21,986,705,262

Average Equalized Valuation of Taxable Property	\$ <u>7,328,901,754</u>
Debt Limit (4% of Average Equalization Value)	\$ 293,156,070
Net Bonded School Debt	<u>55,222,615</u>
Legal Debt Margin	\$ <u>237,933,455</u>

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Debt limit	\$ 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	\$ 293,156,070
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	55,222,615
Legal debt margin	\$ 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	\$ 237,933,455
Total net debt applicable to the limit as a percentage of debt limit	0.00%	7.34%	7.06%	25.15%	24.68%	23.92%	22.58%	21.85%	20.51%	18.84%

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

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

Unaudited

Year	Population ^a	Personal Income ^b	Bergen County Per Capita Personal Income ^c	Unemployment Rate ^d
2012	35,864	\$ 2,588,089,696	\$ 72,164	5.8%
2013	36,198	2,595,360,402	71,699	5.8%
2014	36,238	2,699,006,240	74,480	4.2%
2015	36,289	2,822,086,663	77,767	3.5%
2016	37,190	2,953,146,330	79,407	3.2%
2017	37,310	3,047,331,560	81,676	3.1%
2018	37,792	3,265,379,968	86,404	2.6%
2019	38,600	3,453,001,600	89,456	2.2%
2020	38,356	3,431,174,336 *	89,456	8.0%
2021	38,356 *	3,431,174,336 *	89,456 *	8.0%

Source:

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

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

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

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

* Estimate - Used prior years amount

N/A - Not Available at Time of Audit

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

Unaudited

<u>Employer</u>	<u>2021</u>		<u>2012</u>	
	<u>Employees</u>	<u>Percentage of Total Municipal Employment</u>	<u>Employees</u>	<u>Percentage of Total Municipal Employment</u>
Not available		0.00%		0.00%
		0.00%		0.00%
		0.00%		0.00%
		0.00%		0.00%
		0.00%		0.00%
		0.00%		0.00%
	-	0.00%	-	0.00%

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

Unaudited

Function/Program	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Instruction										
Regular	212.0	231.0	260.0	271.5	271.5	237.1	219.4	226.6	256.0	242.1
Special Education	64.0	82.0	63.0	61.5	61.5	70.3	101.7	98.3	97.0	115.1
Other Special Education	23.0	24.0	27.0	26.0	26.0	47.0	45.6	56.5	75.0	50.4
Other Instructional						25.2	25.8	28.7	37.0	24.4
Support Services:										
Student and Instructional Related Services	78.5	95.0	82.0	79.0	79.0	55.6	60.8	62.8	40.0	74.0
General Administration	8.5	8.0	8.0	8.5	8.5	5.0	5.0	5.0	6.0	5.0
School Administrative Services	24.0	22.0	26.0	26.5	26.5	25.8	23.7	23.7	23.7	25.7
Business Administrative Services	14.0	15.0	17.0	17.0	17.0	21.6	21.5	24.5	24.5	24.7
Plant Operations and Maintenance	20.5	21.0	21.0	22.0	22.0	24.1	23.6	26.6	24.0	27.5
Total	444.5	498.0	504.0	512.0	512.0	511.7	527.1	552.8	583.2	588.9

Source: District Personnel Records

Fort Lee Public Schools
 Operating Statistics
 Last Ten Fiscal Years

Unaudited

Fiscal Year	Enrollment	Operating Expenditures ^a	Cost Per Pupil	Percentage Change	Teaching Staff ^b	Teacher Ratio/Pupil			Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle	Senior High School				
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%
2021	4,123	81,817,093	19,844	7.45%	311.0	1:10	1:20	1:14	4,069.9	3,963.3	-2.03%	97.38%

Sources: District records and ASSA

Note: Enrollment based on annual October district count.

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

N/A Not Available

Fort Lee Public Schools
 School Building Information
 Last Ten Fiscal Years

Unaudited

Facility	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Elementary										
Elementary School #1										
Square Feet	57,938	57,938	57,938	57,938	57,938	57,938	64,300	64,300	64,300	64,300
Functional Capacity	447	447	447	447	447	447	496	496	496	496
Enrollment	644	678	708	666	708	677	697	746	585	526
Elementary School #2										
Square Feet	50,989	50,989	50,989	50,989	50,989	50,989	68,526	68,526	68,526	68,526
Functional Capacity	339	339	339	339	447	447	600	600	600	600
Enrollment ^a	428	455	457	470	457	483	486	501	398	360
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	533	530	536	534	536	560	578	579	395	365
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	516	540	541	551	541	574	618	599	437	408
Middle Schools										
Lewis F. Cole Middle School										
Square Feet	78,455	78,455	78,455	78,455	78,455	78,455	77,228	77,228	77,228	77,228
Functional Capacity	295	295	295	295	395	395	626	626	626	626
Enrollment	556	574	558	534	541	578	611	593	1,264	1,302
High School										
Fort Lee High School										
Square Feet	142,789	142,789	142,789	142,789	142,789	142,789	142,789	142,789	142,789	142,789
Functional Capacity	552	552	552	552	552	552	552	552	552	552
Enrollment	995	959	978	983	978	953	920	1,019	1,074	1,074

Number of Schools at June 30, 2021

 Elementary = 4

 Middle School = 1

 Senior High School = 1

Source: District Records, ASSA

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

Unaudited

Undistributed Expenditures - Required Maintenance for School Facilities

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

<u>School Facilities</u>	<u>School #</u>	<u>June 30,</u>									
		<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Fort Lee High School	50	\$ 188,396	\$ 198,569	\$ 158,103	\$ 140,272	\$ 178,060	\$ 230,785	\$ 143,804	\$ 211,437	\$ 177,364	\$ 201,794
Lewis F. Cole Middle School	100	162,534	141,454	122,407	54,299	67,317	52,546	77,481	97,829	80,173	78,468
Elementary School #1	60	68,762	84,112	78,014	76,923	97,856	45,004	50,383	80,468	65,678	78,720
Elementary School #2	70	80,371	110,425	73,770	58,824	76,727	26,777	53,205	39,226	39,221	82,480
Elementary School #3	80	81,237	92,977	65,034	49,774	63,688	42,970	42,834	47,362	53,743	48,255
Elementary School #4	90	<u>46,060</u>	<u>104,831</u>	<u>68,626</u>	<u>72,398</u>	<u>92,449</u>	<u>100,747</u>	<u>34,504</u>	<u>71,315</u>	<u>68,262</u>	<u>50,202</u>
		<u>\$ 627,360</u>	<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>

* 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, 2021

Unaudited

	<u>Coverage</u>	<u>Deductible</u>
School Package Property - School Alliance Fund		
Property		
Property - Blanket Building and Contents	\$ 500,000,000	\$ 2,500
Flood/earthquake	10,000,000/25,000,000	25,000
Automobile Physical Damage	In Blanket Limit	1,000
Builders Risk	25,000,000	2,500
Electronic Data Processing Equipment	In Blanket Limit	2,500
Liability		
Comprehensive General Liability	5,000,000	
Automobile Liability	5,000,000	
Employee Benefit each occurrence/aggregate	5,000,000	1,000
SAIF Excess		
School Board Legal Liability	5,000,000	
Includes General/Auto Liability	5,000,000	
Crime		
Blanket Employee Dishonesty	500,000	1,000
Forgery	50,000	1,000
Theft/Disappearance/Destruction:		
Inside	50,000	1,000
Outside	50,000	1,000
Computer Fraud	50,000	1,000
School Board Legal Liability		
Directors' and Officers' Policy	5,000,000	10,000
Environmental Impairment Liability(ACE)		
Limit of Liability:		
Incident	1,000,000	10,000
Limit of Liability		
Excess Liability - Starstone National and Markel		
Each Occurrence/Aggregate	30,000,000	
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, and each major fund of the Fort Lee Public Schools, in the County of Bergen, New Jersey (the "District") as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated February 23, 2022.

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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be 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

Cranford, New Jersey
February 23, 2022

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 Program Federal and State Program

We have audited the Fort Lee Public School's, 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, 2021. The District's major federal and state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards* (Uniform Guidance); and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards, the Uniform

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

Page 2

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, 2021.

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

Cranford, New Jersey
February 23, 2022

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, 2021

Federal Grantor/Pass-Through Grantor/Program Title	Federal AL Number	Federal FAIN Number	Award Amount	Grant Period		Balance at June 30, 2020	Carryover/Walkover Amount	Cash Received	Budgetary Expenditures	Balance June 30, 2021		
				From	To					(Accounts Receivable)	Unearned Revenue	Due to Grantor
U.S. Department of Health and Human Services												
Passed Through State Department of Education												
General Fund:												
Medical Assistance Program - SEMI	93.778	2105NJ5MAP	\$ 36,623	7/1/2020	6/30/2021			\$ 36,623	\$ (36,623)			
U.S. Department of Labor - Passed-through State Department of Labor												
General Fund:												
COVID-19 DOL Unemployment Grant	17.000	Not available	34,821	7/1/2020	6/30/2021	\$ (34,821)		34,821				
Total General Fund						<u>(34,821)</u>		<u>71,444</u>	<u>(36,623)</u>			
U.S. Department of Education-Passed-Through State Department of Education												
Special Revenue Fund:												
Title I, Part A	84.010A	S010A210030	558,358	10/1/2020	9/30/2021			225,467	(462,718)	\$ (237,251)		
Title I, Part A	84.010A	S010A200030	491,654	7/1/2019	9/30/2020	(158,869)		158,869				
Title II, Part A	84.367A	S367A210029	128,032	10/1/2020	9/30/2021			28,768	(58,727)	(29,959)		
Title II, Part A	84.367A	S367A200029	97,435	7/1/2019	9/30/2020	(13,647)		13,647				
Title III	84.365A	S365A210030	121,024	10/1/2020	9/30/2021			53,431	(94,794)	(41,363)		
Title III	84.365A	S365A200030	96,135	7/1/2019	9/30/2020	(22,079)		22,079				
Title IV	84.424A	S424A210031	37,099	10/1/2020	9/30/2021			6,983	(25,719)	(18,736)		
Title IV	84.424A	S424A200031	29,828	7/1/2019	9/30/2020	(12,602)		12,602				
Carl Perkins - Entitlement Federal	84.048	S048A210030	12,990	10/1/2020	9/30/2021			1,927	(1,927)			
Carl Perkins - Entitlement Federal	84.048	S048A200030	11,885	7/1/2019	9/30/2020	(1,037)		1,037				
Special Education Cluster:												
IDEA Part B	84.027	S027A210100	1,357,592	10/1/2020	9/30/2021			601,832	(1,028,014)	(426,182)		
IDEA Part B	84.027	S027A200100	912,554	7/1/2019	9/30/2020	(193,408)		193,408				
IDEA Preschool	84.173	S173A210114	47,073	10/1/2020	9/30/2021			2,731	(41,710)	(38,979)		
IDEA Preschool	84.173	S173A200114	46,056	7/1/2019	9/30/2020	(10,069)		10,069				
Subtotal of Special Education Cluster						<u>(203,477)</u>		<u>808,040</u>	<u>(1,069,724)</u>	<u>(465,161)</u>		
Elementary and Secondary School Emergency Relief Funds												
CARES Act Education Stabilization Fund	84.425D	S425D200027	399,798	3/13/2020	9/30/2022			79,009	(112,558)	(33,549)		
CARES Act Education Stabilization Fund	84.425D	S425D200027	363,870	3/13/2020	9/30/2022	(126,357)		126,357				
CRRSA Grant Program	84.425D	S425D200027	1,481,726	3/13/2020	9/30/2022				(4,034)	(4,034)		
Coronavirus Response and Relief Supplemental Appropriations Act (CRRSA) Learning Acceleration Grant Program	84.425D	S425D200027	95,090	3/13/2020	9/30/2022				(6,873)	(6,873)		
Subtotal of Elementary and Secondary School Emergency Relief Funds						<u>(126,357)</u>		<u>205,366</u>	<u>(123,465)</u>	<u>(44,456)</u>		
Coronavirus Relief Fund (CRF)												
COVID-19 Bridging the Digital Divide	21.019	N/A	219,011	3/1/2020	12/30/2020			218,972	(218,972)			
Coronavirus Relief Fund (CRF)	21.019	N/A	302,009	3/1/2020	12/30/2020			302,009	(302,009)			
Subtotal Coronavirus Relief Fund (CRF)								<u>520,981</u>	<u>(520,981)</u>			
Total Special Revenue Fund						<u>(538,068)</u>		<u>2,059,197</u>	<u>(2,358,055)</u>	<u>(836,926)</u>		
U.S. Department of Agriculture-Passed-Through State Department of Agriculture												
Enterprise Fund:												
Child Nutrition Cluster:												
Food Donation Program (NC)	10.555	211NJ304N109	72,555	7/1/2020	6/30/2021			72,554	(70,231)	\$ 2,323		
Food Donation Program (NC)	10.555	201NJ304N109	79,129	7/1/2019	6/30/2020	7,611			(7,611)			
Emergency Operational Cost Program - Schools	10.555	202121H170341	50,424	7/1/2020	6/30/2021				(50,424)	(50,424)		
National School Lunch Program - Equipment Assistance	10.579	211NJ304N109	24,890	7/1/2020	6/30/2021			24,890	(24,890)			
National School Lunch Program	10.555	211NJ304N109	504,580	7/1/2020	6/30/2021			367,427	(504,580)	(137,153)		
Seamless Summer Option (Cares Act)	10.555	211NJ304N109	272,096	7/1/2020	6/30/2021			237,627	(272,096)	(34,469)		
Seamless Summer Option (Cares Act)	10.555	201NJ304N109	25,606	7/1/2019	6/30/2020	(22,574)		22,574				
Federal PB Lunch - Healthy Hunger-Free Kids Act of 2010	10.555	211NJ304N109	12,370	7/1/2020	6/30/2021			8,824	(12,370)	(3,546)		
Federal PB Lunch - Healthy Hunger-Free Kids Act of 2010	10.555	201NJ304N109	15,802	7/1/2019	6/30/2020	(464)		464				
Subtotal of Child Nutrition Cluster						<u>(15,427)</u>		<u>734,360</u>	<u>(942,202)</u>	<u>(225,592)</u>	<u>2,323</u>	
P-EBT Administrative Cost Reimbursement	10.649	202121S900941	614	7/1/2020	6/30/2021				(614)	(614)		
Total Enterprise Fund						<u>(15,427)</u>		<u>734,360</u>	<u>(942,816)</u>	<u>(226,206)</u>	<u>2,323</u>	
Total Federal Awards						<u>\$ (588,316)</u>	<u>\$ -</u>	<u>\$2,865,001</u>	<u>\$ (3,337,494)</u>	<u>\$ (1,063,132)</u>	<u>\$ 2,323</u>	<u>\$ -</u>
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, 2021

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period From To		Balance June 30, 2020					Repayment of Prior Years' Balances	Balance June 30, 2021			Memo			
					Unearned Rev.	(Accounts Receivable)	Due to Grantor	Cash Received	Budgetary Expenditures		Adjustments	Unearned Revenue	(Accounts Receivable)	Due to Grantor	Budgetary Receivable	Cumulative Expenditures	
State Department of Education																	
General Fund:																	
Special Education Categorical Aid	495-034-5120-089	\$ 2,404,816	7/1/2020	6/30/2021				\$ 2,238,663	\$ (2,404,816)					\$ (166,153)	\$ (2,404,816)		
Special Education Categorical Aid	495-034-5120-089	2,240,880	7/1/2019	6/30/2020		\$ (134,269)		134,269									
Categorical Transportation Aid	495-034-5120-014	685,744	7/1/2020	6/30/2021				638,365	(685,744)					(47,379)	(685,744)		
Categorical Transportation Aid	495-034-5120-014	685,744	7/1/2019	6/30/2020		(41,088)		41,088									
Security Aid	495-034-5120-084	105,243	7/1/2020	6/30/2021				97,972	(105,243)					(7,271)	(105,243)		
Security Aid	495-034-5120-084	105,243	7/1/2019	6/30/2020		(6,306)		6,306									
Extraordinary Aid	100-034-5120-473	2,007,682	7/1/2020	6/30/2021					(2,007,682)			\$ (2,007,682)			(2,007,682)		
Extraordinary Aid	100-034-5120-473	1,437,714	7/1/2019	6/30/2020		(1,437,714)		1,437,714									
Additional NP Transportation Aid	Not Available	54,520	7/1/2020	6/30/2021					(54,520)				(54,520)		(54,520)		
Reimbursed TPAF - Social Security	495-034-5094-003	2,279,310	7/1/2020	6/30/2021				2,279,310	(2,279,310)						(2,279,310)		
Reimbursed TPAF - Social Security	495-034-5094-003	2,104,019	7/1/2019	6/30/2020		(102,659)		102,659									
On-behalf TPAF Contributions																	
Pension Benefit Contribution	495-034-5094-002	7,921,737	7/1/2020	6/30/2021				7,921,737	(7,921,737)						(7,921,737)		
Post-Retirement Medical Contribution	495-034-5094-001	2,482,549	7/1/2020	6/30/2021				2,482,549	(2,482,549)						(2,482,549)		
Long-Term Disability Insurance Contributions	495-034-5094-004	4,829	7/1/2020	6/30/2021				4,829	(4,829)						(4,829)		
Total General Fund						(1,722,036)		17,385,461	(17,946,430)			(2,062,202)		(220,803)	(17,946,430)		
Special Revenue Fund:																	
New Jersey Non-Public Aid:																	
Nursing Aid	100-034-5120-070	17,646	7/1/2020	6/30/2021				17,646	(17,646)						(17,646)		
Textbook Aid	100-034-5120-064	10,569	7/1/2020	6/30/2021				10,569	(10,497)			\$ 72			(10,497)		
Textbook Aid	100-034-5120-064	8,223	7/1/2019	6/30/2020			\$ 4				\$ (4)						
Technology Initiative	100-034-5120-070	5,616	7/1/2019	6/30/2020			2				(2)						
Security Aid	100-034-5120-509	30,275	7/1/2020	6/30/2021				30,275	(30,059)				216		(30,059)		
Security Aid	100-034-5120-509	23,400	7/1/2019	6/30/2020			2,048				(2,048)						
Non Public Auxiliary Services (Ch. 192):																	
English as a Second Language	100-034-5120-067	31,085	7/1/2020	6/30/2021				31,085	(25,045)					6,040	(25,045)		
English as a Second Language		30,276	7/1/2019	6/30/2020		(3,236)	4,889	3,236			(4,889)						
Compensatory Education		24,037	7/1/2020	6/30/2021				24,037	(17,225)					6,812	(17,225)		
Compensatory Education		22,713	7/1/2019	6/30/2020		(2,429)	4,122	2,429			(4,122)						
Non Public Handicapped Services (Ch. 193):																	
Supplemental Instruction	100-034-5120-066	11,333	7/1/2020	6/30/2021				11,333	(8,338)					2,995	(8,338)		
Supplemental Instruction		8,095	7/1/2019	6/30/2020		(1,052)	1,868	1,052			(1,868)						
Examination and Classification		33,807	7/1/2020	6/30/2021				33,807	(13,963)					19,844	(13,963)		
Examination and Classification		12,822	7/1/2019	6/30/2020		(1,667)	6,015	1,667			(6,015)						
Corrective Speech		16,406	7/1/2020	6/30/2021				16,406	(12,851)					3,555	(12,851)		
Corrective Speech		15,858	7/1/2019	6/30/2020		(2,062)	4,118	2,062			(4,118)						
Total Special Revenue Fund						(10,446)	23,066	185,604	(135,624)			(23,066)		39,534	(135,624)		
Debt Service Fund:																	
Type II Debt Service aid	495-034-5120-125	409,605	7/1/2020	6/30/2021				409,605	(409,605)						(409,605)		
Total Debt Service Fund								409,605	(409,605)						(409,605)		
State Department of Agriculture																	
Enterprise Fund:																	
State School Lunch Program (State share)	21-000-010-3350-023	25,328	7/1/2020	6/30/2021				20,812	(25,328)				(4,516)		(25,328)		
State School Lunch Program (State share)	20-000-010-3350-023	15,669	7/1/2019	6/30/2020		(4,284)		4,284									
Seamless Summer Option	20-000-010-3350-023	413	7/1/2019	6/30/2020		(202)		202									
Total Enterprise Fund						(4,486)		25,298	(25,328)			(4,516)			(25,328)		
Total State Financial Assistance						\$ -	\$ (1,736,968)	\$ 23,066	\$ 18,005,968	\$ (18,516,987)	\$ -	\$ (23,066)	\$ -	\$ (2,066,718)	\$ 39,534	\$ (220,803)	\$ (18,516,987)
State Financial Assistance Not Subject to Single Audit Determination:																	
General Fund:																	
On-behalf TPAF Contributions																	
Pension Benefit Contribution	495-034-5094-002	7,921,737	7/1/2020	6/30/2021				\$ (7,921,737)	\$ 7,921,737						\$ 7,921,737		
Post-Retirement Medical Contribution	495-034-5094-001	2,482,549	7/1/2020	6/30/2021				(2,482,549)	2,482,549						2,482,549		
Long-Term Disability Insurance Contributions	495-034-5094-004	4,829	7/1/2020	6/30/2021				(4,829)	4,829						4,829		
Total State Financial Assistance Subject to Single Audit Determination						\$ -	\$ (1,736,968)	\$ 23,066	\$ 7,596,853	\$ (8,107,872)	\$ -	\$ (23,066)	\$ -	\$ (2,066,718)	\$ 39,534	\$ (220,803)	\$ (8,107,872)

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, 2021

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, 2021

3. Relationship to Basic Financial Statements (Continued)

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$(39,140) for the general fund and \$22,193 for the special revenue fund. See note to required supplementary information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds (C-3).

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

	Federal	State	Total
General Fund	\$ 36,623	\$ 17,907,290	\$ 17,943,913
Special Revenue Fund	2,380,920	135,624	2,516,544
Debt Service Fund		409,605	409,605
Food Service Enterprise Fund	942,816	25,328	968,144
Total financial award revenues	<u>\$ 3,360,359</u>	<u>\$ 18,477,847</u>	<u>\$ 21,838,206</u>

4. Relationship to Federal and State Financial Reports

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

Fort Lee Public Schools

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

Year ended June 30, 2021

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, 2021. The post-retirement pension, medical and disability insurance benefits received on behalf of the District for the year ended June 30, 2021 amounted to \$10,409,115. 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, 2021

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:

AL Number(s)	FAIN Number	Name of Federal Program or Cluster
10.555	211NJ304N109	National School Lunch Program
21.019	Not available	Coronavirus Relief Fund

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, 2021

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:

GMIS/Program Number	Name of State Program or Cluster
495-034-5120-089	State Aid Cluster: Special Education Categorical Aid Security Aid
495-034-5120-084	

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, 2021

Part II – Schedule of Financial Statement Findings

No compliance or internal control over financial reporting findings noted that were required to be reported under *Government Auditing Standards*.

Fort Lee Public Schools

Schedule of Findings and Questioned Costs

Year ended June 30, 2021

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

Schedule of Findings and Questioned Costs

Year ended June 30, 2021

Summary Schedule of Prior Year Findings

No prior year audit findings were noted.