

**SCHOOL DISTRICT OF THE
BOROUGH OF FORT LEE
COUNTY OF BERGEN, NEW JERSEY
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2023**

**School District
of
Fort Lee**

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

**Annual Comprehensive Financial Report
Year Ended June 30, 2023**

Annual Comprehensive Financial Report

of the

FORT LEE BOARD OF EDUCATION
Fort Lee, New Jersey

Year Ended June 30, 2023

Prepared by

Dina Messery
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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Robert L. Kravitz, Ed.D., M.B.A.
Superintendent of Schools

Diane Collazo-Baker, M.S.
Assistant Superintendent of Schools

Dina Messery, CPA
School Business Administrator/Board Secretary

November 16, 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, 2023. This ACFR includes the District's Basic Financial Statements prepared in accordance with Governmental Accounting Standards Board Statement 34. The District believes that this financial reporting model will provide all users of this document with much more useful financial and statistical information than ever before. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the District. This report will provide the taxpayers of the Borough of Fort Lee School District with comprehensive financial data in a format enabling them to gain an understanding of the District's financial affairs.

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

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



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

School District Organization

The Borough of Fort Lee School District is one of 694 school districts in the State of New Jersey and one of 80 school districts in Bergen County. The School District provides education to 4,076 students, in district and out-of-district, in grades pre-kindergarten through twelve.

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

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



Reporting Entity

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

Economic Conditions and Outlook

The District completed the 2022-2023 fiscal year with an average daily enrollment of 4,010 students, which is one hundred thirty-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>
2022-2023	4,010	-3.23%
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 2022-2023 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.

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 2022-2023 school year include:

- **District**
 - Implementation of MTSS for Academics
 - Implementation of LinkIt Data Management System
 - Using Genesis Lesson Planner
 - Provided professional development to support the use of the SIOP model to support multilingual learners
 - Maintained all digital programs used to supplement our core curriculum and assessment processes (STAR 360 Benchmark Assessment System, IXL)
- **English Language Arts**
 - Implemented the Wilson Foundations Program in grades K & 1
 - Implemented the Renaissance Freckle Program in grade 3
 - Professional Development
 - Provided to support the use of Freckle and the Wilson Foundations Program
 - Provided to support the Reader's and Writer's Workshop model in grades K-5
- **Gifted and Talented**
 - Implemented the CogAt Assessment
- **Science**
 - Implemented Mosa Mack in grades 5-8 to supplement the core science curriculum
- **Social Studies**
 - Adopted and implemented a new social studies curriculum in grades K-5, Savvas My World

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

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

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



In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the general fund, special revenue fund and debt service fund. Project length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section. An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year end are either cancelled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 2023.

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


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

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

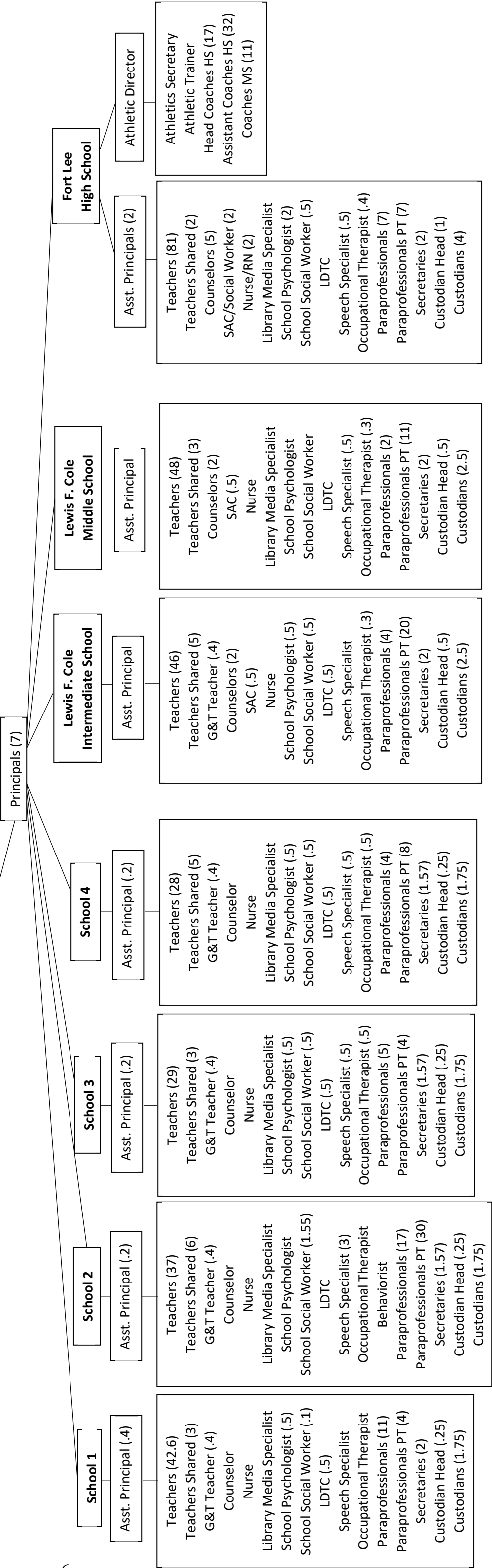
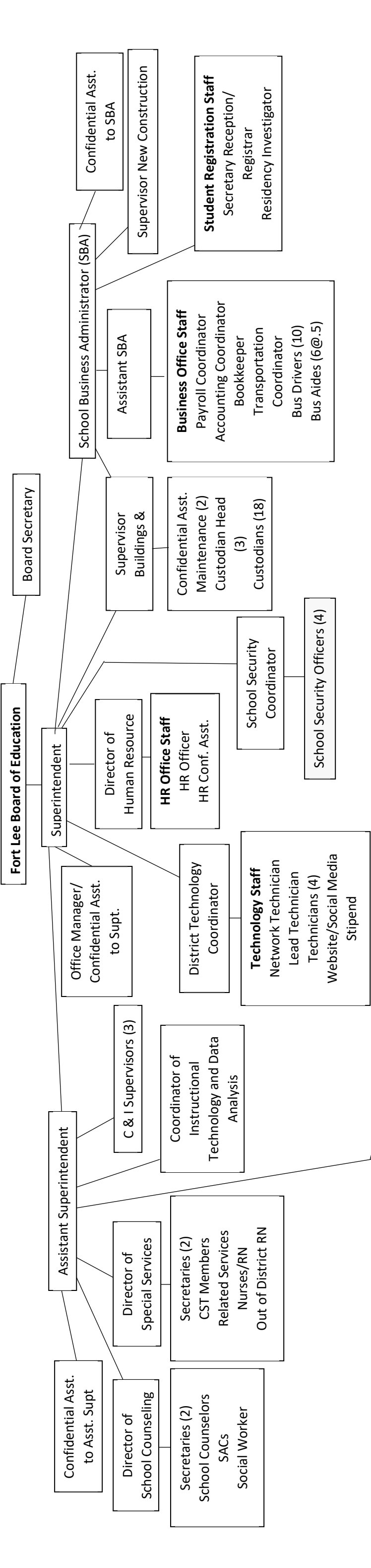
Acknowledgements:

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, 2023

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Paula Colbath, President	12/31/2025
Kristen Richter, Vice President	12/31/2024
Elisa Cho	12/31/2023
Kim Curry	12/31/2023
Catherine Golfinopoulos (9/19/22-6/30/23)	12/31/2023
Min Jeong Kim (7/1/22-7/31/22)	
Holly Morell	12/31/2024
Candace Romba (7/1/22-12/31/22)	12/31/2022
Kacy Knight (1/1/23-6/30/23)	12/31/2025
Michal Rubino	12/31/2025
Julene Stassou	12/31/2023

Other Officials

Robert L. Kravitz - Superintendent of Schools

Diane Collazo-Baker - Assistant Superintendent of Schools

Haquisah Q. Taylor, School Business Administrator/Board Secretary (7/1/22-2/14/23)

Vincent J. Occhino, Interim School Business Administrator/Board Secretary (2/15/23-4/30/23)

Dina Messery, School Business Administrator/Board Secretary (5/1/23-6/30/23)

Irene Gray, Assistant Business Administrator (7/1/22-3/15/23)

Charles Hangle, Treasurer of School Monies

Jack L. DeNichilo, Acting Supervisor Buildings & Grounds

Ernest Sazbo, Supervisor of Buildings & Grounds (10/10/22-6/30/23)

Lester E. Taylor III - Board Attorney

FORT LEE BOARD OF EDUCATION

CONSULTANTS & ADVISORS

JUNE 30, 2023

Attorney

Florio, Perrucci, Steinhardt, Cappelli, Tipton & Taylor, LLC
430 Mountain Ave
Suite 103
New Providence, NJ 07974

District Auditor

Wielkott & Company LLC
401 Wanaque Avenue
Pompton Lakes, New Jersey 07442

Official Depositories

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1100 Lake Street
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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MATTHEW B. WIELKOTZ, CPA, PSA
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JAMES J. CERULLO, CPA, RMA, PSA
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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

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, 2023, 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, the 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, 2023, 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 Opinion

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 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 November 16, 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. Wielkatz

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

Wielkatz & Company, LLC

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

November 16, 2023



**REQUIRED SUPPLEMENTARY
INFORMATION - PART I**

**FORT LEE BOARD OF EDUCATION
FORT LEE, NJ
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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, 2023.

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

- The assets and deferred outflows of resources of the Fort Lee Board of Education exceeded its liabilities, and deferred inflows of resources at the close of the fiscal year by \$49,427,187. (Net Position).
- In total, net position increased by \$5,480,987. Net position of governmental activities increased by \$5,469,764, and net position of business-type activities increased by \$11,223.
- General revenues accounted for \$95,056,270 in revenue or 94 percent of all governmental and business-type activities revenues. Program specific revenues in the form of charges for services and sales, grants, and contributions accounted for \$6,340,165 or 6 percent of total revenues of \$101,396,435.
- The School District had \$93,557,150 in expenses related to governmental activities; only \$4,266,797 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily grants, entitlements and property taxes) of \$94,760,117 were adequate to provide for these programs.
- As of the close of the current fiscal year, the District's governmental funds reported a combined ending fund balance of \$26,644,345.
- The General Fund fund balance at June 30, 2023 was \$23,875,741, an increase of \$2,152,664 compared to the ending fund balance at June 30, 2022 of \$26,028,405.
- The General Fund unassigned budgetary fund balance at June 30, 2023 was \$2,766,597 which represents a decrease of \$1,490,733 compared to the ending unassigned budgetary fund balance at June 30, 2022 of \$4,257,330. The decrease is primarily due to the state decreasing the maximum unassigned fund balance a school district may have from 4% of expenditures in 2022 back to a pre-pandemic maximum of 2% of expenditures.

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

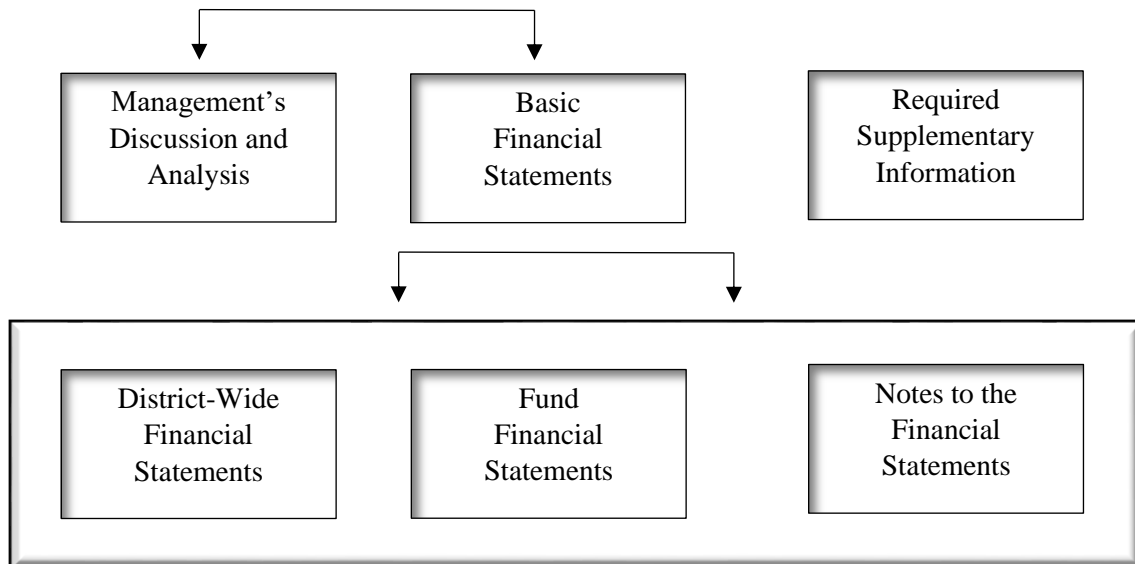
**MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

OVERVIEW OF THE FINANCIAL STATEMENTS

The financial section of the annual report consists of four parts – Independent Auditor’s Report, required supplementary information which includes the management’s discussion and analysis (this section), the basic financial statements, and supplemental information. The basic financial statements include two kinds of statements that present different views of the District:

- The first two statements are district-wide financial statements that provide both short-term and long-term information about the District’s overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the District, reporting the District’s operations in more detail than the district-wide statements.
- The district governmental funds statements tell how basic services were financed in the short term as well as what remains for future spending.
- Proprietary funds statements offer short-term and long-term financial information about the activities the district operated like businesses.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The table below shows how the various parts of this annual report are arranged and related to one another.



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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

OVERVIEW OF THE FINANCIAL STATEMENTS, (continued)

The major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain are detailed below. The remainder of this overview section of management's discussion and analysis highlights the structure and contents of each of the statements.

Major Features of the District-Wide and Fund Financial Statements

	District-Wide Statements	Fund Financial Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire district (except fiduciary funds)	The activities of the district that are not proprietary or fiduciary, such as regular and special education and building maintenance	Activities the district operates similar to private businesses: Enterprise fund	Instances in which the district administers resources on behalf of someone else, such as custodial accounts
Required Financial Statements	Statements of Net Position Statement of Activities	Balance Sheet Statement of Revenues, Expenditures and Changes in Fund Balances	Statement of Net Position Statement of Revenues, Expenses, and Changes in Fund Net Position Statement of Cash Flows	Statements of Fiduciary Net Position Statement of Changes In Fiduciary Net Position
Accounting Basis and Measurement Focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of Asset/ Deferred Outflows/ Inflows of Resources/ Liability Information	All assets, deferred outflows/inflows of resources and liabilities, both financial and capital, short-term and long-term	Generally assets expected to be utilized and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term funds do not currently contain capital assets
Type of Inflow/ Outflow Information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All revenues and expenses during the year, regardless of when cash is received or paid	All additions and deductions during the year, regardless of when cash is received or paid

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(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 *statement of net position and statement of activities* reports information about the District as a whole and about its activities in a manner that helps answer the question, "Is the District better or worse off as a result of the year's activities?" These statements include all assets and liabilities of the District using the accrual basis of accounting, similar to the accounting used by private sector corporations. All of the current year's revenues and expenses are taken into consideration regardless of when cash is received or paid.

Both of the district-wide financial statements distinguish functions of the Fort Lee Board of Education 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*).

In the *Statement of Net Position and the Statement of Activities*, the District is divided into two distinct kinds of activities:

- Governmental Activities – All of the school district's programs and services are reported here including instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities.
- Business-type Activity – This service is provided on a charge for goods and services basis to recover all the expenses of the goods or services provided. The Food Service Fund is reported as a business-type activity.

The two statements report the District's net position and changes in them. The change in net position can be utilized by a reader to assist in determining whether the District's financial health is improving or deteriorating. However, the reader should also consider non-financial factors such as property tax base, current New Jersey laws restricting revenue growth, student enrollment growth, facility conditions, required educational programs and other factors in determining the District's overall financial health.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(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 two categories: Governmental funds and Proprietary funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the district-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on balances of *spendable resources* available at the end of the fiscal year. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can be readily converted to cash.

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 government-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* (reported in the Statement of Net Position and the Statement of 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 schedule 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, 2023
(CONTINUED)**

USING THIS ANNUAL REPORT, (continued)

Proprietary Funds

Proprietary funds use the accrual basis of accounting, the same as on the district-wide statements, therefore the statements will essentially match the business-type activities portion of the district-wide statements. The Fort Lee Board of Education uses proprietary funds to account for its' food service program.

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, 2023
(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 \$49,427,187 at June 30, 2023 and \$43,946,200 at June 30, 2022, 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 2023 compared to 2022 (Table 1) and change in net position (Table 2) of the School District.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(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>2023</u>	<u>Restated 2022</u>	<u>2023</u>	<u>Restated 2022</u>	<u>2023</u>	<u>Restated 2022</u>
Assets						
Current and Other Assets	30,130,113	30,502,869	1,093,612	1,143,772	31,223,725	31,646,641
Capital Assets:						
Land and Construction in Progress	9,034,848	4,173,577				4,173,577
Depreciable Buildings, Improvements and Equipment (net)	83,871,187	85,014,673	90,367	104,515		85,119,188
Right to Use Leased Assets, Net of Amortization	<u>1,192,079</u>	<u>1,347,568</u>				<u>1,347,568</u>
Total Assets	<u>124,228,227</u>	<u>121,038,687</u>	<u>1,183,979</u>	<u>1,248,287</u>	<u>31,223,725</u>	<u>122,286,974</u>
Deferred Outflows:						
Deferred Outflows of Resources	<u>1,948,892</u>	<u>1,706,421</u>			<u>1,706,421</u>	<u>2,199,914</u>
Total Deferred Outflows	<u>1,948,892</u>	<u>1,706,421</u>	<u>0</u>	<u>0</u>	<u>1,706,421</u>	<u>2,199,914</u>
Liabilities						
Current Liabilities	4,919,090	2,937,264	178,449	253,980	5,097,539	3,191,244
Noncurrent Liabilities	<u>70,409,789</u>	<u>70,918,396</u>			<u>69,570,828</u>	<u>74,585,584</u>
Total Liabilities	<u>75,328,879</u>	<u>73,855,660</u>	<u>178,449</u>	<u>253,980</u>	<u>74,668,367</u>	<u>77,776,828</u>
Deferred Outflows:						
Deferred Inflows of Resources						
Related to PERS	<u>2,426,583</u>	<u>5,937,555</u>			<u>2,426,583</u>	<u>5,937,555</u>
Total Deferred Outflows	<u>2,426,583</u>	<u>5,937,555</u>			<u>2,426,583</u>	<u>5,937,555</u>
Net Assets						
Net Investment in Capital Assets	40,619,996	34,040,330	90,367	104,515	40,710,363	34,144,845
Restricted	24,234,043	24,868,603			24,234,043	24,868,603
Unrestricted	<u>(16,432,382)</u>	<u>(15,957,040)</u>	<u>915,163</u>	<u>889,792</u>	<u>(15,517,219)</u>	<u>(15,067,248)</u>
Total Net Position	<u>48,421,657</u>	<u>42,951,893</u>	<u>1,005,530</u>	<u>994,307</u>	<u>49,427,187</u>	<u>43,946,200</u>

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(CONTINUED)**

DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)

Table 2 below shows the changes in net position for fiscal year 2023 compared to 2022.

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

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Revenues						
Program Revenues:						
Charges for Services and						
Sales	316,342	232,277	1,256,964	172,469	1,573,306	404,746
Operating Grants and						
Contributions	3,950,455	4,524,973	816,404	2,374,042	4,766,859	6,899,015
General Revenues:						
Taxes:						
Property taxes	74,702,023	73,379,879			74,702,023	73,379,879
Federal and State Aid not						
Restricted	17,936,021	20,490,373			17,936,021	20,490,373
Capital Outlay	1,984	107,455			1,984	107,455
Payments in Lieu of Taxes to						
School District	383,000	383,000			383,000	383,000
Tuition	565,813	364,534			565,813	364,534
Other Restricted Miscellaneous						
Revenue	6,264	419			6,264	419
Miscellaneous Income	1,165,012	259,691	64,498		1,229,510	259,691
Investment Income			20,215	681	20,215	681
Total Revenues and Transfers	<u>99,026,914</u>	<u>99,742,601</u>	<u>2,158,081</u>	<u>2,547,192</u>	<u>101,184,995</u>	<u>102,289,793</u>

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(CONTINUED)**

DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Functions/Program Expenses						
Instruction:						
Regular	23,993,331	22,293,404			23,993,331	22,293,404
Special Education	10,082,253	9,951,918			10,082,253	9,951,918
Other Special Instruction	2,360,085	2,263,422			2,360,085	2,263,422
Other Instruction	1,550,482	1,333,880			1,550,482	1,333,880
Support Services:						
Tuition	3,986,472	3,335,640			3,986,472	3,335,640
Student & Instruction						
Related Services	12,456,039	11,178,840			12,456,039	11,178,840
General Administrative						
Services	1,783,377	1,711,399			1,783,377	1,711,399
School Administrative						
Services	3,227,517	3,224,719			3,227,517	3,224,719
Central Services and Admin.						
Info. Tech.	1,349,095	1,330,554			1,349,095	1,330,554
Plant Operations and						
Maintenance	5,941,787	5,716,418			5,941,787	5,716,418
Pupil Transportation	3,757,591	2,637,524			3,757,591	2,637,524
Unallocated Benefits	17,495,467	20,374,991			17,495,467	20,374,991
Charter School	64,632				64,632	
Food Service			2,146,858	2,114,571	2,146,858	2,114,571
Interest on Long-Term Debt	1,536,182	1,558,044			1,536,182	1,558,044
Unallocated depreciation	1,819,056	3,704,256			1,819,056	3,704,256
Capital Outlay - nondepreciable	1,998,295	31,497			1,998,295	31,497
Amortization and						
Capital Lease Obligations	<u>155,489</u>	<u>(240,568)</u>	<u> </u>	<u> </u>	<u>155,489</u>	<u>(240,568)</u>
Total Expenses	<u>93,557,150</u>	<u>90,405,938</u>	<u>2,146,858</u>	<u>2,114,571</u>	<u>95,704,008</u>	<u>92,520,509</u>
Increase or (Decrease) in						
Net Position	<u>5,469,764</u>	<u>9,336,663</u>	<u>11,223</u>	<u>432,621</u>	<u>5,480,987</u>	<u>9,769,284</u>

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(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 \$95,704,008. However, the amount that our taxpayers ultimately financed for these activities through School District taxes was only \$74,702,023 because some of the cost was paid by those who benefitted from the programs \$1,573,306, by other governments and organizations who subsidized certain programs with grants and contributions \$4,766,859, unrestricted federal and state aid \$17,936,021, federal and state aid capital outlay \$1,984, payments in lieu of taxes to school district \$383,000, tuition received \$565,813, and by miscellaneous sources \$1,255,989.

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 \$11,223.
- ✓ Charges for services provided totaled \$1,256,964 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 \$816,404.

The following schedules present a summary of governmental fund revenues for the fiscal year ended June 30, 2023, 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 2022</u>	<u>Percent of Increase/ (Decrease)</u>	<u>Prior Year</u>
Local Source	\$76,770,741	73.0%	\$2,519,193	3.39%	\$74,251,548
Intermediate Source	383,000	0.4%	-	100.00%	383,000
State Source	24,180,084	23.0%	1,302,154	5.69%	22,877,930
Federal Source	<u>3,762,371</u>	<u>3.6%</u>	<u>(570,744)</u>	-13.17%	<u>4,333,115</u>
Total	<u>\$105,096,196</u>	<u>100.0%</u>	<u>\$3,250,603</u>	3.19%	<u>\$101,845,593</u>

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(CONTINUED)**

DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)

<u>Expenditures</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) from 2022</u>	<u>Percent of Increase/ (Decrease)</u>	<u>Prior Year</u>
Current Expenditures					
Instruction	\$35,099,692	32.7%	\$1,137,999	3.35%	\$33,961,693
Undistributed	60,683,593	56.6%	4,164,551	7.37%	56,519,042
Debt Service	4,364,668	4.1%	150,302	3.57%	4,214,366
Capital Outlay	<u>7,153,688</u>	<u>6.7%</u>	<u>3,635,928</u>	103.36%	<u>3,517,760</u>
Total	<u>\$107,301,641</u>	<u>100.0%</u>	<u>\$9,088,780</u>	9.25%	<u>\$98,212,861</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, 2023, 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 \$4,956,548 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, 2023
(CONTINUED)**

General Fund

The general fund actual revenue was \$96,762,783, including transfers. That amount is \$19,315,093 above the final amended budget of \$77,447,690. The variance between the actual revenues and final budget was the result of non-budgeted on-behalf payments of \$16,799,889 for TPAF social security reimbursements and on-behalf pension payments, \$1,125,889 of excess Extraordinary Aid and State reimbursement for NonPublic Transportation, \$(23,899) deficit in federal revenues and an excess in miscellaneous of \$1,286,691.

The actual expenditures of the general fund were \$98,835,295 which is \$10,694,182 less than the final amended budget of \$88,141,113. The variance between the actual expenditures and the final budget was due to non-budgeted on-behalf TPAF social security and pension payments of \$16,799,889 and \$6,105,707 of unexpended budgeted funds.

The General Fund had total revenues of \$96,762,783, including transfers and total expenditures including transfers of \$98,835,295 with an ending fund balance of \$24,232,036 on the budgetary basis.

Special Revenue Fund

The special revenue fund actual revenue was \$4,262,081. That amount is above the original budget estimate of \$1,393,746 and below the final amended budget of \$6,350,294. The \$4,956,548 variance between the original and final budget was due to additional federal, state and local grant monies awarded to the District after the original budget was approved. The \$2,088,213 variance between the final amended budget and the June 30, 2023 actual results was due to the deferral of Federal and State grants received in the current fiscal year to be spent in the next fiscal year, and the inclusion of student activity fund and scholarship revenues.

The actual expenditures of the special revenue fund were \$4,220,703, which is above the original budget of \$1,393,746 and below the final amended budget of \$6,350,294. The \$4,956,548 variance between the original and final budget was due to additional expenditures related to the additional grants awarded to the District after the original budget was approved. The \$2,129,591 variance between the final amended budget and the June 30, 2023 actual results was due to the anticipation of fully expending federal and state grant programs, and the inclusion of student activity fund and scholarship expenses.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(CONTINUED)**

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal year 2023 the School District had \$140,131,460 invested in land, land improvements, buildings and building improvements, machinery and equipment and right to use leased assets. Of this amount \$45,942,979 in depreciation/amortization has been taken over the years. We currently have a net book value of \$94,188,481. Table 3 shows fiscal year 2023 balances compared to 2022.

Additional information about the District's capital assets can be found in the notes to the basic financial statements.

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

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Land and Construction in Progress	\$9,034,848	\$4,173,577	\$	\$	\$9,034,848	\$4,173,577
Site Improvements	1,935,355	2,066,598			1,935,355	2,066,598
Buildings and Building Improvements	79,282,854	80,360,888			79,282,854	80,360,888
Machinery and Equipment	2,652,978	2,587,187	90,367	104,515	2,743,345	2,691,702
Right to Use Leased Assets	<u>1,192,079</u>	<u>1,347,568</u>	<u></u>	<u></u>	<u>1,192,079</u>	<u>1,347,568</u>
	<u>\$94,098,114</u>	<u>\$90,535,818</u>	<u>\$90,367</u>	<u>\$104,515</u>	<u>\$94,188,481</u>	<u>\$90,640,333</u>

Debt Administration

At June 30, 2023, the District had \$70,409,789 in long-term debt. Of this amount, \$50,005,000 is for bonds payable, \$3,473,118 represents lease-purchase agreements payable, \$5,506,287 is for compensated absences, \$10,206,791 is for the District's net pension liability, and \$1,218,593 represents the lease liability for the rental of administrative office space. For more detailed information, please refer to the Notes to the Financial Statements.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(CONTINUED)**

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

The district continues to rely predominately upon local property taxes as its main source of funding. Therefore, in consideration of current economic conditions and the anticipation of continued flat state aid support, the Board of Education has sought to control budget expenses to minimize the impact on the local tax levy.

The following factors were considered in preparing the 2023-2024 fiscal year budget:

- Estimated Student Enrollment
- Sources of revenue
- Cost of negotiated salaries and benefits
- Cost of fixed charges
- Mandated Programs
- Requirements for health and safety issues

Prior to the end of fiscal 2004, S1701 was enacted. The law is meant to control public school district budgets by revising the calculation of budget caps and reducing surplus. Starting in 2005-06 the CAP will be set at 2.5% or the cost of living, whichever is greater. A number of other changes will affect the calculation of SGLA's and per pupil administrative costs. Any undesignated general fund balance in excess of 2% or \$250,000, whichever is greater must be appropriated for tax relief.

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:

Dina Messery
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, 2023

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	13,924,172	967,413	14,891,585
Receivables, net	4,181,477	111,910	4,293,387
Inventory		14,289	14,289
Restricted assets:			
Capital reserve account - cash	9,931,747		9,931,747
Emergency reserve account - cash	820,703		820,703
Maintenance reserve account - cash	258,566		258,566
Net Payroll account - cash	7,014		7,014
Payroll deductions and withholdings account - cash	384,064		384,064
Flexible spending account - cash	33,480		33,480
Unemployment compensation account - cash	378,387		378,387
Student activity accounts - cash	31,621		31,621
Scholarship accounts - cash	178,882		178,882
Capital Assets:			
Land and construction in progress	9,034,848		9,034,848
Depreciable Buildings, Improvements and Equipment (net)	83,871,187	90,367	83,961,554
Right to use lease assets, net of amortization	1,192,079		1,192,079
Total Assets	124,228,227	1,183,979	125,412,206
Deferred Outflow of Resources:			
Deferred outflows of resources related to PERS	1,948,892		1,948,892
Total Deferred Outflows	1,948,892	-	1,948,892
LIABILITIES			
Accounts payable and accrued liabilities	4,244,205	5,150	4,249,355
Payable to state government	49,782		49,782
Prepaid revenue		69,754	69,754
Deferred revenue	80,724	103,545	184,269
Payroll deductions and withholdings payable	424,558		424,558
Unemployment compensation claims payable	119,821		119,821
Noncurrent liabilities:			
Due within one year	3,260,004		3,260,004
Due beyond one year	67,149,785		67,149,785
Total liabilities	75,328,879	178,449	75,507,328
Deferred Inflow of Resources:			
Deferred inflows of resources related to PERS	2,426,583		2,426,583
Total Deferred Inflows	2,426,583	-	2,426,583
NET POSITION			
Net Investment in Capital Assets	40,619,996	90,367	40,710,363
Restricted for:			
Capital projects	2,558,101		2,558,101
Other purposes	21,675,942		21,675,942
Unrestricted (Deficit)	(16,432,382)	915,163	(15,517,219)
Total net position	48,421,657	1,005,530	49,427,187

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, 2023

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	22,040,170	1,953,161			(23,993,331)		(23,993,331)
Special education	9,420,056	662,197		2,555,990	(7,526,263)		(7,526,263)
Other special instruction	2,152,157	207,928			(2,360,085)		(2,360,085)
Other instruction	1,461,316	89,166			(1,550,482)		(1,550,482)
Support services:							
Tuition	3,986,472				(3,986,472)		(3,986,472)
Student & instruction related services	11,681,259	774,780	316,342	1,394,465	(10,745,232)		(10,745,232)
General administrative services	1,731,079	52,298			(1,783,377)		(1,783,377)
School administrative services	2,960,487	267,030			(3,227,517)		(3,227,517)
Central services and administrative information technology	1,260,365	88,730			(1,349,095)		(1,349,095)
Plant operations and maintenance	5,741,253	200,534			(5,941,787)		(5,941,787)
Pupil transportation	3,693,143	64,448			(3,757,591)		(3,757,591)
Unallocated benefits	17,495,467				(17,495,467)		(17,495,467)
Charter schools	64,632				(64,632)		(64,632)
Capital outlay	1,998,295				(1,998,295)		(1,998,295)
Interest on long-term debt	1,536,182				(1,536,182)		(1,536,182)
Unallocated depreciation	1,819,056				(1,819,056)		(1,819,056)
Amortization	155,489				(155,489)		(155,489)
Total governmental activities	89,196,878	4,360,272	316,342	3,950,455	(89,290,353)	-	(89,290,353)
Business-type activities:							
Food Service	2,146,858		1,256,964	816,404		(73,490)	(73,490)
Total business-type activities	2,146,858		1,256,964	816,404		(73,490)	(73,490)
Total primary government	91,343,736		1,573,306	4,766,859	(89,290,353)		(89,363,843)
General revenues:							
Taxes:							
Levied for general purposes					70,967,334		70,967,334
Taxes levied for debt service					3,734,689		3,734,689
Federal and State aid not restricted					17,936,021		17,936,021
Federal and State aid - Capital Outlay					1,984		1,984
Payments in Lieu of Taxes to School District					383,000		383,000
Tuition					565,813		565,813
Investment Earnings						20,215	20,215
Miscellaneous Income					1,165,012	64,498	1,229,510
Other Restricted Miscellaneous Revenue					6,264		6,264
Total general revenues, special items, extraordinary items and transfers					94,760,117	84,713	94,844,830
Change in Net Position					5,469,764	11,223	5,480,987
Net Position—beginning					42,951,893	994,307	43,946,200
Net Position—ending					48,421,657	1,005,530	49,427,187

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

* - Student Activity revenue is reported as "charges for services", scholarship revenue is reported as "operating grants and contributions"

** - Includes the interest earnings on the unemployment compensation bank account

FUND FINANCIAL STATEMENTS

FORT LEE BOARD OF EDUCATION
Balance Sheet
Governmental Funds
June 30, 2023

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash and cash equivalents				
Checking	11,234,019		2,690,153	13,924,172
Accounts Receivable -				
Interfunds	1,311,178			1,311,178
Intergovernmental - Federal		1,555,530		1,555,530
Intergovernmental - State	2,229,412	13,535		2,242,947
Intergovernmental - Other	383,000			383,000
Restricted cash and cash equivalents				
Capital reserve	9,931,747			9,931,747
Emergency reserve	820,703			820,703
Maintenance reserve	258,566			258,566
Net payroll	7,014			7,014
Payroll deductions and withholdings	384,064			384,064
Flexible spending	33,480			33,480
Unemployment compensation	378,387			378,387
Scholarship accounts		31,621		31,621
Student activity accounts		178,882		178,882
Total assets	<u>26,971,570</u>	<u>1,779,568</u>	<u>2,690,153</u>	<u>31,441,291</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	2,501,750	309,133		2,810,883
Intergovernmental accounts payable - State		49,782		49,782
Interfund payables		1,179,126	132,052	1,311,178
Unearned revenue	49,700	31,024		80,724
Payroll deductions and withholdings payable	424,558			424,558
Unemployment compensation claims payable	119,821			119,821
Total liabilities	<u>3,095,829</u>	<u>1,569,065</u>	<u>132,052</u>	<u>4,796,946</u>
Fund Balances:				
Restricted for:				
Excess Surplus - current year	2,000,000			2,000,000
Capital reserve account	9,931,747			9,931,747
Emergency reserve account	820,703			820,703
Maintenance reserve account	3,500,000			3,500,000
Unemployment compensation	258,566			258,566
Student groups		178,882		178,882
Scholarships		31,621		31,621
Assigned to:				
Year-end Encumbrances	2,431,338			2,431,338
Designated by the BOE for subsequent year's expenditures	2,523,085			2,523,085
Capital projects fund			2,558,101	2,558,101
Unassigned:				
General Fund	2,410,302			2,410,302
Total Fund balances	<u>23,875,741</u>	<u>210,503</u>	<u>2,558,101</u>	<u>26,644,345</u>
Total liabilities and fund balances	<u>26,971,570</u>	<u>1,779,568</u>	<u>2,690,153</u>	

FORT LEE BOARD OF EDUCATION
Balance Sheet
Governmental Funds
June 30, 2023

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	92,906,035
Right to use lease assets used in governmental activities are not financial resources and therefore are not reported in the funds.	
Right to use assets at historical cost	1,470,459
Accumulated amortization	(278,380)
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	(416,786)
Accounts payable for subsequent Pension payment is not a payable in the funds	(1,016,536)
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	1,948,892
Deferred inflows of resources related to PERS Pension Liability	(2,426,583)
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>(70,409,789)</u>
Net position of governmental activities	<u><u>48,421,657</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, 2023

	<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	70,967,334			3,734,689	74,702,023
Tuition	565,813				565,813
Transportation Fees	84,828				84,828
Rents and Royalties	48,174				48,174
Other Restricted Miscellaneous Revenues	6,264 *				6,264
Interest Earned on Capital Reserve Funds	69,568				69,568
Miscellaneous	835,919	330	126,523		962,772
Scholarship Donations		14,957 **			14,957
Student Group Receipts		316,342 **			316,342
Total - Local Sources	72,577,900	331,629	126,523	3,734,689	76,770,741
Intermediate sources:					
Payments in Lieu of Taxes to School District	383,000				383,000
Total Intermediate sources	383,000	-	-	-	383,000
State sources	23,536,505	233,484		410,095	24,180,084
Federal sources	58,703	3,703,668			3,762,371
Total revenues	96,556,108	4,268,781	126,523	4,144,784	105,096,196
EXPENDITURES					
Current:					
Regular instruction	22,066,163				22,066,163
Special education instruction	6,864,066	2,555,990			9,420,056
Other special instruction	2,152,157				2,152,157
School sponsored/other instructional	1,461,316				1,461,316
Support services and undistributed costs:					
Tuition	3,986,472				3,986,472
Attendance and social work services	404,692				404,692
Health services	909,518				909,518
Student & instruction related services	9,053,075	1,669,429 ***			10,722,504
General administrative services	1,731,079				1,731,079
School administrative services	2,960,487				2,960,487
Central services	1,033,329				1,033,329
Administrative information technology	227,036				227,036
Plant operations and maintenance	6,073,623				6,073,623
Pupil transportation	3,693,143				3,693,143
Unallocated benefits	12,077,189				12,077,189
On-behalf contributions	16,799,889				16,799,889
Transfer to charter school	64,632				64,632
Debt service:					
Principal	128,975			2,685,000	2,813,975
Interest and other charges	23,525			1,527,168	1,550,693
Capital outlay	7,124,929	1,984	26,775		7,153,688
Total expenditures	98,835,295	4,227,403	26,775	4,212,168	107,301,641
Excess (Deficiency) of revenues	(2,279,187)	41,378	99,748	(67,384)	(2,205,445)

FORT LEE BOARD OF EDUCATION
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Fiscal Year Ended June 30, 2023

	<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	126,523				126,523
Transfers out			(126,523)		(126,523)
Total other financing sources and uses	<u>126,523</u>	<u>-</u>	<u>(126,523)</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(2,152,664)	41,378	(26,775)	(67,384)	(2,205,445)
Fund balance—July 1	<u>26,028,405</u>	<u>169,125</u>	<u>2,584,876</u>	<u>67,384</u>	<u>28,849,790</u>
Fund balance—June 30	<u><u>23,875,741</u></u>	<u><u>210,503</u></u>	<u><u>2,558,101</u></u>	<u><u>-</u></u>	<u><u>26,644,345</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, 2023

Total net change in fund balances - governmental funds (from B-2) (2,205,445)

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	(1,819,056)	
Non-depreciable capital outlay - Construction in Progress	5,005,861	
Depreciable Capital outlays	<u>530,980</u>	
		3,717,785

Right to use leased assets used in governmental activities are not financial resources and therefore are not reported in the funds.

Accumulated amortization	<u>(155,489)</u>	(155,489)
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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:

Right to Use Lease Liability	128,975	
General Serial Bonds	2,685,000	
Capital Lease Obligations	<u>332,370</u>	
		3,146,345

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. (+)

Right to Use Lease Liability	(8,746)	
General Bond Obligations - Prior Year	411,516	
General Bond Obligations	(389,987)	
General Capital Lease Obligations - Prior Year	19,781	
General Capital Lease Obligations	<u>(18,053)</u>	
		14,511

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	(754,426)
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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	852,888	
Less: Pension Benefit	<u>853,595</u>	
(Increase)/Decrease in Pension Expense		1,706,483

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	(7,716,917)
Decrease in On-behalf TPAF Pension Expense	7,716,917

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	1,647,635
Increase in On-behalf State Aid TPAF Post Employment Medical Expense	(1,647,635)

Change in net position of governmental activities	<u><u>5,469,764</u></u>
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The accompanying Notes to Basic Financial Statements are an integral part of this statement.

FORT LEE BOARD OF EDUCATION
Statement of Net Position
Proprietary Funds
June 30, 2023

	Business-type Activities - Enterprise Fund	
	Food Service Program	Totals
ASSETS		
Current assets:		
Cash and cash equivalents	967,413	967,413
Accounts receivable:		
State	4,489	4,489
Federal	107,421	107,421
Inventories	14,289	14,289
Total current assets	<u>1,093,612</u>	<u>1,093,612</u>
Noncurrent assets:		
Capital assets:		
Equipment	604,413	604,413
Less accumulated depreciation	<u>(514,046)</u>	<u>(514,046)</u>
Total capital assets (net of accumulated depreciation)	<u>90,367</u>	<u>90,367</u>
Total assets	<u>1,183,979</u>	<u>1,183,979</u>
LIABILITIES		
Current Liabilities:		
Accounts payable	5,150	5,150
Deferred Revenue	103,545	103,545
Prepaid Revenue	<u>69,754</u>	<u>69,754</u>
Total Liabilities	<u>178,449</u>	<u>178,449</u>
NET POSITION		
Net investment in capital assets	90,367	90,367
Unrestricted	<u>915,163</u>	<u>915,163</u>
Total net position	<u><u>1,005,530</u></u>	<u><u>1,005,530</u></u>

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, 2023

	Business-type Activities - Enterprise Fund	
	Food Service Program	Totals
Operating revenues:		
Charges for services:		
Daily sales - reimbursable programs	1,234,929	1,234,929
Daily sales - other	22,035	22,035
Total operating revenues	<u>1,256,964</u>	<u>1,256,964</u>
Operating expenses:		
Cost of food - reimbursable programs	692,386	692,386
Cost of food - non-reimbursable programs	232,359	232,359
Salaries	702,061	702,061
Supplies and materials	69,365	69,365
Employee benefits	249,409	249,409
Depreciation	14,148	14,148
Repairs and other expenses	36,179	36,179
Purchased services	150,951	150,951
Total Operating Expenses	<u>2,146,858</u>	<u>2,146,858</u>
Operating income (loss)	<u>(889,894)</u>	<u>(889,894)</u>
Nonoperating revenues (expenses):		
State school lunch program	26,733	26,733
State school breakfast program	351	351
Federal sources:		
National school lunch program	499,506	499,506
National school breakfast program	21,673	21,673
Supply Chain Assistance Funding	109,820	109,820
Local Food for Schools Cooperative Agreement Program	778	778
U.S.D.A. Commodities	157,543	157,543
Interest on investments	84,713	84,713
Total nonoperating revenues (expenses)	<u>901,117</u>	<u>901,117</u>
Income (loss) before contributions & transfers	<u>11,223</u>	<u>11,223</u>
Total net position—beginning	994,307	994,307
Total net position—ending	<u><u>1,005,530</u></u>	<u><u>1,005,530</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, 2023

	Business-type Activities - Enterprise Fund	
	Food Service Program	Totals
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	1,290,188	1,290,188
Payments to suppliers	(2,089,762)	(2,089,762)
Net cash provided by (used for) operating activities	(799,574)	(799,574)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State Sources	31,874	31,874
Federal Sources	1,060,294	1,060,294
Net cash provided by (used for) non-capital financing activities	1,092,168	1,092,168
CASH FLOWS FROM INVESTMENT AND RELATED FINANCING ACTIVITIES		
Interest on investments	20,215	20,215
PPP Reimbursements	64,498	64,498
Net cash provided by (used for) investment and related financing activities	84,713	84,713
Net increase (decrease) in cash and cash equivalents	377,307	377,307
Balances—beginning of year	590,106	590,106
Balances—end of year	967,413	967,413
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	(889,894)	(889,894)
Adjustments to reconcile operating income (loss) to net cash provided by		
Depreciation and net amortization	14,148	14,148
Food distribution program	157,153	157,153
(Increase) decrease in accounts receivable	13,196	13,196
(Increase) decrease in inventories	754	754
Increase (decrease) in prepaid revenue	20,027	20,027
Increase (decrease) in accounts payable	(114,958)	(114,958)
Total adjustments	90,320	90,320
Net cash provided by (used for) operating activities	(799,574)	(799,574)

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, 2023

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, 2023**

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

B. Basis of Presentation

The financial statements include both district-wide financial statements (based on the District as a whole) and fund financial statements (based on specific District activities or objectives). Both the district-wide and fund financial statements categorize activities as either governmental activities or business-type activities. While separate district-wide and fund financial statements are presented, they are interrelated. In the district-wide financial statements, the governmental activities column incorporates data from governmental funds while business-type activities incorporate data from the District's enterprise funds. Currently the District does not have any fiduciary funds.

District-wide Financial Statements

The district-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the Board of Education. All fiduciary activities are reported only in the fund financial statements. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by property taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. In the statement of net position, both the governmental and business-type activities columns (a) are presented on a consolidated basis by column, and (b) reflect on a full accrual economic resource basis, which incorporates long-term assets and receivables as well as long-term debt and obligations.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or other governmental entities, including other school districts, who purchase, use, or directly benefit from goods or services provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Property taxes, unrestricted state aid and other items not properly included among program revenues are reported instead as general revenues.

As a general rule the effect of interfund activity has been eliminated from the district-wide financial statements. Exceptions to this general rule are charges between the Board's proprietary funds since elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Borough of Fort Lee School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023

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

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.

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.

**Borough of Fort Lee School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

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

GOVERNMENTAL FUNDS, (continued)

Capital Projects Fund - The Capital Projects Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets, other than those financed by proprietary funds. The financial resources are derived from grants, temporary notes, serial bonds which are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election, or from the general fund by way of transfers from capital outlay or the capital reserve account.

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.

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.

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

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.

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, 2023**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (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.

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, 2023**

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

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.

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.

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, 2023**

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

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.

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.

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.

Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2023 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.

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.

Borough of Fort Lee School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023

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

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. The Board does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of 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

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.

**Borough of Fort Lee School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

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

Compensated Absences, (continued)

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.

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.

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.

Interfund Activity

Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues. Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating revenues/expenses in proprietary funds. Reimbursements from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

**Borough of Fort Lee School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

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, 2023**

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

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.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets 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 only one item that qualifies for reporting in this category, deferred amounts related to pension.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has one item that qualifies in this category, deferred amounts related to pension.

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.
- **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.

Borough of Fort Lee School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023

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

Fund Balances, (continued)

- **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.

In the general operating fund and other governmental funds (special revenue, capital projects and debt service fund types), it is the District's policy to consider restricted resources to have been spent first when an expenditure is incurred for purposes for which both restricted and unrestricted (i.e., committed, assigned or unassigned) fund balances are available, followed by committed and then assigned fund balances. Unassigned amounts are used only after the other resources have been used.

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.

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, 2023**

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

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.

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.

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.

New Accounting Standards:

During fiscal year 2023, the District adopted the following GASB Statement:

GASB Statement No. 96, *Subscription-Based Information Technology*, which improves financial reporting by establishing a definition for subscription-based information technology arrangements (SBITAs) and providing uniform guidance for accounting and financial reporting for transactions that meet that definition. That definition and uniform guidance will result in greater consistency in practice. Establishing the capitalization criteria for implementation costs also will reduce diversity and improve comparability in financial reporting by governments. This Statement also will enhance the relevance and reliability of a government's financial statements by requiring a government to report a subscription asset and subscription liability for SBITA and to disclose essential information about the arrangement. The disclosures will allow users to understand the scale and important aspects of a government's SBITA activities and evaluate a government's obligations and assets resulting from SBITAs. The District did not have any subscription-based information technology arrangements that rose to an amount that required disclosure. The District will review new SBITA's annually to determine proper disclosure.

Borough of Fort Lee School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023

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

Recently Issued Accounting Pronouncements

The GASB has issued the following Statement that will become effective for the School District for fiscal years ending June 30, 2024 or 2025:

Statement No. 101, *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The Statement will become effective for the School District in the fiscal year ending June 30, 2025 although earlier application is encouraged. Management is currently evaluating whether or not this Statement will have an impact on the basic financial statements of the School District.

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, 2023, \$3,488,375 of the District's bank balance of \$29,326,249 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.

Borough of Fort Lee School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023

NOTE 2. CASH AND CASH EQUIVALENTS AND INVESTMENTS, (continued)

Concentration of Credit Risk

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

NOTE 3. RECEIVABLES

Receivables at June 30, 2023, 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	\$1,311,178	\$	\$
State Aid	2,242,947	4,489	2,247,436
Federal Aid	1,555,530	107,421	1,662,951
Other	<u>383,000</u>		<u>383,000</u>
Gross Receivables	5,492,655	111,910	4,293,387
Less: Allowance for Uncollectibles			
Total Receivables, Net	<u><u>\$5,492,655</u></u>	<u><u>\$111,910</u></u>	<u><u>\$4,293,387</u></u>

NOTE 4. INTERFUND BALANCES AND ACTIVITY

Balances due to/from other funds at June 30, 2023, consist of the following:

\$132,052	Due to the General Fund from the Capital Projects Fund for interest earned on investments in the Capital Projects Fund.
<u>1,179,126</u>	Due to the General Fund from the Special Revenue Fund to cover deficit in cash.
<u><u>\$1,311,178</u></u>	

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

Interfund transfers for the year ended June 30, 2023 consisted of the following:

<u><u>\$126,523</u></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, 2023

NOTE 5. CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2023 was as follows:

	Restated Beginning Balance	Additions	Retirements	Ending Balance
Governmental Activities:				
Capital Assets That Are Not Being Depreciated:				
Land	\$2,509,321	\$	\$	\$2,509,321
Construction in Progress	<u>1,664,256</u>	<u>5,005,861</u>	<u>(144,590)</u>	<u>6,525,527</u>
Total Capital Assets, Not Being Depreciated	<u>4,173,577</u>	<u>5,005,861</u>	<u>(144,590)</u>	<u>9,034,848</u>
Site Improvements	4,295,895			4,295,895
Building and building improvements	117,507,654		144,590	117,652,244
Machinery and equipment	6,542,621	530,980		7,073,601
Right to use leased assets	<u>1,470,459</u>	<u> </u>	<u> </u>	<u>1,470,459</u>
Totals at Historical Cost	<u>129,816,629</u>	<u>530,980</u>	<u>144,590</u>	<u>130,492,199</u>
Less Accumulated Depreciation For:				
Site Improvements	(2,229,297)	(131,243)		(2,360,540)
Buildings and Improvements	(37,146,766)	(1,222,624)		(38,369,390)
Machinery and equipment	(3,955,434)	(465,189)		(4,420,623)
Right to use leased assets	<u>(122,891)</u>	<u>(155,489)</u>	<u> </u>	<u>(278,380)</u>
Total Accumulated Depreciation	<u>(43,454,388)</u>	<u>(1,974,545)</u>	<u>0</u>	<u>(45,428,933)</u>
Total Capital Assets, Being Depreciated, Net of Accumulated Depreciation	<u>86,362,241</u>	<u>(1,443,565)</u>	<u>144,590</u>	<u>85,063,266</u>
Governmental Activities Capital Assets, Net	<u>\$90,535,818</u>	<u>\$3,562,296</u>	<u>\$0</u>	<u>\$94,098,114</u>
	Restated Balance <u>6/30/21</u>	<u>Additions</u>	<u>Retirements</u>	Balance <u>6/30/22</u>
Business-Type Activities:				
Equipment - Food Service	\$604,413	\$	\$	\$604,413
Less Accumulated Depreciation For:				
Equipment - Food Service	<u>(499,898)</u>	<u>(14,148)</u>	<u> </u>	<u>(514,046)</u>
Business-Type Activities Capital Assets, Net	<u>\$104,515</u>	<u>(\$14,148)</u>	<u>\$ </u>	<u>\$90,367</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, 2023

NOTE 6. LONG-TERM OBLIGATIONS

Changes in long-term obligations for the fiscal year ended June 30, 2023 are as follows:

	<u>Restated 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	\$52,690,000	\$	\$(2,685,000)	\$50,005,000	\$2,770,000
Total Bonds Payable	<u>52,690,000</u>	<u></u>	<u>(2,685,000)</u>	<u>50,005,000</u>	<u>2,770,000</u>
Other Liabilities:					
Net Pension Liability PERS	8,323,479	1,883,312		10,206,791	
Obligations Under Capital Lease	3,805,488		(332,370)	3,473,118	352,324
Compensated Absences Payable	4,751,861	1,648,894	(894,468)	5,506,287	
Lease Liability	<u>1,347,568</u>	<u></u>	<u>(128,975)</u>	<u>1,218,593</u>	<u>137,680</u>
Total other liabilities	<u>18,228,396</u>	<u>3,532,206</u>	<u>(1,355,813)</u>	<u>20,404,789</u>	<u>490,004</u>
Total Governmental Activities	<u>\$70,918,396</u>	<u>\$3,532,206</u>	<u>\$(4,040,813)</u>	<u>\$70,409,789</u>	<u>\$3,260,004</u>

A. Bonds Payable:

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

Outstanding bonds payable at June 30, 2023 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, 2023</u>
General Serial Bonds	\$49,840,000	4/7/2015	3.00% - 3.500%	3/15/2041	39,370,000
General Refunding Bonds	\$11,285,000	10/22/2020	0.707% - 2.134%	12/1/2031	<u>10,635,000</u>
					<u>\$50,005,000</u>

Borough of Fort Lee School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023

NOTE 6. LONG-TERM OBLIGATIONS, (continued)

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>
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	4,233,714	3,045,000	1,188,714
2029-2033	19,916,778	15,205,000	4,711,778
2034-2038	14,851,025	12,140,000	2,711,025
2039-2041	8,725,050	8,150,000	575,050
	<u>\$64,622,908</u>	<u>\$50,005,000</u>	<u>\$14,617,908</u>

B. Bonds Authorized But Not Issued:

As of June 30, 2023 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, and the present value of the net minimum lease payments at June 30, 2023:

<u>Year</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
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	486,031	440,459	45,572
2029-2031	1,562,869	1,495,461	67,408
	<u>\$3,868,354</u>	<u>\$3,473,118</u>	<u>\$395,236</u>
Total minimum lease payments			\$3,868,354
Less: Amount representing interest			<u>(395,236)</u>
Present value of lease payments			<u>\$3,473,118</u>

Borough of Fort Lee School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023

NOTE 6. LONG-TERM OBLIGATIONS, (continued)

D. Compensated Absences:

Compensated Absences will be paid from the fund which the employees' salaries are paid.

E. Net Pension Liability

For details on the net pension liability, refer to Note 7. The District's annual required contribution to the Public Employees' Retirement System is budgeted and paid from the general fund on an annual basis.

F. Leases

The District has entered into a lease as a lessee of buildings for administrative offices. An initial lease liability was recorded in the amount of \$1,470,459 in the current year as a prior year restatement. For the year ended June 30, 2023, the value of the lease liability is \$1,218,593. The lease have interest rates of 2.00%. The value of the right to use assets for the year ended June 30, 2023 was \$1,192,079, with accumulated amortization of \$278,380.

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2023 were as follows:

<u>Fiscal Year</u>	<u>Governmental</u>
<u>Ending</u>	<u>Activities</u>
<u>June 30,</u>	
2024	\$160,800
2025	164,016
2026	167,296
2027	170,642
2028	174,055
2029-2031	<u>481,150</u>
Total Minimum Lease payments	1,317,959
Less: Amount representing interest	<u>(99,366)</u>
Present value of lease payments	<u>\$1,218,593</u>

Borough of Fort Lee School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023

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.

The following represents the membership tiers for TPAF:

<u>Tier</u>	<u>Definition</u>
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, 2023

NOTE 7. PENSION PLANS, (continued)

Benefits Provided, (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.

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:

<u>Tier</u>	<u>Definition</u>
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, 2023**

NOTE 7. PENSION PLANS, (continued)

Benefits Provided, (continued)

Service retirement benefits of $1/55^{\text{th}}$ 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 $1/60^{\text{th}}$ 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.

Borough of Fort Lee School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023

NOTE 7. PENSION PLANS, (continued)

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:

<u>Year</u> <u>Ending</u>	<u>PERS</u>	<u>DCRP</u>
6/30/23	\$852,888	\$88,024
6/30/22	822,839	85,754
6/30/21	735,358	76,562

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:

<u>Year</u> <u>Ending</u>	<u>Pension</u> <u>Contributions</u>	<u>Post-Retirement</u> <u>Medical</u> <u>Contributions</u>	<u>NCGI</u> <u>Premium</u>	<u>Long-Term</u> <u>Disability</u> <u>Insurance</u>
6/30/23	\$11,234,031	\$2,992,097	\$155,859	\$4,710
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

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 \$2,413,192 during the year ended June 30, 2023 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, 2023, the District had a liability of \$10,206,791 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2022, 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, 2022, the District's proportion was 0.0676332689 percent, which was a decrease of 0.002627819 percent from its proportion measured as of June 30, 2021.

Borough of Fort Lee School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023

NOTE 7. PENSION PLANS, (continued)

For the year ended June 30, 2023, the District recognized pension expense of \$(853,595). At June 30, 2023, deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$73,668	\$64,965
Changes of assumptions	31,624	1,528,361
Net difference between projected and actual earnings on pension plan investments	422,450	
Changes in proportion and differences between the District's contributions and proportionate share of contributions	404,614	833,257
District contributions subsequent to the measurement date	<u>1,016,536</u>	<u> </u>
Total	<u>\$1,948,892</u>	<u>\$2,426,583</u>

The \$1,016,536 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, 2023, the plan measurement date is June 30, 2022) will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. 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:	
2023	(\$875,528)
2024	(446,052)
2025	(217,531)
2026	474,570
2027	(1,043)

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 5.04, 5.13, 5.16, 5.21, 5.63 and 5.48 years for 2022, 2021, 2020, 2019, 2018 and 2017 amounts, respectively.

Borough of Fort Lee School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023

NOTE 7. PENSION PLANS, (continued)

Additional Information

Local Group Collective balances net of nonemployer (State of New Jersey) balances at June 30, 2022 and June 30, 2021 are as follows:

	<u>44741</u>	<u>44376</u>
Collective deferred outflows of resources	\$1,660,772,008	\$1,164,738,169
Collective deferred inflows of resources	3,236,303,935	8,339,123,762
Collective net pension liability	15,091,376,611	11,846,499,172
District's Proportion	0.0676332689%	0.0702610879%

Actuarial Assumptions

The collective total pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021, which rolled forward to June 30, 2022. This actuarial valuation used the following assumptions, applied to all periods in the measurement.

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases	2.75-6.55% (based on years of service)
Investment Rate of Return	7.00 Percent

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021. It is likely that future experience will not exactly conform to these assumptions.

Borough of Fort Lee School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023

NOTE 7. PENSION PLANS, (continued)

Mortality Rates

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 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, 2022) 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, 2022 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%	8.12%
Non-U.S. Developed Market Equity	13.50%	8.38%
Emerging Market Equity	5.50%	10.33%
Private Equity	13.00%	11.80%
Real Estate	8.00%	11.19%
Real Assets	3.00%	7.60%
High Yield	4.00%	4.95%
Private Credit	8.00%	8.10%
Investment Grade Credit	7.00%	3.38%
Cash Equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Risk Mitigation Strategies	3.00%	4.91%

Borough of Fort Lee School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023

NOTE 7. PENSION PLANS, (continued)

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. 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.

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, 2022 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:

	June 30, 2022		
	1% Decrease <u>6.00%</u>	At Current Discount Rate <u>7.00%</u>	1% Increase <u>8.00%</u>
District's proportionate share of the pension liability	\$13,137,347	\$10,206,791	\$7,712,770

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

Borough of Fort Lee School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023

NOTE 7. PENSION PLANS, (continued)

or inflows to report in the financial statements of the local participating employers. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the net pension liability that is associated with the local participating employer.

The portion of the TPAF Net Pension Liability that was associated with the District recognized at June 30, 2023 was as follows:

Net Pension Liability:	
District's proportionate share	\$
State's proportionate share	
associated with the District	<u>136,476,842</u>
	<u><u>\$136,476,842</u></u>

The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2021 rolled forward to June 30, 2022. 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, 2022, the proportion of the TPAF net pension liability associated with the District was 0.2645186297%.

For the year ended June 30, 2023, the District recognized on-behalf pension expense and revenue of \$3,672,973 from the actuarial report, employer pension expense and related revenue for contributions provided by the State in the District-Wide Financial Statements.

Actuarial Assumptions

The total pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. 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:	2.75%-5.65% (based on years of service)
Investment Rate of Return	7.00%

Borough of Fort Lee School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023

NOTE 7. PENSION PLANS, (continued)

Mortality Rates

Pre-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Employee mortality table with a 93.9% adjustment for males and 85.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income 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, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

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, 2022) 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, 2022 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%	8.12%
Non-U.S. Developed Market Equity	13.50%	8.38%
Emerging Market Equity	5.50%	10.33%
Private Equity	13.00%	11.80%
Real Estate	8.00%	11.19%
Real Assets	3.00%	7.60%
High Yield	4.00%	4.95%
Private Credit	8.00%	8.10%
Investment Grade Credit	7.00%	3.38%
Cash Equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Risk Mitigation Strategies	3.00%	4.91%

**Borough of Fort Lee School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

NOTE 7. PENSION PLANS, (continued)

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. 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

Pension and Other Postemployment Benefits (OPEB) Obligations in Fiscal Year 2022 the State funded the various defined benefit pension systems at 108 percent of the full actuarially determined contributions. Employer contributions to the pension plans are calculated per the requirements of the governing State statutes using generally accepted actuarial procedures and practices. The actuarial funding method used to determine the State's contribution is a matter of State law. Any change to the funding method requires the approval of the State Legislature and the Governor. The amount the State actually contributes to the pension plans may differ from the actuarially determined contributions of the pension plans because the State's contribution to the pension plans is subject to the appropriation of the State Legislature and actions by the Governor. GASB Statement No. 68, Accounting and Financial Reporting for Pensions, requires participating employers to recognize their proportionate share of the collective net pension liability. Under the new statement, the calculation of the pension liability was changed to a more conservative methodology and each employer was allocated a proportional share of the pension plans' net pension liability. The State's share of the net pension liability, based on a measurement date of June 30, 2021, which is required to be recorded on the financial statements, is \$75.1 billion. The Fiscal Year 2023 projected aggregate State contribution to the pension plans of \$6.8 billion represents 104 percent of the actuarially determined contribution. The State provides post-retirement medical (PRM) benefits for certain State and other retired employees meeting the service credit eligibility requirements. In Fiscal Year 2022, the State paid PRM benefits for 161,238 State and local retirees. The State funds post-retirement medical benefits on a

Borough of Fort Lee School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023

NOTE 8. POST-RETIREMENT BENEFITS, (continued)

State Health Benefit State Retired Employees Plan, (continued)

"pay-as-you-go" basis, which means that the State does not pre-fund, or otherwise establish a reserve or other pool of assets against the PRM expenses that the State may incur in future years. For Fiscal Year 2022, the State contributed \$1.9 billion to pay for "pay-as-you-go" PRM benefit costs incurred by covered populations, a slight increase from \$1.8 billion in Fiscal Year 2021. The State has appropriated \$2.1 billion in Fiscal Year 2023 as the State's contribution to fund increases in prescription drugs and medical claims costs. In accordance with the provisions of GASB Statement NO. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, the State is required to quantify and disclose its obligations to pay Other Postemployment Benefits (OPEB) to retired plan members. This new standard supersedes the previously issued guidance, GASB Statement No. 45, Accounting and Financial Reporting for postemployment Benefits Other Than Pensions, effective for Fiscal Year 2018. The State is now required to accrue a liability in all instances where statutory language names the State as the legal obligor for benefit payments. The Fiscal Year 2022 State OPEB liability to provide these benefits is \$88.9 billion, a decrease of \$12.7 billion, or 12.5 percent from the \$101.6 billion liability recorded in Fiscal Year 2021. Additional information on Pensions and OPEB can be accessed on the Division of Pensions & Benefits Financial Reports webpage: <https://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

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 GASBS No. 75 is zero percent. Accordingly, the LEA did not recognize any portion of the collective net OPEB liability of the Statement of Net Position. Accordingly, the following OPEB liability note information is reported at the State's level and is not specific to the board of education. Note that actual numbers will be published in the NJ State ACFR on the Office of Management and Budget's Financial Publications webpage: nj.gov/treasury/omb/fr.shtml.

The portion of the OPEB Liability that was associated with the District recognized at June 30, 2023 was as follows:

OPEB Liability:	
District's proportionate share	\$
State's proportionate share	
associated with the District	<u>109,274,234</u>
	<u>\$109,274,234</u>

Borough of Fort Lee School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023

NOTE 8. POST-RETIREMENT BENEFITS, (continued)

Actual Assumptions and OtherImputes

The total OPEB liability in the June 30, 2022 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, 2022 was determined by an actuarial valuation as of June 30, 2021, which was rolled forward to June 30, 2022. 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:

	<u>TPAF/ABP</u>	<u>PERS</u>
Salary increases:	2.75 - 4.25%	2.75 - 6.55%
	based on service years	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, 2021 valuation were based on the results of the TPAF, PERS and PFRS actuarial experience studies prepared for July 1, 2018 to June 30, 2021.

**Borough of Fort Lee School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

NOTE 8. POST-RETIREMENT BENEFITS, (continued)

(a) Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 6.25% and decreases to a 4.50% long-term trend rate after eight years. For post-65 medical benefits PPO, the trend is initially -1.99% in fiscal year 2023, increasing to 13.44% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For HMO the trend is initially -3.54% in fiscal year 2023, increasing to 15.19% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 8.00% and decreases to a 4.50% long-term trend rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

(b) Discount Rate

The discount rate used to measure the total OPEB Liability was 3.54%. 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, 2023, the board of education/board of trustees recognized on-behalf OPEB expense of \$4,639,732 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, 2023

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>
2022-2023	\$6,264	\$74,769	\$83,129	\$378,387
2021-2022	419	67,575		380,483
2020-2021	565	60,606		312,489

**Borough of Fort Lee School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

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, 2022 to June 30, 2023 fiscal year is as follows:

Beginning Balance, July 1, 2022	\$14,784,532
Increased by:	
Interest Earnings	69,568
Deposit Approved by Resolution	<u>3,081,489</u>
	<u>3,151,057</u>
Decreased by:	
Budget Appropriations	<u>8,003,842</u>
Ending Balance, June 30, 2023	<u><u>\$9,931,747</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, 2023

NOTE 12. MAINTENANCE RESERVE ACCOUNT, (continued)

The activity of the capital reserve for the July 1, 2022 to June 30, 2023 fiscal year is as follows:

Beginning Balance, July 1, 2022	<u>\$3,500,000</u>
Ending Balance, June 30, 2023	<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, 2022 to June 30, 2023 fiscal year is as follows:

Beginning Balance, July 1, 2022	<u>\$820,703</u>
Ending Balance, June 30, 2023	<u>\$820,703</u>

NOTE 14. FUND BALANCE APPROPRIATED

General Fund [Exhibit B-1] - Of the \$23,875,741 General Fund fund balance at June 30, 2023, \$2,000,000 is reserved as excess surplus in accordance with N.J.S.A. 18A:17F-7 (\$0- of the total reserve for excess surplus has been appropriated and included as anticipated revenue for the year ended June 30, 2024); \$9,931,747 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; \$2,431,338 is reserved for encumbrances; \$258,566 is reserved for Unemployment compensation; \$2,523,085 of unreserved and undesignated has been appropriated and included as anticipated revenue for the year ending June 30, 2024; and \$2,410,302 is unreserved and undesignated.

Special Revenue Fund - Of the \$210,503 Special Revenue Fund fund balance at June 30, 2023, \$178,882 is reserved for Student Groups; and \$31,621 is reserved for Scholarships.

Borough of Fort Lee School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023

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. The excess fund balance at June 30, 2023 is \$2,000,000 which is a result of current year operations.

NOTE 16. INVENTORY

Inventory in the Food Service Fund at June 30, 2023 consisted of the following:

Food	\$11,742
Supplies	<u>2,547</u>
	<u>\$14,289</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.

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Borough of Fort Lee School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023

NOTE 17. RESTATEMENT

Statement of Net Position for June 30, 2022 was restated to reflect the reclassification of the right to use leased assets as per Governmental Accounting Standards Board (“GASB”) number 87. This resulted in restatement of Current Assets, Noncurrent Liabilities and Net Position as of June 30, 2022.

	<u>Governmental Activities</u>
Capital Assets:	
Right to use lease assets, net of amortization at June 30, 2022	\$ -
Prior Period Adjustment or Implementation of GASB #87	<u>1,347,568</u>
Capital Assets:	
Right to use lease assets, net of amortization at June 30, 2022 - Restated	<u><u>\$1,347,568</u></u>
Noncurrent Liabilities:	
Due within one year at June 30, 2022	\$3,017,370
Prior Period Adjustment or Implementation of GASB #87	<u>128,975</u>
Noncurrent Liabilities:	
Due within one year at June 30, 2022 - Restated	<u><u>\$3,146,345</u></u>
Noncurrent Liabilities:	
Due beyond one year at June 30, 2022	\$66,553,458
Prior Period Adjustment or Implementation of GASB #87	<u>1,218,593</u>
Noncurrent Liabilities:	
Due beyond one year at June 30, 2022 - Restated	<u><u>\$67,772,051</u></u>
Net Position:	
Invested in capital assets at June 30, 2022	\$32,692,762
Prior Period Adjustment or Implementation of GASB #87	<u>1,347,568</u>
Net Position:	
Invested in capital assets at June 30, 2022 - Restated	<u><u>\$34,040,330</u></u>
Net Position:	
Unrestricted (Deficit) at June 30, 2022	\$(14,609,472)
Prior Period Adjustment or Implementation of GASB #87	<u>1,347,568</u>
Net Position:	
Unrestricted (Deficit) at June 30, 2022 - Restated	<u><u>\$(15,957,040)</u></u>

**Borough of Fort Lee School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

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 November 16, 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, 2023

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
REVENUES:					
General Fund:					
Revenues from Local Sources:					
Local Tax Levy	70,967,334		70,967,334	70,967,334	
Tuition	180,000		180,000	565,813	385,813
Transportation Fees from Individuals				84,828	84,828
Rents and Royalties	50,000		50,000	48,174	(1,826)
Interest Earned on Maintenance Reserve Funds	50		50		(50)
Interest Earned on Capital Reserve Funds	50		50	69,568	69,518
Other Restricted Miscellaneous Revenues				6,264 *	6,264
Unrestricted Miscellaneous Revenues	93,775		93,775	835,919	742,144
Total - Local Sources	71,291,209		71,291,209	72,577,900	1,286,691
Revenues from Intermediate Sources:					
Payments in Lieu of Taxes to School District	383,000		383,000	383,000	
Total - Intermediate Sources	383,000		383,000	383,000	
Revenues from State Sources:					
Categorical Special Education Aid	3,914,892		3,914,892	3,914,892	
Categorical Security Aid	105,243		105,243	105,243	
Categorical Transportation Aid	685,744		685,744	685,744	
Extraordinary Aid	985,000		985,000	2,044,745	1,059,745
NonPublic Transportation				66,144	66,144
On-behalf TPAF Post Retirement Medical Contributions (non-budgeted)				2,992,097	2,992,097
On-behalf TPAF Pension (non-budgeted)				11,234,031	11,234,031
On-behalf TPAF NCGI Premium (non-budgeted)				155,859	155,859
On-behalf TPAD LTDI				4,710	4,710
Reimbursed TPAF Social Security Contributions (non-budgeted)				2,413,192	2,413,192
Total - State Sources	5,690,879		5,690,879	23,616,657	17,925,778
Revenues from Federal Sources:					
Special Education Medicaid Initiative	82,602		82,602	39,997	(42,605)
Medicaid Administrative Claiming (MAC)				14,579	14,579
FFCRA/SEMI and ARRA/SEMI Revenue				4,127	4,127
Total - Federal Sources	82,602		82,602	58,703	(23,899)
TOTAL REVENUES	77,447,690		77,447,690	96,636,260	19,188,570
EXPENDITURES:					
Current Expense:					
Regular Programs - Instruction					
Kindergarten - Salaries of Teachers	1,488,707	40,137	1,528,844	1,528,134	710
Grades 1-5 - Salaries of Teachers	8,358,127	(212,527)	8,145,600	8,000,181	145,419
Grades 6-8 - Salaries of Teachers	4,595,190		4,595,190	4,533,995	61,195
Grades 9-12 - Salaries of Teachers	5,921,147	(7,975)	5,913,172	5,841,870	71,302
Regular Programs - Home Instruction:					
Salaries of Teachers	96,525		96,525	72,484	24,041
Purchased Professional-Educational Services	16,600	19,650	36,250	30,794	5,456
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	269,108		269,108	239,469	29,639
Purchased Professional-Educational Services	33,100	(6,423)	26,677	22,185	4,492
Purchased Technical Services	103,144	19,536	122,680	116,942	5,738
Other Purchased Services (400-500 series)	106,854	(11,800)	95,054	11,659	83,395
General Supplies	1,796,190	(11,411)	1,784,779	1,615,727	169,052
Textbooks	51,895		51,895	30,182	21,713
Other Objects	21,750	1,800	23,550	22,541	1,009
TOTAL REGULAR PROGRAMS - INSTRUCTION	22,858,337	(169,013)	22,689,324	22,066,163	623,161
SPECIAL EDUCATION - INSTRUCTION					
Learning and/or Language Disabilities - Mild or Moderate					
Salaries of Teachers	814,789	(6,575)	808,214	789,090	19,124
Other Salaries for Instruction	273,851	790	274,641	262,460	12,181
General Supplies	1,800		1,800	1,070	730
Total Learning and/or Language Disabilities - Mild or Moderate	1,090,440	(5,785)	1,084,655	1,052,620	32,035
Learning and/or Language Disabilities - Severe					
Salaries of Teachers	73,486	45,580	119,066	119,066	
Other Salaries for Instruction	88,100		88,100	74,230	13,870
General Supplies	600		600	495	105
Total Learning and/or Language Disabilities - Severe	162,186	45,580	207,766	193,791	13,975
Emotional Regulation Impairment					
Salaries of Teachers	199,768	(2,250)	197,518	196,700	818
Other Salaries for Instruction	32,779	(7,545)	25,234	25,216	18
General Supplies	900		900	522	378
Total Emotional Regulation Impairment	233,447	(9,795)	223,652	222,438	1,214
Multiple Disabilities					
Salaries of Teachers	259,625	5,250	264,875	264,425	450
Other Salaries for Instruction	32,260		32,260	32,260	

Exhibit C-1

FORT LEE BOARD OF EDUCATION
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2023

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
General Supplies	2,333		2,333	2,101	232
Total Multiple Disabilities	294,218	5,250	299,468	298,786	682
Resource Room/Resource Center:					
Salaries of Teachers	3,203,054	(28,779)	3,174,275	3,165,444	8,831
Other Salaries for Instruction	765,044	(199,393)	565,651	561,766	3,885
General Supplies	500		500		500
Total Resource Room/Resource Center	3,968,598	(228,172)	3,740,426	3,727,210	13,216
Autism:					
Salaries of Teachers	422,500	6,850	429,350	391,093	38,257
Other Salaries for Instruction	80,442	1,570	82,012	80,213	1,799
General Supplies	3,500		3,500	3,330	170
Total Autism	506,442	8,420	514,862	474,636	40,226
Preschool Disabilities- Full-Time:					
Salaries of Teachers	563,428	(8,420)	555,008	539,584	15,424
Other Salaries for Instruction	415,653	5,000	420,653	352,503	68,150
General Supplies	2,500		2,500	2,498	2
Total Preschool Disabilities - Full-Time	981,581	(3,420)	978,161	894,585	83,576
TOTAL SPECIAL EDUCATION - INSTRUCTION	7,236,912	(187,922)	7,048,990	6,864,066	184,924
Basic Skills/Remedial - Instruction					
Salaries of Teachers	716,143	3,436	719,579	715,754	3,825
Total Basic Skills/Remedial - Instruction	716,143	3,436	719,579	715,754	3,825
Bilingual Education - Instruction					
Salaries of Teachers	1,380,982	55,422	1,436,404	1,436,403	1
Other Purchased Services (400-500 Series)	100		100		100
Total Bilingual Education - Instruction	1,381,082	55,422	1,436,504	1,436,403	101
School-Sponsored Co/Extra Curricular Activities - Instruction					
Salaries	209,486	82,699	292,185	292,184	1
Purchased Services (300-500 series)	97,839	(27,150)	70,689	70,661	28
Supplies and Materials	57,475	(8,899)	48,576	45,850	2,726
Other Objects	46,635		46,635	41,875	4,760
Total School-Sponsored Co/Extra Curricular Activities - Instruction	411,435	46,650	458,085	450,570	7,515
School-Sponsored Athletics - Instruction					
Salaries	446,777	(27,931)	418,846	418,846	
Purchased Services (300-500 series)	150,526	(42,300)	108,226	93,928	14,298
Supplies and Materials	104,370	74,000	178,370	172,156	6,214
Other Objects	50,729	4,000	54,729	51,508	3,221
Total School-Sponsored Athletics - Instruction	752,402	7,769	760,171	736,438	23,733
Summer School - Instruction:					
Salaries	252,727		252,727	211,881	40,846
Other Salaries for Instruction	71,570		71,570	62,427	9,143
Total Summer School - Instruction	324,297		324,297	274,308	49,989
TOTAL INSTRUCTION	33,680,608	(243,658)	33,436,950	32,543,702	893,248
Undistributed Expenditures - Instruction:					
Tuition to Other LEAs Within the State - Special	337,191		337,191	326,038	11,153
Tuition to County Voc. School Dist. - Regular	1,046,824	(52,952)	993,872	817,099	176,773
Tuition to CSSD & Regional Day Schools	994,351	(195,375)	798,976	768,187	30,789
Tuition to Private Schools for the Disabled Within State	1,836,967	133,100	1,970,067	1,933,348	36,719
Tuition to Private School Disabled & Other LEAs - Spl, O/S State	86,506	15,044	101,550	101,530	20
Tuition - State Facilities	40,270		40,270	40,270	
Total Undistributed Expenditures - Instruction:	4,342,109	(100,183)	4,241,926	3,986,472	255,454
Undistributed Expend. - Attend. & Social Work					
Salaries	187,541		187,541	181,123	6,418
Salaries of Family Support Teams	162,849		162,849	162,849	
Purchased Professional and Technical Services	58,891		58,891	58,891	
Supplies and Materials	1,950		1,950	1,829	121
Total Undistributed Expend. - Attend. & Social Work	411,231		411,231	404,692	6,539
Undist. Expend. - Health Services					
Salaries	699,026	5,816	704,842	704,841	1
Purchased Professional and Technical Services	147,525	28,184	175,709	164,333	11,376
Other Purchased Services (400-500 Series)	20,585		20,585	19,597	988
Supplies and Materials	23,121	(815)	22,306	20,747	1,559
Total Undistributed Expenditures - Health Services	890,257	33,185	923,442	909,518	13,924
Undist. Expend. - Speech, OT, PT & Related Services					
Salaries	876,913	48,506	925,419	925,419	
Purchased Prof. Services-Educational Services	931,544	(3,292)	928,252	880,951	47,301
Supplies and Materials	6,522		6,522	5,728	794
Total Undist. Expend. - Speech, OT, PT & Related Services	1,814,979	45,214	1,860,193	1,812,098	48,095
Undist. Expend. - Other Supp. Serv. Students - Extra Serv.					
Salaries	1,656,080	(2,768)	1,653,312	1,631,492	21,820

Exhibit C-1

FORT LEE BOARD OF EDUCATION
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2023

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
Purchased Professional - Educational Services	844,514	17,575	862,089	788,207	73,882
Supplies and Materials	11,500	950	12,450	12,281	169
Total Undist. Expend. - Other Supp. Serv. Students - Extra Serv.	2,512,094	15,757	2,527,851	2,431,980	95,871
Undist. Expend. - Guidance					
Salaries of Other Professional Staff	1,315,560		1,315,560	1,277,925	37,635
Salaries of Secretarial and Clerical Assistants	132,295	2,768	135,063	135,062	1
Purchased Professional - Educational Services	14,350		14,350	13,570	780
Other Purchased Professional and Technical Services	98,634		98,634	83,987	14,647
Other Purchased Services (400-500 Series)	7,800		7,800	105	7,695
Supplies and Materials	39,547	(660)	38,887	23,386	15,501
Other Objects	10,175	(5,225)	4,950	2,767	2,183
Total Undist. Expend. - Guidance	1,618,361	(3,117)	1,615,244	1,536,802	78,442
Undist. Expend. - Child Study Teams					
Salaries of Other Professional Staff	1,500,875	51,683	1,552,558	1,450,997	101,561
Salaries of Secretarial and Clerical Assistants	132,295		132,295	130,949	1,346
Professional Svcs-Educational Services	19,950	600	20,550	8,986	11,564
Other Purchased Professional and Technical Services	33,579		33,579	33,578	1
Misc. Pur Services (400-500 Series)	750		750	346	404
Supplies and Materials	7,150		7,150	7,041	109
Other Objects	3,405		3,405	900	2,505
Total Undist. Expend. - Child Study Teams	1,698,004	52,283	1,750,287	1,632,797	117,490
Undist. Expend. - Improvement of Instructional Services					
Salaries of Supervisors of Instruction	375,066	(70,600)	304,466	261,452	43,014
Salaries of Other Professional Staff	173,125		173,125	239,558	4,403
Purchased Prof-Educational Services	59,775	8,000	67,775	60,251	7,524
Other Purchased Services (400-500 Series)	10,300	(8,381)	1,919	1,872	47
Other Objects	7,500		7,500	3,890	3,610
Total Undist. Expend. - Improvement of Inst. Services	625,766	(145)	625,621	567,023	58,598
Undist. Expend. - Educational Media Serv./Sch. Library					
Salaries	646,975	(6,475)	640,500	616,500	24,000
Salaries of Technology Coordinators	358,307		358,307	297,704	60,603
Purch Prof. and Tech. Services	45,563	(1,900)	43,663	37,625	6,038
Supplies and Materials	112,336		112,336	98,963	13,373
Total Undist. Expend. - Educational Media Serv./Sch. Library	1,163,181	(8,375)	1,154,806	1,050,792	104,014
Undist. Expend. - Instructional Staff Training Serv.					
Other Salaries	8,100		8,100	3,465	4,635
Other Purchased Services (400-500 Series)	36,350		36,350	15,875	20,475
Supplies and Materials	2,243		2,243	2,243	
Total Undist. Expend. - Instructional Staff Training Serv.	46,693		46,693	21,583	25,110
Undist. Expend. - Supp. Serv. - General Administration					
Salaries	592,266		592,266	541,311	50,955
Legal Services	258,765	34,323	293,088	277,852	15,236
Audit Fees	48,955		48,955	47,000	1,955
Architectural/Engineering Services	25,525		25,525	13,390	12,135
Other Purchased Professional Services	71,738	(15,805)	55,933	52,335	3,598
Purchased Technical Services	17,130		17,130	16,070	1,060
Communications/Telephone	200,560	(9,686)	190,874	163,076	27,798
Travel - All Other		9,000	9,000	8,035	965
BOE Other Purchased Services	8,450		8,450	5,899	2,551
Other Purch Services (400-500 Series)	615,256	(44,772)	570,484	557,838	12,646
General Supplies	39,232	(800)	38,432	19,507	18,925
BOE In-House Training/Meeting Supplies	200	800	1,000	940	60
Misc. Expenditures	16,219		16,219	3,810	12,409
BOE Membership Dues and Fees	29,000		29,000	24,016	4,984
Total Undist. Expend. - Supp. Serv. - General Administration	1,923,296	(26,940)	1,896,356	1,731,079	165,277

Exhibit C-1

FORT LEE BOARD OF EDUCATION
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2023

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Support Serv. - School Administration					
Salaries of Principals/Assistant Principals	2,153,447	(105,210)	2,048,237	1,977,153	71,084
Salaries of Secretarial and Clerical Assistants	858,196	34,754	892,950	786,736	106,214
Unused Vacation Payment to Terminated/Retired Staff	125,640		125,640	108,252	17,388
Other Purchased Services (400-500 series)	18,300		18,300	5,947	12,353
Supplies and Materials	75,404	5,400	80,804	66,887	13,917
Other Objects	31,110	(600)	30,510	15,512	14,998
Total Undist. Expend. - Support Serv. - School Administration	3,262,097	(65,656)	3,196,441	2,960,487	235,954
Undist. Expend. - Central Services					
Salaries	828,353	4,496	832,849	785,926	46,923
Unused Vacation Payment to Terminated/Retired Staff	68,706	(4,906)	63,800		63,800
Purchased Professional Services	45,050	410	45,460	45,435	25
Purchased Technical Services	114,307	42,115	156,422	147,555	8,867
Misc. Pur Services (400-500 Series)	52,199	(28,115)	24,084	22,401	1,683
Supplies and Materials	41,408	(14,001)	27,407	24,610	2,797
Other Objects	9,750		9,750	7,402	2,348
Total Undist. Expend. - Central Services	1,159,773	(1)	1,159,772	1,033,329	126,443
Undist. Expend. - Admin Info. Technology					
Information Technology					
Salaries	128,365	4,105	132,470	132,470	
Purchased Technical Services	58,200	29,667	87,867	86,895	972
Other Purchased Services (400-500 series)	1,000	(949)	51	51	
Supplies and Materials	7,000		7,000	6,995	5
Other Objects	625		625	625	
Total Undist. Expend. - Support Serv. - Administrative	195,190	32,823	228,013	227,036	977
Undist. Expend. - Required Maint. for School Facilities (261)					
Salaries	289,703	(8,910)	280,793	265,290	15,503
Cleaning, Repair and Maintenance Services	445,527	3,110	448,637	385,975	62,662
Other Objects	6,924		6,924		6,924
Total Undist. Expend. - Required Maint. for School Facilities	742,154	(5,800)	736,354	651,265	85,089
Undist. Expend. - Custodial Services (262)					
Salaries	1,521,409	45,075	1,566,484	1,546,225	20,259
Unused Vacation Payment to Terminated/Retired Staff	2,392	(2,000)	392		392
Purchased Professional and Technical Services	28,939	10,000	38,939	33,341	5,598
Cleaning, Repair and Maintenance Services	1,495,028	(72,179)	1,422,849	1,311,597	111,252
Rental of Land & Bldg. Oth. Than Lease Purch Agreement	181,100	37,500	218,600	217,546	1,054
Other Purchased Property Services	105,482	24,000	129,482	126,607	2,875
Miscellaneous Purchased Services	3,600		3,600	966	2,634
General Supplies	311,240	(60,996)	250,244	201,675	48,569
Energy (Natural Gas)	250,700		250,700	188,767	61,933
Energy (Electricity)	787,900	6,000	793,900	658,630	135,270
Energy (Gasoline)	10,000	(5,000)	5,000	3,245	1,755
Other Objects	13,116	(9,000)	4,116	3,970	146
Interest - Energy Savings Improvement Program Bonds	92,887		92,887	92,887	
Principal - Energy Savings Improvement Program Bonds	332,370		332,370	332,370	
Total Undist. Expend. - Custodial Services	5,136,163	(26,600)	5,109,563	4,717,826	391,737
Undist. Expend. - Care and Upkeep of Grounds (263)					
Salaries	20,000	(18,091)	1,909	1,909	
Cleaning, Repair and Maintenance Services	144,979	15,368	160,347	160,345	2
General Supplies	22,346	(877)	21,469	17,277	4,192
Total Undist. Expend. - Care and Upkeep of Grounds	187,325	(3,600)	183,725	179,531	4,194
Undist. Expend. - Security (266)					
Salaries	304,837	(42,640)	262,197	262,196	1
Purchased Professional and Technical Services	590,703	(27,843)	562,860	406,925	155,935
Cleaning, Repair and Maintenance Services	24,200	(10,360)	13,840	5,531	8,309
General Supplies	4,600		4,600	2,819	1,781
Other Objects	1,000		1,000	30	970
Total Undist. Expend. - Security	925,340	(80,843)	844,497	677,501	166,996
Undist. Expend. - Student Transportation Services (270)					
Salaries for Pupil Trans (Bet Home & Sch) - Sp Ed	613,474	53,598	667,072	667,059	13
Cleaning, Repair and Maintenance Services	66,798	34,496	101,294	100,640	654
Contract Services - Aid in Lieu Pymts - NonPub Sch.	207,261	(10,095)	197,166	164,780	32,386
Contract Services (Between Home & School)-Vendors	301,510	(48,182)	253,328	252,793	535
Contract Services (Other than Between Home & School)-Vendors	97,404	(65,705)	31,699	28,750	2,949
Contract Services (Sp. Ed. Students)-Vendors	1,827,692	670,411	2,498,103	2,404,710	93,393
Misc. Purchased Services - Transportation	4,200		4,200	3,850	350
Transportation Supplies	133,935	(6,410)	127,525	53,949	73,576
Other Objects	12,119	5,412	17,531	16,612	919
Total Undist. Expend. - Student Transportation Services	3,264,393	633,525	3,897,918	3,693,143	204,775

Exhibit C-1

FORT LEE BOARD OF EDUCATION
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2023

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
ALLOCATED BENEFITS					
Student Transportation Services					
Other Employee Benefits	3,310	(3,310)			
Total Student Transportation Services	<u>3,310</u>	<u>(3,310)</u>			
TOTAL ALLOCATED BENEFITS	<u>3,310</u>	<u>(3,310)</u>			
UNALLOCATED BENEFITS (291)					
Social Security Contributions	860,212	80,000	940,212	922,834	17,378
Other Retirement Contributions-PERS	885,517		885,517	852,888	32,629
Unemployment Compensation		55,634	55,634	55,634	
Workmen's Compensation	201,929		201,929	201,929	
Health Benefits	10,634,059	(582,698)	10,051,361	9,758,711	292,650
Tuition Reimbursement	120,000		120,000	83,470	36,530
Other Employee Benefits	376,986	(277,371)	99,615	99,584	31
Unused Sick Payment to Terminated/Retired Staff		381,324	381,324	102,139	279,185
TOTAL UNALLOCATED BENEFITS	<u>13,078,703</u>	<u>(343,111)</u>	<u>12,735,592</u>	<u>12,077,189</u>	<u>658,403</u>
On-behalf TPAF Post Retirement Medical (non-budgeted)				2,992,097	(2,992,097)
On-behalf TPAF Pension (non-budgeted)				11,234,031	(11,234,031)
On-behalf TPAF NCGI Premium (non-budgeted)				155,859	(155,859)
On-behalf TPAF LTDI				4,710	(4,710)
Reimbursed TPAF Social Security Contributions (non-budgeted)				2,413,192	(2,413,192)
TOTAL ON-BEHALF CONTRIBUTIONS				<u>16,799,889</u>	<u>(16,799,889)</u>
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS	<u>13,082,013</u>	<u>(346,421)</u>	<u>12,735,592</u>	<u>28,877,078</u>	<u>(16,141,486)</u>
TOTAL UNDISTRIBUTED EXPENDITURES	<u>45,000,419</u>	<u>145,106</u>	<u>45,145,525</u>	<u>59,102,032</u>	<u>(13,956,507)</u>
TOTAL GENERAL CURRENT EXPENSE	<u>78,681,027</u>	<u>(98,552)</u>	<u>78,582,475</u>	<u>91,645,734</u>	<u>(13,063,259)</u>
CAPITAL OUTLAY					
Undistributed					
Undistributed Expenditures - Instruction	60,311	(31)	60,280	60,280	
Care and Upkeep of Grounds	48,885	32,459	81,344	81,344	
Security		8,937	8,937	8,937	
School Buses-Reg.	150,000	(148,166)	1,834	1,834	
Total Equipment	<u>259,196</u>	<u>(106,801)</u>	<u>152,395</u>	<u>152,395</u>	
Facilities Acquisition and Construction Services					
Construction Services	9,171,676	152,401	9,324,077	6,955,000	2,369,077
Assessment for Debt Service on SDA Funding	17,534		17,534	17,534	
Total Facilities Acquisition and Construction Services	<u>9,189,210</u>	<u>152,401</u>	<u>9,341,611</u>	<u>6,972,534</u>	<u>2,369,077</u>
TOTAL CAPITAL OUTLAY	<u>9,448,406</u>	<u>45,600</u>	<u>9,494,006</u>	<u>7,124,929</u>	<u>2,369,077</u>
Transfer of Funds to Charter Schools	<u>11,680</u>	<u>52,952</u>	<u>64,632</u>	<u>64,632</u>	
TOTAL EXPENDITURES	<u>88,141,113</u>		<u>88,141,113</u>	<u>98,835,295</u>	<u>(10,694,182)</u>
Excess (Deficiency) of Revenues					
Over (Under) Expenditures	<u>(10,693,423)</u>		<u>(10,693,423)</u>	<u>(2,199,035)</u>	<u>8,494,388</u>
Other Financing Sources/(Uses):					
Operating Transfer In				126,523	126,523
Capital Projects				126,523	126,523
Total Other Financing Sources/(Uses):				<u>253,046</u>	<u>253,046</u>
Excess (Deficiency) of Revenues and Other Financing Sources					
Over (Under) Expenditures and Other Financing Sources (Uses)	<u>(10,693,423)</u>		<u>(10,693,423)</u>	<u>(2,072,512)</u>	<u>8,620,911</u>
Fund Balance, July 1	<u>26,304,548</u>		<u>26,304,548</u>	<u>26,304,548</u>	
Fund Balance, June 30	<u>15,611,125</u>		<u>15,611,125</u>	<u>24,232,036</u>	<u>8,620,911</u>

Exhibit C-1

FORT LEE BOARD OF EDUCATION
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Budget Transfers/ Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures					
Adjustment for Prior Year Encumbrances	(1,428,939)		(1,428,939)	(1,428,939)	
Increase in Capital Reserve:					
Principal				3,081,489	3,081,489
Interest Deposit to Capital Reserve	50		50	69,568	69,518
Increase in Maintenance Reserve					
Interest Deposit to Maintenance Reserve	50		50		(50)
Withdrawal from Capital Reserve	(8,003,842)		(8,003,842)	(8,003,842)	
Budgeted Fund Balance	<u>(1,260,742)</u>		<u>(1,260,742)</u>	<u>4,209,212</u>	<u>5,469,954</u>
	<u>(10,693,423)</u>		<u>(10,693,423)</u>	<u>(2,072,512)</u>	<u>8,620,911</u>
Recapitulation:					
Restricted Fund Balance:					
Excess Surplus - Current Year				2,000,000	
Maintenance Reserve				3,500,000	
Capital Reserve				9,931,747	
Emergency Reserve				820,703	
Unemployment Compensation				258,566	
Committed Fund Balance:					
Year-end Encumbrances				2,431,338	
Assigned Fund Balance:					
Designated for Subsequent Year's Expenditures				2,523,085	
Unassigned Fund Balance				<u>2,766,597</u>	
Total Fund Balance per Governmental Funds (Budgetary)				<u>24,232,036</u>	
Recapitulation to Governmental Fund Statement (GAAP):					
Less: Last State Aid Payment not Recognized GAAP Basis				<u>356,295</u>	
Total Fund Balance per Governmental Funds (GAAP)				<u><u>23,875,741</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, 2023

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual	
REVENUES:						
Local Sources		29,870	29,870	331,629	301,759	note 1
State Sources	111,418	171,848	283,266	233,484	(49,782)	
Federal Sources	1,282,328	4,754,830	6,037,158	3,696,968	(2,340,190)	
Total Revenues	<u>1,393,746</u>	<u>4,956,548</u>	<u>6,350,294</u>	<u>4,262,081</u>	<u>(2,088,213)</u>	
EXPENDITURES:						
Instruction:						
Salaries of Teachers	341,399	445,031	786,430	478,956	307,474	
Purchased Professional and Technical Services		1,560,336	1,560,336	1,083,152	477,184	
Other Purchased Services (400-500 series)	680,335	15,051	695,386	656,442	38,944	
General Supplies	110,151	363,796	473,947	315,102	158,845	
Textbooks	10,323	7,497	17,820	17,816	4	
Other Objects		3,157	3,157	-	3,157	
Total instruction	<u>1,142,208</u>	<u>2,394,868</u>	<u>3,537,076</u>	<u>2,552,964</u>	<u>984,112</u>	
Support services:						
Salaries of Other Professional Staff		493,043	493,043	115,227	377,816	
Personal Services - Employee Benefits	40,409	466,130	506,539	247,707	258,832	
Purchased Professional - Educational Services	178,129	969,917	1,148,046	692,149	455,897	
Travel	33,000	(7,431)	25,569	22,156	3,413	
Other Purchased Services (400-500 series)		592,283	592,283	284,783	307,500	
Supplies & Materials		41,603	41,603	14,104	27,499	
Other Objects		6,135	6,135	1,692	4,443	
Scholarships Awarded		-	-	16,639	(16,639)	note 1
Student Activity Disbursements		-	-	273,282	(273,282)	note 1
Total support services	<u>251,538</u>	<u>2,561,680</u>	<u>2,813,218</u>	<u>1,667,739</u>	<u>1,145,479</u>	
Total Expenditures	<u>1,393,746</u>	<u>4,956,548</u>	<u>6,350,294</u>	<u>4,220,703</u>	<u>2,129,591</u>	
Excess (Deficiency) of Revenues Over (Under)						
Expenditures and Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	41,378	41,378	
 Fund Balance, July 1				169,125		
Fund Balance, June 30				<u>210,503</u>		
Recapitulation:						
Restricted:						
Scholarships				\$ 31,621		
Student Activities				<u>178,882</u>		
Total Fund Balance				<u>\$ 210,503</u>		

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, 2023

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

		General Fund	Special Revenue Fund
		<u> </u>	<u> </u>
Sources/inflows of resources			
Actual amounts (budgetary basis) "revenue"			
from the budgetary comparison schedule	[C-1]&[C-2]	96,636,260	4,262,081
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			6,700
State aid payment recognized for GAAP statements in the			
current year, previously recognized for budgetary purposes.		276,143	
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).		<u>(356,295)</u>	<u> </u>
Total revenues as reported on the statement of revenues, expenditures			
and changes in fund balances - governmental funds.	[B-2]	<u>96,556,108</u>	<u>4,268,781</u>
Uses/outflows of resources			
Actual amounts (budgetary basis) "total outflows" from the			
budgetary comparison schedule	[C-1]&[C-2]	98,835,295	4,220,703
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			<u>6,700</u>
Total expenditures as reported on the statement of revenues,			
expenditures, and changes in fund balances - governmental funds	[B-2]	<u>98,835,295</u>	<u>4,227,403</u>

**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 Proportion of the Net Pension Liability (Asset)	District's Proportionate Share of the Net Pension Liability (Asset)	District's Covered Payroll - PERS Employee'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
2015	0.0734123712%	\$ 13,744,804	\$ 4,563,410	301.20%	47.92%
2016	0.0723106900%	16,232,301	4,654,678	348.73%	52.07%
2017	0.0664154082%	19,670,339	4,991,167	394.10%	59.86%
2018	0.0740099344%	17,228,330	5,006,791	344.10%	51.90%
2019	0.0722206363%	14,219,884	4,877,243	291.56%	46.40%
2020	0.0702079967%	12,650,416	5,083,574	248.85%	43.43%
2021	0.0672204665%	10,961,900	5,158,512	212.50%	41.35%
2022	0.0702610879%	8,323,479	5,426,217	153.39%	29.35%
2023	0.0676332689%	10,206,791	5,495,487	185.73%	36.78%

* 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
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%
2023	\$	852,888	\$	(852,888)	\$	-	\$ 5,495,487	15.52%

* 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
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)	State's		District's Covered Payroll - TPAF Employee'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
		District's Proportionate Share of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability Associated with the District (Asset)			
2015	0.2535995199%	\$	\$	24,914,404	0.00%	33.64%
2016	0.2639110999%	-	135,540,690	-	0.00%	28.71%
2017	0.2530444488%	-	166,803,085	-	0.00%	22.33%
2018	0.2473759367%	-	199,060,875	-	0.00%	25.41%
2019	0.2643570570%	-	166,789,777	27,755,657	0.00%	26.49%
2020	0.2669303760%	-	168,178,281	29,170,745	0.00%	26.95%
2021	0.2547669834%	-	163,817,691	29,744,059	0.00%	24.60%
2022	0.2674287535%	-	167,760,993	31,199,911	0.00%	35.52%
2023	0.2645186297%	-	128,566,878	32,586,529	0.00%	32.29%
			136,476,842	33,440,889	0.00%	

* 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, 2023

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**

	2023	2022	2021	2020	2019	2018
Total OPEB Liability						
Service Costs	\$ 6,490,685	\$ 7,309,426	\$ 4,167,095	\$ 3,962,686	\$ 4,370,142	\$ 5,280,118
Interest on Total OPEB Liability	2,895,888	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	1,535,529	(22,989,031)	24,469,715	(14,510,600)	(7,520,827)	(14,722,357)
Changes in Assumptions	(29,313,794)	128,691	26,546,303	1,332,461	(11,174,057)	(2,551,451)
Gross Benefit Payments	(2,868,462)	(2,665,496)	(2,530,029)	(2,743,283)	(2,603,724)	(2,551,451)
Contribution from the Member	92,022	86,507	76,685	81,319	89,989	93,951
Net Changes in total Share of OPEB Liability	<u>(21,168,132)</u>	<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>130,442,366</u>	<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>\$ 109,274,234</u>	<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	109,274,234	130,442,366	145,327,297	89,366,419	97,373,159	10,156,193
Total OPEB Liability - Ending	<u>\$ 109,274,234</u>	<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>\$ 38,936,376</u>	<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%	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, 2023

	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 2023
		Basic	Preschool	Basic	Preschool		
REVENUES							
Local Sources	331,629						331,629
State Sources	233,484						233,484
Federal Sources	2,084,037	906,115	24,317	16,194	303	666,002	3,696,968
Total Revenues	2,649,150	906,115	24,317	16,194	303	666,002	4,262,081
EXPENDITURES:							
Instruction:							
Salaries of Teachers	87,429	95,400				296,127	478,956
Purchased Professional and Technical Services	952,006					131,146	1,083,152
Other Purchased Services (400-500 series)	-	654,567		1,875			656,442
General Supplies	246,600	12,477		10,771	202	45,052	315,102
Textbooks	17,816						17,816
Other Objects	1,299					197	1,496
Total instruction	1,305,150	762,444	-	12,646	202	472,522	2,552,964
Support services:							
Salaries of Other Professional Staff	108,147					7,080	115,227
Personal Services - Employee Benefits	39,827	50,605				157,275	247,707
Purchased Professional - Educational Services	544,167	93,066	24,317	3,548	101	26,950	692,149
Travel	19,981					2,175	22,156
Other Purchased Services (400-500 series)	284,783						284,783
Supplies & Materials	14,104						14,104
Other Objects	1,692						1,692
Scholarships Awarded	16,639						16,639
Student Activities	273,282						273,282
Total support services	1,302,622	143,671	24,317	3,548	101	193,480	1,667,739
Total Expenditures	2,607,772	906,115	24,317	16,194	303	666,002	4,230,703
Excess (Deficiency) of Revenues Over (Under)							
Expenditures and Other Financing Sources (Uses)							
	41,378	-	-	-	-	-	41,378
Fund Balance, July 1	169,125						169,125
Fund Balance, June 30	210,503	-	-	-	-	-	210,503

FORT LEE BOARD OF EDUCATION
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
Fiscal Year Ended June 30, 2023

	Total Brought Forward (Ex. E-1b)	ESEA Title II, Part A Teacher & Principal Training & Recruiting	ESEA Title III	ESEA Title IV	Career and Technical Education - Basic Grants (Perkins)	ESSE I	Total Carried Forward
REVENUES							
Local Sources	331,629						331,629
State Sources	233,484						233,484
Federal Sources	1,825,551	104,180	63,276	40,697	13,928	36,405	2,084,037
Total Revenues	2,390,664	104,180	63,276	40,697	13,928	36,405	2,649,150
EXPENDITURES:							
Instruction:							
Salaries of Teachers	87,429						87,429
Purchased Professional and Technical Services	932,617			10,000	9,389		952,006
Other Purchased Services (400-500 series)	-		43,909	21,172	990	36,261	-
General Supplies	144,268						246,600
Textbooks	17,816						17,816
Other Objects	-				1,299		1,299
Total instruction	1,182,130	-	43,909	31,172	11,678	36,261	1,305,150
Support services:							
Salaries of Other Professional Staff	107,133		870			144	108,147
Personal Services - Employee Benefits	39,760		67				39,827
Purchased Professional - Educational Services	449,372	73,135	18,430	3,230			544,167
Travel	-	19,981					19,981
Other Purchased Services (400-500 series)	279,378			3,155	2,250		284,783
Supplies & Materials	-	11,064		3,040			14,104
Other Objects	1,592			100			1,692
Scholarships Awarded	16,639						16,639
Student Activities	273,282						273,282
Total support services	1,167,156	104,180	19,367	9,525	2,250	144	1,302,622
Total Expenditures	2,349,286	104,180	63,276	40,697	13,928	36,405	2,607,772
Excess (Deficiency) of Revenues Over (Under)							
Expenditures and Other Financing Sources (Uses)							
Fund Balance, July 1	41,378	-	-	-	-	-	41,378
	169,125						169,125
Fund Balance, June 30	210,503	-	-	-	-	-	210,503

FORT LEE BOARD OF EDUCATION
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
Fiscal Year Ended June 30, 2023

	Total Brought Forward (Ex. E-1c)	CRRSA- ESSER II	CR Learning Acceleration	CR Mental Health	COPS School Violence Protection Program Grant	ARP- ESSER	Total Carried Forward
REVENUES							
Local Sources	331,629						331,629
State Sources	233,484						233,484
Federal Sources	157,889	227,255	27,179	4,048	263,619	1,145,561	1,825,551
Total Revenues	723,002	227,255	27,179	4,048	263,619	1,145,561	2,390,664
EXPENDITURES:							
Instruction:							
Salaries of Teachers	6,875	70,058	10,496				87,429
Purchased Professional and Technical Services	-	76,507	11,035	1,375		843,700	932,617
Other Purchased Services (400-500 series)	-	52,006	475			73,522	-
General Supplies	18,265						144,268
Textbooks	17,816						17,816
Other Objects	-						-
Total instruction	42,956	198,571	22,006	1,375	-	917,222	1,182,130
Support services:							
Salaries of Other Professional Staff	8,120	21,667		2,673		74,673	107,133
Personal Services - Employee Benefits	3,052	7,017	803			28,888	39,760
Purchased Professional - Educational Services	328,220		4,370			116,782	449,372
Travel	-						-
Other Purchased Services (400-500 series)	7,763				263,619	7,996	279,378
Supplies & Materials	-						-
Other Objects	1,592						1,592
Scholarships Awarded	16,639						16,639
Student Activities	273,282						273,282
Total support services	638,668	28,684	5,173	2,673	263,619	228,339	1,167,156
Total Expenditures	681,624	227,255	27,179	4,048	263,619	1,145,561	2,349,286
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	41,378	-	-	-	-	-	41,378
Fund Balance, July 1	169,125						169,125
Fund Balance, June 30	210,503	-	-	-	-	-	210,503

FORT LEE BOARD OF EDUCATION
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
Fiscal Year Ended June 30, 2023

	Total Brought Forward (Ex. E-1d)	ARP- ESSER Accelerated Learning	ARP- ESSER Summer Learning and Enrichment	ARP - NJTSS Mental Health Support Staffing	N.J. Nonpublic Technology Aid	N.J. Nonpublic Textbook Aid	Total Carried Forward
REVENUES							
Local Sources	331,629						331,629
State Sources	204,393				11,275	17,816	233,484
Federal Sources	-	145,689	3,992	8,208			157,889
Total Revenues	536,022	145,689	3,992	8,208	11,275	17,816	723,002
EXPENDITURES:							
Instruction:							
Salaries of Teachers	6,875						6,875
Purchased Professional - Educational Services	-						-
Other Purchased Services (400-500 series)	-						-
General Supplies	6,990				11,275		18,265
Textbooks	-					17,816	17,816
Other Objects	-						-
Total instruction	13,865	-	-	-	11,275	17,816	42,956
Support services:							
Salaries of Other Professional Staff	-	2,753		5,367			8,120
Personal Services - Employee Benefits	-	211		2,841			3,052
Purchased Professional - Educational Services	190,858	137,362					328,220
Travel	-						-
Other Purchased Services (400-500 series)	-	3,771	3,992				7,763
Supplies & Materials	-						-
Other Objects	-	1,592					1,592
Scholarships Awarded	16,639						16,639
Student Activities	273,282						273,282
Total support services	480,779	145,689	3,992	8,208	-	-	638,668
Total Expenditures	494,644	145,689	3,992	8,208	11,275	17,816	681,624
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	41,378	-	-	-	-	-	41,378
Fund Balance, July 1	169,125						169,125
Fund Balance, June 30	210,503	-	-	-	-	-	210,503

FORT LEE BOARD OF EDUCATION
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
Fiscal Year Ended June 30, 2023

	Total Brought Forward (Ex. E-1e)	N.J. Nonpublic Auxiliary Services Chapter 192		N.J. Nonpublic Handicapped Services, Chapter 193		Total Carried Forward
		Compensatory Education	English as a Second Language	Supplemental Instruction	Examination & Classification	
REVENUES						
Local Sources	331,629					331,629
State Sources	79,122	50,206	42,656	11,647	10,811	204,393
Federal Sources	-					-
Total Revenues	410,751	50,206	42,656	11,647	10,811	536,022
EXPENDITURES:						
Instruction:						
Salaries of Teachers	6,875					6,875
Purchased Professional - Educational Services	-					-
Other Purchased Services (400-500 series)	-					-
General Supplies	6,990					6,990
Textbooks	-					-
Other Objects	-					-
Total instruction	13,865	-	-	-	-	13,865
Support services:						
Salaries of Other Professional Staff	-					-
Personal Services - Employee Benefits	-					-
Purchased Professional - Educational Services	65,587	50,206	42,656	11,647	10,811	190,858
Travel	-					-
Other Purchased Services (400-500 series)	-					-
Supplies & Materials	-					-
Other Objects	-					-
Scholarships Awarded	16,639					16,639
Student Activities	273,282					273,282
Total support services	355,508	50,206	42,656	11,647	10,811	480,779
Total Expenditures	369,373	50,206	42,656	11,647	10,811	494,644
Excess (Deficiency) of Revenues Over (Under)						
Expenditures and Other Financing Sources (Uses)						
Fund Balance, July 1	41,378	-	-	-	-	41,378
Fund Balance, June 30	169,125					169,125
	210,503	-	-	-	-	210,503

FORT LEE BOARD OF EDUCATION
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
Fiscal Year Ended June 30, 2023

	Total Brought Forward (Ex. E-1f)	N.J. Nonpublic Nursing Aid	N.J. Nonpublic Security Aid	Climate Change Grant	Teachers STEM Grant	Local Programs	Total Carried Forward
REVENUES							
Local Sources	331,299					330	331,629
State Sources	-	30,240	35,347	6,660	6,875		79,122
Federal Sources	-						-
Total Revenues	331,299	30,240	35,347	6,660	6,875	330	410,751
EXPENDITURES:							
Instruction:							
Salaries of Teachers	-				6,875		6,875
Purchased Professional - Educational Services	-						-
Other Purchased Services (400-500 series)	-						-
General Supplies	-			6,660		330	6,990
Textbooks	-						-
Other Objects	-						-
Total instruction	-	-	-	6,660	6,875	330	13,865
Support services:							
Salaries of Other Professional Staff	-						-
Personal Services - Employee Benefits	-						-
Purchased Professional - Educational Services	-	30,240	35,347				65,587
Travel	-						-
Other Purchased Services (400-500 series)	-						-
Supplies & Materials	-						-
Other Objects	-						-
Scholarships Awarded	16,639						16,639
Student Activities	273,282						273,282
Total support services	289,921	30,240	35,347	-	-	-	355,508
Total Expenditures	289,921	30,240	35,347	6,660	6,875	330	369,373
Excess (Deficiency) of Revenues Over (Under)							
Expenditures and Other Financing Sources (Uses)							
Fund Balance, July 1	41,378	-	-	-	-	-	41,378
	169,125						169,125
Fund Balance, June 30	210,503	-	-	-	-	-	210,503

FORT LEE BOARD OF EDUCATION
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
Fiscal Year Ended June 30, 2023

	Total Brought Forward (Ex. E-1g)	Scholarship Awards	School No. 1 Student Activity Fund	School No. 2 Student Activity Fund	School No. 3 Student Activity Fund	School No. 4 Student Activity Fund	Total Carried Forward
REVENUES							
Local Sources	296,000	14,957	6,011	2,896	3,773	7,662	331,299
State Sources	-						-
Federal Sources	-						-
Total Revenues	296,000	14,957	6,011	2,896	3,773	7,662	331,299
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	-						-
Travel	-						-
Other Purchased Services (400-500 series)	-						-
Supplies & Materials	-						-
Other Objects	-						-
Scholarships Awarded	-	16,639					16,639
Student Activities	254,413		5,694	2,884	3,773	6,518	273,282
Total support services	254,413	16,639	5,694	2,884	3,773	6,518	289,921
Total Expenditures	254,413	16,639	5,694	2,884	3,773	6,518	289,921
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	41,587	(1,682)	317	12	-	1,144	41,378
Fund Balance, July 1	123,136	33,303	3,645	1,635	1,000	6,406	169,125
Fund Balance, June 30	164,723	31,621	3,962	1,647	1,000	7,550	210,503

FORT LEE BOARD OF EDUCATION
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
Fiscal Year Ended June 30, 2023

	Intermediate				
	Middle School Student Activity Fund	School Student Activity Fund	High School Student Activity Fund	Athletic Dept. Student Activity Fund	Total Carried Forward
REVENUES					
Local Sources	50,986	12,739	151,473	80,802	296,000
State Sources					-
Federal Sources					-
Total Revenues	50,986	12,739	151,473	80,802	296,000
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					-
Travel					-
Other Purchased Services (400-500 series)					-
Supplies & Materials					-
Other Objects					-
Scholarships Awarded					-
Student Activities	44,455	3,231	122,377	84,350	254,413
Total support services	44,455	3,231	122,377	84,350	254,413
Total Expenditures	44,455	3,231	122,377	84,350	254,413
Excess (Deficiency) of Revenues Over (Under)					
Expenditures and Other Financing Sources (Uses)	6,531	9,508	29,096	(3,548)	41,587
Fund Balance, July 1	8,334	10,274	102,870	1,658	123,136
Fund Balance, June 30	14,865	19,782	131,966	(1,890)	164,723

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, 2023

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	126,523
	<hr/>
	126,523
	<hr/>

Expenditures and Other Financing Uses

Purchased professional and technical services	26,213
Land and improvements	-
Construction services	562
Equipment purchases	-
	<hr/>
Total expenditures	26,775
	<hr/>

Excess (deficiency) of revenues over (under) expenditures 99,748

Other Finance Sources (Uses)

Transfers out:	
General Fund	(126,523)
	<hr/>
Total other financing sources (uses)	(126,523)
	<hr/>

Net change in fund balance (26,775)

Fund balance - beginning 2,584,876

Fund balance - ending 2,558,101

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, 2023

	<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	3,913,745		3,913,745	459,022
Land and improvements			-	
Construction services	29,207,549	562	29,208,111	35,190,417
Equipment purchases	<u>1,604,523</u>		<u>1,604,523</u>	<u>1,606,127</u>
	<u>34,725,817</u>	<u>562</u>	<u>34,726,379</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>2,529,749</u>	<u>(562)</u>	<u>2,529,187</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, 2023

	<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	26,213	1,118,816	1,096,019
Land and improvements			-	-
Construction services	9,832,285		9,832,285	9,873,981
Equipment purchases			-	-
	<u>10,924,888</u>	<u>26,213</u>	<u>10,951,101</u>	<u>10,970,000</u>
Other Finance Sources (Uses)				
Transfers in			-	
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>45,112</u>	<u>(26,213)</u>	<u>18,899</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	99.83%			
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, 2023

	<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			-	
	<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, 2023

	<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, 2023

Project Title/Issue	Date	Appropriations	Expenditures to Date		Unexpended Project Funds Transferred Out	Unexpended Balance June 30, 2023
			Prior Years	Current Year		
Lewis F. Cole Middle School Additions	2014-2022	37,255,566	34,725,817	562		2,529,187
School No. 2 Additions	2014-2022	10,970,000	10,924,888	26,213		18,899
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>51,589,528</u>	<u>26,775</u>	<u>-</u>	<u>2,558,101</u>

PROPRIETARY FUNDS

FORT LEE BOARD OF EDUCATION
Combining Statement of Net Position
Enterprise Funds
Fiscal Year Ended June 30, 2023

	Food Service Program	Totals
ASSETS		
Current assets:		
Cash and cash equivalents	967,413	967,413
Accounts receivable:		
State	4,489	4,489
Federal	107,421	107,421
Inventories	14,289	14,289
Total current assets	<u>1,093,612</u>	<u>1,093,612</u>
Noncurrent assets:		
Capital assets:		
Equipment	604,413	604,413
Less accumulated depreciation	<u>(514,046)</u>	<u>(514,046)</u>
Total capital assets (net of accumulated depreciation)	<u>90,367</u>	<u>90,367</u>
Total assets	<u>1,183,979</u>	<u>1,183,979</u>
LIABILITIES		
Current Liabilities:		
Accounts Payable	5,150	5,150
Deferred Revenue	103,545	103,545
Prepaid Revenue	69,754	69,754
Total Liabilities	<u>178,449</u>	<u>178,449</u>
NET POSITION		
Net investment in capital assets	90,367	90,367
Unrestricted	915,163	915,163
Total net position	<u>1,005,530</u>	<u>1,005,530</u>

FORT LEE BOARD OF EDUCATION
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
Enterprise Funds
Fiscal Year Ended June 30, 2023

	Food Service Program	Totals
Operating revenues:		
Charges for services:		
Daily sales - reimbursable programs	1,234,929	1,234,929
Daily sales - other	22,035	22,035
Total operating revenues	<u>1,256,964</u>	<u>1,256,964</u>
Operating expenses:		
Cost of food - reimbursable programs	692,386	692,386
Cost of food - non-reimbursable programs	232,359	232,359
Salaries	702,061	702,061
Supplies and materials	69,365	69,365
Employee benefits	249,409	249,409
Depreciation	14,148	14,148
Repairs and other expenses	36,179	36,179
Purchased services	150,951	150,951
Total Operating Expenses	<u>2,146,858</u>	<u>2,146,858</u>
Operating income (loss)	<u>(889,894)</u>	<u>(889,894)</u>
Nonoperating revenues (expenses):		
State sources:		
State school lunch program	26,733	26,733
State school breakfast program	351	351
Federal sources:		
National school lunch program	499,506	499,506
National school breakfast program	21,673	21,673
Supply Chain Assistance Funding	109,820	109,820
Local Food for School Cooperative Agreement Program	778	778
U.S.D.A. Commodities	157,543	157,543
Miscellaneous	84,713	84,713
Total nonoperating revenues (expenses)	<u>901,117</u>	<u>901,117</u>
Income (loss) before contributions & transfers	<u>11,223</u>	<u>11,223</u>
Total net position—beginning	994,307	994,307
Total net position—ending	<u><u>1,005,530</u></u>	<u><u>1,005,530</u></u>

FORT LEE BOARD OF EDUCATION
Combining Statement of Cash Flows
Enterprise Funds
Fiscal Year Ended June 30, 2023

	Food Service Program	Totals
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	1,290,188	1,290,188
Payments to suppliers	(2,089,762)	(2,089,762)
Net cash provided by (used for) operating activities	<u>(799,574)</u>	<u>(799,574)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State Sources	31,874	31,874
Federal Sources	1,060,294	1,060,294
Net cash provided by (used for) non-capital financing activities	<u>1,092,168</u>	<u>1,092,168</u>
CASH FLOWS FROM INVESTMENT AND RELATED FINANCING ACTIVITIES		
Interest on investments	20,215	20,215
PPP Reimbursement	64,498	64,498
Net cash provided by (used for) investment and related financing activities	<u>84,713</u>	<u>84,713</u>
Net increase (decrease) in cash and cash equivalents	<u>377,307</u>	<u>377,307</u>
Balances—beginning of year	590,106	590,106
Balances—end of year	<u>967,413</u>	<u>967,413</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	(889,894)	(889,894)
Adjustments to reconcile operating income (loss) to net cash provided by		
Depreciation and net amortization	14,148	14,148
Food distribution program	157,153	157,153
(Increase) decrease in accounts receivable	13,196	13,196
(Increase) decrease in inventories	754	754
Increase (decrease) in prepaid revenue	20,027	20,027
Increase (decrease) in accounts payable	(114,958)	(114,958)
Total adjustments	<u>90,320</u>	<u>90,320</u>
Net cash provided by (used for) operating activities	<u>(799,574)</u>	<u>(799,574)</u>

LONG-TERM DEBT

FORT LEE BOARD OF EDUCATION
General Long-Term Debt Account Group
Schedule of Serial Bonds
Fiscal Year Ended June 30, 2023

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities</u>		<u>Interest Rate</u>	<u>Balance, July 1, 2022</u>	<u>Retired</u>	<u>Balance, June 30, 2023</u>
			<u>Date</u>	<u>Amount</u>				
BCIA Improvement Bonds	August 7, 2012	18,450,000				\$ 895,000	895,000 \$	
General Serial Bonds	April 7, 2015	49,840,000	3/15/2024	1,650,000	3.000	40,965,000	1,595,000	39,370,000
			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	12/1/2023	1,120,000	0.854	10,830,000	195,000	10,635,000
			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			
						\$ 52,690,000	2,685,000	50,005,000

FORT LEE BOARD OF EDUCATION
General Long-Term Debt Account Group
Schedule of Obligations Under Lease-Purchase Agreements
Fiscal Year Ended June 30, 2023

<u>Issue</u>	<u>Date of Lease</u>	<u>Amount of Lease</u>	<u>Principal Payment</u>		<u>Interest Rate</u>	<u>Balance, June 30, 2022</u>	<u>Retired</u>	<u>Balance, June 30, 2023</u>
			<u>Date</u>	<u>Amount</u>				
Energy Savings Investment Plan	April 16, 2015	5,571,444	10/16/23	175,024	2.495 %	3,805,488	332,370	3,473,118
			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 %			
						<u>\$ 3,805,488</u>	<u>332,370</u>	<u>3,473,118</u>

FORT LEE BOARD OF EDUCATION
Budgetary Comparison Schedule
Debt Service Fund
Fiscal Year Ended June 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	3,734,689		3,734,689	3,734,689	-
Total - Local Sources	3,734,689	-	3,734,689	3,734,689	-
State Sources:					
Debt Service Aid Type II	410,095		410,095	410,095	-
Total - State Sources	410,095	-	410,095	410,095	-
Total Revenues	4,144,784	-	4,144,784	4,144,784	-
EXPENDITURES:					
Regular Debt Service:					
Interest	1,527,168		1,527,168	1,527,168	-
Redemption of Principal	2,685,000		2,685,000	2,685,000	-
Total Regular Debt Service	4,212,168	-	4,212,168	4,212,168	-
Total expenditures	4,212,168	-	4,212,168	4,212,168	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(67,384)	-	(67,384)	(67,384)	-
Fund Balance, July 1	67,384	-	67,384	67,384	-
Fund Balance, June 30	-	-	-	-	-
Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures					
Budgeted Fund Balance	(67,384)		(67,384)	(67,384)	-
Total	(67,384)	-	(67,384)	(67,384)	-

STATISTICAL SECTION

STATISTICAL SECTION (UNAUDITED)

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STATISTICAL SECTION (UNAUDITED) - INTRODUCTION

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

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

	2014	2015	2016	2017	2018	2019	2020	2021	Restated 2022	2023
Governmental activities										
Net investment in capital assets	\$ 3,994,842	\$ (36,171,048)	\$ (20,540,534)	\$ 25,416,260	\$ 26,864,312	\$ 28,048,044	\$ 30,046,236	\$ 31,660,241	\$ 34,040,330	\$ 40,619,996
Restricted	18,051,812	56,001,477	48,185,275	2,725,371	4,694,988	8,983,541	12,740,310	17,235,867	24,868,603	24,234,043
Unrestricted	(4,233,820)	(17,662,594)	(17,662,594)	(17,195,519)	(18,660,217)	(18,642,233)	(18,604,745)	(14,882,121)	(15,957,040)	(16,432,382)
Total governmental activities net assets	\$ 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	\$ 48,421,657
Business-type activities										
Net investment in capital assets	\$ 65,940	\$ 96,328	\$ 74,036	\$ 103,163	\$ 94,533	\$ 119,290	\$ 100,521	\$ 91,101	\$ 104,515	\$ 90,367
Restricted										
Unrestricted	360,493	271,531	281,090	244,016	289,007	272,089	293,992	450,686	889,792	915,163
Total business-type activities net assets	\$ 426,433	\$ 367,859	\$ 355,126	\$ 347,179	\$ 383,540	\$ 391,379	\$ 394,513	\$ 541,787	\$ 994,307	\$ 1,005,530
District-wide										
Net investment in capital assets	\$ 4,060,782	\$ (36,074,720)	\$ (20,466,498)	\$ 25,519,423	\$ 26,958,845	\$ 28,167,334	\$ 30,146,757	\$ 31,751,342	\$ 34,144,845	\$ 40,710,363
Restricted	18,051,812	56,001,477	48,185,275	2,725,371	4,694,988	8,983,541	12,740,310	17,235,867	24,868,603	24,234,043
Unrestricted	(3,873,327)	(17,391,063)	(17,381,504)	(16,951,503)	(18,371,210)	(18,370,144)	(18,310,753)	(14,431,435)	(15,067,248)	(15,517,219)
Total district net assets	\$ 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	\$ 49,427,187

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

Source: ACFR Exhibit A-1

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Expenses										
Governmental activities										
Instruction										
Regular	\$ 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	\$ 23,993,331
Special education	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	10,082,253
Other special education	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	2,360,085
Other instruction	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	1,550,482
Support Services:										
Tuition	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	3,986,472
Student & instruction related services	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	12,456,039
General administrative services	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	1,783,377
School administrative services	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	3,227,517
Central services and administrative information technology	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	1,349,095
Plant operations and maintenance	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	5,941,787
Pupil transportation	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	3,757,591
Unallocated Benefits	4,118,192	5,883,397	-	-	-	-	-	-	20,374,991	17,495,467
Charter Schools	-	9,686	9,963	9,965	-	-	-	-	-	64,632
Interest on long-term debt	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	1,536,182
Unallocated depreciation	982,630	976,850	982,981	-	-	-	-	-	3,704,256	1,819,056
Amortization & Capital Lease Obligations	(198,000)	(198,000)	(198,000)	-	-	-	-	-	(240,568)	155,489
Capital Outlay - nondepreciable	3,378,021	5,588,979	567,534	-	-	-	-	-	31,497	1,998,295
Total governmental activities expenses	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	93,557,150
Business-type activities:										
Food service	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	2,146,858
Latchkey program	255,711	-	-	-	-	-	-	-	-	-
Total business-type activities expense	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	2,146,858
Total district expenses	\$ 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	\$ 95,704,008
Program Revenues										
Governmental activities:										
Charges for services:										
Special schools	-	-	-	83,500	30,211	79,028	182,684	372,318	232,277	316,342
Operating grants and contributions	1,675,017	1,451,934	8,309,105	1,836,568	1,617,534	1,774,484	1,294,288	2,526,002	4,524,973	3,950,455
Total governmental activities program revenues	1,675,017	1,451,934	8,309,105	1,920,068	1,647,745	1,853,512	1,476,972	2,898,320	4,757,250	4,266,797

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Business-type activities:										
Charges for services	836,704	915,764	964,952	1,039,150	1,107,404	1,323,740	906,116	36,750	172,469	1,256,964
Food service	183									
Latchkey program	437,334	429,904	441,169	484,629	445,455	446,001	346,289	968,144	2,374,042	816,404
Operating grants and contributions	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	2,073,368
Total business type activities program revenues	\$ 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	\$ 6,340,165
Total district program revenues										
Net (Expense)/Revenue										
Governmental activities	\$ (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)	\$ (89,290,353)
Business-type activities	(227,802)	(60,374)	(12,777)	(7,947)	36,361	177,920	(51,866)	147,274	431,940	(73,490)
Total district-wide net expense	\$ (65,466,941)	\$ (77,027,620)	\$ (62,325,926)	\$ (84,230,685)	\$ (87,724,471)	\$ (84,056,283)	\$ (84,802,479)	\$ (89,423,713)	\$ (85,216,748)	\$ (89,363,843)
General Revenues and Other Changes in Net Assets										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 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	\$ 70,967,334
Taxes levied for debt service	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	3,734,689
Unrestricted grants and contributions	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	17,936,021
Federal and State aid - Capital Outlay	2,193,768							107,455		1,984
Payments in lieu of taxes to school district								383,000		383,000
Cancellation Capital Outlay to Capital Reserve	1,397,566								364,534	565,813
Tuition		43,650				170,081	(55,000)			
Investment earnings	3,978	62,974		163,090	273,161	536,989	108,159	2,921		
Miscellaneous income	567,332	361,823	204,628	611,723	561,227	454,513	616,063	870,144	259,691	1,165,012
Other Restricted Miscellaneous Revenue								419		6,264
Total governmental activities	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	94,760,117
Business-type activities:										
Investment earnings	43	1,800	-	-	-	-	-	-	681	20,215
Miscellaneous							55,000	-	-	64,498
Transfers	-	-	-	-	-	(170,081)	-	-	-	-
Total business-type activities	43	1,800	-	-	-	(170,081)	55,000	-	681	84,713
Total district-wide	\$ 66,490,556	\$ 73,788,901	\$ 63,328,810	\$ 86,413,909	\$ 89,713,803	\$ 89,554,391	\$ 90,191,598	\$ 99,403,173	\$ 94,986,032	\$ 94,844,830
Change in net assets										
Governmental activities	\$ 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	\$ 5,469,764
Business-type activities	(227,759)	(58,574)	(12,777)	(7,947)	36,361	7,839	3,134	147,274	432,621	11,223
Total district	\$ 1,023,615	\$ (3,238,719)	\$ 1,002,884	\$ 2,183,224	\$ 1,989,332	\$ 5,498,108	\$ 5,389,119	\$ 9,979,460	\$ 9,769,284	\$ 5,480,987

Source: ACFR Exhibit A-2

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Fund										
Restricted	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	16,511,016
Assigned	1,899,690	1,227,188	724,215	843,983	306,173	153,591	286,598	1,555,757	2,689,681	4,954,423
Unassigned	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	2,410,302
Total general fund	\$ 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	\$ 23,875,741
All Other Governmental Funds										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue fund										
Capital projects fund	13,597,666	52,416,142	44,381,239	26,833,319	19,725,414	8,143,095	155,146	163,831	169,125	210,503
Debt service fund	78,838	64,154	74,565	309,314	296,696	148,348	3,156,456	2,815,743	2,584,876	2,558,101
Total all other governmental funds	\$ 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	\$ 2,768,604

Source: ACFR Exhibit B-1

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues										
Tax levy	\$ 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	\$ 74,702,023
Interest- capital reserve funds	3,978	62,974							11,558	69,568
Interest earnings	1,918	3,777		163,090	273,161	536,989	108,159	524,000	383,000	383,000
Revenue in lieu of Taxes						245,414	471,000		15,228	84,828
Transportation									364,534	565,813
Tuition	30,000	43,650		24,400	30,211	79,028	182,684	223,487	479,930	1,342,245
Miscellaneous	535,414	360,945	204,628	680,820	606,764	237,800	154,983	412,354		
Restricted Miscellaneous Revenue									419	6,264
State sources	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	24,185,933
Federal sources	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	3,762,371
Total revenue	66,767,964	69,372,473	71,637,915	76,159,814	79,106,689	84,333,008	86,799,981	94,105,220	101,845,593	105,102,045
Expenditures										
Instruction										
Regular Instruction	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	22,066,163
Special education instruction	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	9,420,055
Other special instruction	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	2,152,157
Other instruction	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	1,461,316
Support Services:										
Tuition	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	3,986,472
Student and instruction related services	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	12,042,564
General administrative services	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	1,731,079
School administrative services	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	2,960,487
Central services and administrative information technology services	889,545	856,281	934,015	1,022,459	1,098,003	1,687,543	1,951,966	1,884,832	1,277,626	1,260,365
Plant operations and maintenance	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	6,226,123
Pupil transportation	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	3,693,143
Unallocated benefits	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	12,077,189
On-behalf contributions									15,860,850	16,799,889
Special schools										
Capital outlay	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	7,153,688
Debt service:										
Principal	655,000	665,000	685,000	2,270,000	2,120,000	2,175,000	2,230,000	2,578,612	2,600,000	2,685,000
Interest and other charges	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	1,527,168
Transfer to charter school		9,686	9,963	9,965						64,632
Total expenditures	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	107,307,490
Excess (Deficiency) of revenues over (under) expenditures	(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	(2,205,445)

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Other Financing sources (uses)										
Capital leases (non-budgeted)	1,967,725	5,571,444	550,000					11,285,000		
Bond proceeds	-	49,840,000	-					(36,112)		
Underwriter's Discount								(11,153,888)		
Payment to refunded debt escrow agent										
Cancellation of Capital Outlay to Capital Reserve	1,397,566									
Transfers in	157,034	61,946	12,618	163,090	273,161	707,070	108,159	2,356	5,529	126,523
Transfers out	(157,034)	(61,946)	(12,618)	(163,090)	(273,161)	(536,989)	(163,159)	(2,356)	(5,529)	(126,523)
Total other financing sources (uses)	3,365,291	55,411,444	550,000	-	-	170,081	(55,000)	95,000	-	-
Net change in fund balances	\$ (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	\$ (2,205,445)

Debt service as a percentage of
noncapital expenditures

	2.1%	2.0%	4.1%	6.1%	5.6%	5.4%	5.2%	5.0%	4.5%	4.2%
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Source: ACFR 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)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Fund:										
Interest on investments	\$ 1,918	\$ 3,777	\$ 4,057	\$ 5,154	\$ 66,173	\$ 82,760	\$ -	\$ 45,211	\$ 28,019	\$ 431,490
Summer school tuition and fees	30,000	43,650	38,500	-	-	-	-	-	-	-
Prior years' refunds										
Rentals	5,500	-	-	19,000	45,260	50,705	-	-	59,750	48,174
Donations	500	200	8,383	-	-	-	-	-	-	-
Transportation					3,497	457	-	-	15,228	84,828
Cancellation of prior year void checks	5,305	5,319	-	-	-	-	-	-	-	-
Tuition									364,534	565,813
Refund of prior year's expenditures										
Miscellaneous-restricted				204,060	119,576	-	-	46,497	-	-
Reimbursement of custodial	203,911	264,722	-	-	-	-	-	-	-	-
Athletic receipts	5,021	3,623	3,135	4,622	4,617	3,473	-	-	-	-
Other	4,259	4,691	-	-	-	-	-	-	419	6,264
Book fines	1,282	1,108	-	-	-	-	-	-	198	-
Restitution non-residents										
Miscellaneous-unrestricted	309,636	78,383	137,935	82,192	322,104	20,999	83,677	152,936	139,409	404,429
Total Miscellaneous	\$ 567,332	\$ 405,473	\$ 192,010	\$ 315,028	\$ 561,227	\$ 158,394	\$ 83,677	\$ 244,644	\$ 607,557	\$ 1,540,998
Interest on capital reserve funds	1,770	1,028	-	-	-	-	-	-	11,558	69,568
Total General Fund	\$ 569,102	\$ 406,501	\$ 192,010	\$ 315,028	\$ 561,227	\$ 158,394	\$ 83,677	\$ 244,644	\$ 619,115	\$ 1,610,566

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

Fiscal Year Ended Dec. 31,	Vacant Land	Residential	Farm Reg.	Qlarm	Commercial	Industrial	Apartment	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
2014	\$ 142,308,600	\$ 3,602,571,100			\$ 844,174,100	\$ 9,419,200	\$ 1,491,298,420	\$ 6,089,771,420	\$ 7,070,493	\$ 6,096,841,913	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	\$ 6,148,779,620	\$ 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	\$ 6,257,150,720	\$ 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	\$ 6,403,237,720	\$ 8,365,088	\$ 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	\$ 6,513,112,620	\$ 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	\$ 6,563,704,620	\$ 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	\$ 6,613,741,850	\$ 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	\$ 6,670,968,680	\$ 8,586,503	\$ 6,679,555,183	1.089	\$ 7,370,226,323	90.63%
2022	\$ 115,916,240	\$ 3,962,548,400			\$ 901,107,100	\$ 6,921,500	\$ 1,637,756,580	\$ 6,624,249,820	\$ 8,161,821	\$ 6,632,411,641	1.117	\$ 7,686,286,221	86.29%
2023	\$ 114,839,100	\$ 3,995,455,000			\$ 892,850,900	\$ 5,365,300	\$ 1,674,725,980	\$ 6,683,236,280	\$ 9,265,952	\$ 6,692,502,232	1.128	\$ 7,312,071,355	91.53%

Source: Municipal Tax Assessor and Abstract of Rates, 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	Obligation Debt Service ^b	Total Direct			
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	1.058	0.059	1.117	1.087	0.279	2.483
2023	1.072	0.056	1.128	1.086	0.260	2.474

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	2023			2014		
	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	3.62%	\$ 279,000,000	1	4.58%
1530 Owners Corp.	\$ 168,345,200	2	2.52%	\$ 168,478,000	2	2.76%
Fort Lee Phase I Owner, LLC	\$ 162,358,800	3	2.43%			
CP5 Fort Lee, LLC, c/o Alliance Tax	\$ 85,000,000	4	1.27%	\$ 82,000,000	4	1.34%
Hudson Lights Apartment Owners, LLC	\$ 83,500,000	5	1.25%			
Southbridge Park, Inc.	\$ 82,673,000	6	1.24%	\$ 82,673,000	3	1.36%
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	9	1.04%
Fort Lee EP, LLC			0.00%	\$ 55,275,000	10	0.91%
2000 Linwood Ave. Owners Inc.				\$ 69,403,000	7	1.14%
Total	<u>\$ 1,102,347,000</u>		<u>16.47%</u>	<u>\$ 945,396,000</u>		<u>15.51%</u>
Net Assessed Valuation:			\$ 6,692,502,232	\$ 6,096,841,913		

Source: Municipal Tax Assessor.

Exhibit J-9

**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	
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%	\$ -
2023	\$74,702,023	\$74,702,023	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,	Governmental Activities		Total District	Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds/Loans ^b	Capital Leases			
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	1.53%	\$ 610
2022	52,690,000	3,805,488	56,495,488	Not Available	Not Available
2023	50,005,000	3,473,118	53,478,118	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		
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%	\$ 567
2022	\$ 52,690,000	-	52,690,000	0.79%	Not Available
2023	\$ 50,005,000	-	50,005,000	0.75%	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, 2023

<u>Governmental Unit</u>	<u>Estimated Percentage Applicable ^a</u>	<u>Debt Outstanding</u>	<u>Estimated Share of Overlapping Debt</u>
Direct Debt of School District as of June 30, 2023			\$ 50,005,000
Net overlapping debt of School District:			
Borough of Fort Lee	100.000%	\$ 46,765,078	
County of Bergen - City's Share	3.796%	\$ 37,031,257	
Bergen County Utility Authority-City's Share	6.540%	\$ 16,510,906	
Subtotal, overlapping debt			<u>\$ 100,307,241</u>
Total direct and overlapping debt			<u><u>\$ 150,312,241</u></u>

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

	Equalized valuation basis									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Debt limit	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	298,247,785
Total net debt applicable to limit	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	52,690,000
Legal debt margin	\$ 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	\$ 245,557,785
Total net debt applicable to the limit as a percentage of debt limit	7.06%	25.15%	24.68%	23.92%	22.58%	21.85%	20.51%	18.84%	17.90%	17.67%

Average equalized valuation of taxable property

[A/3] \$ 7,456,194,633

Debt limit (4 % of average equalization value)

[B] 298,247,785 ^a

Net bonded school debt

[C] 52,690,000

Legal debt margin

[B-C] \$ 245,557,785

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

^a Limit set by NJSA 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
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	\$ 3,881,162,753	\$ 97,343	4.90%
2022	39,688	Not Available	Not Available	2.70%
2023	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 ACFR completion, this data was not yet available

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

<u>Employer</u>	<u>2023</u>			<u>2014</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>
THE NEW JERSEY DEPARTMENT OF LABOR AND AREA EMPLOYERS REFUSED TO RELEASE INFORMATION NEEDED TO COMPLETE THIS SCHEDULE DUE TO PRIVACY CONCERNS.						
		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

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 ACFR 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>	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Instruction										
Regular	260.0	271.5	271.5	237.1	219.4	226.6	256.0	242.1	217.0	223.0
Special education	63.0	61.5	61.5	70.3	101.7	98.3	97.0	115.1	112.0	115.0
Other special education	27.0	26.0	26.0	47.0	45.6	56.5	75.0	50.4	78.0	78.0
Other instructional				25.2	25.8	28.7	37.0	24.4	24.0	24.0
Support Services:										
Student & instruction related services	82.0	79.0	79.0	55.6	60.8	62.8	40.0	74.0	104.0	104.0
General administrative services	8.0	8.5	8.5	5.0	5.0	5.0	6.0	5.0	4.0	4.0
School administrative services	26.0	26.5	26.5	25.8	23.7	23.7	23.7	25.7	26.0	26.0
Business administrative services	17.0	17.0	17.0	21.6	21.5	24.5	24.5	24.7	30.0	30.0
Plant operations and maintenance	21.0	22.0	22.0	24.1	23.6	26.6	24.0	27.5	24.0	24.0
Total	504.0	512.0	512.0	511.7	527.1	552.7	583.2	588.9	619.0	628.0

Source: District Personnel Records

**Fort Lee Board of Education
Operating Statistics
Last Ten Fiscal Years**

Pupil/Teacher Ratio

Fiscal Year	Enrollment	Operating Expenditures ^a	Cost Per Pupil	Percentage Change	Teaching Staff ^b	Pupil/Teacher Ratio			Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School	High School				
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%
2023	4,004	95,783,285	23,922	20.55%	338	1:13	1:13	1:15	4,010	3,782	-0.52%	94.31%

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 ACFR completion, this data was not yet available.

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

<u>District Buildings</u>	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<u>Elementary</u>										
School 1										
Square Feet	57,938	57,938	57,938	57,938	64,300	64,300	64,300	64,300	64,300	64,300
Capacity (students)	447	447	447	447	447	496	496	496	496	496
Enrollment	708	666	708	677	697	746	585	526	536	542
School 2										
Square Feet	50,989	50,989	50,989	50,989	68,526	68,526	68,526	68,526	68,526	68,526
Capacity (students)	339	339	447	447	600	600	600	600	600	600
Enrollment	457	470	457	483	486	501	398	360	340	367
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	536	534	536	560	578	579	395	365	385	350
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	541	551	541	574	618	599	437	408	392	399
<u>Middle School</u>										
Lewis F. Cole Middle School										
Square Feet	78,455	78,455	78,455	78,455	77,228	77,228	77,228	77,228	77,228	77,228
Capacity (students)	295	295	395	395	626	626	626	626	626	626
Enrollment	558	534	541	578	611	593	1,264	1,302	1,223	1,185
<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	978	983	978	953	920	1,019	1,074	1,074	1,149	1,161

Number of Schools at June 30, 2023
 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 #	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Fort Lee High School	50	197,648	233,517	188,396	198,569	158,103	140,272	178,060	230,785	143,804	211,437
Lewis F. Cole Middle School	100	105,935	97,573	162,534	141,454	122,407	54,299	67,317	52,546	77,481	97,829
Elementary School #1	60	157,563	47,788	68,762	84,112	78,014	76,923	97,856	45,004	50,383	80,468
Elementary School #2	70	69,264	43,234	80,371	110,425	73,770	58,824	76,727	26,777	53,205	39,226
Elementary School #3	80	51,038	79,815	81,237	92,977	65,034	49,774	63,688	42,970	42,834	47,362
Elementary School #4	90	69,817	37,402	46,060	104,831	68,626	72,398	92,449	100,747	34,504	71,315
Grand Total		\$ 651,265	\$ 539,329	\$ 627,360	\$ 732,368	\$ 565,954	\$ 452,490	\$ 576,097	\$ 498,829	\$ 402,211	\$ 547,637

* 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, 2023
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 of the above coverages are the combined amounts for all the school districts under master policies with insurance companies.

SINGLE AUDIT SECTION



WIELKOTZ & COMPANY ^{LLC}

CERTIFIED PUBLIC ACCOUNTANTS

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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, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 16, 2023.

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.

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 November 16, 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

November 16, 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, 2023. 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, 2023.

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. Wielkatz

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

Wielkatz & Company, LLC

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

November 16, 2023

BOROUGH OF FORT LEE SCHOOL DISTRICT

Schedule of Expenditures of Federal Awards

For the Fiscal Year ended June 30, 2023

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, 2022	Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments	Balance at June 30, 2023	
					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	206NSJMAP	N/A	14,579	7/1/2022	6/30/2023			14,579	14,579			
Medical Assistance Program (SEMI)	93.778	206NSJMAP	N/A	39,997	7/1/2022	6/30/2023			39,997	39,997			
IFCRA/SEMI Revenue	93.775	206NSJMAP	N/A	4,127	7/1/2022	6/30/2023			4,127	4,127			
Total General Fund									58,703	58,703			
US Department of Education Passed Through State Dept of Education:													
Special Revenue Fund													
Title I Part A, Improving Basic Programs	84.010A	S010A210030	ESEA155023	551,726	7/1/2022	9/30/2023	(284,968)	(284,968)	501,164	666,002	22,246	(427,560)	
Title I Part A, Improving Basic Programs	84.010A	S010A210030	ESEA155022	416,286	7/1/2021	9/30/2022	(284,968)	284,968	501,164	666,002	22,246	(427,560)	
Other Programs													
Title II, Part A, Teacher/Principal Training and Recruiting	84.367A	S367A220029	ESEA155023	100,665	7/1/2022	9/30/2023		(44,648)	79,249	104,180	994	(68,585)	
Title II, Part A, Teacher/Principal Training and Recruiting	84.367A	S367A210029	ESEA155022	81,274	7/1/2021	9/30/2022	(44,648)	44,648	79,249	104,180	994	(68,585)	
Other Programs													
Title III	84.365A	S365A220030	ESEA155023	93,082	7/1/2022	9/30/2023	(69,746)	(69,746)	105,617	63,276		(27,405)	
Title III	84.365A	S365A210030	ESEA155022	87,511	7/1/2021	9/30/2022	(69,746)	69,746	105,617	63,276		(27,405)	
Other Programs													
Title IV	84.424A	S424A220030	ESEA155023	35,904	7/1/2022	9/30/2023	(4,872)	(4,872)	27,021	40,697		(18,548)	
Title IV	84.424A	S424A210030	ESEA155022	32,997	7/1/2021	9/30/2022	(4,872)	4,872	27,021	40,697		(18,548)	
Other Programs													
IDEA, Part B-Basic	84.027A	S027A220100	IDEA155023	935,301	7/1/2022	9/30/2023		(753,566)	1,477,301	906,115		(182,380)	
IDEA, Part B-Basic	84.027A	S027A210100	IDEA155022	917,601	7/1/2021	9/30/2022	(753,566)	753,566	1,477,301	906,115		(182,380)	
IDEA, Part B-Preschool	84.173A	S173A220100	IDEA155023	28,236	7/1/2022	9/30/2023	(29,617)	(29,617)	29,617	24,317		(24,317)	
IDEA, Part B-Preschool	84.173A	S173A210100	IDEA155022	24,234	7/1/2021	9/30/2022	(29,617)	29,617	29,617	24,317		(24,317)	
ARP - IDEA, Part B-Basic	84.027X	S027X210100	IDEA155023	193,526	7/1/2022	9/30/2023	(17,348)		186,397	16,194		(7,195)	
ARP - IDEA, Part B-Preschool	84.173X	S173X210114	IDEA155022	16,539	7/1/2021	9/30/2022	(17,348)	17,348	186,397	16,194		(7,195)	
Other Programs													
Career and Technical Education - Basic Grants (Perkins)	84.048	V048A210030		22,225	7/1/2022	9/30/2023	(4,973)	(4,973)	18,901	13,928			
Career and Technical Education - Basic Grants (Perkins)	84.048	V048A200030		21,433	7/1/2021	9/30/2022	(4,973)	4,973	18,901	13,928			
Other Programs													
COPS School Violence Prevention Program Grant	16.710	151COPS-22-GG-04286-SSIX		500,000	10/1/2022	9/30/2025				263,619		(263,619)	
Other Programs													
Coronavirus Response and Relief Supplemental Act:													
CARES - ESSER I	84.425D	S425D200027		399,798	3/13/2020	10/15/2022	(13,957)		50,282	36,405	80		
CRRSA - ESSER II	84.425D	S425D210027		1,481,726	3/13/2020	9/30/2023	(245,354)		376,214	227,255	6,827	(89,568)	
CR Learning Acceleration	84.425D	S425D210027		95,090	3/13/2020	9/30/2023	(10,226)		35,089	27,179		(2,316)	
CR Mental Health	84.425D	S425D210027		45,000	3/13/2020	9/30/2023	(6,028)		10,701	4,048	2,059		684
American Rescue Plan:													
ARP - ESSER	84.425U	S425U210027		3,330,083	3/13/2020	9/30/2023	(676,338)		1,406,854	1,145,561	35,599	(289,446)	
Accelerated Learning Coach and Educator Support	84.425U	S425U210027		378,327	3/13/2020	9/30/2023	(22,500)		62,965	145,689		(105,224)	
Evidence Based Summer Learning and Enrichment	84.425U	S425U210027		40,000	3/13/2020	9/30/2023				3,992		(3,992)	
NITSS Mental Health Support Staffing	84.425U	S425U210027		45,000	3/13/2020	9/30/2023	(36,792)			8,208		(45,000)	
ARP - Homeless II	84.425W	213064233E		13,391	4/23/2021	9/30/2023	(1,013,195)		2,032,105	1,598,337	44,565	(335,546)	684
Other Programs													
Additional or Compensatory Special Education and Related Services (ACSERS)	21.027	C829COVID19		111,792	3/13/2020	9/30/2023	(56,030)		56,030				
Other Programs													
Total Special Revenue Fund							(2,455,249)		4,529,566	3,696,968	67,805	(1,555,530)	684

BOROUGH OF FORT LEE SCHOOL DISTRICT

Schedule of Expenditures of Federal Awards

For the Fiscal Year ended June 30, 2023

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, 2022	Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments	Balance at June 30, 2023	
					From	To						(Accounts Receivable)	Deferred Revenue
US Department of Agriculture													
Passed Through State Dept of Education:													
Enterprise Fund													
Food Distribution Program	10.555	23INJ304N1096	N/A	157,153	7/1/2022	6/30/2023			157,153	155,421			1,732
Food Distribution Program	10.555	22INJ304N1096	N/A	127,460	7/1/2021	6/30/2022	2,122			2,122			
National School Breakfast Program	10.553	23INJ304N1099	N/A	21,673	7/1/2022	6/30/2023			17,539	21,673		(4,134)	
National School Breakfast Program SSO	10.553	23INJ304N1099	N/A	164,433	7/1/2021	6/30/2022	(30,919)		30,919				
National School Lunch Program	10.555	23INJ304N1099	N/A	499,506	7/1/2022	6/30/2023			415,328	499,506		(84,178)	
National School Lunch Program SSO	10.555	22INJ304N1099	N/A	2,033,532	7/1/2021	6/30/2022	(403,206)		403,206				
Supply Chain Assistance Funding (1st/2nd Rounds)	10.555	22INJ304N1099	N/A	156,820	3/1/2022	9/30/2023			156,820	109,820			47,000
Supply Chain Assistance Funding (3rd Round)	10.555	22INJ304N1099	N/A	156,482	10/1/2022	9/30/2024			156,482	36,482		(19,109)	36,482
Local Food for Schools Cooperative Agreement Program	10.185	USDA-AMS-10185	N/A	19,109	7/1/2022	6/30/2023				778			18,331
Total Enterprise Fund							(432,003)		1,217,447	789,320		(107,421)	103,545
Total Federal Financial Assistance							\$ (2,887,252)		5,805,716	4,544,991	67,805	(1,662,951)	104,229

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, 2023

State Grantor/Program Titles	Balance at June 30, 2022				Balance at June 30, 2023				Memo					
	Award Amount	Grant Period From To	Deferred Revenue (Accts Receivable)	Due to Grantor	Cash Received	Budgetary Expenditures	Adjustments	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	\$ 3,914,892	7/1/2022	6/30/2023	\$									
Security Aid	495-034-5120-084	105,243	7/1/2022	6/30/2023					3,618,709	3,914,892				3,914,892
Transportation Aid	495-034-5120-014	685,744	7/1/2022	6/30/2023					97,245	105,243				105,243
Extraordinary Aid	100-034-5120-473	2,044,745	7/1/2022	6/30/2023					633,630	685,744				685,744
Extraordinary Aid	100-034-5120-473	2,320,435	7/1/2021	6/30/2022						2,044,745	(2,044,745)			2,044,745
Non Public Transportation	495-078-6060-034	66,144	7/1/2022	6/30/2023					2,320,435					2,320,435
Non Public Transportation	495-078-6060-034	51,620	7/1/2021	6/30/2022						66,144	(66,144)			66,144
Reimbursed TPAF Social Security	495-034-5094-003	2,413,192	7/1/2022	6/30/2023					51,620					51,620
Reimbursed TPAF Social Security	495-034-5094-003	2,348,344	7/1/2021	6/30/2022					2,294,669	2,413,192	(118,523)			2,413,192
On Behalf TPAF - Post Retirement Medical	495-034-5094-001	2,992,097	7/1/2022	6/30/2023					114,866					2,348,344
On Behalf TPAF Pension Contributions	495-034-5094-002	11,234,031	7/1/2022	6/30/2023					2,992,097	2,992,097				2,992,097
On Behalf TPAF NCGI Premium	495-034-5094-004	155,859	7/1/2022	6/30/2023					11,234,031	11,234,031				11,234,031
On Behalf TPAF - LTDI	495-034-5094-004	4,710	7/1/2022	6/30/2023					155,859	155,859				155,859
									4,710	4,710				4,710
Total General Fund									23,517,871	23,616,657				28,337,056
Special Revenue Fund														
NJ NonPublic Aid:														
Textbook Aid	100-034-5120-064	17,820	7/1/2022	6/30/2023					17,820	17,816				17,816
Technology Aid	100-034-5120-373	11,340	7/1/2022	6/30/2023					11,340	11,275				11,275
Technology Aid	100-034-5120-373	9,030	7/1/2021	6/30/2022				146						8,884
Security Aid	100-034-5120-509	55,350	7/1/2022	6/30/2023					55,350	35,347				41,196
Security Aid	100-034-5120-509	37,625	7/1/2021	6/30/2022				22						37,603
Nursing Services	100-034-5120-070	30,240	7/1/2022	6/30/2023					30,240	30,240				30,240
Handicapped Services:														
Exam & Classification	100-034-5120-066	17,062	7/1/2022	6/30/2023					17,062	10,811				10,811
Exam & Classification	100-034-5120-066	45,679	7/1/2021	6/30/2022				24,453				6,251		21,226
Corrective Speech	100-034-5120-066	13,950	7/1/2022	6/30/2023					13,950	9,951				9,951
Corrective Speech	100-034-5120-066	19,065	7/1/2021	6/30/2022				4,735				3,999		14,330
Supplementary Inst.	100-034-5120-066	16,520	7/1/2022	6/30/2023					16,520	11,647				11,647
Supplementary Inst.	100-034-5120-066	17,346	7/1/2021	6/30/2022				6,774				4,873		10,572
Auxiliary Services:														
Compensatory Education	100-034-5120-067	56,334	7/1/2022	6/30/2023					56,334	50,206				50,206
Compensatory Education	100-034-5120-067	60,914	7/1/2021	6/30/2022				7,614				6,128		53,300
English as a Second Language	100-034-5120-067	51,115	7/1/2022	6/30/2023					51,115	42,656				42,656
English as a Second Language	100-034-5120-067	53,440	7/1/2021	6/30/2022				10,231				8,459		43,209
NonPublic Teachers STEM	100-034-5068-051	6,875	7/1/2022	6/30/2023						6,660	(6,660)			6,660
Climate Awareness Education Grant Program	23-WB01-G02	6,660	4/1/2023	6/30/2023						6,875	(6,875)			6,875
Total Special Revenue								53,975	269,731	233,484				428,457

BOROUGH OF FORT LEE SCHOOL DISTRICT

Schedule of Expenditures of State and Local Financial Awards

Year ended June 30, 2023

State Grantor/Program Titles	Grant or State Project Number	Award Amount	Grant Period		Balance at June 30, 2022			Balance at June 30, 2023				Memo			
			From	To	Deferred Revenue (Accts Receivable)	Due to Grantor	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	(Accounts Receivable)	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	410,095	7/1/2022	6/30/2023											410,095
Total Debt Service Fund															410,095
Enterprise Fund															
State Department of Agriculture															
National School Breakfast Program (State Share)	100-010-3350-023	351	7/1/2022	6/30/2023											351
National School Lunch Program (State Share)	100-010-3350-023	26,733	7/1/2022	6/30/2023											26,733
National School Lunch Program (State Share)	100-010-3350-023	47,788	7/1/2021	6/30/2022	(9,279)										47,788
Total Enterprise Fund					(9,279)										74,872
Total State Financial Assistance					(2,496,200)	53,975	24,229,571	24,287,320		53,975	(2,247,436)		49,782	(356,295)	29,250,480
Less: On-Behalf TPAF Pension System Contributions	495-034-5094-001							2,992,097							
On Behalf TPAF - Post Retirement Medical	495-034-5094-002							11,234,031							
On Behalf TPAF Pension Contributions	495-034-5094-002							155,859							
On Behalf TPAF NCGI Premium	495-034-5094-004							4,710							
On Behalf TPAF - LTDI	495-034-5094-004														
Total State Financial Assistance							14,386,697								
							9,900,623								
Local Sources:															
Donations - HS - Korean	N/A		7/1/2022	6/30/2023											
Donations - HS - Korean	N/A	6,900	7/1/2021	6/30/2022	2,870				800			3,670			4,030
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			330				170			330
Total Local Sources					29,870			330	800			30,340			4,360
Total State and Local Financial Assistance					29,870			9,900,953	800			30,340			4,360

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 \$(80,152) for the general fund and \$6,700 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	\$58,703	\$23,536,505	\$23,595,208
Special Revenue Fund	3,703,668	233,484	3,937,152
Debt Service Fund		410,095	410,095
Food Service Fund	<u>789,320</u>	<u>27,084</u>	<u>816,404</u>
Total Awards and Financial Assistance	<u>\$4,551,691</u>	<u>\$24,207,168</u>	<u>\$28,758,859</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, 2023.

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 \$14,386,697 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>	\$666,002
Title II, Part A: <i>Supporting Effective Instruction</i>	104,180
Title III: <i>English Language Acquisition State Grants</i>	63,276
Title IV: <i>Student Support and Academic Enrichment</i>	<u>40,697</u>
Total	<u>\$874,155</u>

**BOROUGH OF FORT LEE SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: unmodified

Internal control over financial reporting:

1. Significant deficiencies identified that are not considered to be material weaknesses? yes X none reported
2. Material weakness(es) identified? yes X no

Noncompliance material to basic financial statements noted? yes X no

Federal Awards

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

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

Auditee qualified as low-risk auditee? X yes no

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

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>
		I.D.E.A. Cluster: I.D.E.A. Part B-Basic/ I.D.E.A. Part B-
84.027A/84.173A/ 84.027X/84.173X	(A) H027A210100/ H173A210100/ H027X210100/ H173A210100	Preschool/ ARP - I.D.E.A. Part B-Basic/ ARP- I.D.E.A. Part B- Preschool
		CARES-ESSER I/ CRRSA-ESSER II/ CR Learning Acceleration/ CR Mental Health/ ARP-
84.425D/84.425U 16.710	(A) S425D210027/ S425U210027 (B) 15JCOPS-22-GG-04286-SSIX	ESSER FY22 School Violence Prevention Program

**BOROUGH OF FORT LEE SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(continued)**

Section I - Summary of Auditor's Results, (continued)

Federal Awards, (continued)

Note: (A) - Tested as Major Type A Program.

Note: (B) - Tested as Major Type B Program.

Auditee qualified as low-risk auditee? X yes no

State Awards

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

Auditee qualified as low-risk auditee? yes no

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

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

Any audit findings disclosed that are required to be reported in accordance with NJ OMB Circular Letter 15-08? yes X no

Identification of major programs:

GMIS Number(s)

Name of State Program

 495-034-5094-003 (A)
 495-034-5121-075 (B)

Reimbursed TPAF Social Security Contribution
Debt Service Type II

Note: (A) - Tested as Major Type A Program.

Note: (B) - Tested as Major Type B Program.

**BOROUGH OF FORT LEE SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Section II – Financial Statement Findings

NONE

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, 2023**

Status of Prior Year Findings

Financial Statement Findings

Finding 2022-001

Condition:

The District did not recognize lease-related assets and liabilities in accordance with current accounting standards for the fiscal year ended June 30, 2023.

Current Status:

Corrective action has been taken.