

**SCHOOL DISTRICT OF THE
BOROUGH OF FORT LEE
COUNTY OF BERGEN, NEW JERSEY
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2022**

**School District
of
Fort Lee**

**FORT LEE BOARD OF EDUCATION
Fort Lee, New Jersey**

**Annual Comprehensive Financial Report
Year Ended June 30, 2022**

Annual Comprehensive Financial Report

of the

FORT LEE BOARD OF EDUCATION
Fort Lee, New Jersey

Year Ended June 30, 2022

Prepared by

Haquisha Q. Taylor
Business Administrator/Board Secretary

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Not Applicable

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Not Applicable

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INTRODUCTORY SECTION



Central Administration Offices

231 Main Street, 3rd Floor ✧ Fort Lee, New Jersey 07024

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Diane Collazo-Baker
Assistant Superintendent of Schools

Robert L. Kravitz
Superintendent of Schools

Dr. Vincent Occhino
Interim School Business Administrator/Board Secretary

February 3, 2023

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, 2022. 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.



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



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Reporting Entity

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

Economic Conditions and Outlook

The District completed the 2021-2022 fiscal year with an average daily enrollment of 4,144 students, which is ~~seventy-four~~ 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>
2021-2022	4,144	1.82%
2020-2021	4,070	-2.2%
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 2021-2022 school year by 2%, but the increase in expenditures from inflationary pressures, contractual agreements and benefits have outpaced the additional revenue. The District's administration is closely monitoring the cost of operations and continues to look for innovative ways to contain costs in addition to new funding sources in order to maintain the quality educational services that the District has been accustomed to providing.



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Robert L. Kravitz

Superintendent of Schools

Dr. Vincent Occhino

Interim School Business Administrator/Board Secretary

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 2021-2022 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



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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.



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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, 2022.

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.



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Interim School Business Administrator/Board Secretary

Independent Audit: State statutes require an annual audit by independent certified public accountants or registered municipal accounts. The accounting firm of Wielkottz & Company, 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

FORT LEE BOARD OF EDUCATION

ROSTER OF OFFICIALS

JUNE 30, 2022

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Paula Colbath, President	12/31/2022
Kristen Richter, Vice President	12/31/2024
Elisa Cho	12/31/2023
Holly Morell	12/31/2024
Candace Romba	12/31/2022
Michal Rubino	12/31/2022
Julene Stassou	12/31/2023
Kim Curry (8/30/21-6/30/22)	12/31/2022
Min Jeong Kim (1/1/22-6/30/22)	12/31/2024
Esther Han Silver (7/1/21-12/31/21)	12/21/2021

Other Officials

Robert L. Kravitz - Superintendent of Schools (9/29/21-6/30/22)
Dr. Lauren Schoen - Interim Superintendent of Schools (7/1/20-9/28/21)

Diane Collazo-Baker - Assistant Superintendent of Schools

Haquisah Q. Taylor, School Business Administrator/Board Secretary

Irene Gray, Assistant Business Administrator

Charles Hangle, Treasurer of School Monies

Jack L. DeNichilo, Supervisor Buildings & Grounds

Frances L. Febres, Esq - Board Attorney (7/1/21 - 3/6/22)

Lester E. Taylor III - Board Attorney (3/7/22 - 6/30/22)

FORT LEE BOARD OF EDUCATION

CONSULTANTS & ADVISORS

JUNE 30, 2022

Attorney

Florio, Perrucci, Steinhardt, Cappelli, Tipton & Taylor, LLC
430 Mountain Ave
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New Providence, NJ 07974

District Auditor

Wielkocz & Company LLC
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Pompton Lakes, New Jersey 07442

Official Depositories

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Ramsey, NJ 07446

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

FINANCIAL SECTION



WIELKOTZ & COMPANY LLC

CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund of the Board of Education of the Borough of Fort Lee School District, in the County of Bergen, State of New Jersey, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities and each major fund of the Borough of Fort Lee Board of Education, in the County of Bergen, State of New Jersey, as of June 30, 2022, 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.

Basis for Qualified Opinion on U.S. Generally Accepted Accounting Principles

Governmental Accounting Standards Board Statement (GASBS) 87 requires lessees and lessors to report all leases, which is, as defined in paragraph 4 of the Statement, a contract that conveys control of the right to use another entity's nonfinancial asset as specified in the contract for a period of time in an exchange or exchange-like transaction. The District failed to provide the required disclosures.

The effects on the financial statements, although not reasonably determinable, are presumed to be material.



Honorable President and
Members of the Board of Education
Page 2.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the audit requirements 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Fort Lee Board of Education, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management 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, the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, 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 misstatements, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Fort Lee Board of Education's ability to continue as a going concern for the next twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey and Government Auditing Standards, will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these financial statements.



In performing an audit in accordance with generally accepted auditing standards, audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey and Government Auditing Standards, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Fort Lee Board of Education's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Fort Lee Board of Education's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Budgetary Comparison Information, Schedules Related to Accounting and Reporting for Pensions, and Other Post Employment Benefits identified 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 the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have



Honorable President and
Members of the Board of Education
Page 4.

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 Borough of Fort Lee Board of Education's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedule of expenditures of federal awards, as required by 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 schedule of expenditures of state financial assistance as required by NJ OMB 15-08 and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards, as required by 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 schedule of expenditures of state financial assistance as required by NJ OMB 15-08 are the responsibility of management and were derived from and relates 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 nonmajor fund financial statements, schedule of expenditures of federal awards, as required by 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 schedule of expenditures of state financial assistance as required by NJ OMB 15-08 are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section and statistical data section has not been subject 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 it.



Honorable President and
Members of the Board of Education
Page 5.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 3, 2023 on our consideration of the Borough of Fort Lee Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 Fort Lee Board of Education's internal control over financial reporting and compliance.

Steven D. Wielkotz

Steven D. Wielkotz, C.P.A.
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February 3, 2023



**REQUIRED SUPPLEMENTARY
INFORMATION - PART I**

Management Discussion and Analysis

**FORT LEE BOARD OF EDUCATION
FORT LEE, NJ
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

As management of the Borough of Fort Lee School District (the "School District"), we offer readers of the School District's financial statements this narrative overview and analysis of the financial activities of the Borough of Fort Lee School District for the fiscal year ended June 30, 2022.

The management's discussion and analysis is provided at the beginning of the audit to provide an overall review of the past and current position of the School District's financial condition. This summary should not be taken as a replacement for the audit which consists of the financial statements and other supplemental information that presents all the School District's revenues and expenditures by program for the General Fund, Special Revenue Fund, Capital Projects Fund, Debt Service Fund and Enterprise Fund.

FINANCIAL HIGHLIGHTS

In total, net position increased \$9,769,284. Net position of governmental activities increased \$9,336,663 while net assets of business-type activity increased by \$432,621.

General revenues accounted for \$94,986,032 in revenue or 93 percent of all district revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$7,303,761 or 7 percent of total revenues of \$102,289,793.

The School District had \$90,405,938 in expenses related to governmental activities; only \$4,757,250 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily grants, entitlements and property taxes) of \$94,985,351 were adequate to provide for these programs.

**FORT LEE BOARD OF EDUCATION
FORT LEE, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(CONTINUED)**

USING THIS ANNUAL REPORT

This discussion and analysis are intended to serve as an introduction to the Borough of Fort Lee School District's basic financial statements. The Borough of Fort Lee School District's basic financial statements are comprised of three components: 1) district-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

District-Wide Financial Statements

The *district-wide financial statements* are designed to provide readers with a broad overview of the Borough of Fort Lee School District's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the Borough of Fort Lee School District's assets and liabilities using the accrual basis of accounting, with the difference between the two 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 Borough of Fort Lee School District is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position 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.

Both of the district-wide financial statements distinguish functions of the Borough of Fort Lee School District that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the Borough of Fort Lee School District include instruction, support services and special schools. The business-type activities of the Borough of Fort Lee School District include the food service program.

**FORT LEE BOARD OF EDUCATION
FORT LEE, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(CONTINUED)**

USING THIS ANNUAL REPORT, (continued)

Fund Financial Statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Borough of Fort Lee School District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of these funds of the Borough of Fort Lee School District can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the district-wide financial statements. However, unlike the district-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflow 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 a District's near-term financing requirements.

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

The Borough of Fort Lee School 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 balances for the general fund, special revenue fund, capital projects fund, and debt service fund which are all considered to be major funds.

The Borough of Fort Lee School District adopts annual appropriated budgets for its governmental funds except for the capital projects fund. A budgetary comparison statement has been provided for the general fund, special revenue fund and debt service fund to demonstrate compliance with their budgets.

**FORT LEE BOARD OF EDUCATION
FORT LEE, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(CONTINUED)**

USING THIS ANNUAL REPORT, (continued)

Proprietary Funds

The Borough of Fort Lee School District maintains one proprietary fund. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the district-wide financial statements. The Borough of Fort Lee School District uses enterprise funds to account for its food service program.

Proprietary funds provide the same type of information as the district-wide financial statements, only in more detail. The proprietary fund financial statements provide information for the local district services operations.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the District. Fiduciary funds are *not* reflected in the district-wide financial statements because the resources of those funds are *not* available to support the Borough of Fort Lee School District's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the district-wide and fund financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning budgetary information for the District's major funds.

Our auditor has provided assurance in his independent auditor's report, located immediately preceding this Management's Discussion and Analysis, that the Basic Financial Statements are fairly stated. Varying degrees of assurance are being provided by the auditor regarding the Required Supplemental Information and the Supplemental Information identified above. A user of this report should read the independent auditor's report carefully to ascertain the level of assurance being provided for each of the other parts in the Financial Section.

**FORT LEE BOARD OF EDUCATION
FORT LEE, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(CONTINUED)**

DISTRICT-WIDE FINANCIAL ANALYSIS

The Statement of Net Position provides the perspective of the District as a whole. Net position may, over time, serve as a useful indicator of a government's financial position.

The District's financial position is the product of several financial transactions including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets and the depreciation of capital assets.

The School District's net position was \$43,946,200 at June 30, 2022 and \$34,176,916 (restated) at June 30, 2021, respectively. Restricted items of net position are reported separately to show legal constraints that limit the School District's ability to use those items of net position for day-to-day operations. Our analysis below focuses on the net position for 2022 compared to 2021 (Table 1) and change in net position (Table 2) of the School District.

**FORT LEE BOARD OF EDUCATION
FORT LEE, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(CONTINUED)**

DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)

Table 1

**Net Position
June 30,**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2022</u>	<u>Restated 2021</u>	<u>2022</u>	<u>Restated 2021</u>	<u>2022</u>	<u>Restated 2021</u>
Assets						
Current and Other Assets	30,502,869	26,438,399	1,143,772	549,064	31,646,641	26,987,463
Capital Assets	<u>89,188,250</u>	<u>88,095,216</u>	<u>104,515</u>	<u>91,101</u>	<u>89,292,765</u>	<u>88,186,317</u>
Total Assets	<u>119,691,119</u>	<u>114,533,615</u>	<u>1,248,287</u>	<u>640,165</u>	<u>120,939,406</u>	<u>115,173,780</u>
Deferred Outflows:						
Deferred Outflows of Resources	<u>1,706,421</u>	<u>2,199,914</u>	<u> </u>	<u> </u>	<u>1,706,421</u>	<u>2,199,914</u>
Total Deferred Outflows	<u>1,706,421</u>	<u>2,199,914</u>	<u> 0</u>	<u> 0</u>	<u>1,706,421</u>	<u>2,199,914</u>
Liabilities						
Current Liabilities	2,937,264	2,531,799	253,980	98,378	3,191,244	2,630,177
Noncurrent Liabilities	<u>69,570,828</u>	<u>74,585,584</u>	<u> </u>	<u> </u>	<u>69,570,828</u>	<u>74,585,584</u>
Total Liabilities	<u>72,508,092</u>	<u>77,117,383</u>	<u>253,980</u>	<u>98,378</u>	<u>72,762,072</u>	<u>77,215,761</u>
Deferred Outflows:						
Deferred Inflows of Resources		240,568				240,568
Related to PERS	<u>5,937,555</u>	<u>5,760,118</u>	<u> </u>	<u> </u>	<u>5,937,555</u>	<u>5,760,118</u>
Total Deferred Outflows	<u>5,937,555</u>	<u>5,760,118</u>	<u> </u>	<u> </u>	<u>5,937,555</u>	<u>5,760,118</u>
Net Assets						
Net Investment in Capital Assets	32,692,762	31,261,714	104,515	91,101	32,797,277	31,352,815
Restricted	24,868,603	17,235,867			24,868,603	17,235,867
Unrestricted	<u>(14,609,472)</u>	<u>(14,882,121)</u>	<u>889,792</u>	<u>450,686</u>	<u>(13,719,680)</u>	<u>(14,431,435)</u>
Total Net Position	<u>42,951,893</u>	<u>33,615,460</u>	<u>994,307</u>	<u>541,787</u>	<u>43,946,200</u>	<u>34,157,247</u>

**FORT LEE BOARD OF EDUCATION
FORT LEE, NJ**

**MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(CONTINUED)**

DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)

Table 2 below shows the changes in net position for fiscal year 2022 compared to 2021.

**Table 2
Changes in Net Position
Year Ended June 30,**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Revenues						
Program Revenues:						
Charges for Services and						
Sales	232,277	372,318	172,469	36,750	404,746	409,068
Operating Grants and						
Contributions	4,524,973	2,526,002	2,374,042	968,144	6,899,015	3,494,146
General Revenues:						
Taxes:						
Property taxes	73,379,879	72,075,317			73,379,879	72,075,317
Federal and State Aid not						
Restricted	20,490,373	26,454,791			20,490,373	26,454,791
Capital Outlay	107,455				107,455	0
Payments in Lieu of Taxes to						
School District	383,000				383,000	0
Tuition	364,534				364,534	0
Other Restricted Miscellaneous						
Revenue	419	565			419	565
Miscellaneous Income	259,691	870,144			259,691	870,144
Investment Income	<u> </u>	<u>2,356</u>	<u>681</u>	<u> </u>	<u>681</u>	<u>2,356</u>
Total Revenues and Transfers	<u>99,742,601</u>	<u>102,301,493</u>	<u>2,547,192</u>	<u>1,004,894</u>	<u>102,289,793</u>	<u>103,306,387</u>

**FORT LEE BOARD OF EDUCATION
FORT LEE, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(CONTINUED)**

DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Functions/Program Expenses						
Instruction:						
Regular	22,293,404	56,333,822			22,293,404	56,333,822
Special Education	9,951,918				9,951,918	
Other Special Instruction	2,263,422				2,263,422	
Other Instruction	1,333,880				1,333,880	
Support Services:						
Tuition	3,335,640				3,335,640	
Student & Instruction						
Related Services	11,178,840	15,448,661			11,178,840	15,448,661
General Administrative						
Services	1,711,399	2,009,728			1,711,399	2,009,728
School Administrative						
Services	3,224,719	4,992,370			3,224,719	4,992,370
Central Services and Admin.						
Info. Tech.	1,330,554	2,003,241			1,330,554	2,003,241
Plant Operations and						
Maintenance	5,716,418	7,726,066			5,716,418	7,726,066
Pupil Transportation	2,637,524	2,274,136			2,637,524	2,274,136
Unallocated Benefits	20,374,991				20,374,991	
Food Service			2,114,571	857,620	2,114,571	857,620
Interest on Long-Term Debt	1,558,044	1,681,283			1,558,044	1,681,283
Unallocated depreciation	3,704,256				3,704,256	
Capital Outlay - nondepreciable	31,497				31,497	
Amortization and						
Capital Lease Obligations	<u>(240,568)</u>				<u>(240,568)</u>	
Total Expenses	<u>90,405,938</u>	<u>92,469,307</u>	<u>2,114,571</u>	<u>857,620</u>	<u>92,520,509</u>	<u>93,326,927</u>
Increase or (Decrease) in						
Net Position	<u>9,336,663</u>	<u>9,832,186</u>	<u>432,621</u>	<u>147,274</u>	<u>9,769,284</u>	<u>9,979,460</u>

**FORT LEE BOARD OF EDUCATION
FORT LEE, NJ**

**MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(CONTINUED)**

DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)

Governmental and Business-Type Activities

As reported in the Statement of Activities the cost of all of our governmental and business-type activities this year was \$92,520,509. However, the amount that our taxpayers ultimately financed for these activities through School District taxes was only \$73,379,879 because some of the cost was paid by those who benefitted from the programs \$404,746, by other governments and organizations who subsidized certain programs with grants and contributions \$6,899,015, unrestricted federal and state aid \$20,490,373, federal and state aid capital outlay \$107,455, payments in lieu of taxes to school district \$383,000, tuition received \$364,534, and by miscellaneous sources \$260,791.

Revenues for the District’s business-type activities (food service program) were comprised of charges for services and federal and state subsidy reimbursements. Significant financial results include the following:

- ✓ Food service revenues exceeded expenses by \$432,621.
- ✓ Charges for services provided totaled \$172,469 represents amounts paid by consumers for daily food services.
- ✓ Federal and state reimbursement for meals served, including payments for free and reduced priced lunches, and donated commodities was \$2,374,042.

The following schedules present a summary of governmental fund revenues for the fiscal year ended June 30, 2022, and the amount and percentage of increases/(decreases) relative to the prior year.

<u>Revenues</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) from 2021</u>	<u>Percent of Increase/ (Decrease)</u>	<u>Prior Year</u>
Local Source	\$74,251,548	72.8%	\$1,018,746	1.39%	\$73,232,802
Intermediate Source	383,000	0.4%	383,000	100.00%	
State Source	22,877,930	22.5%	4,425,411	23.98%	18,452,519
Federal Source	<u>4,333,115</u>	<u>4.3%</u>	<u>1,915,572</u>	79.24%	<u>2,417,543</u>
Total	<u>\$101,845,593</u>	<u>100.0%</u>	<u>\$7,742,729</u>	8.23%	<u>\$94,102,864</u>

**FORT LEE BOARD OF EDUCATION
FORT LEE, NJ**

**MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(CONTINUED)**

DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)

<u>Expenditures</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) from 2020</u>	<u>Percent of Increase/ (Decrease)</u>	<u>Prior Year</u>
Current Expenditures					
Instruction	\$33,961,693	34.6%	\$3,066,701	9.93%	\$30,894,992
Undistributed	56,519,042	57.5%	5,596,941	10.99%	50,922,101
Debt Service	4,214,366	4.3%	(86,588)	-2.01%	4,300,954
Capital Outlay	<u>3,517,760</u>	<u>3.6%</u>	<u>2,832,593</u>	413.42%	<u>685,167</u>
Total	<u>\$98,212,861</u>	<u>100.0%</u>	<u>\$11,409,647</u>	13.14%	<u>\$86,803,214</u>

Changes in expenditures were the result of varying factors. Current expense undistributed increased due to significant health insurance cost increases combined with increased student special education enrollment.

MAJOR GOVERNMENTAL FUNDS BUDGETING AND OPERATING HIGHLIGHTS

The School District’s budgets are prepared according to New Jersey law, and are based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The most significant budgeted funds are the general fund and the special revenue fund.

During the fiscal year ended June 30, 2022, the School District amended the budgets of these major governmental funds several times. Revisions in the budget were made to recognize revenues that were not anticipated and to prevent over-expenditures in specific line item accounts. Several of these revisions bear notation:

- TPAF, which is the state’s contribution to the pension fund, is neither a revenue item nor an expenditures item to the district but is required to be reflected in the financial statements.
- The special revenue fund was increased by \$6,046,455 for increases in federal and state grant awards.

**FORT LEE BOARD OF EDUCATION
FORT LEE, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(CONTINUED)**

General Fund

The general fund actual revenue was \$92,821,863 including transfers. That amount is \$17,479,979 above the final amended budget of \$75,341,884. The variance between the actual revenues and final budget was the result of non-budgeted on-behalf payments of \$15,860,850 for TPAF social security reimbursements and on-behalf pension payments, an increase in other state and federal aids of \$1,362,355, an operating transfer in from capital projects of \$5,529, and an excess of \$251,245 in miscellaneous anticipated revenues.

The actual expenditures of the general fund were \$88,908,217 which is \$6,837,917 above the final amended budget of \$82,070,300. The variance between the actual expenditures and final budget was due to non-budget on-behalf TPAF social security and pension payments of \$15,860,850, and \$9,022,933 unexpended budgeted funds.

General fund had total revenues of \$92,821,863 including transfers and total expenditures and transfers of \$88,908,217 with an ending fund balance of \$26,304,548.

Special Revenue Fund

The special revenue fund actual revenue was \$4,869,416. That amount is \$3,819,507 below the final amended budget of \$8,688,923. The variance between the actual revenue and the final budget was state and federal grant revenue that was anticipated to be spent by fiscal year end and receipts for student activity accounts and/or scholarships. The state and federal grant revenue will be received/realized in the next fiscal year.

The actual expenditures of the special revenue fund were \$4,864,122, which is \$3,824,801 below the final amended budget of \$8,688,923. The variance between actual expenditures and the final budget was due to the anticipation of fully expending state and federal grant programs and expenditures for student activity accounts and/or scholarships. Expenditures will be incurred in the next fiscal year.

**FORT LEE BOARD OF EDUCATION
FORT LEE, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(CONTINUED)**

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal year 2022 the School District had \$133,124,160 invested in sites, buildings, equipment and construction in progress. Of this amount \$43,831,395 in depreciation has been taken over the years. We currently have a net book value of \$89,292,765.

**Table 3
Capital Assets at June 30,
(Net of Depreciation)**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2022</u>	<u>Restated 2021</u>	<u>2022</u>	<u>Restated 2021</u>	<u>2022</u>	<u>Restated 2021</u>
Land and Construction in Progress	\$4,173,577	\$3,022,344	\$	\$	\$4,173,577	\$3,022,344
Site Improvements	2,066,598	1,523,679			2,066,598	1,523,679
Buildings and Building Improvements	80,360,888	81,854,067			80,360,888	81,854,067
Machinery and Equipment	<u>2,587,187</u>	<u>1,694,896</u>	<u>104,515</u>	<u>111,000</u>	<u>2,691,702</u>	<u>1,805,896</u>
	<u>\$89,188,250</u>	<u>\$88,094,986</u>	<u>\$104,515</u>	<u>\$111,000</u>	<u>\$89,292,765</u>	<u>\$88,205,986</u>

Debt Administration

At June 30, 2022, the District had \$69,570,828 of long-term debt. Of this amount, \$4,751,861 is for compensated absences, \$52,690,000 is school improvement serial bonds, \$3,805,488 for obligations under capital lease, and \$8,323,479 is for net pension liability.

**Table 4
Outstanding Serial Bonds at June 30,**

	<u>Governmental Activities</u>	
	<u>2022</u>	<u>2021</u>
BCIA Improvement Bonds - 2012	\$895,000	\$1,750,000
School Improvement Bonds - 2015	40,965,000	42,515,000
School Refunding Bonds - 2020	<u>10,830,000</u>	<u>11,025,000</u>
	<u>\$52,690,000</u>	<u>\$55,290,000</u>

**FORT LEE BOARD OF EDUCATION
FORT LEE, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(CONTINUED)**

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

The economy in the State of New Jersey is slowly improving. The current State of New Jersey revenue estimates are at the point that the legislature and governor have approved a State Aid funding bill for the 2022-2023 school year that is slightly above the level of the 2021-2022 school year.

These factors were considered in preparing the Borough of Fort Lee School District's budgets for the 2022-2023 fiscal year.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Fort Lee Board of Education's 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 information should be addressed to:

Haquisha Q. Taylor
Business Administrator/Board Secretary
Fort Lee Board of Education
231 Main Street, 3rd Floor
Fort Lee, NJ 07024

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

FORT LEE BOARD OF EDUCATION
Statement of Net Position
June 30, 2022

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	5,443,338	590,106	6,033,444
Receivables, net	4,940,470	538,623	5,479,093
Inventory		15,043	15,043
Restricted assets:			
Capital reserve account - cash	14,804,762		14,804,762
Emergency reserve account - cash	820,703		820,703
Maintenance reserve account - cash	3,500,000		3,500,000
Net Payroll account - cash	6,566		6,566
Payroll deductions and withholdings account - cash	376,327		376,327
Flexible spending account - cash	61,095		61,095
Unemployment compensation account - cash	380,483		380,483
Student activity accounts - cash	33,303		33,303
Scholarship accounts - cash	135,822		135,822
Capital Assets:			
Land and construction in progress	4,173,577		4,173,577
Depreciable Buildings, Improvements and Equipment (net)	85,014,673	104,515	85,119,188
Total Assets	<u>119,691,119</u>	<u>1,248,287</u>	<u>120,939,406</u>
Deferred Outflow of Resources:			
Deferred outflows of resources related to PERS	1,706,421		1,706,421
Total Deferred Outflows	<u>1,706,421</u>	<u>-</u>	<u>1,706,421</u>
LIABILITIES			
Accounts payable and accrued liabilities	2,225,715	120,108	2,345,823
Payable to state government	53,975		53,975
Prepaid revenue		49,727	49,727
Deferred revenue	85,405	84,145	169,550
Payroll deductions and withholdings payable	443,988		443,988
Unemployment compensation claims payable	128,181		128,181
Noncurrent liabilities:			
Due within one year	3,017,370		3,017,370
Due beyond one year	66,553,458		66,553,458
Total liabilities	<u>72,508,092</u>	<u>253,980</u>	<u>72,762,072</u>
Deferred Inflow of Resources:			
Deferred inflows of resources related to PERS	5,937,555		5,937,555
Total Deferred Inflows	<u>5,937,555</u>	<u>-</u>	<u>5,937,555</u>
NET POSITION			
Net Investment in Capital Assets	32,692,762	104,515	32,797,277
Restricted for:			
Debt service	67,384		67,384
Capital projects	2,584,876		2,584,876
Other purposes	22,216,343		22,216,343
Unrestricted (Deficit)	<u>(14,609,472)</u>	<u>889,792</u>	<u>(13,719,680)</u>
Total net position	<u><u>42,951,893</u></u>	<u><u>994,307</u></u>	<u><u>43,946,200</u></u>

The accompanying Notes to Basic Financial Statements are an integral part of this statement.

FORT LEE BOARD OF EDUCATION
Statement of Activities
Fiscal Year Ended June 30, 2022

Functions/Programs	Expenses	Indirect Expenses Allocation	Program Revenues		Net (Expense) Revenue and Changes in Net Position		
			Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
Instruction:							
Regular	20,937,234	1,356,170			(22,293,404)		(22,293,404)
Special education	9,514,593	437,325		3,087,028	(6,864,890)		(6,864,890)
Other special instruction	2,119,108	144,314			(2,263,422)		(2,263,422)
Other instruction	1,272,852	61,028			(1,333,880)		(1,333,880)
Support services:							
Tuition	3,335,640				(3,335,640)		(3,335,640)
Student & instruction related services	10,678,503	500,337	232,277	1,437,945	(9,508,618)		(9,508,618)
General administrative services	1,673,947	37,452			(1,711,399)		(1,711,399)
School administrative services	3,030,319	194,400			(3,224,719)		(3,224,719)
Central services and administrative information technology	1,265,846	64,708			(1,330,554)		(1,330,554)
Plant operations and maintenance	5,590,769	125,649			(5,716,418)		(5,716,418)
Pupil transportation	2,599,700	37,824			(2,637,524)		(2,637,524)
Unallocated benefits	20,374,991				(20,374,991)		(20,374,991)
Capital outlay	31,497				(31,497)		(31,497)
Interest on long-term debt	1,538,044				(1,538,044)		(1,538,044)
Unallocated depreciation	3,704,256				(3,704,256)		(3,704,256)
Amortization	(240,568)				240,568		240,568
Total governmental activities	87,446,731	2,959,207	232,277	4,524,973	(85,648,688)	-	(85,648,688)
Business-type activities:							
Food Service	2,114,571		172,469	2,374,042		431,940	431,940
Total business-type activities	2,114,571		172,469	2,374,042		431,940	431,940
Total primary government	89,561,302		404,746	6,899,015	(85,648,688)	431,940	(85,216,748)
General revenues:							
Taxes:							
Levied for general purposes					69,575,818		69,575,818
Taxes levied for debt service					3,804,061		3,804,061
Federal and State aid not restricted					20,490,373		20,490,373
Federal and State aid - Capital Outlay					107,455		107,455
Payments in Lieu of Taxes to School District					383,000		383,000
Tuition					364,534		364,534
Investment Earnings						681	681
Miscellaneous Income					259,691		259,691
Other Restricted Miscellaneous Revenue					419	**	419
Total general revenues, special items, extraordinary items and transfers					94,985,351	681	94,986,032
Change in Net Position					9,336,663	432,621	9,769,284
Net Position—beginning (restated)							34,176,916
Net Position—ending							43,946,200

The accompanying Notes to Basic Financial Statements are an integral part of this statement.

FUND FINANCIAL STATEMENTS

FORT LEE BOARD OF EDUCATION
Balance Sheet
Governmental Funds
June 30, 2022

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and cash equivalents					
Checking	2,785,549		2,590,405	67,384	5,443,338
Accounts Receivable -					
Interfunds	1,914,118				1,914,118
Intergovernmental - Federal		2,448,549			2,448,549
Intergovernmental - State	2,486,921				2,486,921
Other receivables	5,000				5,000
Restricted cash and cash equivalents					
Capital reserve	14,804,762				14,804,762
Emergency reserve	820,703				820,703
Maintenance reserve	3,500,000				3,500,000
Net payroll	6,566				6,566
Payroll deductions and withholdings	376,327				376,327
Flexible spending	61,095				61,095
Unemployment compensation	380,483				380,483
Scholarship accounts		33,303			33,303
Student activity accounts		135,822			135,822
Total assets	<u>27,141,524</u>	<u>2,617,674</u>	<u>2,590,405</u>	<u>67,384</u>	<u>32,416,987</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	485,415	456,115			941,530
Intergovernmental accounts payable - State		53,975			53,975
Interfund payables		1,908,589	5,529		1,914,118
Unearned revenue	55,535	29,870			85,405
Payroll deductions and withholdings payable	443,988				443,988
Unemployment compensation claims payable	128,181				128,181
Total liabilities	<u>1,113,119</u>	<u>2,448,549</u>	<u>5,529</u>	<u>-</u>	<u>3,567,197</u>
Fund Balances:					
Restricted for:					
Capital reserve account	14,784,532				14,784,532
Emergency reserve account	820,703				820,703
Maintenance reserve account	3,500,000				3,500,000
Unemployment compensation	252,302				252,302
Student groups		135,822			135,822
Scholarships		33,303			33,303
Assigned to:					
Year-end Encumbrances	1,428,939				1,428,939
Designated by the BOE for subsequent year's expenditures	1,260,742				1,260,742
Capital projects fund			2,584,876		2,584,876
Debt service fund				67,384	67,384
Unassigned:					
General Fund	3,981,187				3,981,187
Total Fund balances	<u>26,028,405</u>	<u>169,125</u>	<u>2,584,876</u>	<u>67,384</u>	<u>28,849,790</u>
Total liabilities and fund balances	<u>27,141,524</u>	<u>2,617,674</u>	<u>2,590,405</u>	<u>67,384</u>	

**FORT LEE BOARD OF EDUCATION
Balance Sheet
Governmental Funds
June 30, 2022**

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 \$132,519,747 and the accumulated depreciation is \$43,331,497	89,188,250
Accrued liability for interest on long-term debt is not due and payable in the current period and is not reported as a liability in the funds	(431,297)
Accounts payable for subsequent Pension payment is not a payable in the funds	(852,888)
Deferred outflows and inflows of resources are applicable to future periods and therefore are not reported in the funds.	
Deferred outflows of resources related to PERS Pension Liability	1,706,421
Deferred inflows of resources related to PERS Pension Liability	(5,937,555)
Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds (see Note 7)	<u>(69,570,828)</u>
Net position of governmental activities	<u><u>42,951,893</u></u>

The accompanying Notes to Basic Financial Statements are an integral part of this statement.

FORT LEE BOARD OF EDUCATION
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Fiscal Year Ended June 30, 2022

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
REVENUES					
Local sources:					
Municipal tax levy	69,575,818			3,804,061	73,379,879
Tuition	364,534				364,534
Transportation Fees	15,228				15,228
Rents and Royalties	59,750				59,750
Other Restricted Miscellaneous Revenues	419 *				419
Interest Earned on Capital Reserve Funds	11,558				11,558
Miscellaneous	167,626	5,519	5,529		178,674
Scholarship Donations		9,229 **			9,229
Student Group Receipts		232,277 **			232,277
Total - Local Sources	70,194,933	247,025	5,529	3,804,061	74,251,548
Intermediate sources:					
Payments in Lieu of Taxes to School District	383,000				383,000
Total Intermediate sources	383,000	-	-	-	383,000
State sources	22,144,255	323,371		410,304	22,877,930
Federal sources	38,806	4,294,309			4,333,115
Total revenues	92,760,994	4,864,705	5,529	4,214,365	101,845,593
EXPENDITURES					
Current:					
Regular instruction	21,039,523				21,039,523
Special education instruction	6,427,565	3,087,028			9,514,593
Other special instruction	2,119,108				2,119,108
School sponsored/other instructional	1,288,469				1,288,469
Support services and undistributed costs:					
Tuition	3,335,640				3,335,640
Attendance and social work services	393,652				393,652
Health services	818,905				818,905
Student & instruction related services	8,466,609	1,664,928 ***			10,131,537
General administrative services	1,677,617				1,677,617
School administrative services	3,085,620				3,085,620
Central services	1,004,517				1,004,517
Administrative information technology	273,109				273,109
Plant operations and maintenance	6,360,967				6,360,967
Pupil transportation	2,599,700				2,599,700
Unallocated benefits	10,976,928				10,976,928
On-behalf contributions	15,860,850				15,860,850
Debt service:					
Principal				2,600,000	2,600,000
Interest and other charges				1,614,366	1,614,366
Capital outlay	3,179,438	107,455	230,867		3,517,760
Total expenditures	88,908,217	4,859,411	230,867	4,214,366	98,212,861
Excess (Deficiency) of revenues	3,852,777	5,294	(225,338)	(1)	3,632,732

FORT LEE BOARD OF EDUCATION
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Fiscal Year Ended June 30, 2022

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	5,529				5,529
Transfers out			(5,529)		(5,529)
Total other financing sources and uses	<u>5,529</u>	<u>-</u>	<u>(5,529)</u>	<u>-</u>	<u>-</u>
Net change in fund balances	3,858,306	5,294	(230,867)	(1)	3,632,732
Fund balance—July 1	<u>22,170,099</u>	<u>163,831</u>	<u>2,815,743</u>	<u>67,385</u>	<u>25,217,058</u>
Fund balance—June 30	<u><u>26,028,405</u></u>	<u><u>169,125</u></u>	<u><u>2,584,876</u></u>	<u><u>67,384</u></u>	<u><u>28,849,790</u></u>

The accompanying Notes to Basic Financial Statements are an integral part of this statement.

- * Include interest earnings on the unemployment compensation bank account
- ** Special revenue fund now includes revenues from scholarships and student activities
- *** Special revenue fund now includes expenditures from scholarships and student activities

FORT LEE BOARD OF EDUCATION
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
Fiscal Year Ended June 30, 2022

Total net change in fund balances - governmental funds (from B-2) 3,632,732

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

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

This is the amount by which capital outlays exceeded depreciation in the period.

	Depreciation expense	(3,704,256)	
	Non-depreciable capital outlay - Construction in Progress	1,481,527	
	Depreciable Capital outlays	<u>3,315,993</u>	1,093,264

Repayment of long-term debt is reported as an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities.

In the current year, these amounts consist of:

General Serial Bonds	2,600,000	
Capital Lease Obligations	<u>313,189</u>	2,913,189

In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. The accrued interest is an addition in the reconciliation. (+)

General Bond Obligations - Prior Year	466,210	
General Bond Obligations	(411,516)	
General Capital Lease Obligations - Prior Year	21,409	
General Capital Lease Obligations	<u>(19,781)</u>	56,322

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). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).

Increase in compensated absences payable	(536,854)
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District pension contributions are reported as expenditures in the governmental funds when made. However, per GASB No. 68 they are reported as deferred outflows of resources in the Statement of Net Position because the reported net pension liability is measured a year before the District's report date. Pension expense, which is the change in the net pension liability adjusted for changed in deferred outflows and inflows of resources related to pensions, is reported in the Statement of Activities.

District Pension Contributions	822,839	
Less: Pension Benefit	<u>1,114,603</u>	1,937,442

Per GASB No. 68, Non-employer contributing entities are required to record any increases in revenue and expense for On-behalf TPAF pension payments paid by the State of New Jersey on the Statement of Activities that are in excess of those amounts reported in the fund financial statements.

Decrease in On-behalf State Aid TPAF Pension	(8,017,721)
Decrease in On-behalf TPAF Pension Expense	8,017,721

The governmental funds report the effect of bond premiums when debt is first issued. Whereas these amounts are deferred and amortized in the Statement of Activities (+)

240,568

Per GASB No. 75 Non-employer contributing entities are required to record an increases in revenue and expense for On-behalf TPAF post employment medical payments paid by the State of New Jersey on the Statement of Activities that are in excess of those amounts reported in the fund financial statements

Increase in On-behalf State Aid TPAF Post Employment Medical Revenue	5,914,729
Increase in On-behalf State Aid TPAF Post Employment Medical Expense	(5,914,729)

Change in net position of governmental activities	<u><u>9,336,663</u></u>
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The accompanying Notes to Basic Financial Statements are an integral part of this statement.

PROPRIETARY FUNDS

FORT LEE BOARD OF EDUCATION
Statement of Net Position
Proprietary Funds
June 30, 2022

	Business-type Activities - Enterprise Fund	
	Food Service Program	Totals
ASSETS		
Current assets:		
Cash and cash equivalents	590,106	590,106
Accounts receivable:		
State	9,279	9,279
Federal	516,148	516,148
Other	13,196	13,196
Inventories	15,043	15,043
Total current assets	1,143,772	1,143,772
Noncurrent assets:		
Capital assets:		
Equipment	604,413	604,413
Less accumulated depreciation	(499,898)	(499,898)
Total capital assets (net of accumulated depreciation)	104,515	104,515
Total assets	1,248,287	1,248,287
LIABILITIES		
Current Liabilities:		
Accounts payable	120,108	120,108
Deferred Revenue	84,145	84,145
Prepaid Revenue	49,727	49,727
Total Liabilities	253,980	253,980
NET POSITION		
Net investment in capital assets	104,515	104,515
Unrestricted	889,792	889,792
Total net position	994,307	994,307

The accompanying Notes to Basic Financial Statements are an integral part of this statement.

FORT LEE BOARD OF EDUCATION
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
Fiscal Year Ended June 30, 2022

	Business-type Activities - Enterprise Fund	
	Food Service Program	Totals
Operating revenues:		
Charges for services:		
Daily sales - reimbursable programs	114,242	114,242
Daily sales - other	58,227	58,227
Total operating revenues	<u>172,469</u>	<u>172,469</u>
Operating expenses:		
Cost of food - reimbursable programs	870,969	870,969
Cost of food - non-reimbursable programs	59,003	59,003
Salaries	640,946	640,946
Supplies and materials	80,783	80,783
Employee benefits	223,738	223,738
Depreciation	16,297	16,297
Repairs and other expenses	64,478	64,478
Purchased services	158,357	158,357
Total Operating Expenses	<u>2,114,571</u>	<u>2,114,571</u>
Operating income (loss)	<u>(1,942,102)</u>	<u>(1,942,102)</u>
Nonoperating revenues (expenses):		
State school lunch program	47,788	47,788
Federal sources:		
National school lunch program	2,033,532	2,033,532
National school breakfast program	164,433	164,433
P-EBT Administrative Cost	628	628
U.S.D.A. Commodities	127,661	127,661
Interest on investments	681	681
Total nonoperating revenues (expenses)	<u>2,374,723</u>	<u>2,374,723</u>
Income (loss) before contributions & transfers	432,621	432,621
Total net position—beginning (restated)	<u>561,686</u>	<u>561,686</u>
Total net position—ending	<u><u>994,307</u></u>	<u><u>994,307</u></u>

The accompanying Notes to Basic Financial Statements are an integral part of this statement.

FORT LEE BOARD OF EDUCATION
Statement of Cash Flows
Proprietary Funds
Fiscal Year Ended June 30, 2022

	Business-type Activities - Enterprise Fund	
	Food Service Program	Totals
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	160,928	160,928
Payments to suppliers	(1,886,470)	(1,886,470)
Net cash provided by (used for) operating activities	(1,725,542)	(1,725,542)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State Sources	43,025	43,025
Federal Sources	1,990,674	1,990,674
Net cash provided by (used for) non-capital financing activities	2,033,699	2,033,699
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition of capital assets	(9,812)	(9,812)
Net cash used for capital and related financing activities	(9,812)	(9,812)
Net increase (decrease) in cash and cash equivalents	299,026	299,026
Balances—beginning of year	291,080	291,080
Balances—end of year	590,106	590,106
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	(1,942,102)	(1,942,102)
Adjustments to reconcile operating income (loss) to net cash provided by		
Depreciation and net amortization	16,297	16,297
Food distribution program	127,460	127,460
(Increase) decrease in accounts receivable	(168)	(168)
(Increase) decrease in inventories	(809)	(809)
Increase (decrease) in prepaid revenue	(11,374)	(11,374)
Increase (decrease) in accounts payable	85,154	85,154
Total adjustments	216,560	216,560
Net cash provided by (used for) operating activities	(1,725,542)	(1,725,542)

The accompanying Notes to Basic Financial Statements are an integral part of this statement.

NOTES TO THE FINANCIAL STATEMENTS

**Borough of Fort Lee School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2022**

NOTE 1. DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY

The financial statements of the Board of Education of the Borough of Fort Lee School 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 board's accounting policies are described below.

A. Description of the School District and Reporting Entity:

The Board of Education ("Board") of the Borough of Fort Lee School District ("District") is an instrumentality of the State of New Jersey, established to function as an educational institution. The Borough of Fort Lee School District is a Type II district located in the County of Bergen, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The board is comprised of nine members elected to three-year terms. The purpose of the District is to educate students in grades K-12. A superintendent is appointed by the Board and is responsible for the administrative control of the District. Under existing statutes, the Board's duties and powers include, but are not limited to, the development and adoption of a school program; the establishment, organization and operation of schools; and the acquisition, maintenance and disposition of school property.

The Board also has broad financial responsibilities, including the approval of the annual budget and the establishment of a system of accounting and budgetary controls.

Governmental Accounting Standards Board publication, Codification of Governmental Accounting and Financial Reporting Standards, Section 2100, "Defining the Financial Reporting Entity" establishes standards to determine whether a governmental component unit should be included in the financial reporting entity. The basic criterion for inclusion or exclusion from the financial reporting entity is the exercise of oversight responsibility over agencies, boards and commissions by the primary government. The exercise of oversight responsibility includes financial interdependency and a resulting financial benefit or burden relationship, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters. In addition, certain legally separate, tax-exempt entities that meet specific criteria (i.e. benefit of economic resources, access/entitlement to economic resources, and significance) should be included in the financial reporting entity. The combined financial statements include all funds of the District over which the Board exercises operating control. The operations of the District include elementary schools, a middle school and a high school, located in the Borough of Fort Lee. There were no additional entities required to be included in the reporting entity under the criteria as described above, in the current fiscal year. Furthermore, the District is not includable in any other reporting entity on the basis of such criteria.

**Borough of Fort Lee School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2022**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

B. Basis of Presentation

The Board's basic financial statements consist of District-wide statements, including a statement of net position and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

District-wide Financial Statements

The statement of net position and the statement of activities display information about the Board as a whole. These statements include the financial activities of the overall District, except for the fiduciary funds. The statements distinguish between those activities of the Board that are governmental and those that are considered business-type activities.

The statement of net position presents the financial condition of the governmental and business-type activities of the Board at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the governmental activities and for the business-type activities of the Board. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the Board, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the Board.

Fund Financial Statements

During the fiscal year, the School District segregates transactions related to certain School District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. The fund financial statements provide information about the District's funds, including its fiduciary funds. Separate statements for each fund category - *government*, *proprietary*, and *fiduciary* - are presented. The New Jersey Department of Education (NJDOE) has elected to require New Jersey districts to treat each governmental fund as a major fund in accordance with the option noted in GASB No. 34, paragraph 76. The NJDOE believes that the presentation of all funds as major is important for public interest and to promote consistency among district financial reporting models. The various funds of the Board are grouped into the categories governmental, proprietary and fiduciary.

**Borough of Fort Lee School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2022**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

GOVERNMENTAL FUNDS

Governmental funds are those through which most governmental functions of the Board are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the Board's governmental funds:

General Fund - The General Fund is the general operating fund of the Board. It 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 noninstructional equipment which are classified in the Capital Outlay subfund.

As required by the New Jersey State Department of Education, the Board includes budgeted Capital Outlay in this fund. Accounting principles generally accepted in the United States of America as they pertain to governmental entities state that General Fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues.

Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, District taxes and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to fixed assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to Current Expense by board resolution.

Special Revenue Fund - The Special Revenue Fund is used to account for the proceeds of specific revenue from State and Federal Government, (other than major capital projects, Debt Service or the Enterprise Funds) and local appropriations that are legally restricted to expenditures for specified purposes.

Capital Projects Fund - The Capital Projects Fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary Funds). The financial resources are derived from sale of bonds, lease purchases and other revenues.

Debt Service Fund - The Debt Service Fund is used to account for the accumulation of resources for and the payment of principal and interest on bonds issued to finance major property acquisition, construction and improvement programs.

**Borough of Fort Lee School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2022**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

PROPRIETARY FUNDS

The focus of Proprietary Fund measurement is upon determination of net income, changes in net position, financial position and cash flows. The accounting principles generally accepted in the United States of America applicable are those similar to businesses in the private sector. Proprietary funds are classified as enterprise or internal service; the Board has no internal service funds. The following is a description of the Proprietary Funds of the Board:

Enterprise Funds - The Enterprise Funds are utilized to account for operations that are financed and operated in a manner similar to private business enterprises -- where the intent of the Board is that the costs (i.e. expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis be financed or recovered primarily through user charges; or, where the Board has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

The Board's Enterprise Fund is comprised of the Food Service Fund.

FIDUCIARY FUNDS

Fiduciary Fund - Fiduciary Fund reporting focuses on net position and changes in net position. The Fiduciary Funds are used to account for assets held by the Board on behalf of individuals, private organizations, other governments and/or other funds. The District does not have any activities that are required to be included in the Fiduciary Fund.

C. Measurement Focus

District-wide Financial Statements

The District-wide statements (i.e., the statement of net position and the statement of activities) are prepared using the economic resources measurements focus and the accrual basis of accounting. All assets and liabilities associated with the operation of the Board are included on the statement of net position, except for fiduciary funds.

**Borough of Fort Lee School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2022**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

C. Measurement Focus, (continued)

Fund Financial Statements

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the District-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Like the District-wide statements, all proprietary fund types are accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of these funds are included on the statement of net position. The statement of changes in fund net position presents increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. The statement of cash flows provides information about how the Board finances and meets the cash flow needs of its proprietary activities.

D. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. The District-wide financial statements and the financial statements of the proprietary and fiduciary funds are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of unearned revenue, and in the presentation of expenses versus expenditures.

Revenues - Exchange and Non-exchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year.

**Borough of Fort Lee School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2022**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

D. Basis of Accounting, (continued)

Revenues - Exchange and Non-exchange Transactions, (continued)

Nonexchange transactions, in which the Board receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the Board must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the Board on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized. Under GAAP, in accordance with GASB No. 33, Accounting and Financial Reporting for Nonexchange Transactions, the last state aid payment is not considered revenue to the school district if the state has not recorded the corresponding expenditure, even though state law dictates recording the revenue.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year-end: ad valorem property taxes, tuition, unrestricted grants and interest.

Expenses/Expenditures

On the accrual basis of accounting, expenses are recognized at the time they are incurred. The fair value of donated commodities used during the year is reported in the operating statement as an expense with a like amount reported as donated commodities revenue.

The measurement of focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds.

E. Budgets/Budgetary Control

Annual appropriated budgets are adopted in the spring of the preceding year for the general, and special revenue funds. The budgets are submitted to the county superintendents office for approval. Budgets are prepared using the modified accrual basis of accounting, except for the special revenue fund as described later. 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 referenced in N.J.A.C. 6A:23-2(g)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year.

**Borough of Fort Lee School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2022**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

E. Budgets/Budgetary Control, (continued)

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 state aid payment for budgetary purposes only and 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.

F. Encumbrances

Under encumbrance accounting purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Open encumbrances in governmental funds, other than the special revenue fund, are reported as reservations of fund balances at fiscal year end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services.

Open encumbrances in the special revenue fund, for which the Board has received advances, are reflected in the balance sheet as unearned revenues at fiscal year end.

The encumbered appropriation authority carries over into the next fiscal year. An entry will be made at the beginning of the next fiscal year to increase the appropriation reflected in the certified budget by the outstanding encumbrance amount as of the current fiscal year end.

G. Cash, Cash Equivalents and Investments

Cash and cash equivalents include petty cash, change funds, cash in banks and all highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest. U.S. Treasury and agency obligations and certificates of deposit with maturities of one year or less when purchased are stated at cost. All other investments are stated at fair value.

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.

**Borough of Fort Lee School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2022**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

G. Cash, Cash Equivalents and Investments, (continued)

Additionally, the Board 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 Governmental 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 least 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.

H. Tuition Revenues/Receivable

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.

I. Inventories

On District-wide financial statements, inventories are presented at cost, which approximates market on a first-in, first-out basis and are expensed when used.

On fund financial statements inventories are valued at cost, which approximates market, using the first-in-first-out (FIFO) method. Inventories of proprietary funds consist of food and goods held for resale, as well as supplies, and are expensed when used.

J. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2022 are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of purchase and an expenditure/expense is reported in the year in which services are consumed.

**Borough of Fort Lee School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2022**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

K. Short-Term Interfund Receivables/Payables

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as “interfund receivables/payables.” These amounts are eliminated in the governmental and business-type activities columns of the statement of net position, except for the net residual amounts due between governmental and business-type activities, which are presented as internal balances.

L. Capital Assets

General capital assets are those assets not specifically related to activities reported in the enterprise fund. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the district-wide statement of net position but are not reported in the fund financial statements. Capital assets utilized by the enterprise fund are reported both in the business-type activity column of the District-wide statement of net position and in the fund.

All capital assets acquired or constructed during the year are recorded at actual cost. Donated fixed assets are valued at their estimated fair market value on the date received. The capital assets acquired or constructed prior to June 30, 1993 are valued at cost based on historical records or through estimation procedures performed by an independent appraisal company. Donated capital assets are valued at their estimated fair market value on the date received. The Board maintains a capitalization threshold of \$2,000.00. The Board does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value fo the asset or materially extend an asset’s life are not.

All reported capital assets except land and construction in progress are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Governmental Activities Estimated Lives</u>	<u>Business-Type Activity Estimated Lives</u>
Sites and Improvements	20 years	N/A
Buildings and Improvements	7-50 years	N/A
Furniture, Equipment and Vehicles	5-20 years	5-20 years

**Borough of Fort Lee School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2022**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

M. Compensated Absences

Compensated absences are those absences for which employees will be paid, such as vacation, sick leave, and sabbatical leave. 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 Board and its employees, is accrued as the employees earn the rights to the benefits. Compensated absences that relate to future services, or that are contingent on a specific event that is outside the control of the Board and its employees, are accounted for in the period in which such services are rendered or in which such events take place.

For the District-wide Statements, the current portion is the amount estimated to be used in the following year. In accordance with GAAP, for the governmental funds, in the Fund Financial Statements, all of the compensated absences are considered long-term and therefore, are not a fund liability and represents a reconciling item between the fund level and District-wide presentations.

N. Unearned Revenue

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

Unearned revenue in the special revenue fund represents cash that has been received but not yet earned. See Note 1(F) regarding the special revenue fund.

O. Accrued Liabilities and Long-term Obligations

All payables, accrued liabilities and long-term obligations are reported in the District-wide financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgements, compensated absences, special termination benefits and contractually required pension contributions that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment in the current year. Bonds, long-term obligations, and capital leases that will be paid from governmental funds are recognized as a liability in the fund financial statements when due.

**Borough of Fort Lee School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2022**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

P. Accounting and Financial Reporting for Pensions

In fiscal year 2015, the District implemented GASB 68. This Statement amends GASB Statement No. 27. It improves accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local government employers about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. This Statement replaces the requirement of Statement No. 27, *Accounting for Pension by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements that meet certain criteria. The requirements of Statements 27 and 50 remain applicable for pensions that are not covered by the scope of this Statement.

The District has also implemented GASB Statement 71, Pension Transition for Contributions made Subsequent to the Measurement Date—an amendment to GASB No. 68. The objective of this Statement is to address an issue regarding application of the transition provisions of Statement No. 68, Accounting and Financial Reporting for Pensions. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability.

Statement 68 requires a state or local government employer (or nonemployer contributing entity in a special funding situation) to recognize a net pension liability measured as of a date (the measurement date) no earlier than the end of its prior fiscal year. If a state or local government employer or nonemployer contributing entity makes a contribution to a defined benefit pension plan between the measurement date of the reported net pension liability and the end of the government's reporting period, Statement 68 requires that the government recognize its contribution as a deferred outflow of resources.

In addition, Statement 68 requires recognition of deferred outflows of resources and deferred inflows of resources for changes in the net pension liability of a state or local government employer or nonemployer contributing entity that arise from other types of events. At transition to Statement 68, if it is not practical for an employer or nonemployer contributing entity to determine the amounts of all deferred outflows of resources and deferred inflows of resources related to pensions, paragraph 137 of Statement 68 required that beginning balances for deferred outflows of resources and deferred inflows of resources not be reported. Consequently, if it is not practical to determine the amounts of all deferred outflows of resources and deferred inflows of resources related to pensions, contributions made after the measurement date of the beginning net pension liability could not have been reported as deferred outflows of resources at transition. This could have resulted in a significant understatement of an employer or nonemployer contributing entity's beginning net position and expense in the initial period of implementation.

**Borough of Fort Lee School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2022**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

P. Accounting and Financial Reporting for Pensions (continued)

This Statement amends paragraph 137 of Statement 68 to require that, at transition, a government recognize a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability. Statement 68, as amended, continues to require that beginning balances for other deferred outflows of resources and deferred inflows of resources related to pensions be reported at transition only if it is practical to determine all such amounts.

Q. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. Currently, the District has two items that qualifies for reporting in this category, deferred amounts related to pension and deferred amounts relating to unaudited business costs.

In addition to liabilities, the statement of financial 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 a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has two items that qualify in this category, deferred amounts related to pension and deferred amounts relating to unamortized bond premiums.

R. Fund Balances

Fund balance is divided into five classifications based primarily on the extent to which the Board is bound to observe constraints imposed upon the resources in the governmental funds. The classifications are as follows:

- **Nonspendable** fund balance includes amounts that are not in a spendable form (inventory, for example) or are required to be maintained intact (the principal of an endowment fund, for example).
- **Restricted** fund balance includes amounts that can be spent only for the specific purposes stipulated by external resource providers (for example, grant providers), constitutionally, or through enabling legislation (that is, legislation that creates a new revenue source and restricts its use). Effectively, restrictions may be changed or lifted only with the consent of resource providers.

**Borough of Fort Lee School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2022**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

R. Fund Balances, (continued)

- **Committed** fund balance includes amounts that can be used only for the specific purposes determined by a formal action of the Board's highest level of decision-making authority. Commitments may be changed or lifted only by the government taking the same formal action that imposed the constraint originally.
- **Assigned** fund balance comprises amounts *intended* to be used by the Board for specific purposes. Intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority. In governmental funds other than the general fund, assigned fund balance represents the amount that is not restricted or committed. This indicates that resources in other governmental funds are, at a minimum, intended to be used for the purpose of that fund.
- **Unassigned** fund balance is the residual classification for the general fund and includes all amounts not contained in the other classifications. Unassigned amounts are technically available for any purpose. If another governmental fund has a fund balance deficit, then it will be reported as a negative amount in the unassigned classification in that fund. Positive unassigned amounts will be reported only in the general fund.

S. Net Position

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Net position invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Board or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

The Board applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

T. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the Board, these revenues are sales for food service. Operating expenses are necessary costs incurred to provide the good or service that is the primary activity of the fund.

**Borough of Fort Lee School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2022**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

U. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during the fiscal year.

V. Allocation of Indirect Expenses

The District reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Indirect expenses are allocated to functions but are reported separately in the Statement of Activities. Employee benefits, including the employer's share of social security, workers compensation, and medical and dental benefits, were allocated based on salaries of that program. TPAF on-behalf contributions and changes in compensated absences have not been allocated and have been reported as unallocated benefits on the Statement of Activities. Depreciation expense, where practicable, is specifically identified by function and is included in the indirect expense column of the Statement of Activities. Depreciation expense that could not be attributed to a specific function is considered an indirect expense and is reported separately on the Statement of Activities as unallocated depreciation. Interest on long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

W. Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that effect certain reports, amounts and disclosures. Accordingly, actual results could differ from those estimates.

X. New Accounting Standards:

During fiscal year 2022, the District adopted the following GASB Statement:

GASB Statement No. 87, Leases, which improves accounting and financial reporting for leases by governments. This Statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the fundamental principle that leases are financings of the right to use an underlying asset. The District did not implement this statement and there could be a material impact on the financial statements if it had been.

**Borough of Fort Lee School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2022**

NOTE 2. CASH AND CASH EQUIVALENTS AND INVESTMENTS

Cash

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The District's policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 18A:20-37 that are treated as cash equivalents. As of June 30, 2022, \$3,361,852 of the District's bank balance of \$28,821,294 was exposed to custodial credit risk.

Investments

Investment Rate Risk

The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, New Jersey Statutes 18A:20-37 limits the length of time for most investments to 397 days.

Credit Risk

New Jersey Statutes 18A:20-37 limits school district investments to those specified in the Statutes. The type of allowance investments are Bonds of the United States of America, bonds or other obligations of the school districts or bonds or other obligations of the local unit or units within which the school district is located: obligations of federal agencies not exceeding 397 days; government money market mutual funds; the State of New Jersey Cash Management Plan; local government investment pools; or repurchase of fully collateralized securities.

Concentration of Credit Risk

The District places no limit on the amount the District may invest in any one issuer.

**Borough of Fort Lee School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2022**

NOTE 3. RECEIVABLES

Receivables at June 30, 2022, consisted of accounts and intergovernmental. All receivables are considered collectible in full. A summary of the principal items of receivables follows:

	Governmental Fund Financial Statements	Enterprise Fund	District Wide Financial Statements
Interfunds	\$1,914,118	\$	\$
State Aid	2,486,921	9,279	2,496,200
Federal Aid	2,448,549	516,148	2,964,697
Other	<u>5,000</u>	<u>13,196</u>	<u>18,196</u>
Gross Receivables	6,854,588	538,623	5,479,093
Less: Allowance for Uncollectibles			
Total Receivables, Net	<u>\$6,854,588</u>	<u>\$538,623</u>	<u>\$5,479,093</u>

NOTE 4. INTERFUND BALANCES AND ACTIVITY

Balances due to/from other funds at June 30, 2022, consist of the following:

\$5,529	Due to the General Fund from the Capital Projects Fund for interest earned on investments in the Capital Projects Fund.
<u>1,908,589</u>	Due to the General Fund from the Special Revenue Fund to cover deficit in cash.
<u>\$1,914,118</u>	

It is anticipated that all interfunds will be liquidated during the fiscal year.

Interfund transfers for the year ended June 30, 2022 consisted of the following:

<u>\$5,529</u>	Due to the General Fund from the Capital Projects Fund for interest.
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**Borough of Fort Lee School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2022**

NOTE 5. CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2022 was as follows:

	Restated Balance <u>6/30/21</u>	<u>Additions</u>	<u>Retirements</u>	Balance <u>6/30/22</u>
Governmental Activities:				
Capital Assets That Are Not Being Depreciated:				
Land	\$2,509,321	\$	\$	\$2,509,321
Construction in Progress	<u>513,023</u>	<u>1,481,527</u>	<u>(330,294)</u>	<u>1,664,256</u>
Total Capital Assets, Not Being Depreciated	<u>3,022,344</u>	<u>1,481,527</u>	<u>(330,294)</u>	<u>4,173,577</u>
Site Improvements	3,630,613	632,318	32,964	4,295,895
Building and building improvements	115,792,319	1,418,005	297,330	117,507,654
Machinery and equipment	<u>5,276,951</u>	<u>1,265,670</u>	<u> </u>	<u>6,542,621</u>
Totals at Historical Cost	<u>124,699,883</u>	<u>3,315,993</u>	<u>330,294</u>	<u>128,346,170</u>
Less Accumulated Depreciation For:				
Site Improvements	(2,106,934)	(122,363)	<u> </u>	(2,229,297)
Buildings and Improvements	(33,938,252)	(3,208,514)	<u> </u>	(37,146,766)
Equipment	<u>(3,582,055)</u>	<u>(373,379)</u>	<u> </u>	<u>(3,955,434)</u>
Total Accumulated Depreciation	<u>(39,627,241)</u>	<u>(3,704,256)</u>	<u> 0</u>	<u>(43,331,497)</u>
Total Capital Assets, Being Depreciated, Net of Accumulated Depreciation	<u>85,072,642</u>	<u>(388,263)</u>	<u>330,294</u>	<u>85,014,673</u>
Governmental Activities Capital Assets, Net	<u>\$88,094,986</u>	<u>\$1,093,264</u>	<u>\$0</u>	<u>\$89,188,250</u>
	Restated Balance <u>6/30/21</u>	<u>Additions</u>	<u>Retirements</u>	Balance <u>6/30/22</u>
Business-Type Activities:				
Equipment	\$594,601	\$9,812	\$	\$604,413
Less Accumulated Depreciation For:				
Equipment	<u>(483,601)</u>	<u>(16,297)</u>	<u> </u>	<u>(499,898)</u>
Business-Type Activities Capital Assets, Net	<u>\$111,000</u>	<u>(\$6,485)</u>	<u>\$</u>	<u>\$104,515</u>

Depreciation expense was not allocated to governmental functions. It appears on the statement of activities as “unallocated depreciation”.

**Borough of Fort Lee School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2022**

NOTE 6. LONG-TERM OBLIGATIONS

Changes in long-term obligations for the fiscal year ended June 30, 2022 are as follows:

	<u>Beginning Balance</u>	<u>Issued</u>	<u>Retired</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Governmental Activities:					
Bonds payable:					
General obligation debt	\$55,290,000	\$ _____	\$(2,600,000)	\$52,690,000	\$2,685,000
Total Bonds Payable	<u>55,290,000</u>	<u>_____</u>	<u>(2,600,000)</u>	<u>52,690,000</u>	<u>2,685,000</u>
Other Liabilities:					
Net Pension Liability PERS	10,961,900		(2,638,421)	8,323,479	
Obligations Under Capital Lease	4,118,677		(313,189)	3,805,488	332,370
Compensated Absences Payable	<u>4,215,007</u>	<u>817,758</u>	<u>(280,904)</u>	<u>4,751,861</u>	<u>_____</u>
Total other liabilities	<u>19,295,584</u>	<u>817,758</u>	<u>(3,232,514)</u>	<u>16,880,828</u>	<u>332,370</u>
Total Governmental Activities	<u>\$74,585,584</u>	<u>\$817,758</u>	<u>(\$5,832,514)</u>	<u>\$69,570,828</u>	<u>\$3,017,370</u>

A. Bonds Payable:

The Board issued General Obligation Bonds to provide funds for the acquisition and construction of major capital facilities and other capital assets.

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 board are general obligation bonds.

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**Borough of Fort Lee School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2022**

NOTE 6. LONG-TERM OBLIGATIONS, (continued)

Outstanding bonds payable at June 30, 2022 consisted of the following:

<u>Issue</u>	<u>Amount Issued</u>	<u>Issue Date</u>	<u>Interest Rates</u>	<u>Date of Maturity</u>	<u>Principal Balance June 30, 2022</u>
BCIA Improvement Bonds	\$18,450,000	8/7/2012	2.00% - 5.00%	11/1/2022	\$895,000
General Serial Bonds	\$49,840,000	4/7/2015	3.00% - 3.500%	3/15/2041	40,965,000
General Refunding Bonds	\$11,285,000	10/22/2020	0.707% - 2.134%	12/1/2031	<u>10,830,000</u>
					<u>\$52,690,000</u>

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

<u>Year Ending June 30,</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2023	\$4,212,168	\$2,685,000	\$1,527,168
2024	4,221,471	2,770,000	1,451,471
2025	4,221,426	2,830,000	1,391,426
2026	4,222,994	2,895,000	1,327,994
2027	4,230,450	2,970,000	1,260,450
2028-2032	22,039,430	16,055,000	5,984,430
2033-2037	17,676,390	11,755,000	5,921,390
2038-2041	<u>14,620,996</u>	<u>10,730,000</u>	<u>3,890,996</u>
	<u>\$75,445,325</u>	<u>\$52,690,000</u>	<u>\$22,755,325</u>

B. Bonds Authorized But Not Issued:

As of June 30, 2022 the Board has no authorized but not issued bonds.

C. Capital Leases:

The District approved a lease purchase agreement in 2014-15, in the amount of \$5,571,444 at an interest rate of 2.495%, maturing in 2031 to finance the Energy Savings Improvement Program Project. The following is a schedule of future minimum lease payments under these capital leases, value of the net minimum lease payments at June 30, 2022:

**Borough of Fort Lee School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2022**

NOTE 6. LONG-TERM OBLIGATIONS, (continued)

C. Capital Leases: (continued)

<u>Year</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2023	\$425,257	\$332,370	\$92,887
2024	436,795	352,324	84,471
2025	448,635	373,083	75,552
2026	460,782	394,672	66,110
2027	473,242	417,119	56,123
2028-2031	<u>2,048,899</u>	<u>1,935,920</u>	<u>112,979</u>
	<u>\$4,293,610</u>	<u>\$3,805,488</u>	<u>\$488,122</u>
Total minimum lease payments			\$4,293,610
Less: Amount representing interest			<u>(\$488,122)</u>
Present value of lease payments			<u>\$3,805,488</u>

NOTE 7. PENSION PLANS

Description of Plans - All required employees of the District are covered by either the Public Employees' Retirement System or the Teachers' Pension and Annuity Fund which have been established by state statute and are administered by the New Jersey Division of Pension and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of both Systems will be assumed by the State of New Jersey should the Systems terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System and the Teachers' Pension and Annuity Fund. These reports may be obtained by writing to the Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625 or reports can be accessed on the internet at: http://www.state.nj.us/treasury/pensions/annrpts_archive.htm.

Teachers' Pension and Annuity Fund (TPAF) - The Teachers' Pension and Annuity Fund was established as of January 1, 1955, under the provisions of N.J.S.A. 18A:66 to provide retirement benefits, death, disability and medical benefits to certain qualified members. The Teachers' Pension and Annuity Fund 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 District and the system's other related non-contributing employers. Membership is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, and employees of the Department of Education who have titles that are unclassified, professional and certified.

Benefits Provided

The vesting and benefit provisions are set by N.J.S.A. 18A:66. TPAF provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of TPAF. Members are fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

**Borough of Fort Lee School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2022**

NOTE 7. PENSION PLANS, (continued)

The following represents the membership tiers for TPAF:

Tier	Definition
1	Members who were enrolled prior to July 1, 2007
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to Tiers 1 and 2 members upon reaching age 60 and to Tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to Tier 4 members upon reaching age 62 and to Tier 5 members upon reaching age 65. Early retirement benefits are available to Tiers 1 and 2 members before reaching age 60, to Tiers 3 and 4 before age 62 with 25 or more years of service credit and Tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Public Employees' Retirement System (PERS) - The Public Employees' Retirement System (PERS) was established as of January 1, 1955 under the provisions of N.J.S.A. 43:15A to provide retirement, death, disability and medical benefits to certain qualified members. The Public Employees' Retirement System is a cost-sharing multiple-employer plan. Membership is mandatory for substantially all full-time employees of the State of New Jersey or any county, municipality, school district, or public agency, provided the employee is not required to be a member of another state-administered retirement system or other state or local jurisdiction.

Benefits Provided

The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of PERS.

The following represents the membership tiers for PERS:

Tier	Definition
1	Members who were enrolled prior to July 1, 2007
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

**Borough of Fort Lee School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2022**

NOTE 7. PENSION PLANS, (continued)

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to Tiers 1 and 2 members upon reaching age 60 and to Tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to Tier 4 members upon reaching age 62 and to Tier 5 members upon reaching age 65. Early retirement benefits are available to Tiers 1 and 2 members before reaching age 60, to Tiers 3 and 4 before age 62 with 25 or more years of service credit and Tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Defined Contribution Retirement Program

Prudential Financial jointly administers the DCRP investments with the NJ Division of Pensions and Benefits. If an employee is ineligible to enroll in the PERS or TPAF, the employee may be eligible to enroll in the DCRP. DCRP provides eligible members with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting is immediate upon enrollment for members of the DCRP.

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

Employers are required to contribute at an actuarially determined rate. Employee contributions are based on percentages of 5.50% for DCRP of employees' annual compensation, as defined. The DCRP was established July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and expanded under the provisions of Chapter 89, P.L. 2008. Employee contributions for DCRP are matched by a 3% employer contribution.

Contributions Requirements Fund Based Statements

The Board's contribution to PERS AND DCRP, equal to the required contributions for each year as reported in the fund based statements, were as follows:

Year	<u>PERS</u>	<u>DCRP</u>
<u>Ending</u> 6/30/22	\$822,839	\$85,754
6/30/21	735,358	76,562
6/30/20	682,917	72,522

**Borough of Fort Lee School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2022**

NOTE 7. PENSION PLANS, (continued)

The State of New Jersey contribution to TPAF (paid on-behalf of the District) for normal and post retirement benefits have been included in the fund-based statements as revenues and expenditures in accordance with GASB 24, paragraphs 7 through 13, as follows:

Year <u>Ending</u>	Pension <u>Contributions</u>	Post-Retirement Medical <u>Contributions</u>	NCGI <u>Premium</u>	Long-Term Disability <u>Insurance</u>
6/30/22	\$10,889,323	\$2,580,081	\$153,633	\$4,335
6/30/21	7,773,830	2,482,549	147,907	4,829
6/30/20	5,588,015	2,110,208	100,159	4,922

In addition, the post-retirement medical benefits are included in the district-wide financial statements.

Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$2,233,478 during the year ended June 30, 2022 for the employer’s share of social security contributions for TPAF members as calculated on their base salaries. This amount has been included in the fund-based statements as revenues and expenditures in accordance with GASB 24, paragraphs 7 through 13.

ACCOUNTING AND FINANCIAL REPORTING FOR PENSION IN THE DISTRICT-WIDE STATEMENTS PER - GASB NO. 68

Public Employees Retirement System (PERS)

At June 30, 2022, the District had a liability of \$8,323,479 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. 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 governmental entities, actuarially determined. At June 30, 2021, the District's proportion was 0.0702610879 percent, which was an increase of 0.0030406214 percent from its proportion measured as of June 30, 2020.

For the year ended June 30, 2022, the District recognized pension expense of \$(1,114,603). At June 30, 2022, deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

**Borough of Fort Lee School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2022**

NOTE 7. PENSION PLANS, (continued)

ACCOUNTING AND FINANCIAL REPORTING FOR PENSION IN THE DISTRICT-WIDE STATEMENTS PER - GASB NO. 68, (continued)

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$131,272	\$59,586
Changes of assumptions	43,349	2,963,213
Net difference between projected and actual earnings on pension plan investments		2,192,623
Changes in proportion and differences between the District's contributions and proportionate share of contributions	678,912	72,133
District contributions subsequent to the measurement date	<u>852,888</u>	<u> </u>
Total	<u>\$1,706,421</u>	<u>\$5,287,555</u>

The \$852,888 reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2022, the plan measurement date is June 30, 2020) will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions (excluding changes in proportion) will be recognized in pension expense as follows:

Year ended June 30:	
2022	(\$1,963,979)
2023	(1,402,276)
2024	(956,113)
2025	(718,713)
2026	280

Changes in Proportion

The previous amounts do not include employer specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by each employer over the average of the expected remaining service lives of all plan members, which is 5.13, 5.16, 5.21, 5.63, 5.48 and 5.57 years for 2021, 2020, 2019, 2018, 2017 and 2016 amounts, respectively.

**Borough of Fort Lee School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2022**

NOTE 7. PENSION PLANS, (continued)

ACCOUNTING AND FINANCIAL REPORTING FOR PENSION IN THE DISTRICT-WIDE STATEMENTS PER - GASB NO. 68, (continued)

Additional Information

Local Group Collective balances net of nonemployer (State of New Jersey) balances at June 30, 2021 and June 30, 2020 are as follows:

	<u>June 30, 2021</u>	<u>June 30, 2020</u>
Collective deferred outflows of resources	\$1,164,738,169	\$2,347,583,337
Collective deferred inflows of resources	8,339,123,762	7,849,949,467
Collective net pension liability	11,846,499,172	16,307,384,832
District's Proportion	0.0702610879%	0.0672204665%

Actuarial Assumptions

The collective total pension liability for the June 30, 2021 measurement date was determined by an actuarial valuation as of July 1, 2020, which rolled forward to June 30, 2021. This actuarial valuation used the following assumptions, applied to all periods in the measurement.

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 Percent

**Borough of Fort Lee School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2022**

NOTE 7. PENSION PLANS, (continued)

ACCOUNTING AND FINANCIAL REPORTING FOR PENSION IN THE DISTRICT-WIDE STATEMENTS PER - GASB NO. 68, (continued)

Actuarial Assumptions, (continued)

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

Mortality Rates

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% 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 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 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 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement based on Scale MP-2021.

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, 2021) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2021 are summarized in the following table:

**Borough of Fort Lee School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2022**

NOTE 7. PENSION PLANS, (continued)

ACCOUNTING AND FINANCIAL REPORTING FOR PENSION IN THE DISTRICT-WIDE STATEMENTS PER - GASB NO. 68, (continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	8.09%
Non-U.S. Developed Market Equity	13.50%	8.71%
Emerging Market Equity	5.50%	10.96%
Private Equity	13.00%	11.30%
Real Assets	3.00%	7.40%
Real Estate	8.00%	9.15%
High Yield	2.00%	3.75%
Private Credit	8.00%	7.60%
Investment Grade Credit	8.00%	1.68%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	0.95%
Risk Mitigation Strategies	3.00%	3.35%

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2021. 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 and the nonemployer contributing entity will be based on 100% 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 all projected benefit payments to determine the total pension liability.

**Borough of Fort Lee School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2022**

NOTE 7. PENSION PLANS, (continued)

ACCOUNTING AND FINANCIAL REPORTING FOR PENSION IN THE DISTRICT-WIDE STATEMENTS PER - GASB NO. 68, (continued)

Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate

The following presents the collective net pension liability of the participating employers as of June 30, 2021 calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1 -percentage point lower or 1- percentage-point higher than the current rate:

	<u>June 30, 2021</u>		
	<u>1%</u> Decrease <u>6.00%</u>	<u>At Current</u> Discount Rate <u>7.00%</u>	<u>1%</u> Increase <u>8.00%</u>
District's proportionate share of the pension liability	\$11,366,992	\$8,323,479	\$5,740,627

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 (PERS). The financial report may be accessed at www.state.nj.us/treasury/pensions.

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.

**Borough of Fort Lee School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2022**

NOTE 7. PENSION PLANS, (continued)

ACCOUNTING AND FINANCIAL REPORTING FOR PENSION IN THE DISTRICT-WIDE STATEMENTS PER - GASB NO. 68, (continued)

The portion of the TPAF Net Pension Liability that was associated with the District recognized at June 30, 2022 was as follows:

Net Pension Liability:	
District's proportionate share	\$
State's proportionate share associated with the District	<u>128,566,878</u>
	<u>\$128,566,878</u>

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 June 30, 2020 rolled forward to June 30, 2020. The net pension liability associated with the District 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 and the State, actuarially determined. At June 30, 2020, the proportion of the TPAF net pension liability associated with the District was 0.2674287535%.

For the year ended June 30, 2021, the District recognized on-behalf pension expense and revenue of \$3,025,235 for contributions provided by the State in the District-Wide Financial Statements.

Actuarial Assumptions

The total pension liability for the June 30, 2021 measurement date was determined by an actuarial valuation as of July 1, 2020, which was rolled forward to June 30, 2021. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

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

**Borough of Fort Lee School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2022**

NOTE 7. PENSION PLANS, (continued)

ACCOUNTING AND FINANCIAL REPORTING FOR PENSION IN THE DISTRICT-WIDE STATEMENTS PER - GASB NO. 68, (continued)

on the Pub-2010 Teachers Above-Median Income Health Retiree mortality table with a 114.7% adjustment for males and 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 a future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

The actuarial assumptions used in the July 1, 2020 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, 2021) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2021 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	8.09%
Non-U.S. Developed Market Equity	13.50%	8.71%
Emerging Market Equity	5.50%	10.96%
Private Equity	13.00%	11.30%
Real Assets	3.00%	7.40%
Real Estate	8.00%	9.15%
High Yield	2.00%	3.75%
Private Credit	8.00%	7.60%
Investment Grade Credit	8.00%	1.68%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	0.95%
Risk Mitigation Strategies	3.00%	3.35%

**Borough of Fort Lee School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2022**

NOTE 7. PENSION PLANS, (continued)

**ACCOUNTING AND FINANCIAL REPORTING FOR PENSION IN THE DISTRICT-WIDE
STATEMENTS PER - GASB NO. 68, (continued)**

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2021. 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 100% 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 all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

Because the District's proportionate share of the net pension liability is zero, consideration of potential changes in the discount rate is not applicable to the District.

NOTE 8. POST-RETIREMENT BENEFITS:

General Information about the OPEB Plan

State Health Benefit State Retired Employees Plan

The State Health Benefit State Retired Employees Plan (State Retired OPEB Plan) is a single-employer defined benefit OPEB plan with a special funding situation. The State Retired OPEB Plan is administered on a "pay-as-you-go" basis. Accordingly, no assets are accumulated in a qualifying trust that meets the criteria in paragraph 4 of GASB Statement No. 75. The State Required OPEB Plan covers the State, State colleges and universities, the Palisades Interstate Park Commission, and the New Jersey Building Authority (referred to collectively as "the employers") for which the State is legally obligated to pay for benefits. The State Required OPEB Plan is treated as a cost-sharing multiple employer plan with a special funding situation for allocating the total OPEB liability and related OPEB amounts since each employer mentioned above is required to issue stand-alone financial statements. The State Retired OPEB Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and the covered dependents of the employees. The State also offers dental care to retirees, however, since dental benefits are completely paid for by the retirees, there is no OPEB liability for these benefits.

In accordance with N.J.S.A. 52:14-17.32, the State is required to pay the premium or periodic charges for health benefits of State employees who retire with 25 years or more of service credit in, or retires on a disability pension from, one or more of the following plans: the Judicial Retirement System (JRS), the State Police Retirement System (SPRS), the Teachers' Pension and Annuity Fund (TPAF), the Public Employees' Retirement System (PERS), the Police and Firemen's Retirement System (PFRS), and the Alternate Benefit

**Borough of Fort Lee School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2022**

NOTE 8. POST-RETIREMENT BENEFITS, (continued)

General Information about the OPEB Plan, (continued)

State Health Benefit State Retired Employees Plan, (continued)

Program (ABP). In addition, N.J.S.A. 52:14-17.26 provides that for purposes of the State Retired OPEB Plan, an employee of Rutgers, the State University of New Jersey, and New Jersey Institute of Technology shall be deemed to be an employee of the State. Further, P.L. 1966, c.302, addresses the other State colleges and universities, whereas while these institutions were provided autonomy from the State, their employees retained any and all rights to health benefits within the State Retired OPEB Plan and are therefore classified as State employees.

The State Health Benefit Local Education Retired Employees Plan (Local Education Retired OPEB Plan) is a multiple-employer defined benefit OPEB plan with a special funding situation. The Local Education Retired OPEB Plan is administered on a “pay-as-you-go” basis. Accordingly, no assets are accumulated in a qualifying trust that meets the criteria in paragraph 4 of GASB Statement No.75. The Local Education Retired OPEB Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and the covered dependents of local education employees. The State also offers dental care to retirees, however since dental benefits are completely paid for by the retirees, there is no OPEB liability for these benefits.

The employer contributions for the participating local education employers are legally required to be funded by the State in accordance with N.J.S.A. 52:14-17.32f. According to this law, the State provides employer-paid coverage to employees who retire from a board of education or county college with 25 years or more of service credit in, or retires on a disability pension from, one or more of the following plans: TPAF, PERS, PFRS, or ABP.

Pursuant to P.L. 2011, c.78, future retirees eligible for postemployment medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree’s annual retirement benefit and level of coverage.

The State is legally required to pay for the OPEB benefit coverage for the participating local education employers. Therefore, these employers are considered to be in a special funding situation as defined by GASB Statement No. 75 and the State is treated as a nonemployer contributing entity. The State, as a nonemployer contributing entity, reported a Fiscal Year 2021 total OPEB liability of \$60,007,650,970 for this special funding situation.

**Borough of Fort Lee School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2022**

NOTE 8. POST-RETIREMENT BENEFITS, (continued)

Total OPEB Liability

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 LEA's proportionate share percentage determined under paragraphs 193 and 203 through 205 of GASB No. 75 is zero percent. Accordingly, the LEA did not recognize any portion of the collective OPEB liability on the Statement of Net Position. Accordingly, the following OPEB liability note information is reported at the State's level for the State Health Benefit Local Education Retired Employee's Plan and is not specific to the board of education/board of trustees, and could be found at <https://www.state.nj.us/treasury/pensions/GASBnoticesOPEB.SHTML>.

The portion of the OPEB Liability that was associated with the District recognized at June 30, 2022 was as follows:

OPEB Liability:	
District's proportionate share	\$
State's proportionate share associated with the District	<u>130,442,366</u>
	<u>\$130,442,366</u>

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**Borough of Fort Lee School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2022**

NOTE 8. POST-RETIREMENT BENEFITS, (continued)

Actual Assumptions and Other Inputs

The total OPEB liability in the June 30, 2020 actuarial valuation reported by the State in the State's Report of Total Nonemployer OPEB Liability for the State Health Benefit Local Education Retired Employee's Plan was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Total Nonemployer OPEB Liability

The total nonemployer OPEB liability as of June 30, 2021 was determined by an actuarial valuation as of June 30, 2020, which was rolled forward to June 30, 2021. 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:

Inflation rate	2.50%	
	<u>TPAF/ABP</u>	<u>PERS</u>
Salary increases:		
Through 2026	1.55 - 4.45% based on service years	2.00 - 6.00% based on service years
Thereafter	2.75 - 5.65% based on service years	3.00 - 7.00% based on service years

Preretirement mortality rates were based on the Pub-2010 Healthy “Teachers” (TPAF/ABP). “General” (PERS), and “Safety” (PFRS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. 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-2021. Disability mortality was based on the Pub-2010 “General” classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of actuarial experience studies for the periods July 1, 2015 – June 30, 2018, July 1, 2014 – June 30, 2018 and July 1, 2013 – June 30, 2018 for TPAF, PERS and PFRS, respectively.

**Borough of Fort Lee School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2022**

NOTE 8. POST-RETIREMENT BENEFITS, (continued)

(a) *Health Care Trend Assumptions*

For pre-Medicare medical benefits, the trend rate is initially 5.65% and decreases to a 4.50% long-term trend rate after seven years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal year 2022 through 2023 are reflected. For PPO the trend is initially 5.74% in fiscal year 2024, increasing to 12.93% in fiscal year 2025 and decreases to 4.50% after 11 years. For HMO the trend is initially 6.01% in fiscal year 2024, increasing to 15.23% in fiscal year 2025 and decreases to 4.5% after 11 years. For prescription drug benefits, the initial trend rate is 6.75% and decreases to a 4.50% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

(b) *Discount Rate*

The discount rate for June 30, 2021 was 2.16%. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. 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.

Sensitivity of Total Nonemployer OPEB Liability to Changes in the Discount Rate

Because the District's proportionate share of the OPEB liability is zero, consideration of potential changes in the discount rate is not applicable to the District.

Sensitivity of the Total Nonemployer OPEB Liability to Changes in the Healthcare Cost Trend Rates:

Because the District's proportionate share of the OPEB liability is zero, consideration of potential changes in the healthcare cost trend rates is not applicable to the District.

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

For the year ended June 30, 2022, the board of education/board of trustees recognized on-behalf OPEB expense of \$8,494,810 in the district-wide financial statements as determined by the State as the total OPEB liability for benefits provided through a defined benefit OPEB plan that is not administered through a trust that meets the criteria in paragraph 4 of GASB No. 75 and in which there is a special funding situation.

In accordance with GASB No. 75, the Borough of Fort Lee School District proportionate share of school retirees OPEB is zero; therefore, there is no recognition of the allocation of proportionate share of deferred outflows of resources and deferred inflows of resources.

**Borough of Fort Lee School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2022**

NOTE 9. 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

NOTE 10. 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. A complete schedule of insurance coverage can be found in the Statistical Section of this Comprehensive Annual Financial Report.

There has been no significant reduction in insurance coverage from the previous year nor have there been any settlements in excess of insurance coverages.

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. The following is a summary of District contributions, employee contributions, reimbursements to the State for benefits paid and the ending balances for the current and previous two years:

<u>Fiscal Year</u>	<u>Interest Earnings/ District Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2021-2022	\$419	\$67,575	\$	\$380,483
2020-2021	565	60,606		312,489
2019-2020		61,412	79,318	251,318

**Borough of Fort Lee School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2022**

NOTE 11. CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the Borough of Fort Lee Board of Education by inclusion of \$960,000 on the 1999 budget for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget. There existed a balance of \$14,784,532 in the capital reserve account at June 30, 2022.

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, 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 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, 2021 to June 30, 2022 fiscal year is as follows:

Beginning Balance, July 1, 2021	\$13,556,828
Increased by:	
Interest Earnings	11,558
Deposit Approved by Resolution	<u>6,388,855</u>
	<u>6,400,413</u>
Decreased by:	
Budget Appropriations	<u>5,172,709</u>
Ending Balance, June 30, 2022	<u><u>\$14,784,532</u></u>

NOTE 12. 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 for the accumulation of funds for use as maintenance of school facilities expenditures in subsequent fiscal years. The maintenance reserve 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 required maintenance activities for a school facility as reported in the comprehensive maintenance plan. A District may increase the balance in the maintenance reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end of any unanticipated revenue or unexpended line item appropriation amounts, or both Pursuant to N.J.A.C. 6A:23A-14.2(g), the balance in the reserve cannot at any time exceed four percent of the replacement cost of the school district’s school facilities for the current year.

**Borough of Fort Lee School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2022**

NOTE 12. MAINTENANCE RESERVE ACCOUNT, (continued)

The activity of the capital reserve for the July 1, 2021 to June 30, 2022 fiscal year is as follows:

Beginning Balance, July 1, 2021	\$2,500,000
Increased by:	
Deposit Approved by Resolution	<u>1,000,000</u>
Ending Balance, June 30, 2022	<u>\$3,500,000</u>

NOTE 13. EMERGENCY RESERVE

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 the reserve is the greater of \$250,000 or 1 percent 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 4 percent or the withdrawal is included in the original budget certified for taxes to finance school security improvements to school facilities pursuant to 18A:7G-6(c)1.

The activity of the capital reserve for the July 1, 2021 to June 30, 2022 fiscal year is as follows:

Beginning Balance, July 1, 2021	\$763,325
Increased by:	
Deposit Approved by Resolution	<u>57,378</u>
Ending Balance, June 30, 2022	<u>\$820,703</u>

NOTE 14. FUND BALANCE APPROPRIATED

General Fund [Exhibit B-1] - Of the \$26,028,405 General Fund fund balance at June 30, 2022, \$14,784,532 has been reserved in the Capital Reserve Account; \$820,703 has been reserved in the Emergency Reserve Account; \$3,500,000 has been reserved in the Maintenance Reserve Account; \$1,428,939 is reserved for encumbrances; \$252,302 is reserved for Unemployment compensation; \$1,260,742 of unreserved and undesignated has been appropriated and included as anticipated revenue for the year ending June 30, 2023; and \$3,981,187 is unreserved and undesignated.

Special Revenue Fund - Of the \$169,125 Special Revenue Fund fund balance at June 30, 2022, \$135,822 is reserved for Student Groups; and \$33,303 is reserved for Scholarships.

**Borough of Fort Lee School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2022**

NOTE 14. FUND BALANCE APPROPRIATED, (continued)

Debt Service Fund -The Debt Service Fund balance at June 30, 2022 of \$67,384 is unreserved and undesignated.

NOTE 15. CALCULATION OF EXCESS SURPLUS

In accordance with N.J.S.A. 18A:7F-7, as amended by P.L. 2004, c.73 (S1701) the designation for Reserved Fund Balance — Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund fund balance 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.

NOTE 16. INVENTORY

Inventory in the Food Service Fund at June 30, 2022 consisted of the following:

Food	\$11,545
Supplies	<u>3,498</u>
	<u>\$15,043</u>

The United States Department of Agriculture (USDA) commodity portion of the Food Service Fund inventory consists of food donated by USDA. It is valued at estimated market prices by USDA. The amount of unused commodities at year end is reported on Schedule A as deferred revenue.

NOTE 17. RETROACTIVE RESTATEMENT DUE TO UPDATED FIXED ASSET SCHEDULE

During fiscal year 2022, the District's fixed asset report was determined to have errors in a few of the calculations utilized in the report. The following adjustments were made to the capital asset schedule and the Statement of Net Position as of June 30, 2021.

**Borough of Fort Lee School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2022**

**NOTE 17. RETROACTIVE RESTATEMENT DUE TO UPDATED FIXED ASSET SCHEDULE,
(continued)**

	<u>Balance June 30, 2021</u>	<u>Restatement</u>	<u>Restated Balance June 30, 2021</u>
GOVERNMENTAL FUNDS:			
Assets:			
Not Being Depreciated			
Being Depreciated, Net	\$85,471,399	(398,757)	85,072,642
Net Investments:			
Net Investment in Capital Assets	\$31,660,241	(398,757)	31,261,484
Total Net Position	\$34,013,987	(398,757)	33,615,230
BUSINESS-TYPE ACTIVITIES:			
Assets:			
Not Being Depreciated			
Being Depreciated, Net	\$91,101	19,899	111,000
Net Investments:			
Net Investment in Capital Assets	\$91,101	19,899	111,000
Total Net Position	\$541,787	19,899	561,686

NOTE 18. CONTINGENT LIABILITIES

Grant Programs - The school district participates in federally assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The school district is potentially liable for expenditures which may be disallowed pursuant to the terms of these grant programs. Management is not aware of any material items of noncompliance which would result in the disallowance of program expenditures.

Litigation - The District is a party defendant in some lawsuits, none of a kind unusual for a school district of its size and scope of operation. In the opinion of the Board's Attorney the potential claims against the District not covered by insurance policies would not materially affect the financial condition of the District.

NOTE 19. SUBSEQUENT EVENTS

The District has evaluated subsequent events through February 3, 2023, the date which the financial statements were available to be issued and no additional items were noted for disclosure.

**REQUIRED SUPPLEMENTARY
INFORMATION - PART II**

BUDGETARY COMPARISON SCHEDULES

Exhibit C-1

FORT LEE BOARD OF EDUCATION
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2022

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
REVENUES:					
General Fund:					
Revenues from Local Sources:					
Local Tax Levy	69,575,818		69,575,818	69,575,818	
Tuition	103,800		103,800	335,534	231,734
Tuition from Other LEAs Within the State				29,000	29,000
Transportation Fees from Individuals				15,228	15,228
Rents and Royalties	20,000		20,000	59,750	39,750
Interest Earned on Capital Reserve Funds	50		50	11,558	11,508
Other Restricted Miscellaneous Revenues				419 *	419
Unrestricted Miscellaneous Revenues	93,775		93,775	167,626	73,851
Total - Local Sources	<u>69,793,443</u>		<u>69,793,443</u>	<u>70,194,933</u>	<u>401,490</u>
Revenues from Intermediate Sources:					
Payments in Lieu of Taxes to School District	533,245		533,245	383,000	(150,245)
Total - Intermediate Sources	<u>533,245</u>		<u>533,245</u>	<u>383,000</u>	<u>(150,245)</u>
Revenues from State Sources:					
Categorical Special Education Aid	3,175,703		3,175,703	3,175,703	
Categorical Security Aid	105,243		105,243	105,243	
Categorical Transportation Aid	685,744		685,744	685,744	
Extraordinary Aid	985,000		985,000	2,320,435	1,335,435
NTE Homeless Reimbursement				51,620	51,620
On-behalf TPAF Post Retirement Medical Contributions (non-budgeted)				2,580,081	2,580,081
On-behalf TPAF Pension (non-budgeted)				10,889,323	10,889,323
On-behalf TPAF NCGI Premium (non-budgeted)				153,633	153,633
On-behalf TPAD LTDI				4,335	4,335
Reimbursed TPAF Social Security Contributions (non-budgeted)				2,233,478	2,233,478
Total - State Sources	<u>4,951,690</u>		<u>4,951,690</u>	<u>22,199,595</u>	<u>17,247,905</u>
Revenues from Federal Sources:					
Special Education Medicaid Initiative	63,506		63,506	28,986	(34,520)
Medicaid Administrative Claiming (MAC)				9,820	9,820
Total - Federal Sources	<u>63,506</u>		<u>63,506</u>	<u>38,806</u>	<u>(24,700)</u>
TOTAL REVENUES	<u>75,341,884</u>		<u>75,341,884</u>	<u>92,816,334</u>	<u>17,474,450</u>
EXPENDITURES:					
Current Expense:					
Regular Programs - Instruction					
Kindergarten - Salaries of Teachers	1,412,414	(35,400)	1,377,014	1,369,863	7,151
Grades 1-5 - Salaries of Teachers	7,740,486	313,123	8,053,609	8,053,534	75
Grades 6-8 - Salaries of Teachers	4,450,014	50,716	4,500,730	4,499,679	1,051
Grades 9-12 - Salaries of Teachers	5,599,897	73,661	5,673,558	5,673,507	51
Regular Programs - Home Instruction:					
Salaries of Teachers	96,500		96,500	85,598	10,902
Purchased Professional-Educational Services	15,000		15,000	9,717	5,283
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	170,450	62,000	232,450	231,780	670
Purchased Professional-Educational Services	5,100	16,913	22,013	19,395	2,618
Purchased Technical Services	50,000	(20,000)	30,000	29,577	423
Other Purchased Services (400-500 series)	204,484	(62,373)	142,111	128,660	13,451
General Supplies	1,115,804	(131,104)	984,700	854,609	130,091
Textbooks	98,570	(13,900)	84,670	78,125	6,545
Other Objects	23,485	(3,000)	20,485	5,479	15,006
TOTAL REGULAR PROGRAMS - INSTRUCTION	<u>20,982,204</u>	<u>250,636</u>	<u>21,232,840</u>	<u>21,039,523</u>	<u>193,317</u>
SPECIAL EDUCATION - INSTRUCTION					
Learning and/or Language Disabilities					
Salaries of Teachers	741,020	11,700	752,720	752,670	50
Other Salaries for Instruction	307,224	1,005	308,229	277,269	30,960
General Supplies	4,300	(700)	3,600	1,038	2,562
Total Learning and/or Language Disabilities	<u>1,052,544</u>	<u>12,005</u>	<u>1,064,549</u>	<u>1,030,977</u>	<u>33,572</u>
Behavioral Disabilities					
Salaries of Teachers	131,850	950	132,800	132,800	
Other Salaries for Instruction		50,836	50,836	31,670	19,166
General Supplies	600		600	58	542
Total Behavioral Disabilities	<u>132,450</u>	<u>51,786</u>	<u>184,236</u>	<u>164,528</u>	<u>19,708</u>
Multiple Disabilities					
Salaries of Teachers	136,550	15,490	152,040	152,040	
Other Salaries for Instruction		23,102	23,102	21,500	1,602
General Supplies	1,800		1,800	479	1,321
Total Multiple Disabilities	<u>138,350</u>	<u>38,592</u>	<u>176,942</u>	<u>174,019</u>	<u>2,923</u>

Exhibit C-1

FORT LEE BOARD OF EDUCATION
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2022

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
Resource Room/Resource Center:					
Salaries of Teachers	3,286,369	(372)	3,285,997	3,114,184	171,813
Other Salaries for Instruction	889,251	(92,151)	797,100	674,952	122,148
General Supplies	5,570	(600)	4,970	142	4,828
Total Resource Room/Resource Center	<u>4,181,190</u>	<u>(93,123)</u>	<u>4,088,067</u>	<u>3,789,278</u>	<u>298,789</u>
Autism:					
Salaries of Teachers	347,975	(8,300)	339,675	334,866	4,809
Other Salaries for Instruction	52,742	16,566	69,308	69,308	
General Supplies	3,200	(300)	2,900	829	2,071
Total Autism	<u>403,917</u>	<u>7,966</u>	<u>411,883</u>	<u>405,003</u>	<u>6,880</u>
Preschool Disabilities- Full-Time:					
Salaries of Teachers	533,625		533,625	488,436	45,189
Other Salaries for Instruction	444,853	(45,000)	399,853	371,974	27,879
General Supplies	3,100	300	3,400	3,350	50
Total Preschool Disabilities - Full-Time	<u>981,578</u>	<u>(44,700)</u>	<u>936,878</u>	<u>863,760</u>	<u>73,118</u>
TOTAL SPECIAL EDUCATION - INSTRUCTION	<u>6,890,029</u>	<u>(27,474)</u>	<u>6,862,555</u>	<u>6,427,565</u>	<u>434,990</u>
Basic Skills/Remedial - Instruction					
Salaries of Teachers	694,625		694,625	693,655	970
Total Basic Skills/Remedial - Instruction	<u>694,625</u>		<u>694,625</u>	<u>693,655</u>	<u>970</u>
Bilingual Education - Instruction					
Salaries of Teachers	1,518,522	(40,976)	1,477,546	1,425,453	52,093
Other Purchased Services (400-500 Series)	200		200		200
General Supplies	2,000		2,000		2,000
Total Bilingual Education - Instruction	<u>1,520,722</u>	<u>(40,976)</u>	<u>1,479,746</u>	<u>1,425,453</u>	<u>54,293</u>
School-Sponsored Co/Extra Curricular Activities - Instruction					
Salaries	283,000	43,536	326,536	326,512	24
Purchased Services (300-500 series)	25,500	34,645	60,145	50,533	9,612
Supplies and Materials	49,450	(15,350)	34,100	22,878	11,222
Other Objects	32,274	23,800	56,074	41,556	14,518
Total School-Sponsored Co/Extra Curricular Activities - Instruction	<u>390,224</u>	<u>86,631</u>	<u>476,855</u>	<u>441,479</u>	<u>35,376</u>
School-Sponsored Athletics - Instruction					
Salaries	443,575	(31,000)	412,575	405,527	7,048
Purchased Services (300-500 series)	127,354	(12,316)	115,038	101,047	13,991
Supplies and Materials	78,449	11,477	89,926	64,672	25,254
Other Objects	39,199	18,095	57,294	40,416	16,878
Total School-Sponsored Athletics - Instruction	<u>688,577</u>	<u>(13,744)</u>	<u>674,833</u>	<u>611,662</u>	<u>63,171</u>
Summer School - Instruction:					
Salaries	262,519	(22,383)	240,136	164,097	76,039
Other Salaries for Instruction	86,407		86,407	71,231	15,176
Total Summer School - Instruction	<u>348,926</u>	<u>(22,383)</u>	<u>326,543</u>	<u>235,328</u>	<u>91,215</u>
TOTAL INSTRUCTION	<u>31,515,307</u>	<u>232,690</u>	<u>31,747,997</u>	<u>30,874,665</u>	<u>873,332</u>
Undistributed Expenditures - Instruction:					
Tuition to Other LEAs Within the State - Special	465,707	49,000	514,707	413,091	101,616
Tuition to County Voc. School Dist. - Regular	787,680	35,314	822,994	722,262	100,732
Tuition to CSSD & Regional Day Schools	1,037,180		1,037,180	866,544	170,636
Tuition to Private Schools for the Disabled Within State	1,851,589	(304,314)	1,547,275	1,199,254	348,021
Tuition to Private School Disabled & Other LEAs - Spl, O/S State	139,474	6,000	145,474	94,617	50,857
Tuition - State Facilities	39,872		39,872	39,872	
Total Undistributed Expenditures - Instruction:	<u>4,321,502</u>	<u>(214,000)</u>	<u>4,107,502</u>	<u>3,335,640</u>	<u>771,862</u>
Undistributed Expend. - Attend. & Social Work					
Salaries	177,941	3,172	181,113	181,112	1
Salaries of Family Support Teams	156,850		156,850	156,850	
Purchased Professional and Technical Services	54,000		54,000	54,000	
Supplies and Materials	1,850		1,850	1,690	160
Total Undistributed Expend. - Attend. & Social Work	<u>390,641</u>	<u>3,172</u>	<u>393,813</u>	<u>393,652</u>	<u>161</u>
Undist. Expend. - Health Services					
Salaries	630,879	38,636	669,515	669,512	3
Purchased Professional and Technical Services	136,970	12,800	149,770	136,046	13,724
Other Purchased Services (400-500 Series)	8,655	9,530	18,185	489	17,696
Supplies and Materials	15,100	2,166	17,266	12,858	4,408
Total Undistributed Expenditures - Health Services	<u>791,604</u>	<u>63,132</u>	<u>854,736</u>	<u>818,905</u>	<u>35,831</u>
Undist. Expend. - Speech, OT, PT & Related Services					
Salaries	923,294		923,294	865,416	57,878
Purchased Prof. Services-Educational Services	769,680	(16,109)	753,571	658,387	95,184
Supplies and Materials	8,000		8,000	7,638	362
Total Undist. Expend. - Speech, OT, PT & Related Services	<u>1,700,974</u>	<u>(16,109)</u>	<u>1,684,865</u>	<u>1,531,441</u>	<u>153,424</u>

Exhibit C-1

FORT LEE BOARD OF EDUCATION
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2022

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Other Supp. Serv. Students - Extra Serv.					
Salaries	1,928,374	(1,250)	1,927,124	1,543,372	383,752
Purchased Professional - Educational Services	683,851	209,200	893,051	726,028	167,023
Supplies and Materials	8,000	600	8,600	8,356	244
Total Undist. Expend. - Other Supp. Serv. Students - Extra Serv.	2,620,225	208,550	2,828,775	2,277,756	551,019
Undist. Expend. - Guidance					
Salaries of Other Professional Staff	1,291,124	(302)	1,290,822	1,230,040	60,782
Salaries of Secretarial and Clerical Assistants	127,820	6,933	134,753	134,752	1
Purchased Professional - Educational Services	2,100	(1,800)	300		300
Other Purchased Professional and Technical Services	86,500		86,500	85,833	667
Other Purchased Services (400-500 Series)	1,075		1,075		1,075
Supplies and Materials	26,475	1,500	27,975	26,714	1,261
Other Objects	12,600	2,800	15,400	5,779	9,621
Total Undist. Expend. - Guidance	1,547,694	9,131	1,556,825	1,483,118	73,707
Undist. Expend. - Child Study Teams					
Salaries of Other Professional Staff	1,437,296	(11,839)	1,425,457	1,425,456	1
Salaries of Secretarial and Clerical Assistants	195,230	(28,591)	166,639	127,820	38,819
Professional Svcs-Educational Services	17,850	(1,000)	16,850	7,235	9,615
Other Purchased Professional and Technical Services	32,839		32,839	32,838	1
Misc. Pur Services (400-500 Series)	1,500		1,500	475	1,025
Supplies and Materials	8,700		8,700	6,334	2,366
Total Undist. Expend. - Child Study Teams	1,693,415	(41,430)	1,651,985	1,600,158	51,827
Undist. Expend. - Improvement of Instructional Services					
Salaries of Supervisors of Instruction	304,410		304,410	304,410	
Salaries of Other Professional Staff	172,400	10,558	182,958	121,926	61,032
Purchased Prof-Educational Services	77,950	15,442	93,392	67,012	26,380
Other Purchased Services (400-500 Series)	10,300		10,300	4,412	5,888
Other Objects	4,500		4,500	2,943	1,557
Total Undist. Expend. - Improvement of Inst. Services	569,560	26,000	595,560	500,703	94,857
Undist. Expend. - Educational Media Serv./Sch. Library					
Salaries	536,234	49,629	585,863	585,862	1
Salaries of Technology Coordinators	148,782	97,233	246,015	246,014	1
Purch Prof. and Tech. Services	87,830	(27,831)	59,999	58,497	1,502
Supplies and Materials	227,555	(25,139)	202,416	176,773	25,643
Total Undist. Expend. - Educational Media Serv./Sch. Library	1,000,401	93,892	1,094,293	1,067,146	27,147
Undist. Expend. - Instructional Staff Training Serv.					
Other Salaries	8,100		8,100	405	7,695
Other Purchased Services (400-500 Series)	64,000	(41,500)	22,500	5,882	16,618
Total Undist. Expend. - Instructional Staff Training Serv.	72,100	(41,500)	30,600	6,287	24,313
Undist. Expend. - Supp. Serv. - General Administration					
Salaries	530,386	19,553	549,939	549,934	5
Legal Services	175,000		188,812	188,810	2
Audit Fees	46,000	14,680	60,680	56,293	4,387
Architectural/Engineering Services	30,000		30,000	22,080	7,920
Other Purchased Professional Services	21,010	21,975	42,985	37,118	5,867
Purchased Technical Services	20,000		20,000	19,180	820
Communications/Telephone	166,200	24,224	190,424	161,396	29,028
BOE Other Purchased Services	6,500	(5,000)	1,500	396	1,104
Other Purch Services (400-500 Series)	561,641	23,923	585,564	578,938	6,626
General Supplies	36,121	7,866	43,987	32,219	11,768
BOE In-House Training/Meeting Supplies	200		200		200
Misc. Expenditures	15,000	(2,239)	12,761	7,562	5,199
BOE Membership Dues and Fees	28,000		28,000	23,691	4,309
Total Undist. Expend. - Supp. Serv. - General Administration	1,636,058	118,794	1,754,852	1,677,617	77,235
Undist. Expend. - Support Serv. - School Administration					
Salaries of Principals/Assistant Principals	2,145,858	(4,700)	2,141,158	2,135,615	5,543
Salaries of Secretarial and Clerical Assistants	671,877	47,067	718,944	718,942	2
Unused Vacation Payment to Terminated/Retired Staff	79,039	24,480	103,519	103,500	19
Other Purchased Services (400-500 series)	16,725	(5,200)	11,525	8,455	3,070
Supplies and Materials	159,822	(54,789)	105,033	98,564	6,469
Other Objects	32,739	(5,566)	27,173	20,544	6,629
Total Undist. Expend. - Support Serv. - School Administration	3,106,060	1,292	3,107,352	3,085,620	21,732
Undist. Expend. - Central Services					
Salaries	798,585	53,605	852,190	814,623	37,567
Unused Vacation Payment to Terminated/Retired Staff	52,261	(52,260)	1		1
Purchased Professional Services	39,483	7,841	47,324	40,707	6,617
Purchased Technical Services	104,168	(22,986)	81,182	80,147	1,035
Misc. Pur Services (400-500 Series)	34,305	4,750	39,055	29,761	9,294
Supplies and Materials	42,700	1,518	44,218	32,065	12,153
Other Objects	8,039		8,039	7,214	825
Total Undist. Expend. - Central Services	1,079,541	(7,532)	1,072,009	1,004,517	67,492

Exhibit C-1

FORT LEE BOARD OF EDUCATION
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2022

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Admin Info. Technology					
Information Technology					
Salaries	237,198	(101,642)	135,556	135,555	1
Purchased Technical Services	102,000	(651)	101,349	99,891	1,458
Other Purchased Services (400-500 series)	1,000		1,000	54	946
Supplies and Materials	18,000	20,041	38,041	37,609	432
Other Objects	600		600		600
Total Undist. Expend. - Support Serv. - Administrative	<u>358,798</u>	<u>(82,252)</u>	<u>276,546</u>	<u>273,109</u>	<u>3,437</u>
Undist. Expend. - Required Maint. for School Facilities (261)					
Salaries	269,450		269,450	200,117	69,333
Cleaning, Repair and Maintenance Services	595,707	(187,180)	408,527	337,684	70,843
Other Objects	6,924		6,924	1,528	5,396
Total Undist. Expend. - Required Maint. for School Facilities	<u>872,081</u>	<u>(187,180)</u>	<u>684,901</u>	<u>539,329</u>	<u>145,572</u>
Undist. Expend. - Custodial Services (262)					
Salaries	1,545,948	(30,026)	1,515,922	1,381,061	134,861
Unused Vacation Payment to Terminated/Retired Staff	15,426	(3,224)	12,202		12,202
Purchased Professional and Technical Services	22,224		22,224	11,080	11,144
Cleaning, Repair and Maintenance Services	1,472,533	100,835	1,573,368	1,573,207	161
Rental of Land & Bldg. Oth. Than Lease Purch Agreement	210,200	(19,000)	191,200	176,603	14,597
Other Purchased Property Services	103,265		103,265	103,254	11
Miscellaneous Purchased Services	5,400		5,400	2,050	3,350
General Supplies	551,112	(72,501)	478,611	439,894	38,717
Energy (Natural Gas)	163,793	108,432	272,225	215,938	56,287
Energy (Electricity)	776,766	(62,100)	714,666	582,111	132,555
Energy (Gasoline)	10,000	6,402	16,402	16,321	81
Other Objects	17,216		17,216	3,094	14,122
Interest - Energy Savings Improvement Program Bonds	108,461	(7,641)	100,820	100,820	
Principal - Energy Savings Improvement Program Bonds	303,950	9,239	313,189	313,189	
Total Undist. Expend. - Custodial Services	<u>5,306,294</u>	<u>30,416</u>	<u>5,336,710</u>	<u>4,918,622</u>	<u>418,088</u>
Undist. Expend. - Care and Upkeep of Grounds (263)					
Salaries	20,000		20,000	19,437	563
Cleaning, Repair and Maintenance Services	181,979	107,000	288,979	245,732	43,247
General Supplies	34,346	(7,000)	27,346	16,449	10,897
Total Undist. Expend. - Care and Upkeep of Grounds	<u>236,325</u>	<u>100,000</u>	<u>336,325</u>	<u>281,618</u>	<u>54,707</u>
Undist. Expend. - Security (266)					
Salaries	239,898	4,510	244,408	244,406	2
Purchased Professional and Technical Services	420,034	(4,510)	415,524	341,914	73,610
Cleaning, Repair and Maintenance Services	34,913	(7,065)	27,848	27,848	
General Supplies	25,690	(90)	25,600	7,230	18,370
Total Undist. Expend. - Security	<u>720,535</u>	<u>(7,155)</u>	<u>713,380</u>	<u>621,398</u>	<u>91,982</u>
Undist. Expend. - Student Transportation Services (270)					
Salaries for Pupil Trans (Bet Home & Sch) - Sp Ed	541,638	13,933	555,571	555,398	173
Other Purchased Prof. and Tech. Services		1,080	1,080	1,080	
Cleaning, Repair and Maintenance Services	41,203	16,147	57,350	53,965	3,385
Contract Services - Aid in Lieu Pymts - NonPub Sch.	191,000	3,000	194,000	189,828	4,172
Contract Services (Between Home & School)-Vendors	286,186	(49,287)	236,899	236,564	335
Contract Services (Other than Between Home & School)-Vendors	200,106	(122,542)	77,564	44,264	33,300
Contract Services (Sp. Ed. Students)-Vendors	1,476,739	162,902	1,639,641	1,475,466	164,175
Misc. Purchased Services - Transportation	4,975	637	5,612	4,097	1,515
Transportation Supplies	34,700	(3,983)	30,717	30,716	1
Other Objects	14,000	(1,889)	12,111	8,322	3,789
Total Undist. Expend. - Student Transportation Services	<u>2,790,547</u>	<u>19,998</u>	<u>2,810,545</u>	<u>2,599,700</u>	<u>210,845</u>
UNALLOCATED BENEFITS (291)					
Social Security Contributions	860,212	55,047	915,259	884,190	31,069
Other Retirement Contributions-PERS	779,863	43,251	823,114	823,114	
Workmen's Compensation	150,000	21,200	171,200	170,170	1,030
Health Benefits	10,712,999	(505,762)	10,207,237	8,795,954	1,411,283
Tuition Reimbursement	105,000		105,000	84,835	20,165
Other Employee Benefits	83,400	12,761	96,161	96,161	
Unused Sick Payment to Terminated/Retired Staff	211,965	(67,808)	144,157	122,504	21,653
TOTAL UNALLOCATED BENEFITS	<u>12,903,439</u>	<u>(441,311)</u>	<u>12,462,128</u>	<u>10,976,928</u>	<u>1,485,200</u>

Exhibit C-1

FORT LEE BOARD OF EDUCATION
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2022

	<u>Original Budget</u>	<u>Budget Transfers/ Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
On-behalf TPAF Post Retirement Medical (non-budgeted)				2,580,081	(2,580,081)
On-behalf TPAF Pension (non-budgeted)				10,889,323	(10,889,323)
On-behalf TPAF NCGI Premium (non-budgeted)				153,633	(153,633)
On-behalf TPAF LTDI				4,335	(4,335)
Reimbursed TPAF Social Security Contributions (non-budgeted)				2,233,478	(2,233,478)
TOTAL ON-BEHALF CONTRIBUTIONS				<u>15,860,850</u>	<u>(15,860,850)</u>
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS	12,903,439	(441,311)	12,462,128	26,837,778	(14,375,650)
TOTAL UNDISTRIBUTED EXPENDITURES	<u>43,717,794</u>	<u>(364,092)</u>	<u>43,353,702</u>	<u>54,854,114</u>	<u>(11,500,412)</u>
TOTAL GENERAL CURRENT EXPENSE	<u>75,233,101</u>	<u>(131,402)</u>	<u>75,101,699</u>	<u>85,728,779</u>	<u>(10,627,080)</u>
CAPITAL OUTLAY					
Equipment					
Special Education - Instruction:					
School-Sponsored and Other Instructional Programs		12,243	12,243	12,243	
Total Equipment		<u>12,243</u>	<u>12,243</u>	<u>12,243</u>	
Undistributed					
Undistributed Expenditures - Instruction	54,241	59,159	113,400	113,341	59
Care and Upkeep of Grounds		60,000	60,000		60,000
School Buses-Reg.	271,824		271,824	256,884	14,940
Total Equipment	<u>326,065</u>	<u>119,159</u>	<u>445,224</u>	<u>370,225</u>	<u>74,999</u>
Facilities Acquisition and Construction Services					
Construction Services	4,369,641	2,063,959	6,433,600	2,779,436	3,654,164
Assessment for Debt Service on SDA Funding	17,534		17,534	17,534	
Total Facilities Acquisition and Construction Services	<u>4,387,175</u>	<u>2,063,959</u>	<u>6,451,134</u>	<u>2,796,970</u>	<u>3,654,164</u>
TOTAL CAPITAL OUTLAY	<u>4,713,240</u>	<u>2,195,361</u>	<u>6,908,601</u>	<u>3,179,438</u>	<u>3,729,163</u>
Transfer of Funds to Charter Schools	60,000		60,000		60,000
TOTAL EXPENDITURES	<u>80,006,341</u>	<u>2,063,959</u>	<u>82,070,300</u>	<u>88,908,217</u>	<u>(6,837,917)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(4,664,457)</u>	<u>(2,063,959)</u>	<u>(6,728,416)</u>	<u>3,908,117</u>	<u>10,636,533</u>
Other Financing Sources/(Uses):					
Operating Transfer In					
Capital Projects				5,529	5,529
Total Other Financing Sources/(Uses):				<u>5,529</u>	<u>5,529</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)	<u>(4,664,457)</u>	<u>(2,063,959)</u>	<u>(6,728,416)</u>	<u>3,913,646</u>	<u>10,642,062</u>
Fund Balance, July 1	<u>22,390,902</u>		<u>22,390,902</u>	<u>22,390,902</u>	
Fund Balance, June 30	<u>17,726,445</u>	<u>(2,063,959)</u>	<u>15,662,486</u>	<u>26,304,548</u>	<u>10,642,062</u>
Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures					
Adjustment for Prior Year Encumbrances	(1,555,757)		(1,555,757)	(1,555,757)	
Increase in Capital Reserve:					
Principal				6,388,855	6,388,855
Interest Deposit to Capital Reserve	50		50	11,558	11,508
Increase in Emergency Reserve					
Principal				57,378	57,378
Increase in Maintenance Reserve					
Principal				1,000,000	1,000,000
Withdrawal from Capital Reserve	(3,108,750)	(2,063,959)	(5,172,709)	(5,172,709)	
Budgeted Fund Balance	<u>(4,664,457)</u>	<u>(2,063,959)</u>	<u>(6,728,416)</u>	<u>3,913,646</u>	<u>10,642,062</u>

Exhibit C-1

FORT LEE BOARD OF EDUCATION
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2022

	<u>Original Budget</u>	<u>Budget Transfers/ Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Recapitulation:					
Restricted Fund Balance:					
Maintenance Reserve				3,500,000	
Capital Reserve				14,784,532	
Emergency Reserve				820,703	
Unemployment Compensation				252,302	
Committed Fund Balance:					
Year-end Encumbrances				1,428,939	
Assigned Fund Balance:					
Designated for Subsequent Year's Expenditures				1,260,742	
Unassigned Fund Balance				<u>4,257,330</u>	
Total Fund Balance per Governmental Funds (Budgetary)				26,304,548	
Recapitulation to Governmental Fund Statement (GAAP):					
Less: Last State Aid Payment not Recognized GAAP Basis				<u>276,143</u>	
Total Fund Balance per Governmental Funds (GAAP)				<u><u>26,028,405</u></u>	

* Include interest earnings on the unemployment compensation bank account

FORT LEE BOARD OF EDUCATION
Budgetary Comparison Schedule
Special Revenue Fund
Fiscal Year Ended June 30, 2022

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual	
REVENUES:						
Local Sources		278,189	278,189	247,025	(31,164)	note 1
State Sources	108,447	235,901	344,348	323,380	(20,968)	
Federal Sources	2,534,021	5,532,365	8,066,386	4,299,011	(3,767,375)	
Total Revenues	2,642,468	6,046,455	8,688,923	4,869,416	(3,819,507)	
EXPENDITURES:						
Instruction:						
Salaries of Teachers	732,916	632,982	1,365,898	453,911	911,987	
Purchased Professional and Technical Services		1,169,050	1,169,050	475,292	693,758	
Other Purchased Services (400-500 series)	712,539	499,060	1,211,599	1,210,866	733	
General Supplies	728,439	875,359	1,603,798	936,912	666,886	
Textbooks	8,455	4,449	12,904	12,904	-	
Other Objects		2,500	2,500	-	2,500	
Total instruction	2,182,349	3,183,400	5,365,749	3,090,063	2,275,686	
Support services:						
Salaries of Other Professional Staff	140,000	691,255	831,255	445,216	386,039	
Personal Services - Employee Benefits	52,277	573,718	625,995	199,799	426,196	
Purchased Professional - Educational Services	245,250	395,877	641,127	468,383	172,744	
Contracted Services - Trans. (Between Home and School)		20,050	20,050	20,050	-	
Travel		61,851	61,851	37,409	24,442	
Other Purchased Services (400-500 series)		58,774	58,774	9,464	49,310	
Supplies & Materials	22,592	266,548	289,140	247,092	42,048	
Other Objects		5,000	5,000	995	4,005	
Scholarships Awarded		15,000	15,000	7,250	7,750	note 1
Student Activity Disbursements		227,800	227,800	228,962	(1,162)	note 1
Total support services	460,119	2,315,873	2,775,992	1,664,620	1,111,372	
Facilities acquisition and const. serv.:						
NonInstructional Equipment		547,182	547,182	109,439	437,743	
Total facilities acquisition and const. serv.	-	547,182	547,182	109,439	437,743	
Total Expenditures	2,642,468	6,046,455	8,688,923	4,864,122	3,824,801	
Excess (Deficiency) of Revenues Over (Under)						
Expenditures and Other Financing Sources (Uses)	-	-	-	5,294	5,294	
Fund Balance, July 1				163,831		
Fund Balance, June 30				169,125		
Recapitulation:						
Restricted:						
Scholarships				\$ 33,303		
Student Activities				135,822		
Total Fund Balance				\$ 169,125		

note 1 Note required for student activity or scholarship funds

FORT LEE BOARD OF EDUCATION
Required Supplementary Information
Budgetary Comparison Schedule
Note to Required Supplementary Information - Part II
Fiscal Year Ended June 30, 2022

Note A - Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

		General Fund	Special Revenue Fund
Sources/inflows of resources			
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	[C-1]&[C-2]	92,816,334	4,869,416
Difference - 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			1,998
Current Year			(6,700)
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.		220,803	
The last state aid payment is recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the state recognizes the related expense (GASB 33).		(276,143)	
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2]	92,760,994	4,864,714
Uses/outflows of resources			
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1]&[C-2]	88,908,217	4,864,122
Differences - budget to GAAP			
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for <i>financial reporting</i> purposes.			
Prior Year			1,998
Current Year			(6,700)
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	[B-2]	88,908,217	4,859,420

**REQUIRED SUPPLEMENTARY
INFORMATION - PART III**

FORT LEE BOARD OF EDUCATION
Schedules of Required Supplementary Information
Schedule of District's Share of Net Pension Liability - PERS
*Last 10 Fiscal Years**

Fiscal Year Ending June 30,	District's	District's	District's	District's	District's	Plan Fiduciary
	Proportion of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	District's Covered Payroll - PERS Employee's	Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Its' Covered Payroll	Proportionate Share of the Net Pension Liability (Asset) as a Percentage of the Total Pension Liability	Net Position as a Percentage of the Total Pension Liability
2015	0.0734123712%	\$ 13,744,804	\$ 4,563,410	301.20%	47.92%	47.92%
2016	0.0723106900%	16,232,301	4,654,678	348.73%	94.63%	94.63%
2017	0.0664154082%	19,670,339	4,991,167	394.10%	100.77%	100.77%
2018	0.0740099344%	17,228,330	5,006,791	344.10%	90.77%	90.77%
2019	0.0722206363%	14,219,884	4,877,243	291.56%	83.06%	83.06%
2020	0.0702079967%	12,650,416	5,083,574	248.85%	78.30%	78.30%
2021	0.0672204665%	10,961,900	5,158,512	212.50%	73.38%	73.38%
2022	0.0702610879%	8,323,479	5,426,217	153.39%	54.77%	54.77%

* GASB requires that ten years of information be presented. However, since fiscal year 2015 was the first year of GASB 68 implementation ten years is not presented. Each year thereafter, an additional year will be included until ten years of data is presented.

FORT LEE BOARD OF EDUCATION
Schedules of Required Supplementary Information
Schedule of District's Contributions - PERS
*Last 10 Fiscal Years**

Fiscal Year Ending June 30,	Contractually Required Contribution		Contributions in Relations to the Contractually Required Contributions		Contribution Deficiency (Excess)	District's PERS Covered-Employee Payroll	Contributions as a Percentage of PERS Covered-Employee Payroll
	Contractually Required Contribution	Contractually Required Contributions	Contractually Required Contributions	Contractually Required Contributions			
2015	\$ 611,780	\$ (611,780)	\$	\$	-	\$ 4,563,410	13.41%
2016	\$ 621,678	\$ (621,678)	\$	\$	-	\$ 4,654,678	13.36%
2017	\$ 590,025	\$ (590,025)	\$	\$	-	\$ 4,991,167	11.82%
2018	\$ 685,623	\$ (685,623)	\$	\$	-	\$ 5,006,791	13.69%
2019	\$ 718,362	\$ (718,362)	\$	\$	-	\$ 4,877,243	14.73%
2020	\$ 682,917	\$ (682,917)	\$	\$	-	\$ 5,083,574	13.43%
2021	\$ 735,358	\$ (735,358)	\$	\$	-	\$ 5,158,512	14.26%
2022	\$ 822,839	\$ (822,839)	\$	\$	-	\$ 5,426,217	15.16%

* GASB requires that ten years of information be presented. However, since fiscal year 2015 was the first year of GASB 68 implementation ten years is not presented. Each year thereafter, an additional year will be included until ten years of data is presented.

FORT LEE BOARD OF EDUCATION
Schedules of Required Supplementary Information
Schedule of District's Share of Net Pension Liability - TPAF
*Last 10 Fiscal Years**

Fiscal Year Ending June 30,	District's Proportion of the Net Pension Liability (Asset)	District's Proportionate Share of the Net Pension Liability (Asset)	State's		District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Its' Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
			Proportionate Share of the Net Pension Liability Associated with the District (Asset)	District's Covered Payroll - TPAF Employee's		
2015	0.2535995199%	\$ -	\$ 135,540,690	\$ 24,914,404	0.00%	33.64%
2016	0.2639110999%	-	166,803,085	-	0.00%	28.71%
2017	0.2530444488%	-	199,060,875	-	0.00%	22.33%
2018	0.2473759367%	-	166,789,777	27,755,657	0.00%	25.41%
2019	0.2643570570%	-	168,178,281	29,170,745	0.00%	26.49%
2020	0.2669303760%	-	163,817,691	29,744,059	0.00%	26.95%
2021	0.2547669834%	-	167,760,993	31,199,911	0.00%	24.60%
2022	0.2674287535%	-	128,566,878	32,586,529	0.00%	35.52%

* GASB requires that ten years of information be presented. However, since fiscal year 2015 was the first year of GASB 68 implementation ten years is not presented. Each year thereafter, an additional year will be included until ten years of data is presented.

FORT LEE BOARD OF EDUCATION
Note to Required Schedules of Supplementary Information - Part III
Fiscal Year Ended June 30, 2022

PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS)

Change in benefit terms

None

Change in assumptions

None

TEACHERS PENSION AND ANNUITY FUND (TPAF)

Change in benefit terms

None

Change in assumptions

None

FORT LEE BOARD OF EDUCATION
Schedule of Required Supplementary Information
Schedule of Changes in the District's Proportionate Share of the State OPEB Liability
*Last 10 Fiscal Years**

	2022	2021	2020	2019	2018
Total OPEB Liability					
Service Costs	\$ 7,309,426	\$ 4,167,095	\$ 3,962,686	\$ 4,370,142	\$ 5,280,118
Interest on Total OPEB Liability	3,383,812	3,231,109	3,870,677	4,055,443	3,494,705
Changes of Benefit Terms	(138,840)				
Difference between Expected and Actual Expenditures	(22,989,031)	24,469,715	(14,510,600)	(7,520,827)	
Changes in Assumptions	128,691	26,546,303	1,332,461	(11,174,057)	(14,722,357)
Gross Benefit Payments	(2,665,496)	(2,530,029)	(2,743,283)	(2,603,724)	(2,551,451)
Contribution from the Member	86,507	76,685	81,319	89,989	93,951
Net Changes in total Share of OPEB Liability	<u>(14,884,931)</u>	<u>55,960,878</u>	<u>(8,006,740)</u>	<u>(12,783,034)</u>	<u>(8,405,034)</u>
Total OPEB Liability - Beginning	<u>145,327,297</u>	<u>89,366,419</u>	<u>97,373,159</u>	<u>110,156,193</u>	<u>118,561,227</u>
Total OPEB Liability - Ending	<u>\$ 130,442,366</u>	<u>\$ 145,327,297</u>	<u>\$ 89,366,419</u>	<u>\$ 97,373,159</u>	<u>\$ 110,156,193</u>
District's Proportionate Share of OPEB Liability	\$ -	\$ -	\$ -	\$ -	\$ -
State's Proportionate Share of OPEB Liability	130,442,366	145,327,297	89,366,419	97,373,159	10,156,193
Total OPEB Liability - Ending	<u>\$ 130,442,366</u>	<u>\$ 145,327,297</u>	<u>\$ 89,366,419</u>	<u>\$ 97,373,159</u>	<u>\$ 10,156,193</u>
District's Covered Employee Payroll	<u>\$ 38,012,746</u>	<u>\$ 36,358,423</u>	<u>\$ 34,827,633</u>	<u>\$ 34,047,988</u>	<u>\$ 32,762,448</u>
Districts' Proportionate Share of the Total OPEB Liability as a Percentage of its Covered Payroll	0%	0%	0%	0%	0%

Notes to Schedule:

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB 75.

Change in benefit terms Decrease in liability due to employers adopting provisions of Chapter 44.

Change in assumptions Assumptions used in calculating the OPEB liability are presented in Note 8.

* GASB requires that ten years of information be presented. However, since fiscal year 2018 was the first year of GASB 75 implementation ten years is not presented. Each year thereafter, an additional year will be included until ten years of data is presented.

Other Supplementary Information

SPECIAL REVENUE FUND

FORT LEE BOARD OF EDUCATION
 Special Revenue Fund
 Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
 Fiscal Year Ended June 30, 2022

	Total Brought Forward (Ex. E-1a)	I.D.E.A Part B		ARP - I.D.E.A Part B		ESEA Title I, Part A	Totals 2022
		Basic	Preschool	Basic	Preschool		
REVENUES							
Local Sources	247,025						247,025
State Sources	323,380						323,380
Federal Sources	2,421,977	1,246,784	29,617	177,398	16,236	406,999	4,299,011
Total Revenues	2,992,382	1,246,784	29,617	177,398	16,236	406,999	4,869,416
EXPENDITURES:							
Instruction:							
Salaries of Teachers	177,193	93,410				183,308	453,911
Purchased Professional and Technical Services	365,140					110,152	475,292
Other Purchased Services (400-500 series)	93,449	1,019,292		98,125			1,210,866
General Supplies	884,242	16,423	374	21,439	798	13,636	936,912
Textbooks	12,904						12,904
Other Objects	-					178	178
Total instruction	1,532,928	1,129,125	374	119,564	798	307,274	3,090,063
Support services:							
Salaries of Other Professional Staff	445,216						445,216
Personal Services - Employee Benefits	59,948	42,474				97,377	199,799
Purchased Professional - Educational Services	288,733	75,185	29,243	57,834	15,438	1,950	468,383
Contracted Transportation Services (Between Home and School)	20,050						20,050
Travel	37,011					398	37,409
Other Purchased Services (400-500 series)	9,464						9,464
Supplies & Materials	247,092						247,092
Other Objects	995						995
Scholarships Awarded	7,250						7,250
Student Activities	228,962						228,962
Total support services	1,344,721	117,659	29,243	57,834	15,438	99,725	1,664,620
Facilities acquisition and const. serv.:							
NonInstructional Equipment	109,439						109,439
Total facilities acquisition and const. serv.	109,439	-	-	-	-	-	109,439
Total Expenditures	2,987,088	1,246,784	29,617	177,398	16,236	406,999	4,864,122
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	5,294	-	-	-	-	-	5,294
Fund Balance, July 1	163,831						163,831
Fund Balance, June 30	169,125						169,125

FORT LEE BOARD OF EDUCATION
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
Fiscal Year Ended June 30, 2022

	Total Brought Forward (Ex. E-1b)	ESEA Title II, Part A Principal Training & Recruiting	ESEA Title III	ESEA Title IV	ESSER I	CRRSA-ESSER II	Total Carried Forward
REVENUES							
Local Sources	247,025						247,025
State Sources	323,380			10,031	124,478	1,215,252	323,380
Federal Sources	945,005	44,988	82,223				2,421,977
Total Revenues	1,515,410	44,988	82,223	10,031	124,478	1,215,252	2,992,382
EXPENDITURES:							
Instruction:							
Salaries of Teachers	16,689		6,120		105,226	49,158	177,193
Purchased Professional and Technical Services	258,281					106,859	365,140
Other Purchased Services (400-500 series)	93,449						93,449
General Supplies	263,081		37,381	1,768		582,012	884,242
Textbooks	12,904						12,904
Other Objects	-						-
Total instruction	644,404	-	43,501	1,768	105,226	738,029	1,532,928
Support services:							
Salaries of Other Professional Staff	260,715				8,243	176,258	445,216
Personal Services - Employee Benefits	34,053		492		10,014	15,389	59,948
Purchased Professional - Educational Services	197,017	7,977	38,230			45,509	288,733
Contracted Transportation Services (Between Home and School)	20,050						20,050
Travel	-	37,011					37,011
Other Purchased Services (400-500 series)	8,226			1,238			9,464
Supplies & Materials	-			7,025		240,067	247,092
Other Objects	-				995		995
Scholarships Awarded	7,250						7,250
Student Activities	228,962						228,962
Total support services	756,273	44,988	38,722	8,263	19,252	477,223	1,344,721
Facilities acquisition and const. serv.:							
NonInstructional Equipment	109,439						109,439
Total facilities acquisition and const. serv.	109,439	-	-	-	-	-	109,439
Total Expenditures	1,510,116	44,988	82,223	10,031	124,478	1,215,252	2,987,088
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	5,294	-	-	-	-	-	5,294
Fund Balance, July 1	163,831						163,831
Fund Balance, June 30	169,125						169,125

FORT LEE BOARD OF EDUCATION
 Special Revenue Fund
 Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
 Fiscal Year Ended June 30, 2022

	Total Brought Forward (Ex. E-1c)	CR Learning Acceleration	CR Mental Health	ACSERS	ARP-ESSER	Career and Technical Education - Basic Grants (Perkins)	Total Carried Forward
REVENUES							
Local Sources	247,025						247,025
State Sources	323,380						323,380
Federal Sources	59,292	44,198	40,928	111,792	676,338	12,457	945,005
Total Revenues	629,697	44,198	40,928	111,792	676,338	12,457	1,515,410
EXPENDITURES:							
Instruction:							
Salaries of Teachers	5,519	11,170					16,689
Purchased Professional and Technical Services	-	9,895	6,590		241,796	1,707	258,281
Other Purchased Services (400-500 series)	-			91,742			93,449
General Supplies	46,487	21,753	4,955		182,786	7,100	263,081
Textbooks	12,904						12,904
Other Objects	-						-
Total instruction	64,910	42,818	11,545	91,742	424,582	8,807	644,404
Support services:							
Salaries of Other Professional Staff	25,292		24,940		210,483		260,715
Personal Services - Employee Benefits	11,500	1,380	1,859		19,314		34,053
Purchased Professional - Educational Services	189,217		2,000		5,800		197,017
Contracted Transportation Services (Between Home and School)	-			20,050			20,050
Travel	-						-
Other Purchased Services (400-500 series)	-		584		3,992	3,650	8,226
Supplies & Materials	-						-
Other Objects	-						-
Scholarships Awarded	7,250						7,250
Student Activities	228,962						228,962
Total support services	462,221	1,380	29,383	20,050	239,589	3,650	756,273
Facilities acquisition and const. serv.:							
NonInstructional Equipment	97,272				12,167		109,439
Total facilities acquisition and const. serv.	97,272	-	-	-	12,167	-	109,439
Total Expenditures	624,403	44,198	40,928	111,792	676,338	12,457	1,510,116
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	5,294	-	-	-	-	-	5,294
Fund Balance, July 1	163,831						163,831
Fund Balance, June 30	169,125						169,125

FORT LEE BOARD OF EDUCATION
 Special Revenue Fund
 Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
 Fiscal Year Ended June 30, 2022

	Total Brought Forward (Ex. E-1d)	ARP - NJTSS			N.J. Nonpublic Handicapped Services, Chapter 193		Total Carried Forward
		ARP- ESSER Accelerated Learning	Mental Health Support Staffing	Supplemental Instruction	Examination & Classification	Corrective Speech	
REVENUES							
Local Sources	247,025						247,025
Slate Sources	277,252			10,572	21,226	14,330	323,380
Federal Sources	-	22,500	36,792				59,292
Total Revenues	524,277	22,500	36,792	10,572	21,226	14,330	629,697
EXPENDITURES:							
Instruction:							
Salaries of Teachers	5,519						5,519
Purchased Professional - Educational Services	-						-
Other Purchased Services (400-500 series)	-						-
General Supplies	46,487						46,487
Textbooks	12,904						12,904
Other Objects	-						-
Total instruction	64,910	-	-	-	-	-	64,910
Support services:							
Salaries of Other Professional Staff	-		25,292				25,292
Personal Services - Employee Benefits	-		11,500				11,500
Purchased Professional - Educational Services	120,589	22,500		10,572	21,226	14,330	189,217
Contracted Transportation Services (Between Home and School)	-						-
Travel	-						-
Other Purchased Services (400-500 series)	-						-
Supplies & Materials	-						-
Other Objects	-						-
Scholarships Awarded	7,250						7,250
Student Activities	228,962						228,962
Total support services	356,801	22,500	36,792	10,572	21,226	14,330	462,221
Facilities acquisition and const. serv.:							
NonInstructional Equipment	97,272						97,272
Total facilities acquisition and const. serv.	97,272	-	-	-	-	-	97,272
Total Expenditures	518,983	22,500	36,792	10,572	21,226	14,330	624,403
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	5,294	-	-	-	-	-	5,294
Fund Balance, July 1	163,831						163,831
Fund Balance, June 30	169,125						169,125

FORT LEE BOARD OF EDUCATION
 Special Revenue Fund
 Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
 Fiscal Year Ended June 30, 2022

	Total Brought Forward (Ex. E-1e)	N.J Nonpublic Auxiliary Services Chapter 192		SDA Emergent Needs and Capital Maintenance	N.J. Nonpublic Textbook Aid	N.J. Nonpublic Nursing Aid	Total Carried Forward
		Compensatory Education	English as a Second Language				
REVENUES							
Local Sources	247,025						247,025
State Sources	46,487	53,300	43,209	97,272	12,904	24,080	277,252
Federal Sources	-						-
Total Revenues	293,512	53,300	43,209	97,272	12,904	24,080	524,277
EXPENDITURES:							
Instruction:							
Salaries of Teachers	5,519						5,519
Purchased Professional - Educational Services	-						-
Other Purchased Services (400-500 series)	-						-
General Supplies	46,487						46,487
Textbooks	-				12,904		12,904
Other Objects	-						-
Total instruction	52,006	-	-	-	12,904	-	64,910
Support services:							
Salaries of Other Professional Staff	-						-
Personal Services - Employee Benefits	-						-
Purchased Professional - Educational Services	-	53,300	43,209			24,080	120,589
Contracted Transportation Services (Between Home and School)	-						-
Travel	-						-
Other Purchased Services (400-500 series)	-						-
Supplies & Materials	-						-
Other Objects	-						-
Scholarships Awarded	7,250						7,250
Student Activities	228,962						228,962
Total support services	236,212	53,300	43,209	-	-	24,080	356,801
Facilities acquisition and const. serv.:							
NonInstructional Equipment	-			97,272			97,272
Total facilities acquisition and const. serv.	-	-	-	97,272	-	-	97,272
Total Expenditures	288,218	53,300	43,209	97,272	12,904	24,080	518,983
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	5,294	-	-	-	-	-	5,294
Fund Balance, July 1	163,831						163,831
Fund Balance, June 30	169,125						169,125

FORT LEE BOARD OF EDUCATION
 Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
 Fiscal Year Ended June 30, 2022

	Total Brought Forward (Ex. E-1f)	N.J. Nonpublic Technology Aid	N.J. Nonpublic Security Aid	Local Programs	Scholarship Awards	School No. 1 Student Activity Fund	Total Carried Forward
REVENUES							
Local Sources	232,148			5,519	9,229	129	247,025
State Sources	-	8,884	37,603				46,487
Federal Sources	-						-
Total Revenues	232,148	8,884	37,603	5,519	9,229	129	293,512
EXPENDITURES:							
Instruction:							
Salaries of Teachers	-			5,519			5,519
Purchased Professional - Educational Services	-						-
Other Purchased Services (400-500 series)	-						-
General Supplies	-	8,884	37,603				46,487
Textbooks	-						-
Other Objects	-						-
Total instruction	-	8,884	37,603	5,519	-	-	52,006
Support services:							
Salaries of Other Professional Staff	-						-
Personal Services - Employee Benefits	-						-
Purchased Professional - Educational Services	-						-
Contracted Transportation Services (Between Home and School)	-						-
Travel	-						-
Other Purchased Services (400-500 series)	-						-
Supplies & Materials	-						-
Other Objects	-						-
Scholarships Awarded	-				7,250		7,250
Student Activities	228,962						228,962
Total support services	228,962	-	-	-	7,250	-	236,212
Facilities acquisition and const. serv.:							
NonInstructional Equipment	-						-
Total facilities acquisition and const. serv.	-	-	-	-	-	-	-
Total Expenditures	228,962	8,884	37,603	5,519	7,250	-	288,218
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)							
Fund Balance, July 1	3,186	-	-	-	1,979	129	5,294
Fund Balance, June 30	128,991				31,324	3,516	163,831
	132,177	-	-	-	33,303	3,645	169,125

FORT LEE BOARD OF EDUCATION
 Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
 Fiscal Year Ended June 30, 2022

	Total Brought Forward (Ex. E-1g)	School No. 2 Student Activity Fund	School No. 3 Student Activity Fund	School No. 4 Student Activity Fund	Middle School Student Activity Fund	Intermediate School Student Activity Fund	Total Carried Forward
REVENUES							
Local Sources	179,260	2,697	126	2,562	37,034	10,469	232,148
State Sources	-	-	-	-	-	-	-
Federal Sources	-	-	-	-	-	-	-
Total Revenues	179,260	2,697	126	2,562	37,034	10,469	232,148
EXPENDITURES:							
Instruction:							
Salaries of Teachers	-	-	-	-	-	-	-
Purchased Professional - Educational Services	-	-	-	-	-	-	-
Other Purchased Services (400-500 series)	-	-	-	-	-	-	-
General Supplies	-	-	-	-	-	-	-
Textbooks	-	-	-	-	-	-	-
Other Objects	-	-	-	-	-	-	-
Total instruction	-	-	-	-	-	-	-
Support services:							
Salaries of Other Professional Staff	-	-	-	-	-	-	-
Personal Services - Employee Benefits	-	-	-	-	-	-	-
Purchased Professional - Educational Services	-	-	-	-	-	-	-
Contracted Transportation Services (Between Home and School)	-	-	-	-	-	-	-
Travel	-	-	-	-	-	-	-
Miscellaneous Purchased Services	-	-	-	-	-	-	-
Supplies & Materials	-	-	-	-	-	-	-
Other Objects	-	-	-	-	-	-	-
Scholarships Awarded	-	-	-	-	-	-	-
Student Activities	186,268	1,102	-	2,210	39,187	195	228,962
Total support services	186,268	1,102	-	2,210	39,187	195	228,962
Facilities acquisition and const. serv.:							
NonInstructional Equipment	-	-	-	-	-	-	-
Total facilities acquisition and const. serv.	-	-	-	-	-	-	-
Total Expenditures	186,268	1,102	-	2,210	39,187	195	228,962
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	(7,008)	1,595	126	352	(2,153)	10,274	3,186
Fund Balance, July 1	111,536	40	874	6,054	10,487	-	128,991
Fund Balance, June 30	104,528	1,635	1,000	6,406	8,334	10,274	132,177

FORT LEE BOARD OF EDUCATION
 Special Revenue Fund
 Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
 Fiscal Year Ended June 30, 2022

	High School Student Activity Fund	Athletic Dept. Student Activity Fund	Total Carried Forward
REVENUES			
Local Sources	104,021	75,239	179,260
State Sources	-	-	-
Federal Sources	-	-	-
Total Revenues	104,021	75,239	179,260
EXPENDITURES:			
Instruction:			
Salaries of Teachers	-	-	-
Purchased Professional - Educational Services	-	-	-
Other Purchased Services (400-500 series)	-	-	-
General Supplies	-	-	-
Textbooks	-	-	-
Other Objects	-	-	-
Total instruction	-	-	-
Support services:			
Salaries of Other Professional Staff	-	-	-
Personal Services - Employee Benefits	-	-	-
Purchased Professional - Educational Services	-	-	-
Contracted Transportation Services (Between Home and School)	-	-	-
Travel	-	-	-
Miscellaneous Purchased Services	-	-	-
Supplies & Materials	-	-	-
Other Objects	-	-	-
Scholarships Awarded	-	-	-
Student Activities	93,866	92,402	186,268
Total support services	93,866	92,402	186,268
Facilities acquisition and const. serv.:			
NonInstructional Equipment	-	-	-
Total facilities acquisition and const. serv.	-	-	-
Total Expenditures	93,866	92,402	186,268
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	10,155	(17,163)	(7,008)
Fund Balance, July 1	92,715	18,821	111,536
Fund Balance, June 30	102,870	1,658	104,528

CAPITAL PROJECTS FUND

FORT LEE BOARD OF EDUCATION
Capital Projects Fund
Summary Schedule of Revenues, Expenditures, and Changes
in Fund Balance-Budgetary Basis
Fiscal Year Ended June 30, 2022

Revenues and Other Financing Sources

State Sources - SCC Grant	-
Bond proceeds and transfers	-
Capital lease proceeds and transfers	-
Transfers from Capital Reserve	-
Transfers from Capital Outlay	-
Interest on Investments	5,529
	5,529

Expenditures and Other Financing Uses

Purchased professional and technical services	2,470
Land and improvements	-
Construction services	228,397
Equipment purchases	-
	230,867

Excess (deficiency) of revenues over (under) expenditures (225,338)

Other Finance Sources (Uses)

Transfers out:	
General Fund	(5,529)
	(5,529)

Net change in fund balance (230,867)

Fund balance - beginning 2,815,743

Fund balance - ending 2,584,876

FORT LEE BOARD OF EDUCATION
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balances and Project Status-Budgetary Basis
Lewis F. Cole Middle School Additions
Fiscal Year Ended June 30, 2022

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SCC Grant			-	
Bond proceeds and transfers	37,255,566		37,255,566	37,255,566
Capital lease proceeds and transfers			-	-
Transfers from Capital Reserve			-	-
Transfers from Capital Outlay			-	-
	<u>37,255,566</u>	<u>-</u>	<u>37,255,566</u>	<u>37,255,566</u>
Expenditures and Other Financing Uses				
Purchased professional and technical services	3,911,275	2,470	3,913,745	459,022
Land and improvements			-	
Construction services	29,038,788	168,761	29,207,549	35,190,417
Equipment purchases	1,604,523		1,604,523	1,606,127
	<u>34,554,586</u>	<u>171,231</u>	<u>34,725,817</u>	<u>37,255,566</u>
Other Finance Sources (Uses)				
Transfers out			-	
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,700,980</u>	<u>(171,231)</u>	<u>2,529,749</u>	<u>-</u>
Additional project information:				
Project number	1550-050-15-1000			
Grant Date	11/18/2014			
Bond authorization date	N/A			
Bonds authorized	N/A			
Bonds issued	N/A			
Original authorization 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	93.21%			
Original target completion date	12/31/2016			
Revised target completion date	6/30/2022			

FORT LEE BOARD OF EDUCATION
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balances and Project Status-Budgetary Basis
School No. 2 Additions
Fiscal Year Ended June 30, 2022

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SCC Grant			-	
Bond proceeds and transfers	10,970,000		10,970,000	10,970,000
Capital lease proceeds and transfers			-	-
Transfers from Capital Reserve			-	-
Transfers from Capital Outlay			-	-
	<u>10,970,000</u>	<u>-</u>	<u>10,970,000</u>	<u>10,970,000</u>
Expenditures and Other Financing Uses				
Purchased professional and technical services	1,092,603		1,092,603	1,096,019
Land and improvements			-	-
Construction services	9,772,649	59,636	9,832,285	9,873,981
Equipment purchases			-	-
	<u>10,865,252</u>	<u>59,636</u>	<u>10,924,888</u>	<u>10,970,000</u>
Other Finance Sources (Uses)				
Transfers in			-	
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>104,748</u>	<u>(59,636)</u>	<u>45,112</u>	<u>-</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 authorization cost	10,970,000			
Additional authorized cost				
Revised authorized cost	10,970,000			
Percentage increase over original authorized cost	0.00%			
Percentage completion	99.59%			
Original target completion date	11/30/2015			
Revised target completion date	6/30/2022			

FORT LEE BOARD OF EDUCATION
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balances and Project Status-Budgetary Basis
Energy Savings Investment Plan
Fiscal Year Ended June 30, 2022

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SCC Grant			-	
Bond proceeds and transfers			-	
Capital lease proceeds and transfers	5,571,444		5,571,444	5,571,444
Transfers from Capital Reserve			-	-
Transfers from Capital Outlay			-	-
	<u>5,571,444</u>	<u>-</u>	<u>5,571,444</u>	<u>5,571,444</u>
Expenditures and Other Financing Uses				
Purchased professional and technical services			-	
Land and improvements			-	-
Construction services	5,569,798		5,569,798	5,571,444
Equipment purchases			-	-
	<u>5,569,798</u>	<u>-</u>	<u>5,569,798</u>	<u>5,571,444</u>
Other Finance Sources (Uses)				
Transfers out			-	
			-	
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,646</u>	<u>-</u>	<u>1,646</u>	<u>-</u>
Additional project information:				
Project number		N/A		
Grant Date		4/16/2015		
Bond authorization date		N/A		
Bonds authorized		N/A		
Bonds issued		N/A		
Original authorization cost		5,571,444		
Additional authorized cost				
Revised authorized cost		5,571,444		
Percentage increase over original authorized cost		0%		
Percentage completion		99.97%		
Original target completion date		9/1/2018		
Revised target completion date		Complete		

FORT LEE BOARD OF EDUCATION
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balances and Project Status-Budgetary Basis
High School Masonry Project
Fiscal Year Ended June 30, 2022

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SCC Grant			-	-
Bond proceeds and transfers	377,394		377,394	377,394
Capital lease proceeds and transfers			-	-
Transfers from Capital Reserve			-	-
Transfers from Capital Outlay			-	-
	<u>377,394</u>	<u>-</u>	<u>377,394</u>	<u>377,394</u>
Expenditures and Other Financing Uses				
Purchased professional and technical services	29,500		29,500	29,500
Land and improvements			-	-
Construction services	339,525		339,525	347,894
Equipment purchases			-	-
	<u>369,025</u>	<u>-</u>	<u>369,025</u>	<u>377,394</u>
Other Finance Sources (Uses)				
Transfers out			-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>8,369</u>	<u>-</u>	<u>8,369</u>	<u>-</u>
Additional project information:				
Project number	1550-050-10-1002			
Grant Date	9/28/2010			
Bond authorization date	N/A			
Bonds authorized	N/A			
Bonds issued	N/A			
Original authorization cost	796,077			
Additional authorized cost	(418,683)			
Revised authorized cost	377,394			
Percentage increase over original authorized cost	-52.59%			
Percentage completion	97.78%			
Original target completion date	6/30/2021			
Revised target completion date	Complete			

FORT LEE BOARD OF EDUCATION
Capital Projects Fund
Summary Statement of Project Expenditures
Fiscal Year Ended June 30, 2022

Project Title/Issue	Date	Appropriations	Expenditures to Date		Unexpended Project Funds Transferred Out	Unexpended Balance June 30, 2022
			Prior Years	Current Year		
Lewis F. Cole Middle School Additions	2014-2022	37,255,566	34,554,586	171,231		2,529,749
School No. 2 Additions	2014-2022	10,970,000	10,865,252	59,636		45,112
Energy Savings Investment Plan	2015-2022	5,571,444	5,569,798	-		1,646
High School Masonry Project	2010-2022	377,394	369,025	-		8,369
		<u>54,174,404</u>	<u>51,358,661</u>	<u>230,867</u>	<u>-</u>	<u>2,584,876</u>

PROPRIETARY FUNDS

FORT LEE BOARD OF EDUCATION
Combining Statement of Net Position
Enterprise Funds
Fiscal Year Ended June 30, 2022

	<u>Food Service Program</u>	<u>Totals</u>
ASSETS		
Current assets:		
Cash and cash equivalents	590,106	590,106
Accounts receivable:		
State	9,279	9,279
Federal	516,148	516,148
Other	13,196	13,196
Inventories	15,043	15,043
Total current assets	<u>1,143,772</u>	<u>1,143,772</u>
Noncurrent assets:		
Capital assets:		
Equipment	604,413	604,413
Less accumulated depreciation	<u>(499,898)</u>	<u>(499,898)</u>
Total capital assets (net of accumulated depreciation)	<u>104,515</u>	<u>104,515</u>
Total assets	<u>1,248,287</u>	<u>1,248,287</u>
LIABILITIES		
Current Liabilities:		
Accounts Payable	120,108	120,108
Deferred Revenue	84,145	84,145
Prepaid Revenue	49,727	49,727
Total Liabilities	<u>253,980</u>	<u>253,980</u>
NET POSITION		
Net investment in capital assets	104,515	104,515
Unrestricted	<u>889,792</u>	<u>889,792</u>
Total net position	<u>994,307</u>	<u>994,307</u>

FORT LEE BOARD OF EDUCATION
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
Enterprise Funds
Fiscal Year Ended June 30, 2022

	Food Service Program	Totals
Operating revenues:		
Charges for services:		
Daily sales - reimbursable programs	114,242	114,242
Daily sales - other	58,227	58,227
Total operating revenues	172,469	172,469
Operating expenses:		
Cost of food - reimbursable programs	870,969	870,969
Cost of food - non-reimbursable programs	59,003	59,003
Salaries	640,946	640,946
Supplies and materials	80,783	80,783
Employee benefits	223,738	223,738
Depreciation	16,297	16,297
Repairs and other expenses	64,478	64,478
Purchased services	158,357	158,357
Total Operating Expenses	2,114,571	2,114,571
Operating income (loss)	(1,942,102)	(1,942,102)
Nonoperating revenues (expenses):		
State sources:		
State school lunch program	47,788	47,788
Federal sources:		
National school lunch program	2,033,532	2,033,532
National school breakfast program	164,433	164,433
P-EBT Administrative Cost	628	628
U.S.D.A. Commodities	127,661	127,661
Miscellaneous	681	681
Total nonoperating revenues (expenses)	2,374,723	2,374,723
Income (loss) before contributions & transfers	432,621	432,621
Total net position—beginning (restated)	561,686	561,686
Total net position—ending	994,307	994,307

FORT LEE BOARD OF EDUCATION
Combining Statement of Cash Flows
Enterprise Funds
Fiscal Year Ended June 30, 2022

	Food Service Program	Totals
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	160,928	160,928
Payments to suppliers	(1,886,470)	(1,886,470)
Net cash provided by (used for) operating activities	(1,725,542)	(1,725,542)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State Sources	43,025	43,025
Federal Sources	1,990,674	1,990,674
Net cash provided by (used for) non-capital financing activities	2,033,699	2,033,699
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition of capital assets	(9,812)	(9,812)
Net cash used for capital and related financing activities	(9,812)	(9,812)
CASH FLOWS FROM INVESTMENT AND RELATED FINANCING ACTIVITIES		
Interest on investments	681	681
Net cash used for investment and related financing activities	681	681
Net increase (decrease) in cash and cash equivalents	299,026	299,026
Balances—beginning of year	291,080	291,080
Balances—end of year	590,106	590,106
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	(1,942,102)	(1,942,102)
Adjustments to reconcile operating income (loss) to net cash provided by		
Depreciation and net amortization	16,297	16,297
Food distribution program	127,460	127,460
(Increase) decrease in accounts receivable	(168)	(168)
(Increase) decrease in inventories	(809)	(809)
Increase (decrease) in prepaid revenue	(11,374)	(11,374)
Increase (decrease) in accounts payable	85,154	85,154
Total adjustments	216,560	216,560
Net cash provided by (used for) operating activities	(1,725,542)	(1,725,542)

LONG-TERM DEBT

**FORT LEE BOARD OF EDUCATION
General Long-Term Debt Account Group
Schedule of Serial Bonds
Fiscal Year Ended June 30, 2022**

Issue	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance, July 1, 2021	Retired	Balance, June 30, 2022
			Date	Amount				
BCIA Improvement Bonds	August 7, 2012	18,450,000	11/1/2022	895,000	5.000	\$ 1,750,000	855,000	\$ 895,000
General Serial Bonds	April 7, 2015	49,840,000	3/15/2023	1,595,000	3.000	42,515,000	1,550,000	40,965,000
			3/15/2024	1,650,000	3.000			
			3/15/2025	1,700,000	3.000			
			3/15/2026	1,755,000	3.000			
			3/15/2027	1,810,000	3.000			
			3/15/2028	1,870,000	3.000			
			3/15/2029	1,930,000	3.125			
			3/15/2030	1,990,000	3.250			
			3/15/2031	2,055,000	3.250			
			3/15/2032	2,125,000	3.250			
			3/15/2033	2,195,000	3.250			
			3/15/2034	2,270,000	3.250			
			3/15/2035	2,345,000	3.500			
			3/15/2036	2,435,000	3.500			
			3/15/2037	2,510,000	3.500			
			3/15/2038	2,580,000	3.500			
3/15/2039	2,650,000	3.500						
3/15/2040	2,720,000	3.500						
3/15/2041	2,780,000	3.500						
General Refunding Bonds	October 22, 2020	11,285,000	12/1/2022	195,000	0.707	11,025,000	195,000	10,830,000
			12/1/2023	1,120,000	0.854			
			12/1/2024	1,130,000	1.020			
			12/1/2025	1,140,000	1.170			
			12/1/2026	1,160,000	1.418			
			12/1/2027	1,175,000	1.568			
			12/1/2028	1,195,000	1.834			
			12/1/2029	1,220,000	1.934			
			12/1/2030	1,240,000	2.034			
			12/1/2031	1,255,000	2.134			
						\$ 55,290,000	2,600,000	52,690,000

FORT LEE BOARD OF EDUCATION
General Long-Term Debt Account Group
Schedule of Capital Leases
Fiscal Year Ended June 30, 2022

Issue	Date of Lease	Amount of Lease	Principal Payment		Interest Rate	Balance, June 30, 2021	Retired	Balance, June 30, 2022
			Date	Amount				
Energy Savings Investment Plan	April 16, 2015	5,571,444	10/16/22	165,112	2.495 %	4,118,677	313,189	3,805,488
			4/16/23	167,258	2.495 %			
			10/16/23	175,024	2.495 %			
			4/16/24	177,300	2.495 %			
			10/16/24	185,337	2.495 %			
			4/16/25	187,746	2.495 %			
			10/16/25	196,062	2.495 %			
			4/16/26	198,611	2.495 %			
			10/16/26	207,212	2.495 %			
			4/16/27	209,906	2.495 %			
			10/16/27	218,807	2.495 %			
			4/16/28	221,652	2.495 %			
			10/16/28	230,858	2.495 %			
		4/16/29	233,860	2.495 %				
		10/16/29	243,382	2.495 %				
		4/16/30	246,546	2.495 %				
		10/16/30	256,396	2.495 %				
		4/16/31	284,419	2.495 %				
						\$ 4,118,677	313,189	3,805,488

FORT LEE BOARD OF EDUCATION
Budgetary Comparison Schedule
Debt Service Fund
Fiscal Year Ended June 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	3,804,061		3,804,061	3,804,061	-
Total - Local Sources	3,804,061	-	3,804,061	3,804,061	-
State Sources:					
Debt Service Aid Type II	410,304		410,304	410,304	-
Total - State Sources	410,304	-	410,304	410,304	-
Total Revenues	4,214,365	-	4,214,365	4,214,365	-
EXPENDITURES:					
Regular Debt Service:					
Interest	1,614,366		1,614,366	1,614,366	-
Redemption of Principal	2,600,000		2,600,000	2,600,000	-
Total Regular Debt Service	4,214,366	-	4,214,366	4,214,366	-
Total expenditures	4,214,366	-	4,214,366	4,214,366	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1)	-	(1)	(1)	-
Fund Balance, July 1	67,385	-	67,385	67,385	-
Fund Balance, June 30	67,384	-	67,384	67,384	-
Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures					
Budgeted Fund Balance	(1)		(1)	(1)	-
Total	(1)	-	(1)	(1)	-

STATISTICAL SECTION

STATISTICAL SECTION (UNAUDITED)

Introduction to the Statistical Section

Financial Trends

- J-1 Net Assets/Position by Component
- J-2 Changes in Net Assets/Position
- J-3 Fund Balances - Governmental Funds
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Revenue Capacity

- J-6 Assessed Value and Estimated Actual Value of Taxable Property
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Debt Capacity

- J-10 Ratios of Outstanding Debt by Type
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Demographic and Economic Information

- J-14 Demographic and Economic Statistics
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Operating Information

- J-16 Full-time Equivalent District Employees by Function/Program
- J-17 Operating Statistics
- J-18 School Building Information*
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- J-20 Insurance Schedule

STATISTICAL SECTION (UNAUDITED) - INTRODUCTION

J SERIES

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Financial Trends These schedules contain trend information to help the reader understand how the district's financial performance and well-being have changes over time.	J-1 to J-5
Revenue Capacity These schedules contain information to help the reader assess the district's most significant local revenue sources, the property tax.	J-6 to J-9
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.	J-10 to J-13
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.	J-14 to J-15
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.	J-16 to J-20
Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports (CAFR) for the relevant year. The district implemented GASB Statement 34 in the fiscal year ending June 30, 2004; schedules presenting district-wide information include information beginning in that year.	

Fort Lee Board of Education
Net Assets/Position* by Component
Last Ten Fiscal Years
(accrual basis of accounting)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Governmental activities										
Net investment in capital assets	\$ (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	\$ 32,692,762
Restricted	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	24,888,833
Unrestricted	(4,809,592)	(4,233,820)	(17,662,594)	(17,662,594)	(17,195,519)	(18,660,217)	(18,642,233)	(18,604,745)	(14,882,121)	(14,629,702)
Total governmental activities net assets	\$ 16,561,460	\$ 17,812,834	\$ 2,167,835	\$ 9,982,147	\$ 10,946,112	\$ 12,899,083	\$ 18,389,352	\$ 24,181,801	\$ 34,013,987	\$ 42,951,893
Business-type activities										
Net investment in capital assets	\$ 79,460	\$ 65,940	\$ 96,328	\$ 74,036	\$ 103,163	\$ 94,533	\$ 119,290	\$ 100,521	\$ 91,101	\$ 104,515
Restricted										
Unrestricted	574,732	360,493	271,531	281,090	244,016	289,007	272,089	293,992	450,686	889,792
Total business-type activities net assets	\$ 654,192	\$ 426,433	\$ 367,859	\$ 355,126	\$ 347,179	\$ 383,540	\$ 391,379	\$ 394,513	\$ 541,787	\$ 994,307
District-wide										
Net investment in capital assets	\$ (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	\$ 32,797,277
Restricted	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	24,888,833
Unrestricted	(4,234,860)	(3,873,327)	(17,391,063)	(17,381,504)	(16,951,503)	(18,371,210)	(18,370,144)	(18,310,753)	(14,431,435)	(13,739,910)
Total district net assets	\$ 17,215,652	\$ 18,239,267	\$ 2,535,694	\$ 10,337,273	\$ 11,293,291	\$ 13,282,623	\$ 18,780,731	\$ 24,576,314	\$ 34,555,774	\$ 43,946,200

* - GASB Statement No. 63 became effective for the fiscal year ended June 30, 2014 which changed Net Assets to Net Position.

Source: CAFR Exhibit A-1

Fort Lee Board of Education
Changes in Net Assets/Net Position*, Last Ten Fiscal Years
(accrual basis of accounting)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Expenses										
Governmental activities										
Instruction										
Regular	\$ 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	\$ 22,293,404
Special education	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	9,951,918
Other special education	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	2,263,422
Other instruction	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	1,333,880
Support Services:										
Tuition	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	3,335,640
Student & instruction related services	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	11,178,840
General administrative services	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	1,711,399
School administrative services	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	3,224,719
Central services and administrative information technology	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	1,330,554
Plant operations and maintenance	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	5,716,418
Pupil transportation	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	2,637,524
Unallocated Benefits	5,939,141	4,118,192	5,883,397	-	-	-	-	-	-	20,374,991
Charter Schools			9,686	9,963	9,965	-	-	-	-	-
Interest on long-term debt	616,664	699,444	868,913	2,492,004	2,982,464	1,989,370	1,958,373	1,877,315	1,681,283	1,558,044
Unallocated depreciation	902,366	982,630	976,850	982,981	-	-	-	-	-	3,704,256
Amortization & Capital Lease Obligations	(198,000)	(198,000)	(198,000)	(198,000)	-	-	-	-	-	(240,568)
Capital Outlay - nondepreciable	364,675	3,378,021	5,588,979	567,534	-	-	-	-	-	31,497
Total governmental activities expenses	63,742,751	66,914,156	78,419,180	70,622,253	86,142,806	89,408,577	86,087,715	86,227,585	92,469,307	90,405,938
Business-type activities:										
Food service	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	2,114,571
Latchkey program	521,024	255,711	-	-	-	-	-	-	-	-
Total business-type activities expense	1,732,707	1,502,023	1,406,042	1,417,898	1,531,726	1,516,498	1,591,821	1,304,271	857,620	2,114,571
Total district expenses	\$ 65,475,458	\$ 68,416,179	\$ 79,825,222	\$ 72,040,151	\$ 87,674,532	\$ 90,925,075	\$ 87,679,536	\$ 87,531,856	\$ 93,326,927	\$ 92,520,509
Program Revenues										
Governmental activities:										
Charges for services:										
Special schools	1,810,086	1,675,017	1,451,934	8,309,105	1,836,568	1,617,534	1,774,484	1,294,288	372,318	232,277
Operating grants and contributions	1,810,086	1,675,017	1,451,934	8,309,105	1,920,068	1,647,745	1,853,512	1,476,972	2,898,320	4,524,973
Total governmental activities program revenues										4,757,250

Fort Lee Board of Education
Changes in Net Assets/Net Position*, Last Ten Fiscal Years
(accrual basis of accounting)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Business-type activities:										
Charges for services	887,637	836,704	915,764	964,952	1,039,150	1,107,404	1,323,740	906,116	36,750	172,469
Food service	572,722	183								
Latchkey program	443,442	437,334	429,904	441,169	484,629	445,455	446,001	346,289	968,144	2,374,042
Operating grants and contributions	1,903,801	1,274,221	1,345,668	1,406,121	1,523,779	1,552,859	1,769,741	1,252,405	1,004,894	2,546,511
Total business type activities program revenues	\$ 3,713,887	\$ 2,949,238	\$ 2,797,602	\$ 9,715,226	\$ 3,443,847	\$ 3,200,604	\$ 3,623,253	\$ 2,729,377	\$ 3,903,214	\$ 7,303,761
Total district program revenues										
Net (Expense)/Revenue										
Governmental activities	\$(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)	\$(85,648,688)
Business-type activities	171,094	(227,802)	(60,374)	(12,777)	(7,947)	36,361	177,920	(51,866)	147,274	431,940
Total district-wide net expense	<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>	<u>\$ (85,216,748)</u>
General Revenues and Other Changes in Net Assets										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 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	\$ 69,575,818
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	3,804,061
Unrestricted grants and contributions	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	20,490,373
Federal and State aid - Capital Outlay	1,693,536	2,193,768								107,455
Payments in lieu of taxes to school district										383,000
Cancellation Capital Outlay to Capital Reserve		1,397,566								
Tuition			43,650							364,534
Investment earnings	5,313	3,978	62,974		163,090	273,161			2,921	
Miscellaneous income	296,094	567,332	361,823	204,628	611,723	561,227			870,144	259,691
Other Restricted Miscellaneous Revenue										419
Total governmental activities	64,241,701	66,490,513	73,787,101	63,328,810	86,413,909	89,713,803	89,724,472	90,136,598	99,403,173	94,985,351
Business-type activities:										
Investment earnings	78	43	1,800	-	-	-	-	-	-	681
Transfers	-	-	-	-	-	-	(170,081)	55,000	-	-
Total business-type activities	78	43	1,800	-	-	-	(170,081)	55,000	-	681
Total district-wide	<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>	<u>\$ 94,986,032</u>
Change in net assets										
Governmental activities	\$ 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	\$ 9,336,663
Business-type activities	171,172	(227,759)	(58,574)	(12,777)	(7,947)	36,361	7,839	3,134	147,274	432,621
Total district	<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>	<u>\$ 9,769,284</u>

* - GASB Statement No. 63 became effective for the fiscal year ended June 30, 2013 which changed Net Assets to Net Position.
Source: CAFR Exhibit A-2

Notes: Central Service and Administrative Information Technology services account classifications were added beginning with year end June 30, 2006. Prior to June 30, 2005, Central Services and Administrative Information Technology Services were combined in Other Support Services as Business and Other Support Services.

**Fort Lee Board of Education
Fund Balances, Governmental Funds,
Last Ten Fiscal Years**
(modified accrual basis of accounting)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Fund										
Restricted	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	19,357,537
Assigned	1,864,968	1,899,690	1,227,188	724,215	843,983	306,173	153,591	286,598	1,555,757	2,689,681
Unassigned	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	3,981,187
Total general fund	\$ 7,137,184	\$ 5,940,834	\$ 4,632,169	\$ 5,352,436	\$ 5,133,879	\$ 6,323,910	\$ 10,721,268	\$ 14,849,160	\$ 22,170,099	\$ 26,028,405
All Other Governmental Funds										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue fund								155,146	163,831	169,125
Capital projects fund	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	2,584,876
Debt service fund	76,630	78,838	64,154	74,565	309,314	296,696	148,348	3	67,385	67,384
Total all other governmental funds	\$ 17,126,945	\$ 13,676,504	\$ 52,480,296	\$ 44,455,804	\$ 27,142,633	\$ 20,022,110	\$ 8,291,443	\$ 3,311,605	\$ 3,046,959	\$ 2,821,385

Source: CAFR Exhibit B-1

Fort Lee Board of Education
Changes in Fund Balances, Governmental Funds,
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year Ending June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Revenues										
Tax levy	\$ 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	\$ 73,379,879
Interest- capital reserve funds	5,313	3,978	62,974		163,090	273,161	536,989	108,159	524,000	11,558
Interest earnings	4,720	1,918	3,777				245,414	471,000		383,000
Revenue in lieu of Taxes										15,228
Transportation										364,534
Tuition	34,750	30,000	43,650	204,628	24,400	30,211	79,028	182,684	223,487	479,930
Miscellaneous	256,624	535,414	360,945		680,820	606,764	237,800	154,983	412,354	419
Restricted Miscellaneous Revenue										
State sources	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	22,877,930
Federal sources	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	4,333,115
Total revenue	66,051,787	66,767,964	69,372,473	71,657,915	76,159,814	79,106,689	84,333,008	86,799,981	94,105,220	101,845,593
Expenditures										
Instruction										
Regular Instruction	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	21,039,523
Special education instruction	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	9,514,593
Other special instruction	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	2,119,108
Other instruction	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	1,288,469
Support Services:										
Tuition	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	3,335,640
Student and instruction related services	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	11,344,094
General administrative services	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	1,677,617
School administrative services	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	3,085,620
Central services and administrative information technology services	725,705	889,545	856,281	934,015	1,022,459	1,098,003	1,687,543	1,951,966	1,884,832	1,277,626
Plant operations and maintenance	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	6,360,967
Pupil transportation	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	2,599,700
Unallocated benefits	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	10,976,928
On-behalf contributions										15,860,850
Special schools										
Capital outlay	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	3,517,760
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	2,600,000
Interest and other charges	559,900	697,100	680,575	2,165,869	2,243,013	2,170,887	2,099,388	2,025,112	1,722,342	1,614,366
Transfer to charter school			9,686	9,963	9,965					
Total expenditures	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	98,212,861
Excess (Deficiency) of revenues over (under) expenditures	(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	3,632,732

Fort Lee Board of Education
Changes in Fund Balances, Governmental Funds,
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
	Fiscal Year Ending June 30,									
Other Financing sources (uses)										
Capital leases (non-budgeted)	354,919	1,967,725	5,571,444	550,000					11,285,000	
Bond proceeds	20,430,000	-	49,840,000	-					(36,112)	
Underwriter's Discount	-	-	-	-					(11,153,888)	
Payment to refunded debt escrow agent	-	1,397,566	-	-						
Cancellation of Capital Outlay to Capital Reserve	-	-	-	-						
Transfers in	3,952	157,034	61,946	12,618	163,090	273,161	707,070	108,159	2,356	5,529
Transfers out	(3,952)	(157,034)	(61,946)	(12,618)	(163,090)	(273,161)	(536,989)	(163,159)	(2,356)	(5,529)
Total other financing sources (uses)	20,784,919	3,365,291	55,411,444	550,000	-	-	170,081	(55,000)	95,000	-
Net change in fund balances	\$ 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	\$ 3,632,732
Debt service as a percentage of noncapital expenditures	2.1%	2.1%	2.0%	4.1%	6.1%	5.6%	5.4%	5.2%	5.0%	4.5%

Source: CAFR Exhibit B-2

Central Service and Administrative Information Technology services account classifications were added beginning with year end June 30, 2005. Prior to June 30, 2005, Central Services and Administrative Information Technology Services were combined in Other Support Services as Business and Other Support Services.

Fort Lee Board of Education
General Fund Other Local Revenue by Source
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Fund:										
Interest on investments	\$ 4,720	\$ 1,918	\$ 3,777	\$ 4,057	\$ 5,154	\$ 66,173	\$ 82,760	\$ -	\$ 45,211	\$ 28,019
Summer school tuition and fees	34,750	30,000	43,650	38,500	-	-	-	-	-	-
Prior years' refunds										
Rentals	95,000	5,500	-	-	19,000	45,260	50,705	-	-	59,750
Donations	2,150	500	200	8,383	-	-	-	-	-	-
Transportation						3,497	457	-	-	15,228
Cancellation of prior year void checks	1,737	5,305	5,319	-	-	-	-	-	-	-
Tuition										364,534
Refund of prior year's expenditures					204,060	119,576	-	-	46,497	-
Miscellaneous-restricted										
Reimbursement of custodial	82,086	203,911	264,722	-	-	-	-	-	-	-
Athletic receipts	6,198	5,021	3,623	3,135	4,622	4,617	3,473	-	-	-
Other	7,862	4,259	4,691	-	-	-	-	-	-	419
Book fines	2,061	1,282	1,108	-	-	-	-	-	-	198
Restitution non-residents										
Miscellaneous-unrestricted	46,020	309,636	78,383	137,935	82,192	322,104	20,999	83,677	152,936	139,409
Total Miscellaneous	\$ 282,584	\$ 567,332	\$ 405,473	\$ 192,010	\$ 315,028	\$ 561,227	\$ 158,394	\$ 83,677	\$ 244,644	\$ 607,557
Interest on capital reserve funds	1,827	1,770	1,028	-	-	-	-	-	-	11,558
Total General Fund	\$ 284,411	\$ 569,102	\$ 406,501	\$ 192,010	\$ 315,028	\$ 561,227	\$ 158,394	\$ 83,677	\$ 244,644	\$ 619,115

**Fort Lee Board of Education
Assessed Value and Actual Value of Taxable Property
Last Ten Years
Unaudited**

Fiscal Year Ended Dec. 31,	Total Assessed Value							Public Utilities ^a	Net Valuation Taxable	Total Direct School Tax Rate ^b	Estimated Actual (County Equalized Value)	% of Net Assessed to Estimated Full Cash Valuations
	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment					
2013	\$ 89,754,600	\$ 3,590,670,300			\$ 935,193,700	\$ 9,419,200	\$ 1,444,617,220	\$ 7,980,343	\$ 6,077,635,363	0.892	\$ 6,409,219,554	94.83%
2014	\$ 142,308,600	\$ 3,602,571,100			\$ 844,174,100	\$ 9,419,200	\$ 1,491,298,420	\$ 7,970,493	\$ 6,096,841,913	0.913	\$ 6,648,765,883	91.70%
2015	\$ 134,175,700	\$ 3,608,370,300			\$ 842,175,900	\$ 10,535,200	\$ 1,553,522,520	\$ 7,128,641	\$ 6,155,908,261	0.948	\$ 6,681,878,554	92.13%
2016	\$ 136,727,900	\$ 3,757,896,600			\$ 828,681,100	\$ 7,383,200	\$ 1,526,461,920	\$ 7,663,788	\$ 6,264,814,508	0.981	\$ 6,452,355,023	97.09%
2017	\$ 118,728,600	\$ 3,791,428,000			\$ 851,244,800	\$ 7,383,200	\$ 1,634,453,120	\$ 8,565,088	\$ 6,411,602,808	0.986	\$ 6,595,156,782	97.22%
2018	\$ 115,870,700	\$ 3,842,525,600			\$ 920,629,000	\$ 7,383,200	\$ 1,626,704,120	\$ 8,260,598	\$ 6,521,373,218	1.001	\$ 6,697,976,779	97.36%
2019	\$ 107,446,400	\$ 3,879,365,100			\$ 937,132,800	\$ 7,383,200	\$ 1,632,377,120	\$ 7,980,769	\$ 6,571,685,389	1.041	\$ 7,284,815,159	90.21%
2020	\$ 100,373,300	\$ 3,915,229,600			\$ 950,132,900	\$ 7,383,200	\$ 1,640,622,850	\$ 7,927,515	\$ 6,621,669,365	1.072	\$ 7,347,718,920	90.12%
2021	\$ 101,867,000	\$ 3,952,560,700			\$ 943,912,000	\$ 6,921,500	\$ 1,665,707,480	\$ 8,586,503	\$ 6,679,555,183	1.089	\$ 7,354,171,183	90.83%
2022	\$ 115,916,240	\$ 3,962,548,400			\$ 901,107,100	\$ 6,921,500	\$ 1,637,756,580	\$ 8,161,821	\$ 6,632,411,641	1.117	\$ 7,370,226,323	89.99%

Source: Municipal Tax Assessor and Abstract of Ratables, County Board of Taxation

NOTE: Real property is required to be assessed at some percentage of true value (fair or market value) established by each county board of taxation.

N/A- At the time of CAFR completion, this data was not yet available.

Reassessment occurs when the County Board of Taxation requests Treasury to order a reassessment.

a- Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies.

b- Tax rates are per \$100.

**Fort Lee Board of Education
Direct and Overlapping Property Tax Rates
Last Six Fiscal Years
(rate per \$100 of assessed value)**

Fiscal Year Ended Dec. 31,	Fort Lee Board of Education			Overlapping Rates		Total Direct and Overlapping Tax Rate
	General			Borough of Fort Lee	County of Bergen	
	Basic Rate ^a	Debt Service ^b	Obligation			
2013	0.867	0.023	0.890	0.991	0.240	2.121
2014	0.890	0.023	0.913	1.001	0.247	2.161
2015	0.927	0.021	0.948	0.992	0.262	2.202
2016	0.934	0.047	0.981	1.009	0.264	2.254
2017	0.916	0.070	0.986	1.027	0.259	2.272
2018	0.950	0.051	1.001	1.045	0.252	2.298
2019	0.983	0.058	1.041	1.055	0.257	2.353
2020	1.015	0.057	1.072	1.062	0.275	2.409
2021	1.031	0.058	1.089	1.064	0.279	2.432
2022	1.061	0.056	1.117	1.087	0.279	2.483

Source: Municipal Tax Collector

Notes: N.J.S.A. 18A:7F-5d limits the amount that the district can submit for a general fund tax levy. The levy when added to other components of the district's net budget may not exceed the prebudget year net budget by more than the spending growth limitation.

a The district's basic tax rate is calculated from the A4F form which is submitted with the budget and the Net value

b Rates for debt service are based on each year's requirements.

**Fort Lee Board of Education
Principal Property Taxpayers
Current Year and Ten Years Ago**

Taxpayer	2022			2013		
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
1266 Apartment corp.	\$ 242,500,000	1	3.63%	\$ 278,000,000	1	4.57%
1530 Owners Corp.	\$ 168,478,000	2	2.52%	\$ 168,478,000	2	2.77%
Fort Lee Phase I Owner, LLC	\$ 134,000,000	3	2.01%			
Southbridge Park, Inc.	\$ 82,673,000	4	1.24%	\$ 82,673,000	3	1.36%
TDC Fort Lee, LLC	\$ 82,000,000	5	1.23%			
CCA Crest at Fort Lee, LLC	\$ 82,000,000	6	1.23%	\$ 82,000,000	4	1.35%
2100 Linwood Avenue Owners, Inc.	\$ 78,000,000	7	1.17%	\$ 78,000,000	5	1.28%
Mediterranean Towers West Owners, Inc.	\$ 72,000,000	8	1.08%	\$ 72,000,000	6	1.18%
One Century City Apartment Corp.	\$ 64,703,000	9	0.97%	\$ 64,703,000	8	1.06%
Northbridge Park Co-op Inc	\$ 63,267,000	10	0.95%	\$ 63,267,000	10	1.04%
1170 Apt. Corp.				\$ 70,584,020	7	1.16%
2000 Linwood Ave. Owners Inc.				\$ 69,403,000	9	1.14%
Total	\$ 1,069,621,000		16.01%	\$ 959,705,020		15.79%

Net Assessed Valuation: \$ 6,679,555,183

\$ 6,077,635,363

Source: Municipal Tax Assessor.

**Fort Lee Board of Education
Property Tax Levies and Collections
Last Ten Fiscal Years**

Fiscal Year Ended June 30,	District Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy ^a		Collections in Subsequent Years
		Amount	Percentage of Levy	
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%	\$ -
2022	\$73,379,879	\$73,379,879	100.00%	\$ -

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

Notes: a- 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 voted upon or certified prior to the end of the school year.

Fort Lee Board of Education
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year Ended June 30,	<u>Governmental Activities</u>		<u>Total District</u>	Percentage of Personal Income ^a	<u>Per Capita^a</u>
	General Obligation Bonds/Loans ^b	Capital Leases			
2013	17,670,000	409,604	18,079,604	0.70%	\$ 254
2014	17,015,000	2,248,388	19,263,388	0.72%	\$ 261
2015	66,190,000	7,750,964	73,940,964	2.64%	\$ 956
2016	65,505,000	7,672,224	73,177,224	2.50%	\$ 928
2017	63,235,000	6,656,463	69,891,463	2.31%	\$ 863
2018	61,115,000	5,733,073	66,848,073	2.08%	\$ 785
2019	58,940,000	4,708,941	63,648,941	1.87%	\$ 721
2020	56,710,000	4,422,628	61,132,628	1.73%	\$ 665
2021	55,290,000	4,118,677	59,408,677	Not Available	Not Available
2022	52,690,000	3,805,488	56,495,488	Not Available	Not Available

Source: District records

Notes: Details regarding the district's outstanding debt can be found in the notes to the financial statements.

a- See Exhibit J-14 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

Fort Lee Board of Education
Ratios of Net General Bonded Debt Outstanding
Last Ten Years

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Bonds/Loans	Deductions	Net General Bonded Debt Outstanding		
2013	\$ 17,670,000	(76,630)	17,593,370	0.29%	\$ 247
2014	\$ 17,015,000	(78,838)	16,936,162	0.28%	\$ 229
2015	\$ 66,190,000	(64,154)	66,125,846	1.07%	\$ 855
2016	\$ 65,505,000	(74,565)	65,430,435	1.04%	\$ 830
2017	\$ 63,235,000	(309,314)	62,925,686	0.98%	\$ 777
2018	\$ 61,115,000	(296,696)	60,818,304	0.93%	\$ 714
2019	\$ 58,940,000	(148,348)	58,791,652	0.89%	\$ 666
2020	\$ 56,710,000	(3)	56,709,997	0.86%	\$ 617
2021	\$ 55,290,000	(67,385)	55,222,615	0.83%	Not Available
2022	\$ 52,690,000	-	52,690,000	0.79%	Not Available

Source: District Records

Notes: Details regarding the district's outstanding debt can be found in the notes to the financial statements.

a- See Exhibit J-6 for property tax data.

b- See Exhibit J-14 for population data. The ratio is calculated using the population for the prior calendar year.

**Fort Lee Board of Education
Ratios of Overlapping Governmental Activities Debt
As of June 30, 2022**

<u>Governmental Unit</u>	Estimated Percentage Applicable ^a	Debt Outstanding	Estimated Share of Overlapping Debt
Direct Debt of School District as of June 30, 2022			\$ 52,690,000
Net overlapping debt of School District:			
Borough of Fort Lee	100.000%	\$ 52,583,285	
County of Bergen - City's Share	4.006%	\$ 36,102,574	
Bergen County Utility Authority-City's Share	9.064%	\$ 16,510,906	
Subtotal, overlapping debt			\$ 105,196,765
Total direct and overlapping debt			\$ 157,886,765

Sources: Borough of Fort Lee Finance Office / Bergen County Treasurer's Office

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 debt, 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.

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

**Fort Lee Board of Education
Legal Debt Margin Information
Last Ten Years**

Legal Debt Margin Calculation for Fiscal Year 2022

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Debt limit	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	294,294,886
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	52,690,000
Legal debt margin	\$ 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	\$ 241,604,886
Total net debt applicable to the limit	7.34%	7.06%	25.15%	24.68%	23.92%	22.58%	21.85%	20.51%	18.84%	17.90%
as a percentage of debt limit										

Average equalized valuation of taxable property	[A/3]	\$ 7,357,372,142
Debt limit (4 % of average equalization value)	[B]	294,294,886 ^a
Net bonded school debt	[C]	52,690,000
Legal debt margin	[B-C]	\$ 241,604,886

Equalized valuation basis	2022	7,370,226,323
	2021	7,354,171,183
	2020	7,347,718,920
	[A]	\$ 22,072,116,426

Source: Equalized valuations were obtained from the Annual Debt Statement, Borough of Fort Lee

^a Limit set by N.J.S.A. 18A:24-19 for a K through 12 district; other % limits would be applicable for other districts

**Fort Lee Board of Education
Demographic and Economic Statistics
Last Ten Fiscal Years**

Year	Population ^{a(1)}	Personal Income (thousands of dollars) ^b	Per Capita Personal Income ^{c(2)}	Unemployment Rate ^d
2013	36,198	\$ 2,580,410,628	\$ 71,286	5.80%
2014	36,238	\$ 2,677,372,154	\$ 73,883	4.20%
2015	36,289	\$ 2,805,974,347	\$ 77,323	3.50%
2016	37,190	\$ 2,931,910,840	\$ 78,836	3.20%
2017	37,310	\$ 3,023,005,440	\$ 81,024	3.10%
2018	37,792	\$ 3,219,538,272	\$ 85,191	2.60%
2019	38,600	\$ 3,406,102,600	\$ 88,241	2.20%
2020	38,356	\$ 3,527,678,032	\$ 91,972	8.00%
2021	39,871	Not Available	Not Available	4.90%
2022	Not Available	Not Available	Not Available	Not Available

Source:

- a- Population information provided by the NJ Department of Labor and Workforce Development.
- b- Personal income has been estimated based upon the municipal population and per capita personal income presented
- c- US Bureau of Economic Analysis per capita personal income for New Jersey by county
- d- Unemployment data provided by the NJ Dept of Labor and Workforce Development

Notes:

- (1) Represents estimate of July 1
- (2) Represents county information vs. municipality

N/A- At the time of CAFR completion, this data was not yet available

**Fort Lee Board of Education
Principal Employers
Current Year and Ten Years Ago ****

<u>Employer</u>	<u>2022</u>			<u>2013</u>		
	<u>Employees</u>	<u>Rank (Optional)</u>	<u>Percentage of Total Employment</u>	<u>Employees</u>	<u>Rank (Optional)</u>	<u>Percentage of Total Employment</u>
		1	N/A		1	N/A
		2	N/A		2	N/A
		3	N/A		3	N/A
		4	N/A		4	N/A
		5	N/A		5	N/A
		6	N/A		6	N/A
		7	N/A		7	N/A
		8	N/A		8	N/A
		9	N/A		9	N/A
		10	N/A		10	N/A

THE NEW JERSEY DEPARTMENT OF LABOR AND AREA EMPLOYERS REFUSED TO RELEASE INFORMATION NEEDED TO COMPLETE THIS SCHEDULE DUE TO PRIVACY CONCERNS.

Source: Borough of Fort Lee and State of New Jersey Department of Labor and Industry Annual Labor Force Estimates by Municipality

N/A- At the time of CAFR completion, this data was not yet available.

**Fort Lee Board of Education
Full-time Equivalent District Employees by Function/Program,
Last Ten Fiscal Years**

<u>Function/Program</u>	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Instruction										
Regular	231.0	260.0	271.5	271.5	237.1	219.4	226.6	256.0	242.1	217.0
Special education	82.0	63.0	61.5	61.5	70.3	101.7	98.3	97.0	115.1	112.0
Other special education	24.0	27.0	26.0	26.0	47.0	45.6	56.5	75.0	50.4	78.0
Other instructional					25.2	25.8	28.7	37.0	24.4	24.0
Support Services:										
Student & instruction related services	95.0	82.0	79.0	79.0	55.6	60.8	62.8	40.0	74.0	104.0
General administrative services	8.0	8.0	8.5	8.5	5.0	5.0	5.0	6.0	5.0	4.0
School administrative services	22.0	26.0	26.5	26.5	25.8	23.7	23.7	23.7	25.7	26.0
Business administrative services	15.0	17.0	17.0	17.0	21.6	21.5	24.5	24.5	24.7	30.0
Plant operations and maintenance	21.0	21.0	22.0	22.0	24.1	23.6	26.6	24.0	27.5	24.0
Total	498.0	504.0	512.0	512.0	511.7	527.1	552.7	583.2	588.9	619.0

Source: District Personnel Records

Fort Lee Board of Education
Operating Statistics
Last Ten Fiscal Years

Fiscal Year	Pupil/Teacher Ratio										Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
	Enrollment	Operating Expenditures ^a	Cost Per Pupil	Percentage Change	Teaching Staff ^b	Elementary	Middle School	High School						
2013	3,791	61,773,381	16,295	0.55%	231	1:17	1:11	1:14	3,740	3,570	1.38%	95.45%		
2014	3,819	62,807,709	16,446	0.93%	291	1:10	1:10	1:10	3,779	3,606	1.04%	95.42%		
2015	3,787	65,063,700	17,181	4.47%	299	1:09	1:09	1:09	3,728	3,545	-1.35%	95.09%		
2016	3,857	67,101,634	17,397	5.78%	295	N/A	N/A	N/A	3,705	3,549	-0.62%	95.79%		
2017	3,824	69,802,470	18,254	6.25%	294	1:11	1:13	1:12	3,747	3,587	1.14%	95.71%		
2018	3,910	72,764,319	18,610	6.97%	297	1:14	1:14	1:14	3,920	3,752	4.61%	95.71%		
2019	4,090	75,328,383	18,418	0.90%	307	1:15	1:14	1:14	4,053	3,871	3.38%	95.53%		
2020	4,176	77,122,985	18,468	-0.76%	308.5	1:15	1:14	1:14	4,154	4,022	2.51%	96.81%		
2021	4,123	81,817,093	19,844	7.74%	311	1:10	1:20	1:14	4,070	3,963	-2.03%	97.38%		
2022	4,025	90,480,735	22,480	21.72%	308	1:13	1:13	1:15	4,031	3,825	-0.96%	94.89%		

Sources: District records, ASSA and Schedules J-4

Note: Enrollment based on annual October district count.

a Operating expenditures equal total expenditures less debt service and capital outlay; Schedule J-4

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 At the time of CAFR completion, this data was not yet available.

Fort Lee Board of Education
School Building Information
Last Ten Fiscal Years

<u>District Buildings</u>	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<u>Elementary</u>										
School 1										
Square Feet	57,938	57,938	57,938	57,938	57,938	64,300	64,300	64,300	64,300	64,300
Capacity (students)	447	447	447	447	447	447	496	496	496	496
Enrollment	678	708	666	708	677	697	746	585	526	536
School 2										
Square Feet	50,989	50,989	50,989	50,989	50,989	68,526	68,526	68,526	68,526	68,526
Capacity (students)	339	339	339	447	447	600	600	600	600	600
Enrollment	455	457	470	457	483	486	501	398	360	340
School 3										
Square Feet	41,974	41,974	41,974	41,974	41,974	41,974	41,974	41,974	41,974	41,974
Capacity (students)	392	392	392	392	392	392	392	392	392	392
Enrollment	530	536	534	536	560	578	579	395	365	385
School 4										
Square Feet	48,722	48,722	48,722	48,722	48,722	48,722	48,722	48,722	48,722	48,722
Capacity (students)	395	395	395	395	395	395	395	395	395	395
Enrollment	540	541	551	541	574	618	599	437	408	392
<u>Middle School</u>										
Lewis F. Cole Middle School										
Square Feet	78,455	78,455	78,455	78,455	78,455	77,228	77,228	77,228	77,228	77,228
Capacity (students)	295	295	295	395	395	626	626	626	626	626
Enrollment	574	558	534	541	578	611	593	1,264	1,302	1,223
<u>High School</u>										
Fort Lee High School										
Square Feet	142,789	142,789	142,789	142,789	142,789	142,789	142,789	142,789	142,789	142,789
Capacity (students)	552	552	552	552	552	552	552	552	552	552
Enrollment	959	978	983	978	953	920	1,019	1,074	1,074	1,149

Number of Schools at June 30, 2022
 Elementary 4
 Middle-School 1
 High School 1

Source: District records, ASSA

Note: Revised Square footage and capacity obtained from District's Architectural firm. Enrollment is based on the annual October district count.

Fort Lee Board of Education
General Fund
Schedule of Required Maintenance for School Facilities
Last Ten Fiscal Years
Unaudited

UNDISTRIBUTED EXPENDITURES - REQUIRED MAINTENANCE FOR SCHOOL FACILITIES
 11-000-261-XXX

* School Facilities	School #	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Fort Lee High School	50	233,517	188,396	198,569	158,103	140,272	178,060	230,785	143,804	211,437	177,364
Lewis F. Cole Middle School	100	97,573	162,534	141,454	122,407	54,299	67,317	52,546	77,481	97,829	80,173
Elementary School #1	60	47,788	68,762	84,112	78,014	76,923	97,856	45,004	50,383	80,468	65,678
Elementary School #2	70	43,234	80,371	110,425	73,770	58,824	76,727	26,777	53,205	39,226	39,221
Elementary School #3	80	79,815	81,237	92,977	65,034	49,774	63,688	42,970	42,834	47,362	53,743
Elementary School #4	90	37,402	46,060	104,831	68,626	72,398	92,449	100,747	34,504	71,315	68,262
Grand Total		\$ 539,329	\$ 627,360	\$ 732,368	\$ 565,954	\$ 452,490	\$ 576,097	\$ 498,829	\$ 402,211	\$ 547,637	\$ 484,441

* School facilities as defined under EFCFA.
(N.J.A.C. 6A:26-1.2 and N.J.A.C. 6:24-1.3)

**Fort Lee Board of Education
Insurance Schedule
For the Fiscal Year Ended June 30, 2022
Unaudited**

Company	Type of Coverage	Coverage	Deductible
School Package Policy - School Alliance Insurance Fund			
	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			
	Director's and Officer's Policy	5,000,000	10,000
Environmental Impairment Liability - Beazley			
	Covered Location Liability per Pollution Condition	1,000,000	25,000
	Covered Location Pollution Liability Aggregate	2,000,000	
Excess Liability - Hudson & Allied			
	Each Occurrence/Aggregate	1,000,000	
Public Employees Faithful Performances Blanket Position Bond			
	Board Secretary/Business Administrator	100,000	
	Treasurer of School Monies	340,000	
Student Accident (AIG)			
All Students Coverage including Athletics			
	Base Coverage - 2 Year Benefit Period	25,000	
	Catastrophic - 10 Year Benefit Period	7,500,000	25,000

Source: District Records.

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

SINGLE AUDIT SECTION



WIELKOTZ & COMPANY LLC

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**INDEPENDENT AUDITOR'S 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**

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

We have audited, in accordance with auditing standards generally accepted in the United States of America; 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 and the aggregate remaining fund information of the Board of Education of the Borough of Fort Lee School District, in the County of Bergen, New Jersey, as of and for the year ended June 30, 2022, 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 3, 2023, which was qualified for not complying with GASB Statement No. 87.

Internal Control Over Financial Reporting

In planning and performing our audit on the financial statements, we considered the Borough of Fort Lee Board of Education's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Borough of Fort Lee Board of Education's internal control. Accordingly, we do not express an opinion on the effectiveness of the Borough of Fort Lee Board of Education'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 entity'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. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as item 2022-001 that we consider to be a significant deficiency.

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

We noted certain matters that were required to be reported to the Board of Education of the Fort Lee Borough School District in the separate Auditors' Management Report on Administrative Findings - Financial, Compliance and Performance dated February 3, 2023.

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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Steven D. Wielkotz

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

Wielkotz & Company, LLC

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

February 3, 2023





WIELKOTZ & COMPANY LLC
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INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE AS REQUIRED BY STATE OF NEW JERSEY OMB CIRCULAR 15-08

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

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited the Board of Education of the Borough of Fort Lee School District in the County of Bergen, New Jersey, compliance with the types of compliance requirements described in the *OMB Compliance Supplements* and the New Jersey State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the Borough of Fort Lee Board of Education’s major federal and state programs for the year ended June 30, 2022. The Borough of Fort Lee Board of Education’s major federal and state programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Borough of Fort Lee Board of Education 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, 2022.

Basis for Opinion on Each Major Federal and State Program

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; and the audit requirements 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 N.J. OMB Circular 15-08. Our responsibilities under those standards



and the Uniform Guidance and N.J. OMB Circular 15-08 are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Borough of Fort Lee Board of Education and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal and state program. Our audit does not provide a legal determination of Borough of Fort Lee Board of Education's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Borough of Fort Lee Board of Education's federal and state programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Borough of Fort Lee Board of Education's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, Government Auditing Standards, the Uniform Guidance and N.J. OMB Circular 15-08, will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Borough of Fort Lee Board of Education's compliance with the requirements of each major federal and state program as a whole.

In performing an audit in accordance with generally accepted auditing standards, Government Auditing Standards, the Uniform Guidance and N.J. OMB Circular 15-08, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Borough of Fort Lee Board of Education's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.



- Obtain an understanding of Borough of Fort Lee Board of Education's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and N.J. OMB Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of Borough of Fort Lee Board of Education's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 and 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 and 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 and state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.



Honorable President and
Members of the Board of Education

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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 N.J. OMB Circular 15-08. Accordingly, this report is not suitable for any other purpose.

Steven D. Wielkocz

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Licensed Public School Accountant
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Wielkocz + Company, LLC

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

February 3, 2023

BOROUGH OF FORT LEE SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards
For the Fiscal Year ended June 30, 2022

Federal Grantor/Pass-through Grantor/ Program Title	Assistance Listing Number	Federal FAIN Number	Grant or State Project Number	Award Amount	Grant Period		Balance at June 30, 2021	Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments	Balance at June 30, 2022	
					From	To						(Accounts Receivable)	Due to Grantor at
US Department of Education													
Passed Through State Dept of Education:													
General Fund													
Medicaid Administrative Claiming (MAC)	93.778	2005N5MAP	N/A	9,820	7/1/2021	6/30/2022			9,820	9,820			
Medical Assistance Program (SEMI)	93.778	2005N5MAP	N/A	29,086	7/1/2021	6/30/2022			29,086	29,086			
Total General Fund									38,906	38,906			
US Department of Education													
Passed Through State Dept of Education:													
Special Revenue Fund													
Title I Part A, Improving Basic Programs	84.010A	S010A210030	ESEAI55022	416,286	7/1/2021	9/30/2022	(237,251)	(237,251)	354,858	406,999	4,424	(284,968)	
Title I Part A, Improving Basic Programs	84.010A	S010A200030	ESEAI55021	558,358	7/1/2020	9/30/2021	(237,251)	237,251	354,858	406,999	4,424	(284,968)	
Title II, Part A, Teacher/Principal Training and Recruiting	84.367A	S367A210029	ESEAI55022	81,274	7/1/2021	9/30/2022	(29,959)	(29,959)	29,122	44,988	1,177	(44,648)	
Title II, Part A, Teacher/Principal Training and Recruiting	84.367A	S367A200029	ESEAI55021	128,032	7/1/2020	9/30/2021	(29,959)	29,959	29,122	44,988	1,177	(44,648)	
Title III	84.365A	S365A210030	ESEAI55022	87,511	7/1/2021	9/30/2022	(41,363)	(41,363)	47,544	82,223	6,296	(69,746)	
Title III	84.365A	S365A200030	ESEAI55021	121,024	7/1/2020	9/30/2021	(41,363)	41,363	47,544	82,223	6,296	(69,746)	
Title IV	84.424A	S424A210030	ESEAI55022	32,997	7/1/2021	9/30/2022	(18,736)	(18,736)	23,220	10,031	675	(4,872)	
Title IV	84.424A	S424A200030	ESEAI55021	37,099	7/1/2020	9/30/2021	(18,736)	18,736	23,220	10,031	675	(4,872)	
IDEA, Part B-Basic	84.027A	S027A210100	IDEAI55022	917,601	7/1/2021	9/30/2022	(426,182)	(426,182)	921,247	1,246,784	(1,847)	(753,566)	
IDEA, Part B-Basic	84.027A	S027A200100	IDEAI55021	1,357,592	7/1/2020	9/30/2021	(426,182)	426,182	921,247	1,246,784	(1,847)	(753,566)	
IDEA, Part B-Preschool	84.173A	S173A210100	IDEAI55022	24,254	7/1/2021	9/30/2022	(38,979)	(38,979)	38,979	29,617		(29,617)	
IDEA, Part B-Preschool	84.173A	S173A200100	IDEAI55021	47,073	7/1/2020	9/30/2021	(38,979)	38,979	38,979	29,617		(29,617)	
ARP - IDEA, Part B-Basic	84.027X	S027X210100	IDEAI55022	193,956	7/1/2021	9/30/2022	(16,236)	(16,236)	177,398	177,398		(177,398)	
ARP - IDEA, Part B-Preschool	84.173X	S173X210114	IDEAI55022	16,539	7/1/2021	9/30/2022	(465,161)	(465,161)	960,226	1,470,035	(1,847)	(976,817)	
Career and Technical Education - Basic Grants (Perkins)	84.048	V048A210030		21,433	7/1/2021	9/30/2022			7,484	12,457		(4,973)	
									7,484	12,457		(4,973)	
Coronavirus Response and Relief Supplemental Act:													
CARES - ESSER I	84.425D	S425D200027		399,798	3/13/2020	10/15/2022	(33,549)	(33,549)	144,070	124,478		(13,957)	
CRRSA - ESSER II	84.425D	S425D210027		1,481,726	3/13/2020	9/30/2023	(4,054)	(4,054)	973,932	1,215,252		(245,354)	
CR Learning Acceleration	84.425D	S425D210027		95,090	3/13/2020	9/30/2023	(6,873)	(6,873)	40,845	44,198		(10,226)	
CR Mental Health	84.425D	S425D210027		45,000	3/13/2020	9/30/2023			32,900	40,928		(8,028)	
American Rescue Plan: ARP - ESSER	84.425U	S425U210027		3,330,083	3/13/2020	9/30/2023			676,338	676,338		(676,338)	
Accelerated Learning Coach and Educator Support	84.425U	S425U210027		378,327	3/13/2020	9/30/2023			22,500	22,500		(22,500)	
Evidence Based Summer Learning and Enrichment	84.425U	S425U210027		40,000	3/13/2020	9/30/2023							
Evidence Based Comprehensive Beyond the School Day	84.425U	S425U210027		40,000	3/13/2020	9/30/2023							
NJTSJ Mental Health Support Staffing	84.425U	S425U210027		45,000	3/13/2020	9/30/2023			36,792	36,792		(36,792)	
ARP - Homeless II	84.425W	215064233E		13,391	4/23/2021	9/30/2023	(44,456)	(44,456)	1,191,747	2,160,486		(1,103,195)	
Additional or Compensatory Special Education and Related Services (ACRSERS)	21.027	C8220COVID19		111,792	3/13/2020	9/30/2023			55,762	111,792		(56,030)	
									55,762	111,792		(56,030)	
Total Special Revenue Fund							(636,926)	(636,926)	2,669,963	4,299,011	10,725	(2,455,249)	

BOROUGH OF FORT LEE SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards
For the Fiscal Year ended June 30, 2022

Federal Grantor/Pass-through Grantor/ Program Title	Assistance Listing Number	Federal FAIN Number	Grant or State Project Number	Award Amount	Grant Period		Balance at June 30, 2021	Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments	Balance at June 30, 2022	
					From	To						(Accounts Receivable)	Deferred Revenue
US Department of Agriculture													
Passed Through State Dept of Education:													
Enterprise Fund													
Food Distribution Program	10.555	221N304N1096	N/A	127,460	7/1/2021	6/30/2022			127,460	125,338			2,122
Food Distribution Program	10.555	211N304N1096	N/A	72,555	7/1/2020	6/30/2021	2,323			2,323			
National School Breakfast Program SSO	10.553	221N304N1099	N/A	164,433	7/1/2021	6/30/2022	(34,469)		133,514	164,433		(30,919)	
National School Breakfast Program SSO	10.553	211N304N1099	N/A	272,096	7/1/2020	6/30/2021			34,469				
National School Lunch Program SSO	10.555	221N304N1099	N/A	2,033,532	7/1/2021	6/30/2022			1,630,326	2,033,532		(403,206)	
National School Lunch Program SSO	10.555	211N304N1099	N/A	504,580	7/1/2020	6/30/2021	(140,699)		140,699				
Emergency Operational Cost Program - School	10.555	211N304N1099	N/A	50,424	7/1/2020	6/30/2021	(50,424)		50,424				
Supply Chain Assistance Funding	10.555	211N304N1099	N/A	82,023	3/1/2022	9/30/2023						(82,023)	82,023
P-EBT Administrative Cost	10.649	2022225900941	N/A	628	7/1/2021	6/30/2022	(614)		628	628			
P-EBT Administrative Cost	10.649	2021225900941	N/A	614	7/1/2020	6/30/2021			614				
Total Enterprise Fund							(223,883)		2,118,134	2,326,254		(516,148)	84,145
Total Federal Financial Assistance							\$ (1,060,809)		4,827,003	6,664,171	10,725	(2,971,397)	84,145

See accompanying notes to the Schedules of Expenditures of Federal and State Awards.

BOROUGH OF FORT LEE SCHOOL DISTRICT
Schedule of Expenditures of State and Local Financial Awards

Year ended June 30, 2022

State Grantor/Program Titles	Grant or State Project Number	Award Amount	Grant Period		Deferred Revenue (Accts Receivable)		Due to Grantor		Balance at June 30, 2022			Memo		
			From	To	Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	(Accounts Receivable)	Revenue/ Interfund Payable	Due to Grantor at	Budgetary Receivable		Cumulative Total Expenditures	
State Department of Education:														
General Fund														
Special Education Aid	495-034-5120-089	\$ 3,175,703	7/1/2021	6/30/2022	\$	2,954,869	3,175,703							
Security Aid	495-034-5120-084	105,243	7/1/2021	6/30/2022		97,884	105,243							
Transportation Aid	495-034-5120-014	685,744	7/1/2021	6/30/2022		637,794	685,744							
Extraordinary Aid	100-034-5120-473	2,320,435	7/1/2021	6/30/2022			2,320,435							
Extraordinary Aid	100-034-5120-473	2,007,682	7/1/2020	6/30/2021										
Non Public Transportation	495-078-6060-034	51,620	7/1/2021	6/30/2022		2,007,682	51,620							
Non Public Transportation	495-078-6060-034	54,520	7/1/2020	6/30/2021										
Reimbursed TPAF Social Security	495-034-5094-003	2,348,344	7/1/2021	6/30/2022		2,118,612	2,233,478							
On Behalf TPAF - Post Retirement Medical	495-034-5094-001	2,580,081	7/1/2021	6/30/2022		2,580,081	2,580,081							
On Behalf TPAF Pension Contributions	495-034-5094-002	10,889,323	7/1/2021	6/30/2022		10,889,323	10,889,323							
On Behalf TPAF NCGI Premium	495-034-5094-004	153,633	7/1/2021	6/30/2022		153,633	153,633							
On Behalf TPAF - LTDI	495-034-5094-004	4,335	7/1/2021	6/30/2022		4,335	4,335							
Total General Fund						<u>21,498,733</u>	<u>22,199,595</u>					<u>(2,486,921)</u>	<u>(2,76,143)</u>	<u>24,376,663</u>
Special Revenue Fund														
NJ Non-Public Aid:														
Textbook Aid	100-034-5120-064	12,904	7/1/2021	6/30/2022		12,904	12,904							
Textbook Aid	100-034-5120-064	10,569	7/1/2020	6/30/2021										
Technology Aid	100-034-5120-373	9,030	7/1/2021	6/30/2022		9,030	8,884							
Security Aid	100-034-5120-509	37,625	7/1/2021	6/30/2022		37,625	37,603							
Security Aid	100-034-5120-509	30,275	7/1/2020	6/30/2021										
Nursing Services	100-034-5120-070	24,080	7/1/2021	6/30/2022		24,080	24,080							
Handicapped Services:														
Exam & Classification	100-034-5120-066	45,679	7/1/2021	6/30/2022		45,679	21,226							
Exam & Classification	100-034-5120-066	33,807	7/1/2020	6/30/2021										
Corrective Speech	100-034-5120-066	19,065	7/1/2021	6/30/2022		19,065	14,330							
Corrective Speech	100-034-5120-066	16,406	7/1/2020	6/30/2021										
Supplementary Inst.	100-034-5120-066	17,346	7/1/2021	6/30/2022		17,346	10,572							
Supplementary Inst.	100-034-5120-066	11,333	7/1/2020	6/30/2021										
Auxiliary Services:														
Compensatory Education	100-034-5120-067	60,914	7/1/2021	6/30/2022		60,914	53,300							
Compensatory Education	100-034-5120-067	24,037	7/1/2020	6/30/2021										
English as a Second Language	100-034-5120-067	53,440	7/1/2021	6/30/2022		53,440	43,209							
English as a Second Language	100-034-5120-067	31,085	7/1/2020	6/30/2021										
SDA Emergency Needs & Capital		97,272	7/1/2021	6/30/2022		97,272	97,272							
Total Special Revenue						<u>377,355</u>	<u>323,380</u>					<u>53,975</u>	<u>*</u>	<u>441,358</u>

BOROUGH OF FORT LEE SCHOOL DISTRICT
Schedule of Expenditures of State and Local Financial Awards

Year ended June 30, 2022

State Grantor/Program Titles	Grant or State Project Number	Award Amount	Grant Period		Balance at June 30, 2021		Balance at June 30, 2022				Memo					
			From	To	Deferred Revenue (Accts Receivable)	Due to Grantor	Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	(Accounts Receivable)		Deferred Revenue/ Interfund Payable	Due to Grantor at	Budgetary Receivable	Cumulative Total Expenditures	
Debt Service Fund																
State Department of Agriculture																
Debt Service Type II Aid	495-034-5121-075	410,304	7/1/2021	6/30/2022				410,304	410,304						*	410,304
Total Debt Service Fund								410,304	410,304						*	410,304
Enterprise Fund															*	
State Department of Agriculture															*	
National School Lunch Program (State Share)	100-010-3360-067	47,788	7/1/2021	6/30/2021				38,509	47,788	(9,279)					*	47,788
National School Lunch Program (State Share)	100-010-3360-067	25,328	7/1/2020	6/30/2022			(4,516)	4,516							*	25,328
Total Enterprise Fund								43,025	47,788	(9,279)					*	73,116
Total State Financial Assistance								22,329,417	22,981,067	(2,496,200)			53,975		*	25,301,441
Less: On-Behalf TPAF Pension System Contributions															*	
On Behalf TPAF - Post Retirement Medical	495-034-5094-001							2,580,081							*	
On Behalf TPAF Pension Contributions	495-034-5094-002							10,889,323							*	
On Behalf TPAF NCGH Premium	495-034-5094-004							153,633							*	
On Behalf TPAF - LTDI	495-034-5094-004							4,335							*	
Total State Financial Assistance								13,627,372							*	
								9,353,695							*	
Local Sources:															*	
Donations - HS - Korean	N/A	6,900	7/1/2021	6/30/2022				6,900	4,030						*	4,030
Donations - HS - Korean	N/A	5,000	7/1/2020	6/30/2021					1,489			2,870			*	5,000
Donations - Autism Program	N/A	1,000	7/1/2021	6/30/2022				1,000				1,000			*	
Donations - Science Research	N/A	500	7/1/2020	6/30/2021					500			500			*	
Donations - LFCIS Wellness	N/A	25,000	7/1/2020	6/30/2021					25,000			25,000			*	
Donations - Art Supplies	N/A	500	7/1/2021	6/30/2022				500				500			*	
Total Local Sources								26,989	8,400			29,870			*	9,030
Total State and Local Financial Assistance								26,989	9,359,214			29,870			*	9,030

See accompanying notes to the Schedules of Expenditures of Federal and State Awards.

NOTE 1. GENERAL

The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance include the activity of all federal and state award programs of the Board of Education, Borough of Fort Lee School District. The Board of Education is defined in Note 1 to the Board's basic financial statements. All federal and state awards received directly from federal and state agencies, as well as federal and state awards passed through other government agencies is included on the Schedule of Expenditures of Federal Awards and State Financial Assistance.

NOTE 2. BASIS OF ACCOUNTING

The accompanying Schedules of Expenditures of Federal and State Awards are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Notes 1(D) and 1(E) to the Board's basic financial statements. The information in these schedules is presented in accordance with the requirements of *2 CFR 200-Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Therefore, some amounts presented in this schedule may differ in amounts presented in or used in the preparation of the basic financial statements.

NOTE 3. RELATIONSHIP TO 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 audit year, whereas for GAAP reporting, revenue is not recognized until the subsequent year or when expenditures have been made.

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the last state aid payment in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44.2. For GAAP purposes, that payment is not recognized until the subsequent budget year due to the state deferral and recording of the last state aid payment 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 payment in the current budget year, consistent with N.J.S.A. 18A:22-44.2.

NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS, (continued)

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$(55,340) for the general fund and \$(4,702) for the special revenue fund. See the Notes 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. Awards and financial assistance revenues are reported in the Board’s basic financial statements on a GAAP basis as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$38,806	\$22,144,255	\$22,183,061
Special Revenue Fund	4,294,309	323,371	4,617,680
Debt Service Fund		410,304	410,304
Food Service Fund	<u>2,326,254</u>	<u>47,788</u>	<u>2,374,042</u>
Total Awards and Financial Assistance	<u>\$6,659,369</u>	<u>\$22,925,718</u>	<u>\$29,585,087</u>

NOTE 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.

NOTE 5. OTHER

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions, respectively. The amount reported as TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2022.

NOTE 6. ON-BEHALF PROGRAMS NOT SUBJECT TO STATE SINGLE AUDIT

On-behalf State Programs for TPAF Pension and Post-Retirement Medical Benefits Contributions are not subject to a State single audit and, therefore, the amount of \$13,627,372 of on-behalf payments is excluded from major program determination.

NOTE 7. INDIRECT COST RATE

The Borough of Fort Lee School District has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE 8. SCHOOLWIDE PROGRAM FUNDS

Schoolwide programs are not separate federal programs as defined in *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Grant Guidance); amounts used in schoolwide programs are included in the total expenditures of the program contributing the funds in the Schedule of Expenditures of Federal Awards. The following funds by program are included in schoolwide programs in the school district:

<u>Program</u>	<u>Total</u>
Title I, Part A: <i>Grants to Local Educational Agencies</i>	\$406,999
Title II, Part A: <i>Supporting Effective Instruction</i>	44,988
Title III: <i>English Language Acquisition State Grants</i>	82,223
Title IV: <i>Student Support and Academic Enrichment</i>	<u>10,031</u>
Total	<u>\$544,241</u>

**BOROUGH OF FORT LEE SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: qualified

Internal control over financial reporting:

1. Significant deficiencies identified that are not considered to be material weaknesses? X yes none reported

2. Material weakness(es) identified? yes X no

Noncompliance material to basic financial statements noted? yes X no

Federal Awards

Internal Control over major programs:

1. Significant deficiencies identified that are not considered to be material weaknesses? yes X none reported

2. Material weakness(es) identified? yes X no

Type of auditor's report issued on compliance for major programs: unmodified

Any audit findings disclosed that are required to be reported in accordance with section 2 CFR 200 section .516(a) of the Uniform Guidance? yes X no

Identification of major programs:

<u>Assistance Listing Number(s)</u>	<u>FAIN Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.027A/84.173A/ 84.027X/84.173X	(A) H027A210100/ H173A210100/ H027X210100/ H173A210100	I.D.E.A. Cluster: I.D.E.A. Part B-Basic/ I.D.E.A. Part B- Preschool/ ARP - I.D.E.A. Part B-Basic/ ARP- I.D.E.A. Part B- Preschool
84.425D/84.425U	(A) S425D210027/ S425U210027	CARES-ESSER I/ CRRSA-ESSER II/ CR Learning Acceleration/ CR Mental Health/ ARP- ESSER
84.010A	(B) S010A210030	Title I, Part A

**BOROUGH OF FORT LEE SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Section II – Financial Statement Findings

Finding 2022-001

The District did not comply with the requirements of Government Accounting Standards Board (GASB) Statement No. 87, *Leases*.

Criteria or specific requirement:

GASB Statement No. 87 requires the recognition of certain intangible assets and liabilities for leases that were previously classified as operating leases be recognized as inflows and/or outflows of resources based on the payment provisions of the contract.

Condition:

The District did not recognize lease-related assets and liabilities in accordance with current account standards for the fiscal year ended June 30, 2022.

Context:

GASB Statement No. 87 is required to be implemented for fiscal year ending June 30, 2022. The statement requires various disclosures to be made in the Notes to the Financial Statements. The District has not prepared the necessary calculations and disclosures.

Effect:

The District's financial statements do not include lease related right-to use assets or liabilities and do not include the required note disclosures and required supplementary information as defined by GASB No. 87. The effects on the financial statements, although not reasonably determinable, are presumed to be material.

Cause:

GASB No. 87 went into effect at the beginning of the fiscal year. Due to the complexities of implementation, the District was unable to perform the necessary calculations and disclosures as of the date of this report.

Recommendation:

Management, or a third-party financial consultant hired by management, should assess leases maintained by the District, calculate the appropriate right-to use assets and liabilities and prepare the required disclosures in accordance with GASB Statement No. 87.

Views of responsible official and planned corrective actions:

Management is aware of the compliance requirements of GASB No. 87 and is actively working on resolving this issue.

**BOROUGH OF FORT LEE SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(continued)**

Section III - Federal Awards and State Financial Assistance Findings and Questioned Costs

FEDERAL AWARDS

NONE

STATE AWARDS

NONE

**BOROUGH OF FORT LEE SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

STATUS OF PRIOR YEAR FINDINGS

NONE