

**SCHOOL DISTRICT OF THE  
BOROUGH OF FORT LEE  
COUNTY OF BERGEN, NEW JERSEY  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED  
JUNE 30, 2013**

**School District  
of**

**BOROUGH OF FORT LEE**

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

**Comprehensive Annual Financial Report  
Year Ended June 30, 2013**

# Comprehensive Annual Financial Report

of the

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

**Year Ended June 30, 2013**

**Prepared by**

**Cheryl Balletto  
Business Administrator/Board Secretary**

# OUTLINE OF CAFR

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## **INTRODUCTORY SECTION**



# Fort Lee Public Schools

## Central Administration Offices

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

Phone: 201.585.4612 ♦ Fax: 201.585.7997

www.FLBOE.com

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Mr. Paul J. Saxton <i>Interim Superintendent of Schools</i>	Dr. Sharon Amato <i>Assistant Superintendent of Schools</i>	Mr. David L. Rinderknecht <i>Interim Business Admin/Board Secretary</i>	Mr. Alex Guzman <i>Director of Curriculum &amp; Instruction</i>
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November 11, 2013

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

Dear Board Members,

We are pleased to submit to you the Comprehensive Annual Financial Report (CAFR) of the Borough of Fort Lee School District for the fiscal year ended June 30, 2013. This CAFR includes the District's Basic Financial Statements prepared in accordance with Governmental Accounting Standards Board Statement 34. The District believes that this new financial reporting model will provide all users of this document with much more useful financial and statistical information than ever before. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the District. This report will provide the taxpayers of the Borough of Fort Lee School District with comprehensive financial data in a format enabling them to gain an understanding of the District's financial affairs.

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

- The Introductory Section contains a table of contents, Letter of Transmittal, List of Principal Officials and an Organizational Chart of the School District.
- The Financial Section begins with the Independent Auditors' Report and includes the Management's Discussion and Analysis, the Basic Financial Statements and Notes providing an overview of the School District's financial position and operating results, and other schedules providing detailed budgetary information;
- The Statistical Section includes financial trends, revenue capacity, debt capacity, demographic and economic information, and operating information of the School District, generally presented on a multi-year basis;

- The Single Audit Section – The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984, as amended, the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*, and the State Treasury Letter 04-04 OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Information related to this single audit, including the independent auditor’s 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 643 school districts in the State of New Jersey and one of 78 school districts in Bergen County. The School District provides education to 3,740 students in grades kindergarten through twelve.

An election nine-member Board of Education (the “Board”) serves as the policy maker 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 School District 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 Board of Education and its six schools constitute the District’s reporting entity.

**Economic Conditions and Outlook**

The District completed the 2012-2013 fiscal year with an average daily enrollment of 3,740 students, which is fifty one students more than the previous year’s enrollment. The following details the changes in the student average daily enrollment of the District over the last five years.

**Average Daily Enrollment**

<b>Fiscal Year</b>	<b>Student Enrollment</b>	<b>Percent Change</b>
2012-2013	3,740	1.38%
2011-2012	3,689	2.44%
2010-2011	3,601	1.63%
2009-2010	3,543	2.00%
2008-2009	3,482	- 0.17%
2007-2008	3,488	0.37%
2006-2007	3,475	-0.20%

Future trends points towards an increase in enrollment.

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 2012-2013 school year by 2.00%, but the increase in projected expenditures from inflationary pressures, contractual agreements and enrollment growth has outpaced the additional revenue. The district's administration is closely monitoring the cost of operations and continues to look for innovative ways to contains costs in additional 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 2012-2013 school year include:

1. Training and implementation of new teacher evaluation system based on the Danielson Framework. (Teachscape), development of SGOs
2. Alignment of curriculum with Common Core Standards
3. Improvement of Special Education accountability
4. Updates to district building initiatives to include technology, security and energy saving programs

### **Financial Information**

**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 additional 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, 2013.

**Cash Management:** The investment policy of the District is guided in large part by state statute 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. The 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.

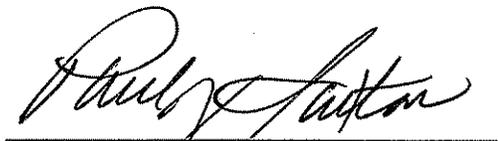
**Risk Management:** The Board carries various forms of insurance, including by not limited to general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds. A schedule of insurance coverage is found in Exhibit J-20.

**Independent Audit:** State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Ferraioli, Wielkotz, Cerullo & Cuva, P.A., 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 Single Audit Act of 1984, as amended by the Single Audit Act Amendments of 1996, The Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA), USOMB Circular A-133, and New Jersey OMB Circular Letter 04-04. 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.

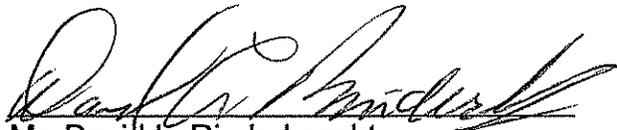
### **Acknowledgements**

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

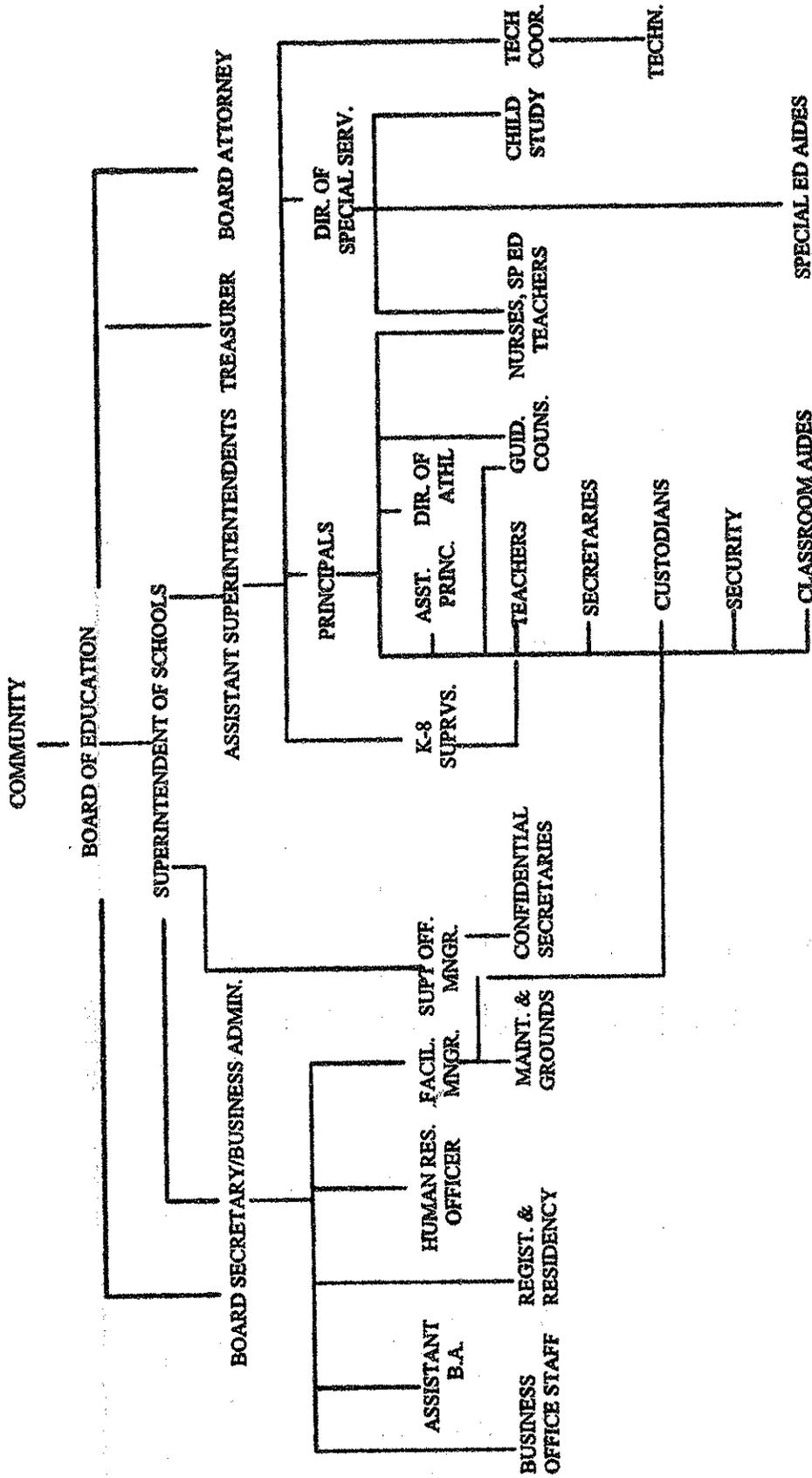


Mr. Paul J. Saxton  
Superintendent of Schools



Mr. David L. Rinderknecht  
Interim Business Administrator/Board Secretary

**ORGANIZATION OF PERSONNEL AND REPORTING RESPONSIBILITIES  
FORT LEE PUBLIC SCHOOLS  
2012-2013**



**FORT LEE BOARD OF EDUCATION**

**ROSTER OF OFFICIALS**

**JUNE 30, 2013**

<b><u>Members of the Board of Education</u></b>	<b><u>Term Expires</u></b>
Yusang Park (James), President	12/31/2013
Joseph J. Surace, Vice President	12/31/2014
Esther Han Silver	12/31/2015
Carmelo Luppino, Jr,	12/31/2013
Holly Morell	12/31/2015
Candace Romba	12/31/2013
David Sarnoff	12/31/2015
Peter J. Suh	12/31/2014
Helen Yoon	12/31/2014

**Other Officials**

Steven Engravalle, Superintendent of Schools (7/1/12 - 4/3/13)  
Dr. Sharon Amato - Acting Superintendent of Schools (4/3/13 - 6/30/13)

Dr. Sharon Amato - Assistant Superintendent of Schools

Cheryl Balletto, Business Administrator/Board Secretary

Joseph Iannaconi, Treasurer of School Monies

Ana M. Flores, Assistant Business Administrator

Jack L. DeNichilo, Supervisor Buildings & Grounds

Matthew J. Giacobbe, Esq., Board Attorney

**FORT LEE BOARD OF EDUCATION**

**CONSULTANTS & ADVISORS**

**JUNE 30, 2013**

**Attorney**

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Oakland, NJ 07436

**District Auditor**

STEVEN D. WIELKOTZ, C.P.A.  
401 Wanaque Avenue  
Pompton Lakes, New Jersey 07442

**Official Depositories**

TD Bank  
1100 Lake Street  
Ramsey, NJ 07446

**FINANCIAL SECTION**

# Ferraioli, Wielkocz, Cerullo & Cuva, P.A.

Charles J. Ferraioli, Jr., MBA, CPA, RMA  
Steven D. Wielkocz, CPA, RMA  
James J. Cerullo, CPA, RMA  
Paul J. Cuva, CPA, RMA  
Thomas M. Ferry, CPA, RMA

Certified Public Accountants  
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Newton, N.J. 07860  
973-579-3212  
Fax 973-579-7128

## INDEPENDENT AUDITOR'S REPORT

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

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Borough of Fort Lee School District, in the County of Bergen, State of New Jersey, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Borough of Fort Lee Board of Education's management. Our responsibility is to express opinions on these financial statements based on our audit.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.



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

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

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Borough of Fort Lee Board of Education, in the County of Bergen, State of New Jersey, as of June 30, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and Budgetary Comparison Information on pages 12 - 22 and 57 - 63 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 other supplementary information listed in the table of contents and schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and the schedule of expenditures of state financial assistance as required by NJ OMB 04-04 and the introductory section and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The other supplemental information listed in the table of contents and the schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, the schedule of federal financial awards and the schedule of expenditures of state financial assistance as required by NJ OMB 04-04 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 other supplemental information listed in the table of contents, schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the schedule of expenditures of state financial assistance as required by NJ OMB 04-04 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.

**Other Reporting Required by *Government Auditing Standards***

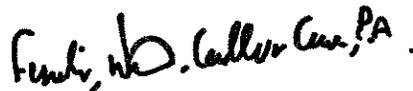
In accordance with *Government Auditing Standards*, we have also issued our report dated November 11, 2013 on our consideration of the Borough of Fort Lee Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to

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

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 Borough of Fort Lee Board of Education's internal control over financial reporting and compliance.



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



FERRAIOLI, WIELKOTZ, CERULLO & CUVA, P.A.  
Certified Public Accountants  
Pompton Lakes, New Jersey

November 11, 2013

**REQUIRED SUPPLEMENTARY  
INFORMATION - PART I**

**BOROUGH OF FORT LEE SCHOOL DISTRICT  
FORT LEE, NJ**

**MANAGEMENT DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
UNAUDITED**

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, 2013.

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

**FINANCIAL HIGHLIGHTS**

- In total, net position increased \$2,421,196. Net position of governmental activities increased \$2,309,036 while net position of business-type activity increased by \$112,160.
- General revenues accounted for \$64,241,779 in revenue or 95 percent of all district revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$3,713,887 or 5 percent of total revenues of \$67,955,666.
- The School District had \$63,742,751 in expenses related to governmental activities; only \$1,810,086 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily grants, entitlements and property taxes) of \$64,241,701 were adequate to provide for these programs.

**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.

**BOROUGH OF FORT LEE SCHOOL DISTRICT  
FORT LEE, NJ**

**MANAGEMENT DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
UNAUDITED (continued)**

**USING THIS ANNUAL REPORT, (continued)**

**District-Wide Financial Statements**

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

The *statement of net position* presents information on all of the Borough of Fort Lee School District's assets and liabilities using the accrual basis of accounting, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Borough of Fort Lee School District is improvement or deteriorating.

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

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

**Fund Financial Statements**

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

**BOROUGH OF FORT LEE SCHOOL DISTRICT  
FORT LEE, NJ**

**MANAGEMENT DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
UNAUDITED (continued)**

**USING THIS ANNUAL REPORT, (continued)**

**Governmental Funds**

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

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

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

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

**Proprietary Funds**

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

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

**Fiduciary Funds**

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

**BOROUGH OF FORT LEE SCHOOL DISTRICT  
FORT LEE, NJ**

**MANAGEMENT DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
UNAUDITED (continued)**

**USING THIS ANNUAL REPORT, (continued)**

**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.

**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.

**BOROUGH OF FORT LEE SCHOOL DISTRICT  
FORT LEE, NJ**

**MANAGEMENT DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
UNAUDITED (continued)**

**DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)**

The School District's net position were \$17,215,652 at June 30, 2013 and \$14,794,456 at June 30, 2012. 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 2013 compared to 2012 (Table 1) and change in net position (Table 2) of the School District.

**Table 1**

**Net Position  
June 30,**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
<b>Assets</b>						
Current and Other Assets	25,323,257	7,587,394	635,285	510,515	25,958,542	8,097,909
Capital Assets	<u>18,582,644</u>	<u>14,223,553</u>	<u>79,460</u>	<u>92,772</u>	<u>18,662,104</u>	<u>14,316,325</u>
Total Assets	<u>43,905,901</u>	<u>21,810,947</u>	<u>714,745</u>	<u>603,287</u>	<u>44,620,646</u>	<u>22,414,234</u>
<b>Deferred Outflows:</b>						
Unamortized Bond Issuance						
Costs	<u>383,104</u>	_____	_____	_____	<u>383,104</u>	_____
Total Deferred Outflows	<u>383,104</u>	_____	_____	_____	<u>383,104</u>	_____
<b>Liabilities</b>						
Current Liabilities	1,119,715	1,423,506	60,553	61,255	1,180,268	1,484,761
Noncurrent Liabilities	<u>24,442,726</u>	<u>6,135,017</u>	_____	_____	<u>24,442,726</u>	<u>6,135,017</u>
Total Liabilities	<u>25,562,441</u>	<u>7,558,523</u>	<u>60,553</u>	<u>61,255</u>	<u>25,622,994</u>	<u>7,619,778</u>
<b>Deferred Inflows:</b>						
Unamortized Bond Issuance						
Premiums	<u>2,165,104</u>	_____	_____	_____	<u>2,165,104</u>	_____
Total Deferred Inflows	<u>2,165,104</u>	_____	_____	_____	<u>2,165,104</u>	_____
<b>Net Position</b>						
Net Investment in Capital						
Assets	(1,278,960)	14,116,324	79,460	92,772	(1,199,500)	14,209,096
Restricted	22,650,012	4,869,850			22,650,012	4,869,850
Unrestricted	<u>(4,809,592)</u>	<u>(4,733,750)</u>	<u>574,732</u>	<u>449,260</u>	<u>(4,234,860)</u>	<u>(4,284,490)</u>
Total Net Position	<u>16,561,460</u>	<u>14,252,424</u>	<u>654,192</u>	<u>542,032</u>	<u>17,215,652</u>	<u>14,794,456</u>

**BOROUGH OF FORT LEE SCHOOL DISTRICT  
FORT LEE, NJ**

**MANAGEMENT DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
UNAUDITED (continued)**

**DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)**

Table 2 below shows the changes in net position for fiscal year 2013 compared to 2012.

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

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
<b>Revenues</b>						
Program Revenues:						
Charges for Services and Sales			1,460,359	1,437,357	1,460,359	1,437,357
Operating Grants and Contributions	1,810,086	1,733,644	443,442	442,030	2,253,528	2,175,674
General Revenues:						
Taxes:						
Property taxes	53,675,777	51,250,762			53,675,777	51,250,762
Federal and State Aid not Restricted	8,570,981	6,604,235			8,570,981	6,604,235
Capital Outlay	1,693,536	663,113			1,693,536	663,113
Miscellaneous Income	296,094	483,649			296,094	483,649
Investment Income	<u>5,313</u>	<u>497</u>	<u>78</u>	<u>      </u>	<u>5,391</u>	<u>497</u>
Total Revenues and Transfers	<u>66,051,787</u>	<u>60,735,900</u>	<u>1,903,879</u>	<u>1,879,387</u>	<u>67,955,666</u>	<u>62,615,287</u>

**BOROUGH OF FORT LEE SCHOOL DISTRICT  
FORT LEE, NJ**

**MANAGEMENT DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
UNAUDITED (continued)**

**DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
<b>Functions/Program Expenses</b>						
Instruction:						
Regular	23,773,786	21,969,182			23,773,786	21,969,182
Special Education	5,480,927	4,820,815			5,480,927	4,820,815
Other Special Education	2,439,814	2,501,588			2,439,814	2,501,588
Other Instruction	1,003,251	955,886			1,003,251	955,886
Support Services:						
Tuition	3,472,301	3,315,783			3,472,301	3,315,783
Student & Instruction Related Services	9,010,969	8,165,565			9,010,969	8,165,565
General Administrative Services	1,315,155	1,304,146			1,315,155	1,304,146
School Administrative Services	2,549,700	2,744,677			2,549,700	2,744,677
Central Services and Admin. Info. Tech.	880,547	892,131			880,547	892,131
Plant Operations and Maintenance	4,697,862	4,536,978			4,697,862	4,536,978
Pupil Transportation	1,493,593	1,480,585			1,493,593	1,480,585
Unallocated Benefits	5,939,141	3,799,983			5,939,141	3,799,983
Food Service			1,791,719	1,732,707	1,791,719	1,732,707
Interest on Long-Term Debt	616,664	(1,800)			616,664	(1,800)
Unallocated Depreciation	902,366	731,457			902,366	731,457
Capital Outlay - Nondepreciable	364,675	490			364,675	490
Amortization and Capital Lease Obligations	(198,000)				(198,000)	
Total Expenses	<u>63,742,751</u>	<u>57,217,466</u>	<u>1,791,719</u>	<u>1,732,707</u>	<u>65,534,470</u>	<u>58,950,173</u>
Increase or (Decrease) in Net Position	<u>2,309,036</u>	<u>3,518,434</u>	<u>112,160</u>	<u>146,680</u>	<u>2,421,196</u>	<u>3,665,114</u>

**BOROUGH OF FORT LEE SCHOOL DISTRICT  
FORT LEE, NJ**

**MANAGEMENT DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
UNAUDITED (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 \$65,534,470. However, the amount that our taxpayers ultimately financed for these activities through School District taxes was only \$53,675,777 because some of the cost was paid by those who benefitted from the programs \$1,460,359, by other governments and organizations who subsidized certain programs with grants and contributions \$12,518,045, investment income \$5,391, and by miscellaneous sources \$296,094.

The following schedules present a summary of governmental fund revenues and expenditures for the fiscal year ended June 30, 2013, and the amount and percentage of increases/(decreases) relative to the prior year.

<u>Revenue</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) from 2012</u>	<u>Percent of Increase/ (Decrease)</u>
Local Source	\$74,407,184	86.0%	\$22,665,704	43.81%
State Source	10,361,082	12.0	3,089,260	42.48%
Federal Source	<u>1,713,521</u>	<u>2.0</u>	<u>(9,077)</u>	(0.53)%
Total	<u>\$86,481,787</u>	<u>100.0%</u>	<u>\$25,745,887</u>	42.39%

<u>Expenditures</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) from 2012</u>	<u>Percent of Increase/ (Decrease)</u>
Current Expenditures:				
Instruction	\$26,351,536	38.3%	\$2,117,309	8.74%
Undistributed	35,421,845	51.5	2,637,614	8.05%
Debt Service	1,339,900	1.9	1,339,900	100.00%
Capital Outlay	<u>5,627,007</u>	<u>8.3</u>	<u>3,580,348</u>	174.94%
Total	<u>\$68,740,288</u>	<u>100.0%</u>	<u>\$9,675,171</u>	<u>16.38%</u>

Changes in expenditures were the result of varying factors. Current expense undistributed decreased due to reductions in spending for tuition, plant operations and maintenance, transportation and health insurance cost due to reductions in the number of employees.

**BOROUGH OF FORT LEE SCHOOL DISTRICT  
FORT LEE, NJ**

**MANAGEMENT DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
UNAUDITED (continued)**

**MAJOR GOVERNMENTAL FUNDS BUDGETING AND OPERATING HIGHLIGHTS**

The School District's budgets are prepared according to New Jersey law. The most significant budgeted funds are the general fund, the special revenue fund and the debt service fund. The capital projects fund is funded by the bond proceeds and state aid. Therefore no budget is presented.

During the fiscal year ended June 30, 2013, the School District amended the special revenue fund by \$612,578 for increases in federal and state grants.

**General Fund**

The general fund actual revenue including transfers was \$61,152,773. That amount is \$6,372,334 above the final amended budget of \$54,780,439. The variance between the actual revenues and final budget was the result of non-budgeted on-behalf payments of \$5,603,807 for TPAF pension and Social Security reimbursements, \$608,747 for additional extraordinary state aid, \$33,582 for additional state aid, \$32,063 for a reduction in federal aid, and \$158,261 for increases in other anticipated revenues.

The actual expenditures of the general fund were \$61,356,457 including transfers which is \$3,594,507 above the final amended budget of \$57,407,031. The variance between the actual and final budget was due to non-budget on-behalf payments of \$5,603,807 for TPAF pension and Social Security reimbursements, and \$2,009,300 of unexpended budgeted funds.

General fund had total revenues and other financing sources of \$61,152,773 and total expenditures and transfers of \$61,356,457 with an ending fund balance of \$7,273,351 on the budgetary basis of accounting.

**Special Revenue Fund**

The special revenue fund actual revenue was \$1,818,583. That amount is \$361,081 below the final amended budget of \$2,179,664. The variance between the actual revenues and the final budget was state and federal grant revenue that was anticipated to be spent by fiscal year end. The state and federal grant revenue will be received/realized in the next fiscal year.

The actual expenditures of the special revenue fund were \$1,818,583, which is \$361,081 below the final amended budget of \$2,179,664. The variance between the actual expenditures and the final budget was due to the anticipation of fully expending state and federal grant programs. Expenditures will be incurred in the next fiscal year.

**BOROUGH OF FORT LEE SCHOOL DISTRICT  
FORT LEE, NJ**

**MANAGEMENT DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
UNAUDITED (continued)**

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets**

At the end of fiscal year 2013 the School District had \$44,697,265 invested in sites, buildings, equipment and construction in progress. Of this amount \$26,035,161 in depreciation has been taken over the years. We currently have a net book value of \$18,662,124. Total additions for the year were \$5,262,332, the majority of which was for various technology and office equipment, transportation equipment, food service equipment and improvements to the District's facilities. Table 3 shows fiscal year 2013 balances compared to 2012.

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

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Land and Construction in Progress	\$8,400,946	\$4,346,769			\$8,400,946	\$4,346,769
Site Improvements	573,610	647,205			573,610	647,205
Buildings and Building Improvements	9,158,312	8,685,627			9,158,312	8,685,627
Machinery and Equipment	<u>449,776</u>	<u>543,952</u>	<u>\$79,460</u>	<u>\$92,772</u>	<u>529,236</u>	<u>636,724</u>
	<u>\$18,582,644</u>	<u>\$14,223,553</u>	<u>\$79,460</u>	<u>\$92,772</u>	<u>\$18,662,104</u>	<u>\$14,316,325</u>

**Debt Administration**

At June 30, 2013, the District had \$24,442,726 of outstanding debt. Of this amount, \$6,363,122 is for compensated absences; \$409,604 is for obligations under capital leases; and \$17,670,000 of serial bonds for school improvements.

**BOROUGH OF FORT LEE SCHOOL DISTRICT  
FORT LEE, NJ**

**MANAGEMENT DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
UNAUDITED (continued)**

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS**

The economy in the State of New Jersey is slowly improving. The current State of New Jersey revenue estimates are at the point that the legislature and governor have approved a State Aid funding bill for the 2013-2014 school year that is greater than the level of the 2012-2013 school year.

These factors were considered in preparing the Borough of Fort Lee School District's budgets for the 2013-2014 fiscal year.

**REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the Borough of Fort Lee School District'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:

Cheryl Balletto  
School Business Administrator/Board Secretary  
Borough of Fort Lee School District  
2175 Lemoine Avenue, 6<sup>th</sup> Floor  
Fort Lee, NJ 07024

**BASIC FINANCIAL STATEMENTS**

**DISTRICT-WIDE FINANCIAL STATEMENTS**

**FORT LEE BOARD OF EDUCATION**  
**Statement of Net Position**  
**June 30, 2013**

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and cash equivalents	16,969,086	568,885	17,537,971
Receivables, net	5,019,164	36,609	5,055,773
Internal Balances	(2,675)	2,675	
Inventory		27,116	27,116
Prepaid Rent	20,230		20,230
Prepaid Expenses	76,986		76,986
Restricted assets:			
Capital reserve account - cash	2,990,466		2,990,466
Emergency reserve account - cash	250,000		250,000
Capital Assets:			
Land and construction in progress	8,400,946		8,400,946
Depreciable Buildings, Improvements and Equipment (net)	10,181,698	79,460	10,261,158
Total Assets	<u>43,905,901</u>	<u>714,745</u>	<u>44,620,646</u>
Deferred Outflow of Resources:			
Unamortized bond issuance costs	383,104		383,104
Total Deferred Outflows	<u>383,104</u>		<u>383,104</u>
<b>LIABILITIES</b>			
Accounts payable and accrued liabilities	959,493	37,512	997,005
Interfunds Payable	1,892	6,239	8,131
Payable to state government	145,444		145,444
Payable to local government	7,207		7,207
Prepaid revenue		16,802	16,802
Unearned revenue	5,679		5,679
Noncurrent liabilities:			
Due within one year	783,941		783,941
Due beyond one year	23,658,785		23,658,785
Total liabilities	<u>25,562,441</u>	<u>60,553</u>	<u>25,622,994</u>
Deferred Inflow of Resources:			
Unamortized bond issuance premiums	2,165,104		2,165,104
Total Deferred Inflows	<u>2,165,104</u>		<u>2,165,104</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	(1,278,960)	79,460	(1,199,500)
Restricted for:			
Debt service	76,630		76,630
Capital projects	20,040,781		20,040,781
Other purposes	2,532,601		2,532,601
Unrestricted (Deficit)	(4,809,592)	574,732	(4,234,860)
Total net position	<u>16,561,460</u>	<u>654,192</u>	<u>17,215,652</u>

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

**FORT LEE BOARD OF EDUCATION**  
Statement of Activities  
Fiscal Year Ended June 30, 2013

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Indirect Expenses Allocation	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
Instruction:							
Regular	19,299,415	4,474,371		1,284,876	(22,488,910)		(22,488,910)
Special education	4,314,565	1,166,362			(5,480,927)		(5,480,927)
Other special instruction	1,915,689	524,125			(2,439,814)		(2,439,814)
Other instruction	821,867	181,384			(1,003,251)		(1,003,251)
Support services:							
Tuition	3,472,301				(3,472,301)		(3,472,301)
Student & instruction related services	7,514,047	1,496,922		525,210	(8,485,759)		(8,485,759)
School administrative services	2,013,900	535,800			(2,549,700)		(2,549,700)
General administrative services	1,189,393	125,762			(1,315,155)		(1,315,155)
Central services and administrative information technology	725,705	154,842			(880,547)		(880,547)
Plant operations and maintenance	4,297,825	400,037			(4,697,862)		(4,697,862)
Pupil transportation	1,412,134	81,459			(1,493,593)		(1,493,593)
Unallocated benefits	5,939,141				(5,939,141)		(5,939,141)
Capital outlay	364,675				(364,675)		(364,675)
Interest on long-term debt	616,664				(616,664)		(616,664)
Unallocated depreciation	902,366				(902,366)		(902,366)
Amortization	(198,000)				198,000		198,000
Total governmental activities	54,601,687	9,141,064	-	1,810,086	(61,932,665)	-	(61,932,665)
Business-type activities:							
Food Service	1,277,769		887,637	443,442		53,310	53,310
Latchkey	513,950		572,722			58,772	58,772
Total business-type activities	1,791,719		1,460,359	443,442		112,082	112,082
Total primary government	56,393,406		1,460,359	2,253,528	(61,932,665)	112,082	(61,820,583)
General revenues:							
Taxes:							
Levied for general purposes					52,275,777		52,275,777
Taxes levied for debt service					1,400,000		1,400,000
Federal and State aid not restricted					8,570,981		8,570,981
Federal and State aid - Capital Outlay					1,693,536		1,693,536
Investment Earnings					5,313	78	5,391
Miscellaneous Income					296,094		296,094
Total general revenues, special items, extraordinary items and transfers					64,241,701	78	64,241,779
Change in Net Position					2,309,036	112,160	2,421,196
Net Position—beginning					14,252,424	542,032	14,794,456
Net Position—ending					16,561,460	654,192	17,215,652

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

**FUND FINANCIAL STATEMENTS**

**FORT LEE BOARD OF EDUCATION**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2013**

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>ASSETS</b>					
Cash and cash equivalents					
Checking	2,254,991		14,650,509	63,586	16,969,086
Accounts Receivable -					
Interfunds	929,176		466		929,642
Intergovernmental - Federal		1,185,760			1,185,760
Intergovernmental - State	1,136,407		2,659,735		3,796,142
Other receivables	401			13,510	13,911
Prepaid Expenses	76,986				76,986
Prepaid Rent	20,230				20,230
Restricted cash and cash equivalents					
Capital reserve	2,990,466				2,990,466
Emergency reserve	250,000				250,000
<b>Total assets</b>	<u>7,658,657</u>	<u>1,185,760</u>	<u>17,310,710</u>	<u>77,096</u>	<u>26,232,223</u>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Accounts payable	375,352	132,292	260,395		768,039
Intergovernmental accounts payable - State		145,444			145,444
Intergovernmental accounts payable - Local	7,207				7,207
Accrued salaries & benefits	130,867				130,867
Interfund payables	4,567	905,825		466	910,858
Unearned revenue	3,480	2,199			5,679
<b>Total liabilities</b>	<u>521,473</u>	<u>1,185,760</u>	<u>260,395</u>	<u>466</u>	<u>1,968,094</u>
Fund Balances:					
Restricted for:					
Excess Surplus - current year	180,990				180,990
Excess Surplus - prior year - designated for subsequent year's expenditures	236,643				236,643
Capital reserve account	2,990,466				2,990,466
Emergency reserve account	250,000				250,000
Assigned to:					
Year-end Encumbrances	1,369,262				1,369,262
Designated by the BOE for subsequent year's expenditures	495,706				495,706
Capital projects fund			17,050,315		17,050,315
Debt service fund				76,630	76,630
Unassigned:					
General Fund	1,614,117				1,614,117
<b>Total Fund balances</b>	<u>7,137,184</u>	<u>-</u>	<u>17,050,315</u>	<u>76,630</u>	<u>24,264,129</u>
<b>Total liabilities and fund balances</b>	<u>7,658,657</u>	<u>1,185,760</u>	<u>17,310,710</u>	<u>77,096</u>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$44,278,618 and the accumulated depreciation is \$25,695,974	18,582,644
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	(60,587)
Bond issuance premium is recorded as revenue in the Governmental Funds in the year of receipt. The original premium is \$2,405,671 and accumulated amortization is \$240,567	(2,165,104)
Bond issuance costs are reported as expenditures in the Governmental Funds in the year of the expenditure. The costs are \$425,671 and accumulated amortization is \$42,567	383,104
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>(24,442,726)</u>
<b>Net position of governmental activities</b>	<u>16,561,460</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, 2013**

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>REVENUES</b>					
Local sources:					
Municipal tax levy	52,275,777			1,400,000	53,675,777
Interest Earned on Capital Reserve Funds	1,827		3,486		5,313
Miscellaneous	282,584			13,510	296,094
<b>Total - Local Sources</b>	<b>52,560,188</b>	-	<b>3,486</b>	<b>1,413,510</b>	<b>53,977,184</b>
State sources	8,570,981	96,565	1,693,536		10,361,082
Federal sources		1,713,521			1,713,521
<b>Total revenues</b>	<b>61,131,169</b>	<b>1,810,086</b>	<b>1,697,022</b>	<b>1,413,510</b>	<b>66,051,787</b>
<b>EXPENDITURES</b>					
Current:					
Regular instruction	18,014,539	1,284,876			19,299,415
Special education instruction	4,314,565				4,314,565
Other special instruction	1,915,689				1,915,689
School sponsored/other instructional	821,867				821,867
Support services and undistributed costs:					
Tuition	3,472,301				3,472,301
Attendance and social work services	240,001				240,001
Health services	562,908				562,908
Student & instruction related services	6,185,928	525,210			6,711,138
School administrative services	2,013,900				2,013,900
General administrative services	1,189,393				1,189,393
Central services & administrative information technology	725,705				725,705
Plant operations and maintenance	4,296,950				4,296,950
Pupil transportation	1,464,678				1,464,678
Unallocated benefits	9,141,064				9,141,064
On-behalf contributions	5,603,807				5,603,807
Debt service:					
Principal				780,000	780,000
Interest and other charges				559,900	559,900
Capital outlay	1,393,162		4,233,845		5,627,007
<b>Total expenditures</b>	<b>61,356,457</b>	<b>1,810,086</b>	<b>4,233,845</b>	<b>1,339,900</b>	<b>68,740,288</b>
Excess (Deficiency) of revenues	(225,288)	-	(2,536,823)	73,610	(2,688,501)
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in			466	3,486	3,952
Transfers out			(3,486)	(466)	(3,952)
Proceeds from sale of bonds			20,430,000		20,430,000
Capital Leases (non-budget)	354,919				354,919
<b>Total other financing sources and uses</b>	<b>354,919</b>	-	<b>20,426,980</b>	<b>3,020</b>	<b>20,784,919</b>
Net change in fund balances	129,631	-	17,890,157	76,630	18,096,418
Fund balance—July 1	7,007,553		(839,842)		6,167,711
Fund balance—June 30	7,137,184	-	17,050,315	76,630	24,264,129

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

**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, 2013**

<b>Total net change in fund balances - governmental funds (from B-2)</b>	<b>18,096,418</b>						
<p>Amounts reported for governmental activities in the statement of activities (A-2) are different because:</p> <p>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.</p>							
<table style="margin-left: auto; margin-right: auto; border-collapse: collapse;"> <tr> <td style="padding-right: 10px;">Depreciation expense</td> <td style="text-align: right;">(902,366)</td> </tr> <tr> <td style="padding-right: 10px;">Asset retired prior to full depreciation</td> <td style="text-align: right;">(875)</td> </tr> <tr> <td style="padding-right: 10px;">Depreciable Capital outlays</td> <td style="text-align: right; border-top: 1px solid black;">5,262,332</td> </tr> </table>	Depreciation expense	(902,366)	Asset retired prior to full depreciation	(875)	Depreciable Capital outlays	5,262,332	4,359,091
Depreciation expense	(902,366)						
Asset retired prior to full depreciation	(875)						
Depreciable Capital outlays	5,262,332						
<p>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:</p>							
<table style="margin-left: auto; margin-right: auto; border-collapse: collapse;"> <tr> <td style="padding-right: 10px;">General Serial Bonds</td> <td style="text-align: right;">780,000</td> </tr> <tr> <td style="padding-right: 10px;">Capital Lease Obligations</td> <td style="text-align: right; border-top: 1px solid black;">52,544</td> </tr> </table>	General Serial Bonds	780,000	Capital Lease Obligations	52,544	832,544		
General Serial Bonds	780,000						
Capital Lease Obligations	52,544						
<p>Proceeds from debt issues are a financing source in the governmental funds. They are not revenue in the statement of activities; issuing debt increases long-term liabilities in the statement of net assets.</p>							
<table style="margin-left: auto; margin-right: auto; border-collapse: collapse;"> <tr> <td style="padding-right: 10px;">Proceeds of long-term debt</td> <td style="text-align: right;">(20,430,000)</td> </tr> <tr> <td style="padding-right: 10px;">Capital lease proceeds</td> <td style="text-align: right;">(354,919)</td> </tr> </table>	Proceeds of long-term debt	(20,430,000)	Capital lease proceeds	(354,919)			
Proceeds of long-term debt	(20,430,000)						
Capital lease proceeds	(354,919)						
<p>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. (+)</p>							
<table style="margin-left: auto; margin-right: auto; border-collapse: collapse;"> <tr> <td style="padding-right: 10px;">General Bond Obligations</td> <td style="text-align: right;">(58,638)</td> </tr> <tr> <td style="padding-right: 10px;">General Capital Lease Obligations - Prior Year</td> <td style="text-align: right;">3,823</td> </tr> <tr> <td style="padding-right: 10px;">General Capital Lease Obligations</td> <td style="text-align: right; border-top: 1px solid black;">(1,949)</td> </tr> </table>	General Bond Obligations	(58,638)	General Capital Lease Obligations - Prior Year	3,823	General Capital Lease Obligations	(1,949)	(56,764)
General Bond Obligations	(58,638)						
General Capital Lease Obligations - Prior Year	3,823						
General Capital Lease Obligations	(1,949)						
<p>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 (+).</p>							
<table style="margin-left: auto; margin-right: auto; border-collapse: collapse;"> <tr> <td style="padding-right: 10px;">Increase in compensated absences payable</td> <td style="text-align: right;">(335,334)</td> </tr> </table>	Increase in compensated absences payable	(335,334)					
Increase in compensated absences payable	(335,334)						
<p>The governmental funds report the effect of bond premiums when debt is first issued. Whereas these amounts are deferred and amortized in the Statement of Activities (+)</p>							
<table style="margin-left: auto; margin-right: auto; border-collapse: collapse;"> <tr> <td style="padding-right: 10px;">Increase in compensated absences payable</td> <td style="text-align: right;">(335,334)</td> </tr> </table>	Increase in compensated absences payable	(335,334)	240,567				
Increase in compensated absences payable	(335,334)						
<p>The governmental funds report the effect of issuance costs when debt is first issued. Whereas these amounts are deferred and amortized in the Statement of Activities (-)</p>							
<table style="margin-left: auto; margin-right: auto; border-collapse: collapse;"> <tr> <td style="padding-right: 10px;">Increase in compensated absences payable</td> <td style="text-align: right;">(335,334)</td> </tr> </table>	Increase in compensated absences payable	(335,334)	(42,567)				
Increase in compensated absences payable	(335,334)						
<b>Change in net position of governmental activities</b>	<b><u>2,309,036</u></b>						

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, 2013**

	<b>Business-type Activities - Enterprise Fund</b>		
	<b>Food Service Program</b>	<b>Latchkey Program</b>	
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	304,774	264,111	568,885
Accounts receivable:			
State	1,846		1,846
Federal	27,386		27,386
Other		667	667
Interfund accounts receivable	9,130	255	9,385
Inventories	27,116		27,116
Total current assets	<u>370,252</u>	<u>265,033</u>	<u>635,285</u>
Noncurrent assets:			
Capital assets:			
Equipment	392,653	25,994	418,647
Less accumulated depreciation	<u>(317,998)</u>	<u>(21,189)</u>	<u>(339,187)</u>
Total capital assets (net of accumulated depreciation)	<u>74,655</u>	<u>4,805</u>	<u>79,460</u>
Total assets	<u>444,907</u>	<u>269,838</u>	<u>714,745</u>
<b>LIABILITIES</b>			
Current Liabilities:			
Accounts payable	29,441	8,071	37,512
Interfunds payable		6,239	6,239
Prepaid Revenue	16,802		16,802
Total Liabilities	<u>46,243</u>	<u>14,310</u>	<u>60,553</u>
<b>NET POSITION</b>			
Net investment in capital assets	74,655	4,805	79,460
Unrestricted	324,009	250,723	574,732
Total net position	<u>398,664</u>	<u>255,528</u>	<u>654,192</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, 2013**

	<b>Business-type Activities - Enterprise Fund</b>		
	<b>Food Service Program</b>	<b>Latchkey Program</b>	<b>Totals</b>
Operating revenues:			
Charges for services:			
Daily sales - reimbursable programs	531,221		531,221
Daily sales - non-reimbursable programs	279,051		279,051
Daily sales - other	77,365		77,365
Program Fees		572,722	572,722
Total operating revenues	<u>887,637</u>	<u>572,722</u>	<u>1,460,359</u>
Operating expenses:			
Cost of food	456,160	66,157	522,317
Salaries	411,704	352,760	764,464
Supplies and materials	25,936	3,153	29,089
Employee benefits	129,026		129,026
Depreciation	12,512	800	13,312
Repairs and other expenses	114,403	1,080	115,483
Purchased services	128,028		128,028
Rent		90,000	90,000
Total Operating Expenses	<u>1,277,769</u>	<u>513,950</u>	<u>1,791,719</u>
Operating income (loss)	<u>(390,132)</u>	<u>58,772</u>	<u>(331,360)</u>
Nonoperating revenues (expenses):			
State sources:			
School lunch program	13,682		13,682
Federal sources:			
School lunch program	322,879		322,879
School breakfast program	19,348		19,348
U.S.D.A. Commodities	87,533		87,533
Interest on investments	39	39	78
Total nonoperating revenues (expenses)	<u>443,481</u>	<u>39</u>	<u>443,520</u>
Income (loss) before contributions & transfers	<u>53,349</u>	<u>58,811</u>	<u>112,160</u>
Total net position—beginning	<u>345,315</u>	<u>196,717</u>	<u>542,032</u>
Total net position—ending	<u><u>398,664</u></u>	<u><u>255,528</u></u>	<u><u>654,192</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, 2013**

	<b>Business-type Activities - Enterprise Fund</b>		
	<b>Food Service Program</b>	<b>Latchkey Program</b>	<b>Totals</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers	926,605	572,933	1,499,538
Payments to suppliers	<u>(1,200,308)</u>	<u>(511,749)</u>	<u>(1,712,057)</u>
Net cash provided by (used for) operating activities	<u>(273,703)</u>	<u>61,184</u>	<u>(212,519)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
State Sources	12,644		12,644
Federal Sources	<u>335,231</u>		<u>335,231</u>
Net cash provided by (used for) non-capital financing activities	<u>347,875</u>	<u>-</u>	<u>347,875</u>
<b>CASH FLOWS FROM INVESTMENT AND RELATED FINANCING ACTIVITIES</b>			
Interest on investments	<u>39</u>	<u>39</u>	<u>78</u>
Net cash used for investment and related financing activities	<u>39</u>	<u>39</u>	<u>78</u>
Net increase (decrease) in cash and cash equivalents	<u>74,211</u>	<u>61,223</u>	<u>135,434</u>
Balances—beginning of year	<u>230,563</u>	<u>202,888</u>	<u>433,451</u>
Balances—end of year	<u>304,774</u>	<u>264,111</u>	<u>568,885</u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>			
Operating income (loss)	(390,133)	58,772	(331,361)
Adjustments to reconcile operating income (loss) to net cash provided by			
Depreciation and net amortization	12,512	800	13,312
Food distribution program	87,533		87,533
(Increase) decrease in accounts receivable	13	(139)	(126)
(Increase) decrease in interfunds receivable	35,708	(194)	35,514
Increase (decrease) in interfunds payable		6,239	6,239
(Increase) decrease in inventories	(17,317)		(17,317)
Increase (decrease) in prepaid revenue	2,482		2,482
Increase (decrease) in accounts payable	<u>(4,501)</u>	<u>(4,294)</u>	<u>(8,795)</u>
Total adjustments	<u>116,430</u>	<u>2,412</u>	<u>118,842</u>
Net cash provided by (used for) operating activities	<u>(273,703)</u>	<u>61,184</u>	<u>(212,519)</u>

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

**FORT LEE BOARD OF EDUCATION**  
**Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**June 30, 2013**

	<u>Private Purpose Scholarship Fund</u>	<u>Unemployment Compensation Trust Fund</u>	<u>Agency Funds</u>
<b>ASSETS</b>			
Cash and cash equivalents	34,456	441,254	375,904
Miscellaneous receivables			1,621
Interfund receivables		10,687	1,637
Total assets	<u>34,456</u>	<u>451,941</u>	<u>379,162</u>
<b>LIABILITIES</b>			
Accounts payable			278,937
Interfund payable			34,254
Payable to student groups			65,971
Due to State of NJ - Unemployment		14,897	
Total liabilities	<u>-</u>	<u>14,897</u>	<u>379,162</u>
<b>NET POSITION</b>			
Reserved			
Principal portion	5,000		
Held in trust for unemployment claims and other purposes		437,044	
Reserved for scholarships	<u>29,456</u>		
	<u>34,456</u>		

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

**FORT LEE BOARD OF EDUCATION**  
**Statement of Changes in Fiduciary Net Position**  
**Fiduciary Funds**  
**Fiscal Year Ended June 30, 2013**

	<b>Private Purpose Scholarship Fund</b>	<b>Unemployment Compensation Trust Fund</b>
<b>ADDITIONS</b>		
Contributions:		
Donations	18,477	
Payroll withholdings		47,978
Total Contributions	18,477	47,978
Investment earnings:		
Interest		336
Net investment earnings	-	336
Total additions	18,477	48,314
<b>DEDUCTIONS</b>		
Quarterly contribution reports		70,676
Scholarships awarded	18,000	
Total deductions	18,000	70,676
<b>OTHER CHANGES TO FIDUCIARY NET POSITION</b>		
Change in net position	477	(22,362)
Net position—beginning of the year	33,979	459,406
Net position—end of the year	34,456	437,044

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, 2013**

**NOTE 1. 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, all 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.

The primary criterion for including activities within the District's reporting entity, as set forth in Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards, is whether:

- the organization is legally separate (can sue or be sued in their own name)
- the Board holds the corporate powers of the organization
- the Board appoints a voting majority of the organization’s board
- the Board is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the Board
- there is a fiscal dependency by the organization on the Board

Based on the aforementioned criteria, the Board has no component units. Furthermore, the Board is not includable in any other reporting entity on the basis of such criteria.

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:**

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. Basis of Presentation:**

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

**Borough of Fort Lee School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2013**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)**

**District-wide Financial Statements:**

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

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

**Fund Financial Statements:**

During the fiscal year, the School District segregates transactions related to certain School District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. The fund financial statements provide information about the District's funds, including its fiduciary funds. Separate statements for each fund category - *governmental*, *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:

**Borough of Fort Lee School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2013**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)**

**GOVERNMENTAL FUNDS, (continued)**

**General Fund** - The General Fund is the general operating fund of the Board. It is used to account for all financial resources except those required to be accounted for in another fund. Included are certain expenditures for vehicles and movable instructional or noninstructional equipment which are classified in the Capital Outlay subfund.

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

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

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

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

**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:

**Borough of Fort Lee School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2013**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)**

**PROPRIETARY FUNDS, (continued)**

**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 and Latchkey Program 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. Fiduciary Funds include Unemployment Compensation Insurance, the Memorial Funds, Student Activities Fund and Payroll Agency Fund.

**B. 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.

**Borough of Fort Lee School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2013**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)**

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.

**C. 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.

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.

**Borough of Fort Lee School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2013**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)**

**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.

**D. 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. The Board of Education did not make material supplemental budgetary appropriations during the fiscal year.

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.

**Borough of Fort Lee School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2013**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)**

**E. 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.

**F. 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.

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.

**Borough of Fort Lee School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2013**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)**

**G. 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.

**H. 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.

**I. Prepaid Items:**

Payments made to vendors for services that will benefit periods beyond June 30, 2013, 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.

**J. 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.

**K. 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.

**Borough of Fort Lee School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2013**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)**

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

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

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

**L. Compensated Absences:**

Compensated absences are those absences for which employees will be paid, such as vacation, sick leave, and sabbatical leave. A liability for compensated absences that are attributable to services already rendered, and that are not contingent on a specific event that is outside the control of the Board and its employees, is accrued as the employees earn the rights to the benefits. Compensated absences that relate to future services, or that are contingent on a specific event that is outside the control of the Board and its employees, are accounted for in the period in which such services are rendered or in which such events take place.

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

**Borough of Fort Lee School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2013**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)**

**M. 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 2(E) regarding the special revenue fund.

**N. 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.

**O. Fund Balances:**

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

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

**Borough of Fort Lee School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2013**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)**

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

**P. Net Position:**

Net position represent the difference between assets and liabilities. 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 are 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.

**Q. 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, 2013**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)**

**R. 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.

**S. 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 not allocated. 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.

**T. 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.

**U. Recent Accounting Pronouncements:**

In August 2011, the Governmental Accounting Standards Board (GASB) issued Statement No. 65 "Items Previously Reported as Assets and Liabilities". This statement, which is effective for fiscal periods beginning after December 15, 2012, is not anticipated to have any effect on the District's financial reporting.

In October 2011, the Governmental Accounting Standards Board (GASB) issued Statement No. 66 "Technical Corrections – 2012 – an amendment of GASB Statements No. 10 and No. 62". This statement, which is effective for fiscal periods beginning after December 15, 2012, amends and supersedes previously issued GASB statements to incorporate guidance that had been included in AICPA and FASB guidance. The statement will have a minimum, but undetermined impact on the proprietary fund financial statements of the District.

In June 2012, the Governmental Accounting Standards Board (GASB) issued Statement No. 67, "Financial Reporting for Pension Plans – an amendment of GASB Statement No. 25". This statement, which is effective for fiscal periods beginning after June 15, 2013, is not anticipated to have any impact on the District's financial reporting.

**Borough of Fort Lee School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2013**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)**

In June 2012, the Governmental Accounting Standards Board (GASB) issued Statement No. 68, "Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27". This statement, which is effective for fiscal periods beginning after June 15, 2014, is not anticipated to have any impact on the District's financial reporting.

**NOTE 3. 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, 2013, \$-0- of the District's bank balance of \$24,351,815 was exposed to custodial credit risk.

**Investments**

**Investment Rate Risk**

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

**Credit Risk**

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

**Concentration of Credit Risk**

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

**Borough of Fort Lee School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2013**

**NOTE 4. RECEIVABLES:**

Receivables at June 30, 2013, consisted of accounts receivable and intergovernmental. All receivables are considered collectible in full. A summary of the principal items of intergovernmental receivables follows:

	Governmental Fund Financial <u>Statements</u>	Enterprise Fund	District Wide Financial <u>Statements</u>
Interfunds	\$929,642	\$9,385	\$30,061
State Aid	3,796,142	1,846	3,797,988
Federal Aid	1,185,760	27,386	1,213,146
Other	<u>13,911</u>	<u>667</u>	<u>14,578</u>
Gross Receivables	5,925,455	39,284	5,055,773
Less: Allowance for Uncollectibles			
Total Receivables, Net	<u>\$5,925,455</u>	<u>\$39,284</u>	<u>\$5,055,773</u>

**NOTE 5. INTERFUND BALANCE AND ACTIVITY:**

Balances due to/from other funds at June 30, 2013 consist of the following:

\$23,351	Due to the General Fund from the Fiduciary Funds for interest earnings and expense reimbursements.
905,825	Due to the General Fund from the Special Revenue Fund to cover deficit in cash.
2,675	Due to the Cafeteria Fund from the General Fund for expense reimbursement and subsidiary reimbursements.
1,637	Due to the Fiduciary Funds from the General Fund for expense reimbursements.
255	Due to the Latchkey Fund from the General Fund for expense reimbursements.
466	Due to the Capital Projects Fund from the Debt Service Fund for unexpended bond proceeds needed to fund authorized capital projects.
10,687	Due to the Unemployment Account from the Payroll Agency Funds for employee deductions.
216	Due to the Cafeteria Fund from the Fiduciary Funds for expense reimbursement earnings not turned over.
<u>6,239</u>	Due to the Cafeteria Fund from the Latchkey Fund for expense reimbursement.
<u>\$951,351</u>	

**Borough of Fort Lee School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2013**

**NOTE 6. CAPITAL ASSETS:**

Capital asset activity for the fiscal year ended June 30, 2013 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
<b>Governmental Activities</b>				
Capital assets that are not being depreciated:				
Land	\$2,509,321	\$		\$2,509,321
Construction in progress	<u>1,837,448</u>	<u>4,233,843</u>	<u>(179,666)</u>	<u>5,891,625</u>
Total capital assets not being depreciated	<u>4,346,769</u>	<u>4,233,843</u>	<u>(179,666)</u>	<u>8,400,946</u>
Site Improvements	1,825,125			1,825,125
Building and improvements	29,768,649	998,597	179,666	30,946,912
Machinery and equipment	<u>3,088,643</u>	<u>29,892</u>	<u>(12,900)</u>	<u>3,105,635</u>
Totals at historical cost	<u>34,682,417</u>	<u>1,028,489</u>	<u>166,766</u>	<u>35,877,672</u>
Less accumulated depreciation for:				
Site Improvements	(1,177,920)	(73,595)		(1,251,515)
Buildings and improvements	(21,083,022)	(705,578)		(21,788,600)
Equipment	<u>(2,544,691)</u>	<u>(123,193)</u>	<u>12,025</u>	<u>(2,655,859)</u>
Total accumulated depreciation	<u>(24,805,633)</u>	<u>(902,366)</u>	<u>12,025</u>	<u>(25,695,974)</u>
Total capital assets being depreciated, net of accumulation	<u>9,876,784</u>	<u>126,123</u>	<u>178,791</u>	<u>10,181,698</u>
Governmental activities capital assets, net	<u>14,223,553</u>	<u>4,359,966</u>	<u>(875)</u>	<u>18,582,644</u>
Business-type activities:				
Equipment	418,647			418,647
Less accumulated depreciation for:				
Equipment	<u>(325,875)</u>	<u>(13,312)</u>		<u>(339,187)</u>
Business-type activities capital assets, net	<u>\$92,772</u>	<u>(\$13,312)</u>	<u>\$</u>	<u>\$79,460</u>

Depreciation expense was charged to governmental functions as follows:

Unallocated	(\$902,366)
Direct expense of various functions	<u>-0-</u>
Total depreciation expense	<u>(\$902,366)</u>

**Borough of Fort Lee School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2013**

**NOTE 7. LONG-TERM OBLIGATION ACTIVITY:**

Changes in long-term obligations for the fiscal year ended June 30, 2013 were as follows:

	<u>Beginning Balance</u>	<u>Issued</u>	<u>Retired</u>	<u>Ending Balance</u>	<u>Amount Due Within One Year</u>
<b>Governmental Activities:</b>					
<b>Bonds Payable:</b>					
General Obligation Debt	\$ _____	\$18,450,000	\$(780,000)	\$17,670,000	\$655,000
Total Bonds Payable	_____	<u>18,450,000</u>	<u>(780,000)</u>	<u>17,670,000</u>	<u>655,000</u>
<b>Other Liabilities:</b>					
Obligations Under Capital Lease	107,229	354,919	(52,544)	409,604	128,941
Compensated Absences Payable	<u>6,027,768</u>	<u>551,640</u>	<u>(216,286)</u>	<u>6,363,122</u>	<u>        </u>
Total Other Liabilities	<u>6,134,997</u>	<u>906,559</u>	<u>(268,830)</u>	<u>6,772,726</u>	<u>128,941</u>
	<u>\$6,134,997</u>	<u>\$19,356,559</u>	<u>(\$1,048,830)</u>	<u>\$24,442,726</u>	<u>\$783,941</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, 2013 consisted of the following:

<u>Issue</u>	<u>Issue Date</u>	<u>Interest Rates</u>	<u>Dat of Maturity</u>	<u>Principal Balance June 30, 2013</u>
BCIA Improvement Bonds	8/7/2012	2.00%-5.00%	11/1/2031	\$ <u>17,670,000</u>

**Borough of Fort Lee School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2013**

**NOTE 7. LONG-TERM OBLIGATION ACTIVITY: (continued)**

Principal and interest due on bonds outstanding is as follows:

Year Ending <u>June 30,</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2014	\$1,352,100	\$655,000	\$697,100
2015	1,345,575	665,000	680,575
2016	1,345,325	685,000	660,325
2017	1,344,475	705,000	639,475
2018	1,344,300	730,000	614,300
2019-2023	6,699,150	4,110,000	2,589,150
2024-2028	6,710,050	5,165,000	1,545,050
2029-2032	<u>5,360,500</u>	<u>4,955,000</u>	<u>405,500</u>
	<u>\$25,501,475</u>	<u>\$17,670,000</u>	<u>\$7,831,475</u>

**B. Bonds Authorized But Not Issued:**

As of June 30, 2013 the Board has not authorized but not issued bonds.

**C. Capital Leases:**

The District is leasing various equipment and a 54 passenger bus under capital leases. All capital leases are for terms of five to seven years. 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, 2013:

Year Ending <u>June 30,</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2014	\$133,411	\$128,941	\$4,470
2015	74,253	68,868	5,385
2016	74,253	68,817	5,436
2017	74,253	70,583	3,670
2018	<u>74,253</u>	<u>72,395</u>	<u>1,858</u>
	<u>\$430,423</u>	<u>\$409,604</u>	<u>\$20,819</u>
Total minimum lease payments			\$430,423
Less: Amount representing interest			<u>(20,819)</u>
Present value of lease payments			<u>\$409,604</u>

**Borough of Fort Lee School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2013**

**NOTE 8. OPERATING LEASES:**

The District is leasing certain office equipment and office space under operating leases that expire from 2013 through 2018 and computer equipment that expire in 2014. Total operating lease payments made during the year ended June 30, 2013 were \$290,580. Future minimum lease payments are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2014	\$255,620
2015	201,977
2016	119,176
2017	<u>15,940</u>
	<u>\$592,713</u>

**NOTE 9. 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](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.

**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.

**Borough of Fort Lee School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2013**

**NOTE 9. PENSION PLANS: (continued)**

**Contribution Requirements** - The contribution policy is set by laws of the State of New Jersey and, in most retirement systems, contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. The pension funds provide for employee contributions based on 5.5% for PERS and 5.5% for TPAF of the employee's annual compensation. Pursuant to the provisions of Chapter 78, P.L. 2011, this amount will increase to 6.5% plus an additional 1% phased in over 7 years beginning in the first year. For fiscal year 2012, the member rate will increase in October 2011. Employers are required to contribute at an actuarially determined rate in all Funds except the SACT. The actuarially determined employer contribution includes funding for cost-of-living adjustments and noncontributory death benefits in the PERS and TPAF. In the PERS and TPAF, the employer contribution includes funding for post-retirement medical premiums.

During the year ended June 30, 2013 for TPAF, which is a cost sharing plan with special funding situations, annual pension cost equals annual required contribution. For PERS, which is a cost sharing multi-employer defined benefit pension plan, the annual pension cost differs from the annual required contribution due to the enactment of Chapter 114, P.L. 1997. TPAF employer contributions are made annually by the State of New Jersey to the pension system on behalf of the Board. PERS employer contributions are made annually by the Board to the pension system in accordance with Chapter 114, P.L. 1997.

The Board's contribution to PERS, equal to the required contributions for each year, were as follows:

<u>Year Ending</u>	
6/30/13	\$493,542
6/30/12	575,547
6/30/11	544,047

The State of New Jersey contribution to TPAF (paid on-behalf of the District) for normal and post retirement benefits were as follows:

<u>Year Ending</u>	<u>Pension Contributions</u>	<u>Post- Retirement Medical Contributions</u>	<u>NCGI Premium</u>
6/30/13	\$1,607,674	\$1,913,519	\$84,586
6/30/12	711,290	1,583,324	76,331
6/30/11		1,629,104	76,700

**Borough of Fort Lee School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2013**

**NOTE 9. PENSION PLANS: (continued)**

During the year ended June 30, 2013, the State of New Jersey contributed \$3,605,779 to the TPAF for NCGI Premium contributions and post-retirement medical benefits on behalf of the Board. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$1,998,028 during the year ended June 30, 2013 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. These amounts have been included in the district-wide financial statements, and the fund-based statements as revenues and expenditures in accordance with GASB 24.

**Defined Contribution Retirement Program**

The Defined Contribution Retirement Program (DCRP) was established on July 1, 2007 for certain public employees under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, and expanded under the provisions of Chapter 89, P.L. 2008 and Chapter 1, P.L. 2010. The program provides eligible members with a tax-sheltered, defined contribution retirement benefit, in addition to life insurance and disability coverage. The DCRP is jointly administered by the Division of Pensions and Benefits and Prudential Financial.

If the eligible elected or appointed official will earn less than \$5,000 annually, the official may choose to waiver participation in the DCRP for that office or position. The waiver is irrevocable.

This retirement program is a new pension system where the value of the pension is based on the amount of the contribution made by the employee, employer and through investment earnings. It is similar to a Deferred Compensation Program where the employee has a portion of tax deferred salary placed into an account that the employee manages through investment option provided by the employer.

The law requires that three classes of employees enroll in the DCRP detailed as follows:

All elected officials taking office on or after July 1, 2007, except that a person who is reelected to an elected office held prior to that date without a break in service may retain in the PERS. A Governor appointee with advice and consent of the Legislature or who serves at the pleasure of the Governor only during that Governor's term of office.

Other employees commencing service after July 1, 2007, pursuant to an appointment by an elected official or elected governing body.

Notwithstanding the foregoing requirements, other employees who hold a professional license or certificate or meet other exceptions are permitted to remain to join or remain in PERS.

The Board has employees who do not meet the requirements to join PERS or TPAF but hold a professional license or certificate and qualify for DCRP pursuant to foregoing requirements.

**Borough of Fort Lee School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2013**

**NOTE 10. POST-EMPLOYMENT BENEFITS:**

Chapter 384 of Public Laws 1987 and Chapter 6 of Public Laws 1990 required Teachers' Pension and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2012, there were 97,661 retirees eligible for post-retirement medical benefits. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994 Chapter 62. Funding of post-retirement medical premiums changed from a prefunding basis to a pay-as-you-go basis beginning in fiscal year 1994.

The State is also responsible for the cost attributable to P.L. 1992 Chapter 126, which provides free health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. In fiscal year 2012, the State paid \$146.6 million toward Chapter 126 benefits for 16,618 eligible retired members.

**NOTE 11. 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:

AXA Equitable  
MetLife

VALIC  
Financial Resources

**NOTE 12. RISK MANAGEMENT:**

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

**Property and Liability Insurance** - The District maintains commercial insurance coverage for property, liability, student accident and surety bonds. A complete schedule of insurance coverage can be found in the Statistical Section of this Comprehensive Annual Financial Report.

**Borough of Fort Lee School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2013**

**NOTE 12. RISK MANAGEMENT: (continued)**

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 balance of the District's expendable trust fund 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>
2012-2013	\$336	\$47,978	\$70,676	\$437,044
2011-2012		45,322	327,784	459,406
2010-2011	755,248	43,397	441,812	741,868

**NOTE 13. CAPITAL RESERVE ACCOUNT:**

A capital reserve account was established by the Borough of Fort Lee Board of Education by inclusion of \$960,000 in 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 \$2,990,466 in the capital reserve account at June 30, 2013.

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 amount 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.

**Borough of Fort Lee School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2013**

**NOTE 13. CAPITAL RESERVE ACCOUNT: (continued)**

The activity of the capital reserve for the July 1, 2012 to June 30, 2013 fiscal year is as follows:

Beginning balance, July 1, 2012	\$2,588,639
Deposits:	
Board Resolution - June 26, 2013	400,000
Interest Earnings	<u>1,827</u>
Ending balance, June 30, 2013	<u>\$2,990,466</u>

**NOTE 14. EMERGENCY RESERVE ACCOUNT:**

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

The activity of the emergency reserve for the July 1, 2012 to June 30, 2013 fiscal year is as follows:

Beginning balance, July 1, 2012	<u>\$250,000</u>
Ending balance, June 30, 2013	<u>\$250,000</u>

**NOTE 15. FUND BALANCE APPROPRIATED:**

**General Fund [Exhibit B-1]** - Of the \$7,137,184 General Fund fund balance at June 30, 2013, \$1,369,262 is reserved for encumbrances; \$417,633 is reserved as excess surplus in accordance with N.J.S.A. 18A:7F-7; (\$236,643 of the total reserve for excess surplus has been appropriated and included as anticipated revenue for the year ending June 30, 2014); \$2,990,466 has been reserved in the Capital Reserve Account; \$250,000 has been reserved in the Emergency Reserve Account; \$495,706 has been appropriated and included as anticipated revenue for the year ending June 30, 2014; and \$1,614,117 is unreserved and undesignated.

**Borough of Fort Lee School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2013**

**NOTE 16. CALCULATION OF EXCESS SURPLUS:**

In accordance with N.J.S.A. 18A:7F-7, 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, 2013 is \$417,633 of which \$180,990 is the result of current year operations.

**NOTE 17. INVENTORY:**

Inventory in the Food Service Fund at June 30, 2013 consisted of the following:

Food	\$9,033
Supplies	<u>18,083</u>
	<u>\$27,116</u>

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

**NOTE 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 11, 2013, the date which the financial statements were available to be issued and no other 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, 2013**

	<u>Original Budget</u>	<u>Budget Transfers/ Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>REVENUES:</b>					
<b>General Fund:</b>					
Revenues from Local Sources:					
Local Tax Levy	52,275,777		52,275,777	52,275,777	
Interest Earned on Capital Reserve Funds	50	(50)		1,827	1,827
Unrestricted Miscellaneous Revenues	126,100	50	126,150	282,584	156,434
<b>Total - Local Sources</b>	<u>52,401,927</u>		<u>52,401,927</u>	<u>52,560,188</u>	<u>158,261</u>
Revenues from State Sources:					
Categorical Special Education Aid	1,780,610		1,780,610	1,780,610	
Categorical Security Aid	87,903		87,903	87,903	
Categorical Transportation Aid	77,936		77,936	77,936	
Extraordinary Aid	400,000		400,000	1,008,747	608,747
Non-Public Transportation Aid				33,582	33,582
On-behalf TPAF Post-Retirement Medical (non-budgeted)				1,913,519	1,913,519
On-behalf TPAF Pension and NCGI Premium (non-budgeted)				1,692,260	1,692,260
Reimbursed TPAF Social Security Contributions (non-budgeted)				1,998,028	1,998,028
<b>Total - State Sources</b>	<u>2,346,449</u>		<u>2,346,449</u>	<u>8,592,585</u>	<u>6,246,136</u>
Revenues from Federal Sources:					
Special Education Medicaid Initiative	32,063		32,063		(32,063)
<b>Total - Federal Sources</b>	<u>32,063</u>		<u>32,063</u>		<u>(32,063)</u>
<b>TOTAL REVENUES</b>	<u>54,780,439</u>		<u>54,780,439</u>	<u>61,152,773</u>	<u>6,372,334</u>
<b>EXPENDITURES:</b>					
<b>Current Expense:</b>					
<b>Regular Programs - Instruction</b>					
Preschool/Kindergarten - Salaries of Teachers	1,420,100	89,930	1,510,030	1,509,511	519
Grades 1-5 - Salaries of Teachers	6,095,865	182,305	6,278,170	6,274,667	3,503
Grades 6-8 - Salaries of Teachers	3,320,947	169,383	3,490,330	3,489,528	802
Grades 9-12 - Salaries of Teachers	4,887,898	(122,700)	4,765,198	4,763,973	1,225
<b>Regular Programs - Home Instruction:</b>					
Salaries of Teachers	80,000	23,500	103,500	103,215	285
Purchased Professional-Educational Services	27,000	(11,000)	16,000	8,734	7,266
<b>Regular Programs - Undistributed Instruction</b>					
Other Salaries for Instruction	146,525	23,596	170,121	165,185	4,936
Purchased Professional - Educational Services	2,000	56,200	58,200	56,723	1,477
Purchased Technical Services	34,500	(5,684)	28,816	28,696	120
Other Purchased Services (400-500 series)	379,654	(164,914)	214,740	192,754	21,986
General Supplies	562,254	498,156	1,060,410	946,022	114,388
Textbooks	919,043	(57,692)	861,351	460,816	400,535
Other Objects	23,987	(7,900)	16,087	14,715	1,372
<b>TOTAL REGULAR PROGRAMS - INSTRUCTION</b>	<u>17,899,773</u>	<u>673,180</u>	<u>18,572,953</u>	<u>18,014,539</u>	<u>558,414</u>
<b>SPECIAL EDUCATION - INSTRUCTION</b>					
<b>Learning and/or Language Disabilities</b>					
Salaries of Teachers	2,124,632	105,420	2,230,052	2,229,304	748
Other Salaries for Instruction	540,010	(81,994)	458,016	454,980	3,036
General Supplies	20,000	2,000	22,000	20,757	1,243
<b>Total Learning and/or Language Disabilities</b>	<u>2,684,642</u>	<u>25,426</u>	<u>2,710,068</u>	<u>2,705,041</u>	<u>5,027</u>
<b>Resource Room/Resource Center:</b>					
Salaries of Teachers	510,803	83,326	594,129	590,972	3,157
Other Salaries for Instruction	53,563	47,509	101,072	99,174	1,898
General Supplies	1,200		1,200	991	209
<b>Total Resource Room/Resource Center</b>	<u>565,566</u>	<u>130,835</u>	<u>696,401</u>	<u>691,137</u>	<u>5,264</u>
<b>Autism</b>					
Salaries of Teachers	246,300	103,714	350,014	349,326	688
Other Salaries for Instruction	235,017	56,349	291,366	290,527	839
General Supplies	7,900	29,500	37,400	36,714	686
<b>Total Autism</b>	<u>489,217</u>	<u>189,563</u>	<u>678,780</u>	<u>676,567</u>	<u>2,213</u>
<b>Preschool Disabilities- Full-Time:</b>					
Salaries of Teachers	208,125	(87,125)	121,000	117,679	3,321
Other Salaries for Instruction	170,974	(52,057)	118,917	118,642	275
General Supplies	5,603		5,603	5,499	104
<b>Total Preschool Disabilities - Full-Time</b>	<u>384,702</u>	<u>(139,182)</u>	<u>245,520</u>	<u>241,820</u>	<u>3,700</u>
<b>TOTAL SPECIAL EDUCATION - INSTRUCTION</b>	<u>4,124,127</u>	<u>206,642</u>	<u>4,330,769</u>	<u>4,314,565</u>	<u>16,204</u>
<b>Basic Skills/Remedial - Instruction</b>					
Salaries of Teachers	799,729	(49,729)	750,000	749,357	643
General Supplies	2,500	(2,500)			
<b>Total Basic Skills/Remedial - Instruction</b>	<u>802,229</u>	<u>(52,229)</u>	<u>750,000</u>	<u>749,357</u>	<u>643</u>

Exhibit C-1

**FORT LEE BOARD OF EDUCATION**  
**Budgetary Comparison Schedule**  
**General Fund**  
**Fiscal Year Ended June 30, 2013**

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
<b>Bilingual Education - Instruction</b>					
Salaries of Teachers	1,156,562	4,278	1,160,840	1,160,620	220
Other Purchased Services (400-500 series)		200	200	105	95
General Supplies	355	5,300	5,655	5,607	48
<b>Total Bilingual Education - Instruction</b>	<u>1,156,917</u>	<u>9,778</u>	<u>1,166,695</u>	<u>1,166,332</u>	<u>363</u>
<b>School-Sponsored Cocurricular Activities - Instruction</b>					
Salaries	243,734	23,275	267,009	266,687	322
Purchased Services (300-500 series)	11,788	2,272	14,060	10,750	3,310
Supplies and Materials	54,670	(25,620)	29,050	24,497	4,553
Other Objects	30,880	(18,900)	11,980	8,460	3,520
<b>Total School-Sponsored Cocurricular Activities - Instruction</b>	<u>341,072</u>	<u>(18,973)</u>	<u>322,099</u>	<u>310,394</u>	<u>11,705</u>
<b>School-Sponsored Athletics - Instruction</b>					
Salaries	401,329	(6,900)	394,429	394,336	93
Purchased Services (300-500 series)	62,400	(872)	61,528	48,290	13,238
Supplies and Materials	48,900	9,320	58,220	42,099	16,121
Other Objects	27,750		27,750	26,748	1,002
<b>Total School-Sponsored Athletics - Instruction</b>	<u>540,379</u>	<u>1,548</u>	<u>541,927</u>	<u>511,473</u>	<u>30,454</u>
<b>TOTAL INSTRUCTION</b>	<u>24,864,497</u>	<u>819,946</u>	<u>25,684,443</u>	<u>25,066,660</u>	<u>617,783</u>
<b>Undistributed Expenditures - Instruction:</b>					
Tuition to Other LEAs Within the State - Special	792,930	163,587	956,517	956,507	10
Tuition to County Voc. School Dist. - Regular	419,730	63,372	483,102	483,102	
Tuition to County Voc. School Dist. - Special	104,400	(104,400)			
Tuition to CSSD & Regional Day Schools	526,140	147,550	673,690	673,690	
Tuition to Private Schools for the Handicapped - Within State	1,300,141	(49,894)	1,250,247	1,221,652	28,595
Tuition to Priv. Scho. Disabled & Other LEAs - Spl, O/S State		137,391	137,391	137,350	41
Tuition - State Facilities	30,750	(30,750)			
<b>Total Undistributed Expenditures - Instruction:</b>	<u>3,174,091</u>	<u>326,856</u>	<u>3,500,947</u>	<u>3,472,301</u>	<u>28,646</u>
<b>Undistributed Expend. - Attend. &amp; Social Work</b>					
Salaries	126,446	(24,600)	101,846	101,712	134
Salaries of Family Support Teams	100,053		100,053	100,053	
Purchased Professional and Technical Services	33,100	2,408	35,508	35,481	27
Supplies and Materials		2,755	2,755	2,755	
<b>Total Undistributed Expend. - Attend. &amp; Social Work</b>	<u>259,599</u>	<u>(19,437)</u>	<u>240,162</u>	<u>240,001</u>	<u>161</u>
<b>Undist. Expend. - Health Services</b>					
Salaries	526,866	(20,695)	506,171	506,169	2
Purchased Professional and Technical Services	50,250	(2,193)	48,057	47,140	917
Other Purchased Services (400-500 series)	100		100	69	31
Supplies and Materials	13,020	(3,211)	9,809	9,530	279
<b>Total Undistributed Expenditures - Health Services</b>	<u>590,236</u>	<u>(26,099)</u>	<u>564,137</u>	<u>562,908</u>	<u>1,229</u>
<b>Undist. Expend. - Speech, OT, PT &amp; Related Svcs.</b>					
Salaries	748,753	(74,900)	673,853	673,807	46
Purchased Prof. Services-Educational Services	385,400	344,238	729,638	729,578	60
Supplies and Materials	6,000		6,000	5,845	155
<b>Total Undist. Expend. - Speech, OT, PT, &amp; Related Svcs</b>	<u>1,140,153</u>	<u>269,338</u>	<u>1,409,491</u>	<u>1,409,230</u>	<u>261</u>
<b>Undist. Expend. - Other Supp. Serv. Students-Extra Serv.</b>					
Salaries	735,650	301,032	1,036,682	1,036,613	69
Purchased Prof. Services-Educational Services	139,727	203,100	342,827	330,451	12,376
<b>Total Undist. Expend. - Other Supp. Serv. Students-Extra Svcs.</b>	<u>875,377</u>	<u>504,132</u>	<u>1,379,509</u>	<u>1,367,064</u>	<u>12,445</u>
<b>Undist. Expend. - Guidance</b>					
Salaries of Other Professional Staff	1,002,498	(72,150)	930,348	930,330	18
Salaries of Secretarial and Clerical Assistants	156,256	(43,128)	113,128	110,114	3,014
Purchased Prof. Services-Educational Services	136,000	(98,300)	37,700	37,104	596
Other Purchased Services (400-500 series)	1,500	(1,300)	200	78	122
Supplies and Materials	13,663	(8,613)	5,050	4,794	256
Other Objects	1,000	(200)	800	800	
<b>Total Undist. Expend. - Guidance</b>	<u>1,310,917</u>	<u>(223,691)</u>	<u>1,087,226</u>	<u>1,082,420</u>	<u>4,806</u>
<b>Undist. Expend. - Other Supp. Child Study Teams</b>					
Salaries of Other Professional Staff	897,655	73,775	971,430	971,351	79
Salaries of Secretarial and Clerical Assistants	147,044	500	147,544	147,414	130
Other Purchased Professional and Technical Services	6,000	3,000	9,000	8,809	191
Misc. Pur Services (400-500 Series)	1,500		1,500	1,433	67
Supplies and Materials	20,000	(6,537)	13,463	13,358	105
<b>Total Undist. Expend. - Other Supp. Serv. Students-Special</b>	<u>1,072,199</u>	<u>70,738</u>	<u>1,142,937</u>	<u>1,142,365</u>	<u>572</u>

Exhibit C-1

**FORT LEE BOARD OF EDUCATION**  
**Budgetary Comparison Schedule**  
**General Fund**  
**Fiscal Year Ended June 30, 2013**

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
<b>Undist. Expend. - Improvement of Instructional Services</b>					
Salaries of Supervisors of Instruction	205,468	(30,030)	175,438	174,708	730
Salaries of Other Professional Staff	215,000	(184,970)	30,030	30,022	8
Purchased Prof-Ed Services	152,625	(26,000)	126,625	29,665	96,960
Supplies and Materials	30,000	(25,000)	5,000	4,788	212
Other Objects		2,000	2,000	900	1,100
<b>Total Undist. Expend. - Improvement of Inst. Services</b>	<b>603,093</b>	<b>(264,000)</b>	<b>339,093</b>	<b>240,083</b>	<b>99,010</b>
<b>Undist. Expend. - Educational Media Serv./Sch. Library</b>					
Salaries	413,100	43,504	456,604	455,903	701
Salaries of Technology Coordinators	159,868	10,000	169,868	169,329	539
Purchased Professional and Technical Services	33,000	(19,256)	13,744	13,195	549
Supplies and Materials	78,613	(1,400)	77,213	75,850	1,363
<b>Total Undist. Expend. - Educational Media Serv./Sch. Library</b>	<b>684,581</b>	<b>32,848</b>	<b>717,429</b>	<b>714,277</b>	<b>3,152</b>
<b>Undist. Expend. - Instructional Staff Training Serv.</b>					
Salaries-Other Prof. Staff	129,400	(73,200)	56,200	56,200	
Purchased Professional - Educational Services		76,400	76,400	71,980	4,420
Other Purchased Services (400-500 series)		100,000	100,000	98,842	1,158
Supplies and Materials		3,500	3,500	3,467	33
<b>Total Undist. Expend. - Instructional Staff Training Serv.</b>	<b>129,400</b>	<b>106,700</b>	<b>236,100</b>	<b>230,489</b>	<b>5,611</b>
<b>Undist. Expend. - Supp. Serv. - General Administration</b>					
Salaries	484,673	(24,600)	460,073	458,317	1,756
Legal Services	100,000	162,650	262,650	142,639	120,011
Audit Fees	74,250		74,250	37,250	37,000
Architectural/Engineering Services	40,000	(38,500)	1,500	844	656
Other Purchased Professional Services	41,000	(10,000)	31,000	30,413	587
Purchased Technical Services	9,000	(9,000)			
Communications/Telephone	174,181	(29,485)	144,696	129,021	15,675
BOE Other Purchased Services	5,000		5,000	3,157	1,843
Other Purch Services (400-500 Series)	202,237	50,204	252,441	241,918	10,523
General Supplies	47,063	(12,600)	34,463	34,398	65
BOE In-House Training/Meeting Supplies	750	(300)	450	125	325
Judgements against the School District		66,625	66,625	66,624	1
Misc. Expenditures	15,000	6,000	21,000	20,557	443
BOE Membership Dues and Fees	32,000	(7,000)	25,000	24,130	870
<b>Total Undist. Expend. - Supp. Serv. - General Administration</b>	<b>1,225,154</b>	<b>153,994</b>	<b>1,379,148</b>	<b>1,189,393</b>	<b>189,755</b>
<b>Undist. Expend. - Support Serv. - School Administration</b>					
Salaries of Principals/Assistant Principals	1,385,370	(177,037)	1,208,333	1,171,306	37,027
Salaries of Other Professional Staff	415,796	(153,200)	262,596	255,464	7,132
Salaries of Secretarial and Clerical Assistants	453,101	72,896	525,997	525,862	135
Other Purchased Services (400-500 series)	6,250	2,760	9,010	5,351	3,659
Supplies and Materials	36,710	11,144	47,854	42,422	5,432
Other Objects	15,219	(1,300)	13,919	13,495	424
<b>Total Undist. Expend. - Support Serv. - School Administration</b>	<b>2,312,446</b>	<b>(244,737)</b>	<b>2,067,709</b>	<b>2,013,900</b>	<b>53,809</b>
<b>Undist. Expend. - Support Serv. - Central Services</b>					
Salaries	505,860	14,715	520,575	520,259	316
Purchased Professional Services	22,550	4,000	26,550	25,813	737
Purchased Technical Services	18,560	(290)	18,270	15,385	2,885
Misc. Pur Services (400-500 Series)	7,380	16,790	24,170	23,471	699
Supplies and Materials	25,948	(10,000)	15,948	13,693	2,255
Misc. Expenditures	7,300		7,300	4,375	2,925
<b>Total Undist. Expend. - Support Serv. - Central Services</b>	<b>587,598</b>	<b>25,215</b>	<b>612,813</b>	<b>602,996</b>	<b>9,817</b>
<b>Undist. Expend. - Admin Info. Technology</b>					
<b>Information Technology</b>					
Salaries	56,761	(11,000)	45,761	44,035	1,726
Purchased Technical Services	45,000	(24,500)	20,500	20,100	400
Other Purchased Services (400-500 series)	2,900	6,411	9,311	8,358	953
Supplies and Materials	45,295	5,350	50,645	50,216	429
<b>Total Undist. Expend. - Support Serv. - Administrative</b>	<b>149,956</b>	<b>(23,739)</b>	<b>126,217</b>	<b>122,709</b>	<b>3,508</b>
<b>Undist. Expend. - Required Maint. for School Facilities (261)</b>					
Salaries	163,394	53,499	216,893	214,820	2,073
Cleaning, Repair and Maintenance Services	232,394	38,779	271,173	266,584	4,589
General Supplies	30,450	(28,450)	2,000	1,236	764
Other Objects		2,000	2,000	1,801	199
<b>Undist. Expend. - Required Maint. for School Facilities</b>	<b>426,238</b>	<b>65,828</b>	<b>492,066</b>	<b>484,441</b>	<b>7,625</b>

Exhibit C-1

**FORT LEE BOARD OF EDUCATION**  
**Budgetary Comparison Schedule**  
**General Fund**  
**Fiscal Year Ended June 30, 2013**

	<u>Original Budget</u>	<u>Budget Transfers/ Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>Undist. Expend. - Oth. Oper. &amp; Maint. of Plant (262)</b>					
Salaries	1,206,464	38,745	1,245,209	1,243,047	2,162
Purchased Prof. And Tech. Services	743,377	129,423	872,800	871,952	848
Cleaning, Repair and Maintenance Services	64,404	8,452	72,856	71,240	1,616
Rental of Land & Bldg. Oth. Than Lease Pur Agrmt.	259,484	41,100	300,584	300,376	208
Other Purchased Property Services	91,400	(22,052)	69,348	68,718	630
Insurance	136,724	10,000	146,724	146,507	217
General Supplies	207,340	(63,668)	143,672	143,617	55
Energy (Natural Gas)	390,000	(86,500)	303,500	294,405	9,095
Energy (Energy and Electricity)	586,000	(179,474)	406,526	402,435	4,091
Energy (Gasoline)	21,000	618	21,618	18,140	3,478
Other Objects	4,205	(928)	3,277	705	2,572
<b>Total Undist. Expend. - Other Oper. &amp; Maint. Of Plant</b>	<u>3,710,398</u>	<u>(124,284)</u>	<u>3,586,114</u>	<u>3,561,142</u>	<u>24,972</u>
<b>Undist. Expend. - Care &amp; Upkeep of Grounds (263)</b>					
Salaries	50,000	(50,000)			
Purchased Professional and Technical Services	68,730		68,730	68,728	2
Cleaning, Repair and Maintenance Services	3,990	63,377	67,367	67,281	86
General Supplies	8,400	12,400	20,800	19,712	1,088
<b>Total Undist. Expend. - Care &amp; Upkeep of Grounds</b>	<u>131,120</u>	<u>25,777</u>	<u>156,897</u>	<u>155,721</u>	<u>1,176</u>
<b>Undist. Expend. - Security</b>					
Purchased Professional and Technical Services	89,941	(1,821)	88,120	87,476	644
Cleaning, Repair and Maintenance Services	3,150	5,103	8,253	7,138	1,115
General Supplies	5,250	(3,103)	2,147	1,032	1,115
<b>Total Undist. Expend. - Security</b>	<u>98,341</u>	<u>179</u>	<u>98,520</u>	<u>95,646</u>	<u>2,874</u>
<b>Undist. Expend. - Student Transportation Services (270)</b>					
Salaries for Pupil Trans (Bet. Home & Sch. ) - Sp Ed	336,112	(38,900)	297,212	296,863	349
Other Purchased Prof. and Tech. Services		500	500	274	226
Cleaning, Repair and Maintenance Services		18,000	18,000	17,495	505
Lease Purchase Payments - School Buses	56,913		56,913	56,913	
Contract Services (Between Home & School)-Vendors	138,524	4,411	142,935	142,474	461
Contract Services (Other than Between Home & School)-Vendors	94,970	(9,861)	85,109	82,273	2,836
Contract Services (Sp. Ed. Students)-Vendors	643,079	36,873	679,952	679,952	
Contract Services - Aid in lieu Pymts - Non Public Schools	159,120	(14,411)	144,709	142,372	2,337
Misc. Purchased Services - Transportation	13,200	(12,000)	1,200		1,200
Transportation Supplies	66,000	(20,053)	45,947	45,362	585
Other Objects	1,000		1,000	700	300
<b>Total Undist. Expend. - Student Transportation Services</b>	<u>1,508,918</u>	<u>(35,441)</u>	<u>1,473,477</u>	<u>1,464,678</u>	<u>8,799</u>
<b>UNALLOCATED BENEFITS</b>					
Social Security Contributions	580,000	27,000	607,000	606,049	951
Other Retirement Contributions-PERS	603,940	(110,000)	493,940	493,542	398
Workmen's Compensation	191,100	20,700	211,800	211,709	91
Health Benefits	8,007,482	(330,323)	7,677,159	7,674,683	2,476
Tuition Reimbursements	85,000		85,000	85,000	
Other Employee Benefits	1,102,431	(1,024,342)	78,089	70,081	8,008
<b>TOTAL UNALLOCATED BENEFITS</b>	<u>10,569,953</u>	<u>(1,416,965)</u>	<u>9,152,988</u>	<u>9,141,064</u>	<u>11,924</u>
On-behalf TPAF Post-Retirement Medical (non-budgeted)				1,913,519	(1,913,519)
On-behalf TPAF Pension and NCGI Premium (non-budgeted)				1,692,260	(1,692,260)
Reimbursed TPAF Social Security Contributions (non-budgeted)				1,998,028	(1,998,028)
<b>TOTAL ON-BEHALF CONTRIBUTIONS</b>				<u>5,603,807</u>	<u>(5,603,807)</u>
<b>TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS</b>	<u>10,569,953</u>	<u>(1,416,965)</u>	<u>9,152,988</u>	<u>14,744,871</u>	<u>(5,591,883)</u>
<b>TOTAL UNDISTRIBUTED EXPENDITURES</b>	<u>30,559,768</u>	<u>(796,788)</u>	<u>29,762,980</u>	<u>34,896,635</u>	<u>(5,133,655)</u>
<b>TOTAL GENERAL CURRENT EXPENSE</b>	<u>55,424,265</u>	<u>23,158</u>	<u>55,447,423</u>	<u>59,963,295</u>	<u>(4,515,872)</u>
<b>CAPITAL OUTLAY</b>					
<b>Equipment</b>					
<b>Special Education - Instruction:</b>					
Learning and/or Language Disabilities		2,458	2,458		2,458
<b>Total Equipment</b>		<u>2,458</u>	<u>2,458</u>		<u>2,458</u>
<b>Undist. Expenditures:</b>					
Undistributed Expenditures - Instruction	4,168	65,800	69,968	29,892	40,076
Undistributed Expenditures - Req. Maint. Schl Facilities	85,000	29,400	114,400	114,355	45
Undistributed Expenditures - Security	65,000	(50,200)	14,800		14,800
<b>Total Undist. Expend.</b>	<u>154,168</u>	<u>45,000</u>	<u>199,168</u>	<u>144,247</u>	<u>54,921</u>

Exhibit C-1

**FORT LEE BOARD OF EDUCATION**  
**Budgetary Comparison Schedule**  
**General Fund**  
**Fiscal Year Ended June 30, 2013**

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
<b>Facilities Acquisition and Construction Services</b>					
Architectural/Engineering Services	90,000	(3,091)	86,909	55,859	31,050
Other Purchased Prof. and Tech. Services	32,668	3,975	36,643	36,515	128
Construction Services	1,346,174	73,700	1,419,874	791,866	628,008
Land and Improvements	50,000		50,000		50,000
Principal- Lease Purchase	300,000	(145,200)	154,800		154,800
Assessment for Debt Service on SDA Funding	9,756		9,756	9,756	
<b>Total Facilities Acquisition and Construction Services</b>	<u>1,828,598</u>	<u>(70,616)</u>	<u>1,757,982</u>	<u>893,996</u>	<u>863,986</u>
<b>Capital Leases (non-budgeted)</b>					
District Wireless System				354,919	
<b>Total Capital Leases (non-budgeted)</b>				<u>354,919</u>	
<b>TOTAL CAPITAL OUTLAY</b>	<u>1,982,766</u>	<u>(23,158)</u>	<u>1,959,608</u>	<u>1,393,162</u>	<u>921,365</u>
<b>TOTAL EXPENDITURES</b>	<u>57,407,031</u>		<u>57,407,031</u>	<u>61,356,457</u>	<u>(3,594,507)</u>
<b>Excess (Deficiency) of Revenues</b>					
Over (Under) Expenditures	<u>(2,626,592)</u>		<u>(2,626,592)</u>	<u>(203,684)</u>	<u>2,422,908</u>
<b>Other Financing Sources/(Uses):</b>					
Capital Lease (non-budgeted)				354,919	(354,919)
<b>Total Other Financing Sources/(Uses):</b>				<u>354,919</u>	<u>(354,919)</u>
<b>Excess (Deficiency) of Revenues and Other Financing Sources</b>					
Over (Under) Expenditures and Other Financing Sources (Uses)	<u>(2,626,592)</u>		<u>(2,626,592)</u>	<u>151,235</u>	<u>2,067,989</u>
<b>Fund Balance, July 1</b>	<u>7,122,116</u>		<u>7,122,116</u>	<u>7,122,116</u>	
<b>Fund Balance, June 30</b>	<u>4,495,524</u>		<u>4,495,524</u>	<u>7,273,351</u>	<u>2,067,989</u>
<b>Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures</b>					
Adjustment for Prior Year Encumbrances	(1,182,757)		(1,182,757)	(1,182,757)	
Increase in Capital Reserve:					
Principal				400,000	(400,000)
Interest Deposit to Capital Reserve	50		50	1,827	(1,777)
Budgeted Fund Balance	<u>(1,443,885)</u>		<u>(1,443,885)</u>	<u>932,165</u>	<u>2,469,766</u>
	<u>(2,626,592)</u>		<u>(2,626,592)</u>	<u>151,235</u>	<u>2,067,989</u>
<b>Recapitulation:</b>					
<b>Restricted Fund Balance:</b>					
Excess Surplus - Current Year				180,990	
Legally Restricted - Excess Surplus - Designated for Subsequent Year's Expenditures				236,643	
Capital Reserve				2,990,466	
Emergency Reserve				250,000	
<b>Assigned Fund Balance:</b>					
Year-end Encumbrances				1,369,262	
Designated for Subsequent Year's Expenditures				495,706	
<b>Unassigned Fund Balance</b>				<u>1,750,284</u>	
<b>Total Fund Balance per Governmental Funds (Budgetary)</b>				<u>7,273,351</u>	
<b>Recapitulation to Governmental Fund Statement (GAAP):</b>					
Less: Last State Aid Payment not Recognized GAAP Basis				136,167	
<b>Total Fund Balance per Governmental Funds (GAAP)</b>				<u>7,137,184</u>	

**FORT LEE BOARD OF EDUCATION**  
**Budgetary Comparison Schedule**  
**Special Revenue Fund**  
**Fiscal Year Ended June 30, 2013**

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
<b>REVENUES:</b>					
Local Sources		2,199	2,199	-	(2,199)
State Sources	175,395	66,614	242,009	96,565	(145,444)
Federal Sources	1,391,691	543,765	1,935,456	1,722,018	(213,438)
<b>Total Revenues</b>	<b>1,567,086</b>	<b>612,578</b>	<b>2,179,664</b>	<b>1,818,583</b>	<b>(361,081)</b>
<b>EXPENDITURES:</b>					
<b>Instruction:</b>					
Salaries of Teachers	441,479	94,991	536,470	455,780	80,690
Purchased Professional and Technical Services	136,066	(75,175)	60,891	60,890	1
Other Purchased Services (400-500 series)	550,649	199,533	750,202	676,998	73,204
General Supplies	35,996	80,962	116,958	88,820	28,138
Textbooks	9,072	1,813	10,885	10,885	-
<b>Total instruction</b>	<b>1,173,262</b>	<b>302,144</b>	<b>1,475,406</b>	<b>1,293,373</b>	<b>182,033</b>
<b>Support services:</b>					
Salaries of Program Directors	73,400	78,416	151,816	139,160	12,656
Personal Services - Employee Benefits	128,721	56,891	185,612	173,880	11,732
Purchased Professional - Educational Services	191,703	115,727	307,430	161,407	146,023
Travel		7,521	7,521	-	7,521
Supplies & Materials		51,879	51,879	50,763	1,116
<b>Total support services</b>	<b>393,824</b>	<b>310,434</b>	<b>704,258</b>	<b>525,210</b>	<b>179,048</b>
<b>Total Expenditures</b>	<b>1,567,086</b>	<b>612,578</b>	<b>2,179,664</b>	<b>1,818,583</b>	<b>361,081</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)</b>					

**FORT LEE BOARD OF EDUCATION**  
**Required Supplementary Information**  
**Budgetary Comparison Schedule**  
**Note to Required Supplementary Information**  
**Fiscal Year Ended June 30, 2013**

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

		General Fund	Special Revenue Fund
<b>Sources/inflows of resources</b>			
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	[C-1]&[C-2]	61,152,773	1,818,583
Difference - budget to GAAP:			
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.			(8,497)
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.		114,563	
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).		(136,167)	
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2]	61,131,169	1,810,086
<b>Uses/outflows of resources</b>			
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1]&[C-2]	61,356,457	1,818,583
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.			(8,497)
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	[B-2]	61,356,457	1,810,086

**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, 2013**

	Total Brought Forward (Ex. E-1a)	NCLB Title I	NCLB Title II, A Training	NCLB Title III	NCLB Title III Immigrant	IDEA Part - B Preschool	Totals 2013
<b>REVENUES</b>							
Local Sources	-	-	-	-	-	-	96,565
State Sources	96,565	-	-	-	-	-	1,722,018
Federal Sources	49,908	577,094	140,766	101,054	4,998	826,185	
<b>Total Revenues</b>	<b>146,473</b>	<b>577,094</b>	<b>140,766</b>	<b>101,054</b>	<b>4,998</b>	<b>826,185</b>	<b>1,818,583</b>
<b>EXPENDITURES:</b>							
<b>Instruction:</b>							
Salaries of Teachers	-	335,427	-	76,000	-	44,353	455,780
Purchased Professional and Technical Services	-	-	-	60,890	-	60,890	60,890
Other Purchased Services (400-500 series)	-	-	-	654,985	-	654,985	676,998
General Supplies	-	40,830	8,219	7,294	4,998	27,479	88,820
Textbooks	10,885	-	-	-	-	-	10,885
<b>Total instruction</b>	<b>10,885</b>	<b>376,257</b>	<b>8,219</b>	<b>83,294</b>	<b>4,998</b>	<b>787,707</b>	<b>1,293,373</b>
<b>Support services:</b>							
Salaries of Program Directors	-	63,760	75,400	-	-	-	139,160
Personal Services - Employee Benefits	-	136,222	16,505	17,760	-	3,393	173,880
Purchased Professional - Educational Services	85,680	-	40,642	-	-	35,085	161,407
Travel	-	-	-	-	-	-	-
Supplies & Materials	49,908	855	-	-	-	-	50,763
<b>Total support services</b>	<b>135,588</b>	<b>200,837</b>	<b>132,547</b>	<b>17,760</b>	<b>-</b>	<b>38,478</b>	<b>525,210</b>
<b>Total Expenditures</b>	<b>146,473</b>	<b>577,094</b>	<b>140,766</b>	<b>101,054</b>	<b>4,998</b>	<b>826,185</b>	<b>1,818,583</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**FORT LEE BOARD OF EDUCATION**  
**Special Revenue Fund**  
**Combining Schedule of Program Revenues and Expenditures - Budgetary Basis**  
**Fiscal Year Ended June 30, 2013**

	Total Brought Forward (Ex. E-1b)	Race to the Top	Chapter 192 Compensatory Education	Chapter 192 ESL	Chapter 193 Supplemental Instruction	Chapter 193 Exam & Classification	Chapter 193 Corrective Speech	Total Carried Forward
<b>REVENUES</b>								
Local Sources	-	-	-	-	-	-	-	96,565
State Sources	30,010	49,908	29,260	17,819	3,469	7,961	8,046	49,908
Federal Sources	-	-	-	-	-	-	-	-
<b>Total Revenues</b>	<b>30,010</b>	<b>49,908</b>	<b>29,260</b>	<b>17,819</b>	<b>3,469</b>	<b>7,961</b>	<b>8,046</b>	<b>146,473</b>
<b>EXPENDITURES:</b>								
<b>Instruction:</b>								
Salaries of Teachers	-	-	-	-	-	-	-	-
Purchased Professional and Technical Services	-	-	-	-	-	-	-	-
Other Purchased Services (400-500 series)	-	-	-	-	-	-	-	-
General Supplies	-	-	-	-	-	-	-	-
Textbooks	10,885	-	-	-	-	-	-	10,885
<b>Total instruction</b>	<b>10,885</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10,885</b>
<b>Support services:</b>								
Salaries of Program Directors	-	-	-	-	-	-	-	-
Personal Services - Employee Benefits	-	-	-	-	-	-	-	-
Purchased Professional - Educational Services	19,125	-	29,260	17,819	3,469	7,961	8,046	85,680
Travel	-	-	-	-	-	-	-	-
Supplies & Materials	-	49,908	-	-	-	-	-	49,908
<b>Total support services</b>	<b>19,125</b>	<b>49,908</b>	<b>29,260</b>	<b>17,819</b>	<b>3,469</b>	<b>7,961</b>	<b>8,046</b>	<b>135,588</b>
<b>Total Expenditures</b>	<b>30,010</b>	<b>49,908</b>	<b>29,260</b>	<b>17,819</b>	<b>3,469</b>	<b>7,961</b>	<b>8,046</b>	<b>146,473</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

FORT LEE BOARD OF EDUCATION

Special Revenue Fund

Combining Schedule of Program Revenues and Expenditures - Budgetary Basis

Fiscal Year Ended June 30, 2013

	Chapter 194 Nonpublic Textbook	Nonpublic Nursing	Technology Grant	Total Carried Forward
<b>REVENUES</b>				
Local Sources	-	-	-	-
State Sources	10,885	15,108	4,017	30,010
Federal Sources	-	-	-	-
<b>Total Revenues</b>	<b>10,885</b>	<b>15,108</b>	<b>4,017</b>	<b>30,010</b>
<b>EXPENDITURES:</b>				
<b>Instruction:</b>				
Salaries of Teachers	-	-	-	-
Purchased Professional and Technical Services	-	-	-	-
Other Purchased Services (400-500 series)	-	-	-	-
General Supplies	10,885	-	-	10,885
Textbooks	-	-	-	-
<b>Total instruction</b>	<b>10,885</b>	<b>-</b>	<b>-</b>	<b>10,885</b>
<b>Support services:</b>				
Salaries of Program Directors	-	-	-	-
Personal Services - Employee Benefits	-	-	-	-
Purchased Professional - Educational Services	-	15,108	4,017	19,125
Travel	-	-	-	-
Supplies & Materials	-	-	-	-
<b>Total support services</b>	<b>-</b>	<b>15,108</b>	<b>4,017</b>	<b>19,125</b>
<b>Total Expenditures</b>	<b>10,885</b>	<b>15,108</b>	<b>4,017</b>	<b>30,010</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**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, 2013**

<b>Revenues and Other Financing Sources</b>	
State Sources - SCC Grant	-
Bond proceeds and transfers	20,430,000
Transfers from Capital Reserve	-
Transfers from Capital Outlay	-
Transfers from Emergency Reserve	-
Interest on Investments	3,486
	<u>20,433,486</u>
<b>Expenditures and Other Financing Uses</b>	
Purchased professional and technical services	940,164
Land and improvements	-
Construction services	3,293,681
Equipment purchases	-
	<u>4,233,845</u>
Total expenditures	4,233,845
Excess (deficiency) of revenues over (under) expenditures	16,199,641
<b>Other Finance Sources (Uses)</b>	
Transfers in:	
Debt Service Fund	466
Transfers out:	
Debt Service Fund	(3,486)
	<u>(3,020)</u>
Total other financing sources (uses)	(3,020)
Net change in fund balance	16,196,621
Fund balance - beginning	<u>8,272,656</u>
Fund balance - ending	<u>24,469,277</u>
Recapitulation:	
Unrestricted Fund Balance	24,469,277
Reconciliation to Governmental Funds Statements (GAAP):	
SDA Grant Receivable not Recognized on GAAP Basis	<u>(7,418,962)</u>
Fund Balance per Governmental Funds	<u>17,050,315</u>

**FORT LEE BOARD OF EDUCATION**  
**Capital Projects Fund**  
**Schedule of Project Revenues, Expenditures, Project Balances and Project Status-Budgetary Basis**  
**Fort Lee Public School No. 1 Façade Restoration**  
**Fiscal Year Ended June 30, 2013**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources - SCC Grant	152,760		152,760	152,760
Bond proceeds and transfers			-	
Transfers from Capital Reserve	421,051		421,051	421,051
Transfers from Capital Outlay				
Transfers from Emergency Reserve			-	
	<u>573,811</u>	<u>-</u>	<u>573,811</u>	<u>573,811</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased professional and technical services	41,463		41,463	573,811
Land and improvements			-	
Construction services	399,361		399,361	
Equipment purchases				
	<u>440,824</u>	<u>-</u>	<u>440,824</u>	<u>573,811</u>
Excess (deficiency) of revenues over (under) expenditures	<u>132,987</u>	<u>-</u>	<u>132,987</u>	<u>-</u>
<b>Additional project information:</b>				
Project number	1550-080-04-1400			
Grant Date	4/25/2005			
Bond authorization date	N/A			
Bonds authorized	N/A			
Bonds issued	N/A			
Original authorization cost	381,900			
Additional authorized cost	191,911			
Revised authorized cost	573,811			
Percentage increase over original authorized cost	50%			
Percentage completion	77%			
Original target completion date				
Revised target completion date				

**FORT LEE BOARD OF EDUCATION**  
**Capital Projects Fund**  
**Schedule of Project Revenues, Expenditures, Project Balances and Project Status-Budgetary Basis**  
**Other Improvements**  
**Fiscal Year Ended June 30, 2013**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources - SCC Grant	151,848		151,848	151,848
Bond proceeds and transfers			-	-
Transfers from Capital Reserve	378,104		378,104	378,104
Transfers from Capital Outlay				
Transfers from Emergency Reserve			-	-
	<u>529,952</u>	<u>-</u>	<u>529,952</u>	<u>529,952</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased professional and technical services	31,633		31,633	53,472
Land and improvements			-	
Construction services	476,480		476,480	476,480
Equipment purchases			-	-
	<u>508,113</u>	<u>-</u>	<u>508,113</u>	<u>529,952</u>
Excess (deficiency) of revenues over (under) expenditures	<u>21,839</u>	<u>-</u>	<u>21,839</u>	<u>-</u>
<b>Additional project information:</b>				
Project number	1550-100-04-0AOT			
Grant Date	4/25/2005			
Bond authorization date	N/A			
Bonds authorized	N/A			
Bonds issued	N/A			
Original authorization cost	379,620			
Additional authorized cost	150,332			
Revised authorized cost	529,952			
Percentage increase over original authorized cost	40%			
Percentage completion	96%			
Original target completion date				
Revised target completion date				

**FORT LEE BOARD OF EDUCATION**  
**Capital Projects Fund**  
**Schedule of Project Revenues, Expenditures, Project Balances and Project Status-Budgetary Basis**  
**High School Window Replacement**  
**Fiscal Year Ended June 30, 2013**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources - SCC Grant	420,000		420,000	420,000
Bond proceeds and transfers		630,000	630,000	630,000
Transfers from Capital Reserve			-	-
Transfers from Capital Outlay			-	-
Transfers from Emergency Reserve			-	-
	<u>420,000</u>	<u>630,000</u>	<u>1,050,000</u>	<u>1,050,000</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased professional and technical services		42,510	42,510	196,900
Land and improvements			-	-
Construction services			-	853,100
Equipment purchases			-	-
	<u>-</u>	<u>42,510</u>	<u>42,510</u>	<u>1,050,000</u>
<b>Other Finance Sources (Uses)</b>				
Transfers out			-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>420,000</u>	<u>587,490</u>	<u>1,007,490</u>	<u>-</u>

**Additional project information:**

Project number	1550-050-10-1001
Grant Date	9/28/2010
Bond authorization date	N/A
Bonds authorized	N/A
Bonds issued	N/A
Original authorization cost	1,050,000
Additional authorized cost	
Revised authorized cost	1,050,000
Percentage increase over original authorized cost	0%
Percentage completion	4%
Original target completion date	9/30/2013
Revised target completion date	

**FORT LEE BOARD OF EDUCATION**  
**Capital Projects Fund**  
**Schedule of Project Revenues, Expenditures, Project Balances and Project Status-Budgetary Basis**  
**High School Masonry Repairs**  
**Fiscal Year Ended June 30, 2013**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources - SCC Grant	318,431		318,431	318,431
Bond proceeds and transfers		477,180	477,180	477,646
Transfers from Capital Reserve			-	-
Transfers from Capital Outlay			-	-
Transfers from Emergency Reserve			-	-
	<u>318,431</u>	<u>477,180</u>	<u>795,611</u>	<u>796,077</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased professional and technical services	16,845	11,034	27,879	156,477
Land and improvements			-	-
Construction services	31,825	268,175	300,000	639,600
Equipment purchases			-	-
	<u>48,670</u>	<u>279,209</u>	<u>327,879</u>	<u>796,077</u>
<b>Other Finance Sources (Uses)</b>				
Transfers in		466	466	
Total other financing sources (uses)	<u>-</u>	<u>466</u>	<u>466</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>269,761</u>	<u>198,437</u>	<u>468,198</u>	<u>-</u>
<b>Additional project information:</b>				
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				
Revised authorized cost	796,077			
Percentage increase over original authorized cost	0%			
Percentage completion	41%			
Original target completion date	9/1/2012			
Revised target completion date				

**FORT LEE BOARD OF EDUCATION**  
**Capital Projects Fund**  
**Schedule of Project Revenues, Expenditures, Project Balances and Project Status-Budgetary Basis**  
**High School Interior Alterations**  
**Fiscal Year Ended June 30, 2013**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources - SCC Grant	1,592,000		1,592,000	1,592,000
Bond proceeds and transfers		2,388,000	2,388,000	2,388,000
Transfers from Capital Reserve			-	-
Transfers from Capital Outlay			-	-
Transfers from Emergency Reserve			-	-
	<u>1,592,000</u>	<u>2,388,000</u>	<u>3,980,000</u>	<u>3,980,000</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased professional and technical services		196,462	196,462	859,300
Land and improvements			-	-
Construction services		158,671	158,671	3,120,700
Equipment purchases			-	-
	<u>-</u>	<u>355,133</u>	<u>355,133</u>	<u>3,980,000</u>
<b>Other Finance Sources (Uses)</b>				
Transfers out			-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,592,000</u>	<u>2,032,867</u>	<u>3,624,867</u>	<u>-</u>

**Additional project information:**

Project number	1550-050-10-1003
Grant Date	9/28/2010
Bond authorization date	N/A
Bonds authorized	N/A
Bonds issued	N/A
Original authorization cost	3,980,000
Additional authorized cost	
Revised authorized cost	3,980,000
Percentage increase over original authorized cost	0%
Percentage completion	9%
Original target completion date	9/30/2014
Revised target completion date	

**FORT LEE BOARD OF EDUCATION**  
**Capital Projects Fund**  
**Schedule of Project Revenues, Expenditures, Project Balances and Project Status-Budgetary Basis**  
**High School HVAC Upgrades**  
**Fiscal Year Ended June 30, 2013**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources - SCC Grant	348,000		348,000	348,000
Bond proceeds and transfers		522,000	522,000	522,000
Transfers from Capital Reserve			-	-
Transfers from Capital Outlay			-	-
Transfers from Emergency Reserve			-	-
	<u>348,000</u>	<u>522,000</u>	<u>870,000</u>	<u>870,000</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased professional and technical services	28,065	10,923	38,988	161,200
Land and improvements			-	-
Construction services	11,511	403,461	414,972	708,800
Equipment purchases			-	-
	<u>39,576</u>	<u>414,384</u>	<u>453,960</u>	<u>870,000</u>
<b>Other Finance Sources (Uses)</b>				
Transfers out			-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>308,424</u>	<u>107,616</u>	<u>416,040</u>	<u>-</u>

**Additional project information:**

Project number	1550-050-10-1005
Grant Date	9/28/2010
Bond authorization date	N/A
Bonds authorized	N/A
Bonds issued	N/A
Original authorization cost	870,000
Additional authorized cost	
Revised authorized cost	870,000
Percentage increase over original authorized cost	0%
Percentage completion	52%
Original target completion date	12/31/2012
Revised target completion date	

**FORT LEE BOARD OF EDUCATION**  
**Capital Projects Fund**  
**Schedule of Project Revenues, Expenditures, Project Balances and Project Status-Budgetary Basis**  
**School No. 1 HVAC Upgrades**  
**Fiscal Year Ended June 30, 2013**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources - SCC Grant	531,900		531,900	531,900
Bond proceeds and transfers		797,850	797,850	797,850
Transfers from Capital Reserve			-	-
Transfers from Capital Outlay			-	-
Transfers from Emergency Reserve			-	-
	<u>531,900</u>	<u>797,850</u>	<u>1,329,750</u>	<u>1,329,750</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased professional and technical services	54,262	92,325	146,587	252,450
Land and improvements			-	-
Construction services	82,477	577,268	659,745	1,077,300
Equipment purchases			-	-
	<u>136,739</u>	<u>669,593</u>	<u>806,332</u>	<u>1,329,750</u>
<b>Other Finance Sources (Uses)</b>				
Transfers out			-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>395,161</u>	<u>128,257</u>	<u>523,418</u>	<u>-</u>

**Additional project information:**

Project number	1550-060-10-1006
Grant Date	9/28/2010
Bond authorization date	N/A
Bonds authorized	N/A
Bonds issued	N/A
Original authorization cost	1,329,750
Additional authorized cost	
Revised authorized cost	1,329,750
Percentage increase over original authorized cost	0%
Percentage completion	61%
Original target completion date	9/30/2012
Revised target completion date	

**FORT LEE BOARD OF EDUCATION**  
**Capital Projects Fund**  
**Schedule of Project Revenues, Expenditures, Project Balances and Project Status-Budgetary Basis**  
**School No. 1 Roof Replacement**  
**Fiscal Year Ended June 30, 2013**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources - SCC Grant	466,100		466,100	466,100
Bond proceeds and transfers		699,150	699,150	699,150
Transfers from Capital Reserve			-	-
Transfers from Capital Outlay			-	-
Transfers from Emergency Reserve			-	-
	<u>466,100</u>	<u>699,150</u>	<u>1,165,250</u>	<u>1,165,250</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased professional and technical services	58,643	16,189	74,832	226,250
Land and improvements			-	-
Construction services	54,586	800,767	855,353	939,000
Equipment purchases			-	-
	<u>113,229</u>	<u>816,956</u>	<u>930,185</u>	<u>1,165,250</u>
<b>Other Finance Sources (Uses)</b>				
Transfers out			-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>352,871</u>	<u>(117,806)</u>	<u>235,065</u>	<u>-</u>
<b>Additional project information:</b>				
Project number	1550-060-10-1007			
Grant Date	9/28/2010			
Bond authorization date	N/A			
Bonds authorized	N/A			
Bonds issued	N/A			
Original authorization cost	1,165,250			
Additional authorized cost	1,165,250			
Revised authorized cost	1,165,250			
Percentage increase over original authorized cost	0%			
Percentage completion	80%			
Original target completion date	9/30/2012			
Revised target completion date				

**FORT LEE BOARD OF EDUCATION**  
**Capital Projects Fund**  
**Schedule of Project Revenues, Expenditures, Project Balances and Project Status-Budgetary Basis**  
**School No. 1 Window Replacement**  
**Fiscal Year Ended June 30, 2013**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources - SCC Grant	278,000		278,000	278,000
Bond proceeds and transfers		417,000	417,000	417,000
Transfers from Capital Reserve			-	-
Transfers from Capital Outlay			-	-
Transfers from Emergency Reserve			-	-
	<u>278,000</u>	<u>417,000</u>	<u>695,000</u>	<u>695,000</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased professional and technical services		34,317	34,317	140,500
Land and improvements			-	-
Construction services			-	554,500
Equipment purchases			-	-
	<u>-</u>	<u>34,317</u>	<u>34,317</u>	<u>695,000</u>
<b>Other Finance Sources (Uses)</b>				
Transfers out			-	
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>278,000</u>	<u>382,683</u>	<u>660,683</u>	<u>-</u>

**Additional project information:**

Project number	1550-060-10-1008
Grant Date	9/28/2010
Bond authorization date	N/A
Bonds authorized	N/A
Bonds issued	N/A
Original authorization cost	695,000
Additional authorized cost	
Revised authorized cost	695,000
Percentage increase over original authorized cost	0%
Percentage completion	5%
Original target completion date	9/30/2013
Revised target completion date	

**FORT LEE BOARD OF EDUCATION**  
**Capital Projects Fund**  
**Schedule of Project Revenues, Expenditures, Project Balances and Project Status-Budgetary Basis**  
**School No. 3 Window Replacement**  
**Fiscal Year Ended June 30, 2013**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources - SCC Grant	212,800		212,800	212,800
Bond proceeds and transfers		319,200	319,200	319,200
Transfers from Capital Reserve			-	-
Transfers from Capital Outlay			-	-
Transfers from Emergency Reserve			-	-
	<u>212,800</u>	<u>319,200</u>	<u>532,000</u>	<u>532,000</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased professional and technical services		32,398	32,398	112,000
Land and improvements			-	-
Construction services			-	420,000
Equipment purchases			-	-
	<u>-</u>	<u>32,398</u>	<u>32,398</u>	<u>532,000</u>
<b>Other Finance Sources (Uses)</b>				
Transfers out			-	
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>212,800</u>	<u>286,802</u>	<u>499,602</u>	<u>-</u>

**Additional project information:**

Project number	1550-080-10-1010
Grant Date	9/28/2010
Bond authorization date	N/A
Bonds authorized	N/A
Bonds issued	N/A
Original authorization cost	532,000
Additional authorized cost	
Revised authorized cost	532,000
Percentage increase over original authorized cost	0%
Percentage completion	6%
Original target completion date	9/30/2013
Revised target completion date	

**FORT LEE BOARD OF EDUCATION**  
**Capital Projects Fund**  
**Schedule of Project Revenues, Expenditures, Project Balances and Project Status-Budgetary Basis**  
**School No. 3 Masonry Repairs**  
**Fiscal Year Ended June 30, 2013**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources - SCC Grant	153,200		153,200	153,200
Bond proceeds and transfers		229,800	229,800	229,800
Transfers from Capital Reserve			-	-
Transfers from Capital Outlay			-	-
Transfers from Emergency Reserve			-	-
	<u>153,200</u>	<u>229,800</u>	<u>383,000</u>	<u>383,000</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased professional and technical services	14,281	4,201	18,482	83,600
Land and improvements			-	-
Construction services	9,500	193,000	202,500	299,400
Equipment purchases			-	-
	<u>23,781</u>	<u>197,201</u>	<u>220,982</u>	<u>383,000</u>
<b>Other Finance Sources (Uses)</b>				
Transfers out			-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>129,419</u>	<u>32,599</u>	<u>162,018</u>	<u>-</u>

**Additional project information:**

Project number	1550-080-10-1011
Grant Date	9/28/2010
Bond authorization date	N/A
Bonds authorized	N/A
Bonds issued	N/A
Original authorization cost	383,000
Additional authorized cost	
Revised authorized cost	383,000
Percentage increase over original authorized cost	0%
Percentage completion	58%
Original target completion date	9/1/2012
Revised target completion date	

**FORT LEE BOARD OF EDUCATION**  
**Capital Projects Fund**  
**Schedule of Project Revenues, Expenditures, Project Balances and Project Status-Budgetary Basis**  
**School No. 4 Masonry Repairs**  
**Fiscal Year Ended June 30, 2013**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources - SCC Grant	172,000		172,000	172,000
Bond proceeds and transfers		258,000	258,000	258,000
Transfers from Capital Reserve			-	-
Transfers from Capital Outlay			-	-
Transfers from Emergency Reserve			-	-
	<u>172,000</u>	<u>258,000</u>	<u>430,000</u>	<u>430,000</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased professional and technical services	11,706	2,862	14,568	89,800
Land and improvements			-	-
Construction services	10,925	149,275	160,200	340,200
Equipment purchases			-	-
	<u>22,631</u>	<u>152,137</u>	<u>174,768</u>	<u>430,000</u>
<b>Other Finance Sources (Uses)</b>				
Transfers out			-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>149,369</u>	<u>105,863</u>	<u>255,232</u>	<u>-</u>

**Additional project information:**

Project number	1550-090-10-1012
Grant Date	9/28/2010
Bond authorization date	N/A
Bonds authorized	N/A
Bonds issued	N/A
Original authorization cost	430,000
Additional authorized cost	
Revised authorized cost	430,000
Percentage increase over original authorized cost	0%
Percentage completion	41%
Original target completion date	9/1/2012
Revised target completion date	

**FORT LEE BOARD OF EDUCATION**  
**Capital Projects Fund**  
**Schedule of Project Revenues, Expenditures, Project Balances and Project Status-Budgetary Basis**  
**School No. 4 HVAC Upgrades**  
**Fiscal Year Ended June 30, 2013**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources - SCC Grant	1,656,000		1,656,000	1,656,000
Bond proceeds and transfers		2,484,000	2,484,000	2,484,000
Transfers from Capital Reserve			-	-
Transfers from Capital Outlay			-	-
Transfers from Emergency Reserve			-	-
	<u>1,656,000</u>	<u>2,484,000</u>	<u>4,140,000</u>	<u>4,140,000</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased professional and technical services		91,198	91,198	814,400
Land and improvements			-	-
Construction services		84,795	84,795	3,325,600
Equipment purchases			-	-
	<u>-</u>	<u>175,993</u>	<u>175,993</u>	<u>4,140,000</u>
<b>Other Finance Sources (Uses)</b>				
Transfers out			-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,656,000</u>	<u>2,308,007</u>	<u>3,964,007</u>	<u>-</u>
<b>Additional project information:</b>				
Project number	1550-090-10-1013			
Grant Date	9/28/2010			
Bond authorization date	N/A			
Bonds authorized	N/A			
Bonds issued	N/A			
Original authorization cost	4,140,000			
Additional authorized cost				
Revised authorized cost	4,140,000			
Percentage increase over original authorized cost	0%			
Percentage completion	4%			
Original target completion date	9/30/2014			
Revised target completion date				

**FORT LEE BOARD OF EDUCATION**  
**Capital Projects Fund**  
**Schedule of Project Revenues, Expenditures, Project Balances and Project Status-Budgetary Basis**  
**School No. 4 Roof Replacement**  
**Fiscal Year Ended June 30, 2013**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources - SCC Grant	198,000		198,000	198,000
Bond proceeds and transfers		297,000	297,000	297,000
Transfers from Capital Reserve			-	-
Transfers from Capital Outlay			-	-
Transfers from Emergency Reserve			-	-
	<u>198,000</u>	<u>297,000</u>	<u>495,000</u>	<u>495,000</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased professional and technical services		32,424	32,424	103,700
Land and improvements			-	-
Construction services			-	391,300
Equipment purchases			-	-
	<u>-</u>	<u>32,424</u>	<u>32,424</u>	<u>495,000</u>
<b>Other Finance Sources (Uses)</b>				
Transfers out			-	
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>198,000</u>	<u>264,576</u>	<u>462,576</u>	<u>-</u>

**Additional project information:**

Project number	1550-090-10-1014
Grant Date	9/28/2010
Bond authorization date	N/A
Bonds authorized	N/A
Bonds issued	N/A
Original authorization cost	495,000
Additional authorized cost	
Revised authorized cost	495,000
Percentage increase over original authorized cost	0%
Percentage completion	7%
Original target completion date	9/30/2014
Revised target completion date	

**FORT LEE BOARD OF EDUCATION**  
**Capital Projects Fund**  
**Schedule of Project Revenues, Expenditures, Project Balances and Project Status-Budgetary Basis**  
**Lewis F. Cole M.S. Roof Replacement**  
**Fiscal Year Ended June 30, 2013**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources - SCC Grant	780,000		780,000	780,000
Bond proceeds and transfers		1,170,000	1,170,000	1,170,000
Transfers from Capital Reserve			-	-
Transfers from Capital Outlay			-	-
Transfers from Emergency Reserve			-	-
	<u>780,000</u>	<u>1,170,000</u>	<u>1,950,000</u>	<u>1,950,000</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased professional and technical services	84,717	23,057	107,774	385,000
Land and improvements			-	-
Construction services	910,851	352,149	1,263,000	1,565,000
Equipment purchases			-	-
	<u>995,568</u>	<u>375,206</u>	<u>1,370,774</u>	<u>1,950,000</u>
<b>Other Finance Sources (Uses)</b>				
Transfers out			-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(215,568)</u>	<u>794,794</u>	<u>579,226</u>	<u>-</u>

**Additional project information:**

Project number	1550-100-10-1015
Grant Date	9/28/2010
Bond authorization date	N/A
Bonds authorized	N/A
Bonds issued	N/A
Original authorization cost	1,950,000
Additional authorized cost	
Revised authorized cost	1,950,000
Percentage increase over original authorized cost	0%
Percentage completion	70%
Original target completion date	9/30/2012
Revised target completion date	

**FORT LEE BOARD OF EDUCATION**  
**Capital Projects Fund**  
**Schedule of Project Revenues, Expenditures, Project Balances and Project Status-Budgetary Basis**  
**Lewis F. Cole M.S. Boiler Replacement**  
**Fiscal Year Ended June 30, 2013**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources - SCC Grant	452,000		452,000	452,000
Bond proceeds and transfers		678,000	678,000	678,000
Transfers from Capital Reserve			-	-
Transfers from Capital Outlay			-	-
Transfers from Emergency Reserve			-	-
	<u>452,000</u>	<u>678,000</u>	<u>1,130,000</u>	<u>1,130,000</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased professional and technical services	43,224	10,656	53,880	222,800
Land and improvements			-	-
Construction services	234,363	306,120	540,483	907,200
Equipment purchases			-	-
	<u>277,587</u>	<u>316,776</u>	<u>594,363</u>	<u>1,130,000</u>
<b>Other Finance Sources (Uses)</b>				
Transfers out			-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>174,413</u>	<u>361,224</u>	<u>535,637</u>	<u>-</u>

**Additional project information:**

Project number	1550-100-10-1016
Grant Date	9/28/2010
Bond authorization date	N/A
Bonds authorized	N/A
Bonds issued	N/A
Original authorization cost	1,130,000
Additional authorized cost	
Revised authorized cost	1,130,000
Percentage increase over original authorized cost	0%
Percentage completion	53%
Original target completion date	9/30/2012
Revised target completion date	

**FORT LEE BOARD OF EDUCATION**  
**Capital Projects Fund**  
**Schedule of Project Revenues, Expenditures, Project Balances and Project Status-Budgetary Basis**  
**Lewis F. Cole M.S. Addition and Rehabilitation**  
**Fiscal Year Ended June 30, 2013**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources - SCC Grant	1,557,180		1,557,180	1,557,180
Bond proceeds and transfers		8,102,820	8,102,820	8,102,820
Transfers from Capital Reserve			-	-
Transfers from Capital Outlay			-	-
Transfers from Emergency Reserve			-	-
	<u>1,557,180</u>	<u>8,102,820</u>	<u>9,660,000</u>	<u>9,660,000</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased professional and technical services		291,606	291,606	1,881,367
Land and improvements			-	557,000
Construction services			-	7,221,633
Equipment purchases			-	-
	<u>-</u>	<u>291,606</u>	<u>291,606</u>	<u>9,660,000</u>
<b>Other Finance Sources (Uses)</b>				
Transfers out			-	
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,557,180</u>	<u>7,811,214</u>	<u>9,368,394</u>	<u>-</u>
<b>Additional project information:</b>				
Project number	1550-100-10-1018			
Grant Date	9/28/2010			
Bond authorization date	N/A			
Bonds authorized	N/A			
Bonds issued	N/A			
Original authorization cost	9,660,000			
Additional authorized cost				
Revised authorized cost	9,660,000			
Percentage increase over original authorized cost	0%			
Percentage completion	3%			
Original target completion date	9/30/2014			
Revised target completion date				

**FORT LEE BOARD OF EDUCATION**  
**Capital Projects Fund**  
**Schedule of Project Revenues, Expenditures, Project Balances and Project Status-Budgetary Basis**  
**Lewis F. Cole M.S. Interior Alterations**  
**Fiscal Year Ended June 30, 2013**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources - SCC Grant	640,000		640,000	640,000
Bond proceeds and transfers		960,000	960,000	960,000
Transfers from Capital Reserve			-	-
Transfers from Capital Outlay			-	-
Transfers from Emergency Reserve			-	-
	<u>640,000</u>	<u>960,000</u>	<u>1,600,000</u>	<u>1,600,000</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased professional and technical services		48,002	48,002	317,000
Land and improvements			-	-
Construction services			-	1,283,000
Equipment purchases			-	-
	<u>-</u>	<u>48,002</u>	<u>48,002</u>	<u>1,600,000</u>
<b>Other Finance Sources (Uses)</b>				
Transfers out			-	
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>640,000</u>	<u>911,998</u>	<u>1,551,998</u>	<u>-</u>

**Additional project information:**

Project number	1550-100-10-1019
Grant Date	9/28/2010
Bond authorization date	N/A
Bonds authorized	N/A
Bonds issued	N/A
Original authorization cost	1,600,000
Additional authorized cost	
Revised authorized cost	1,600,000
Percentage increase over original authorized cost	0%
Percentage completion	3%
Original target completion date	9/30/2014
Revised target completion date	

**FORT LEE BOARD OF EDUCATION**  
**Capital Projects Fund**  
**Summary Statement of Project Expenditures**  
**Fiscal Year Ended June 30, 2013**

Project Title/Issue	Date	Appropriations	Expenditures to Date		Unexpended Balance June 30, 2013
			Prior Years	Current Year	
Public School No. 1 - Façade restoration	2003-2004	573,811	440,824	-	132,987
Lewis F. Cole Middle School - Masonry restoration	2003-2004	529,952	508,113	-	21,839
High School Window Replacement	2011-2012	1,050,000	-	42,510	1,007,490
High School Masonry Repairs	2011-2012	796,077	48,670	279,209	468,198
High School Interior Alterations	2011-2012	3,980,000	-	355,133	3,624,867
High School HVAC Upgrades	2011-2012	870,000	39,576	414,384	416,040
School No. 1 HVAC Upgrades	2011-2012	1,329,750	136,739	669,593	523,418
School No. 1 Roof Replacement	2011-2012	1,165,250	113,229	816,956	235,065
School No. 1 Window Replacement	2011-2012	695,000	-	34,317	660,683
School No. 3 Window Replacement	2011-2012	532,000	-	32,398	499,602
School No. 3 Masonry Repairs	2011-2012	383,000	23,781	197,201	162,018
School No. 4 Masonry Repairs	2011-2012	430,000	22,631	152,137	255,232
School No. 4 HVAC Upgrades	2011-2012	4,140,000	-	175,993	3,964,007
School No. 4 Roof Replacement	2011-2012	495,000	-	32,424	462,576
Lewis F. Cole M.S. Roof Replacement	2011-2012	1,950,000	995,568	375,206	579,226
Lewis F. Cole M.S. Boiler Replacement	2011-2012	1,130,000	277,587	316,776	535,637
Lewis F. Cole M.S. Addition and Rehabilitation	2011-2012	9,660,000	-	291,606	9,368,394
Lewis F. Cole M.S. Interior Alterations	2011-2012	1,600,000	-	48,002	1,551,998
		<u>31,309,840</u>	<u>2,606,718</u>	<u>4,233,845</u>	<u>24,469,277</u>

**PROPRIETARY FUNDS**

**FORT LEE BOARD OF EDUCATION**  
**Combining Statement of Net Position**  
**Enterprise Funds**  
**June 30, 2013**

	<u>Food Service Program</u>	<u>Latchkey Program</u>	<u>Totals</u>
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	304,774	264,111	568,885
Accounts receivable:			
State	1,846		1,846
Federal	27,386		27,386
Other		667	667
Interfund accounts receivable	9,130	255	9,385
Inventories	27,116		27,116
Total current assets	<u>370,252</u>	<u>265,033</u>	<u>635,285</u>
Noncurrent assets:			
Capital assets:			
Equipment	392,653	25,994	418,647
Less accumulated depreciation	<u>(317,998)</u>	<u>(21,189)</u>	<u>(339,187)</u>
Total capital assets (net of accumulated depreciation)	<u>74,655</u>	<u>4,805</u>	<u>79,460</u>
Total assets	<u>444,907</u>	<u>269,838</u>	<u>714,745</u>
<b>LIABILITIES</b>			
Current Liabilities:			
Accounts Payable	29,441	8,071	37,512
Interfunds payable		6,239	6,239
Prepaid Revenue	<u>16,802</u>		<u>16,802</u>
Total Liabilities	<u>46,243</u>	<u>14,310</u>	<u>60,553</u>
<b>NET POSITION</b>			
Net investment in capital assets	74,655	4,805	79,460
Unrestricted	<u>324,009</u>	<u>250,723</u>	<u>574,732</u>
Total net position	<u>398,664</u>	<u>255,528</u>	<u>654,192</u>

**FORT LEE BOARD OF EDUCATION**  
**Combining Statement of Revenues, Expenses, and Changes in Fund Net Position**  
**Enterprise Funds**  
**Fiscal Year Ended June 30, 2013**

	<b>Food Service Program</b>	<b>Latchkey Program</b>	<b>Totals</b>
<b>Operating revenues:</b>			
Charges for services:			
Daily sales - reimbursable programs	531,221		531,221
Daily sales - non-reimbursable programs	279,051		279,051
Daily sales - other	77,365		77,365
Program Fees		572,722	572,722
Total operating revenues	<u>887,637</u>	<u>572,722</u>	<u>1,460,359</u>
<b>Operating expenses:</b>			
Cost of food	456,160	66,157	522,317
Salaries	411,704	352,760	764,464
Supplies and materials	25,936	3,153	29,089
Employee benefits	129,026		129,026
Depreciation	12,512	800	13,312
Repairs and other expenses	114,403	1,080	115,483
Purchased services	128,028		128,028
Rent		90,000	90,000
Total Operating Expenses	<u>1,277,769</u>	<u>513,950</u>	<u>1,791,719</u>
Operating income (loss)	<u>(390,132)</u>	<u>58,772</u>	<u>(331,360)</u>
<b>Nonoperating revenues (expenses):</b>			
State sources:			
School lunch program	13,682		13,682
Federal sources:			
School lunch program	322,879		322,879
School breakfast program	19,348		19,348
U.S.D.A. Commodities	87,533		87,533
Interest on investments	39	39	78
Total nonoperating revenues (expenses)	<u>443,481</u>	<u>39</u>	<u>443,520</u>
Income (loss) before contributions & transfers	53,349	58,811	112,160
Total net position—beginning	<u>345,315</u>	<u>196,717</u>	<u>542,032</u>
Total net position—ending	<u>398,664</u>	<u>255,528</u>	<u>654,192</u>

**FORT LEE BOARD OF EDUCATION**  
**Combining Statement of Cash Flows**  
**Enterprise Funds**  
**Fiscal Year Ended June 30, 2013**

	<u>Food Service Program</u>	<u>Latchkey Program</u>	<u>Totals</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers	926,605	572,933	1,499,538
Payments to suppliers	<u>(1,200,308)</u>	<u>(511,749)</u>	<u>(1,712,057)</u>
Net cash provided by (used for) operating activities	<u>(273,703)</u>	<u>61,184</u>	<u>(212,519)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
State Sources	12,644		12,644
Federal Sources	<u>335,231</u>		<u>335,231</u>
Net cash provided by (used for) non-capital financing activities	<u>347,875</u>	<u>-</u>	<u>347,875</u>
<b>CASH FLOWS FROM INVESTMENT AND RELATED FINANCING ACTIVITIES</b>			
Interest on investments	39	39	78
Net cash used for investment and related financing activities	<u>39</u>	<u>39</u>	<u>78</u>
Net increase (decrease) in cash and cash equivalents	<u>74,211</u>	<u>61,223</u>	<u>135,434</u>
Balances—beginning of year	<u>230,563</u>	<u>202,888</u>	<u>433,451</u>
Balances—end of year	<u><u>304,774</u></u>	<u><u>264,111</u></u>	<u><u>568,885</u></u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>			
Operating income (loss)	(390,133)	58,772	(331,361)
Adjustments to reconcile operating income (loss) to net cash provided by			
Depreciation and net amortization	12,512	800	13,312
Food distribution program	87,533		87,533
(Increase) decrease in accounts receivable	13	(139)	(126)
(Increase) decrease in interfunds receivable	35,708	(194)	35,514
Increase (decrease) in interfunds payable		6,239	6,239
(Increase) decrease in inventories	(17,317)		(17,317)
Increase (decrease) in prepaid revenue	2,482		2,482
Increase (decrease) in accounts payable	<u>(4,501)</u>	<u>(4,294)</u>	<u>(8,795)</u>
Total adjustments	<u>116,430</u>	<u>2,412</u>	<u>118,842</u>
Net cash provided by (used for) operating activities	<u><u>(273,703)</u></u>	<u><u>61,184</u></u>	<u><u>(212,519)</u></u>

**FIDUCIARY FUND**

**FORT LEE BOARD OF EDUCATION**  
**Combining Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**June 30, 2013**

	<b>Private Purpose Scholarship Fund</b>	<b>Unemployment Compensation Trust Fund</b>	<b>Agency Funds</b>
<b>ASSETS</b>			
Cash and cash equivalents	34,456	441,254	375,904
Miscellaneous receivables			1,621
Interfund receivables		10,687	1,637
Total assets	<u>34,456</u>	<u>451,941</u>	<u>379,162</u>
<b>LIABILITIES</b>			
Accounts payable			278,937
Interfunds payable			34,254
Payable to student groups			65,971
Due to State of NJ - Unemployment		14,897	
Total liabilities	<u>-</u>	<u>14,897</u>	<u>379,162</u>
<b>NET POSITION</b>			
Reserved			
Principal portion	5,000		
Held in trust for unemployment claims and other purposes		<u>437,044</u>	
Reserved for scholarships	<u>29,456</u>		
	<u>34,456</u>		

**FORT LEE BOARD OF EDUCATION**  
**Combining Statement of Changes in Fiduciary Net Position**  
**Fiduciary Funds**  
**Fiscal Year Ended June 30, 2013**

	<b>Private Purpose Scholarship Fund</b>	<b>Unemployment Compensation Trust Fund</b>
<b>ADDITIONS</b>		
Contributions:		
Donations	18,477	
Payroll withholdings		47,978
Total Contributions	18,477	47,978
Investment earnings:		
Interest		336
Net investment earnings	-	336
Total additions	18,477	48,314
<b>DEDUCTIONS</b>		
Quarterly contribution reports		70,676
Scholarships awarded	18,000	
Total deductions	18,000	70,676
<b>OTHER CHANGES TO FIDUCIARY NET ASSETS</b>		
Change in net assets	477	(22,362)
Net position—beginning of the year	33,979	459,406
Net position—end of the year	34,456	437,044

**FORT LEE BOARD OF EDUCATION**  
**Student Activity Agency Fund**  
**Schedule of Receipts and Disbursements**  
**Fiscal Year Ended June 30, 2013**

	Balance July 1, 2012	Cash Receipts	Cash Disbursed	Accounts Receivable June 30, 2013	Interfunds Payable June 30, 2013	Accounts Payable June 30, 2013	Balance June 30, 2013
Elementary Schools:							
Activity Account - School One	6,472	25,028	25,449	-	-	-	6,051
Activity Account - School Two	1,595	3,560	3,568	-	-	-	1,587
Activity Account - School Three	2,283	4,441	4,325	-	-	-	2,399
Activity Account - School Four	1,978	10,328	9,736	-	-	716	1,854
Total Elementary Schools	12,328	43,357	43,078	-	-	716	11,891
Middle School:							
General Organization	7,783	29,229	33,263	-	-	-	3,749
Total Middle Schools	7,783	29,229	33,263	-	-	-	3,749
High School:							
General Organization	46,859	115,092	101,301	185	9,103	1,401	50,331
Total High Schools	46,859	115,092	101,301	185	9,103	1,401	50,331
Athletic Departments:							
General	-	49,900	37,048	-	12,852	-	-
Total Athletic Department	-	49,900	37,048	-	12,852	-	-
Total All Schools	66,970	237,578	214,690	185	21,955	2,117	65,971

**FORT LEE BOARD OF EDUCATION**  
**Payroll Agency Fund**  
**Schedule of Receipts and Disbursements**  
**Fiscal Year Ended June 30, 2013**

	Balance July 1, 2012	Cash Receipts	Cash Disbursed	Interfunds Receivable June 30, 2013	Accounts Receivable June 30, 2013	Accounts Payable June 30, 2013	Balance June 30, 2013
Net payroll		21,293,882	21,293,882				-
Payroll deductions and withholdings	252,334	16,458,437	16,438,239	1,637	1,436	275,605	-
Flexible Spending Account	3,873	11,076	13,734			1,215	-
Interfunds payable	14,553	12,299	14,553				12,299
	<u>\$ 270,760</u>	<u>37,775,694</u>	<u>37,760,408</u>	<u>1,637</u>	<u>1,436</u>	<u>276,820</u>	<u>12,299</u>

**LONG-TERM DEBT**

**FORT LEE BOARD OF EDUCATION**  
**General Long-Term Debt Account Group**  
**Schedule of Serial Bonds**  
**Fiscal Year Ended June 30, 2013**

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities</u>		<u>Interest Rate</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance, June 30, 2013</u>
			<u>Date</u>	<u>Amount</u>				
BCIA Improvement Bonds	August 7, 2012	18,450,000	11/1/2013	655,000	2.00	18,450,000	780,000	17,670,000
			11/1/2014	665,000	3.00			
			11/1/2015	685,000	3.00			
			11/1/2016	705,000	3.00			
			11/1/2017	730,000	4.00			
			11/1/2018	760,000	4.00			
			11/1/2019	275,000	3.00			
			11/1/2019	500,000	5.00			
			11/1/2020	825,000	4.00			
			11/1/2021	855,000	4.00			
			11/1/2022	895,000	5.00			
			11/1/2023	940,000	5.00			
			11/1/2024	990,000	5.00			
			11/1/2025	1,035,000	4.00			
			11/1/2026	1,080,000	4.00			
			11/1/2027	1,120,000	4.00			
			11/1/2028	1,170,000	4.00			
			11/1/2029	1,215,000	4.00			
			11/1/2030	1,265,000	4.00			
			11/1/2031	1,305,000	4.00			
						<u>18,450,000</u>	<u>780,000</u>	<u>17,670,000</u>

**FORT LEE BOARD OF EDUCATION**  
**General Long-Term Debt Account Group**  
**Schedule of Capital Leases**  
**Fiscal Year Ended June 30, 2013**

Issue	Date of Lease	Amount of Lease	Principal Payment		Interest Rate	Balance, June 30, 2012	Issued	Retired	Balance, June 30, 2013
			Date	Amount					
District Buses	May 22, 2009	262,840	8/15/13	54,685	4.10 %	107,229		52,544	54,685
District Wireless System	June 25, 2013	354,919	7/1/13	2,245	2.567 %		354,919		354,919
			10/1/13	72,011	2.567 %				
			7/1/14	68,868	2.567 %				
			7/1/15	68,817	2.567 %				
			7/1/16	70,583	2.567 %				
			7/1/17	72,395	2.567 %				
						<u>\$ 107,229</u>	<u>354,919</u>	<u>52,544</u>	<u>409,604</u>

**FORT LEE BOARD OF EDUCATION**  
**Budgetary Comparison Schedule**  
**Debt Service Fund**  
**Fiscal Year Ended June 30, 2013**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<b>REVENUES:</b>					
Local Sources:					
Unexpended Bond Proceeds	1,400,000		1,400,000	13,510	13,510
Local Tax Levy				1,400,000	-
<b>Total Revenues</b>	<b>1,400,000</b>	<b>-</b>	<b>1,400,000</b>	<b>1,413,510</b>	<b>13,510</b>
<b>EXPENDITURES:</b>					
Regular Debt Service:					
Interest	839,675	(219,675)	620,000	559,900	(60,100)
Redemption of Principal	560,325	219,675	780,000	780,000	-
Total Regular Debt Service	1,400,000	-	1,400,000	1,339,900	(60,100)
<b>Total expenditures</b>	<b>1,400,000</b>	<b>-</b>	<b>1,400,000</b>	<b>1,339,900</b>	<b>(60,100)</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	73,610	73,610
Other Financing Sources/(Uses):					
Operating Transfers In:					
Interest earned in Capital Projects Fund				3,486	3,486
Operating Transfer Out:					
Unexpended bond proceeds due Capital Projects Fund				(466)	(466)
Total Other Financing Sources/(Uses)	-	-	-	3,020	3,020
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	-	-	-	76,630	76,630
Fund Balance, July 1					-
Fund Balance, June 30					
	-	-	-	76,630	76,630
<b>Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures</b>					
Budgeted Fund Balance				60,100	60,100
Unexpended Bond Proceeds				13,510	13,510
Operating Transfer In				3,486	3,486
Operating Transfer Out				(466)	(466)
Total	-	-	-	76,630	76,630

**STATISTICAL SECTION**

## STATISTICAL SECTION (UNAUDITED)

### Introduction to the Statistical Section

### Financial Trends

- J-1 Net Assets/Position by Component
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## STATISTICAL SECTION (UNAUDITED) - INTRODUCTION

### J SERIES

<u>Contents</u>	<u>Page</u>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the district's financial performance and well-being have changes over time.	<b>J-1 to J-5</b>
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the district's most significant local revenue sources, the property tax.	<b>J-6 to J-9</b>
<b>Debt Capacity</b> These schedules present information to help the reader assess the affordability of the district's current levels of outstanding debt and the district's ability to issue additional debt in the future.	<b>J-10 to J-13</b>
<b>Demographic and Economic Information</b> These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place.	<b>J-14 to J-15</b>
<b>Operating Information</b> These schedules contain service and infrastructure data to help the reader understand how the information in the district's financial report relates to the services the district provides and the activities it performs.	<b>J-16 to J-20</b>
<b>Sources:</b> Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports (CAFR) for the relevant year. The district implemented GASB Statement 34 in the fiscal year ending June 30, 2003; schedules presenting district-wide information include information beginning in that year.	

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

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Governmental activities</b>										
Net investment in capital assets	\$ 12,775,137	\$ 12,633,392	\$ 12,708,878	\$ 14,113,741	\$ 14,267,966	\$ 10,950,910	\$ 13,327,585	\$ 12,758,856	\$ 14,116,324	\$ (1,278,960)
Restricted	3,625,152	3,252,291	3,061,302	2,748,475	2,876,841	3,184,034	2,015,950	3,054,358	4,869,850	22,650,012
Unrestricted	(5,735,703)	(5,580,357)	(5,916,252)	(5,581,765)	(4,680,195)	(4,454,396)	(5,705,497)	(5,079,224)	(4,733,750)	(4,809,592)
Total governmental activities net assets	\$ 10,664,586	\$ 10,325,326	\$ 9,853,928	\$ 11,280,451	\$ 12,464,612	\$ 9,680,548	\$ 9,638,038	\$ 10,733,990	\$ 14,252,424	\$ 16,561,460
<b>Business-type activities</b>										
Net investment in capital assets	\$ 169,101	\$ 171,571	\$ 153,302	\$ 355,041	\$ 305,612	\$ 139,334	\$ 86,609	\$ 100,024	\$ 92,772	\$ 79,460
Restricted	403,374	497,831	657,171	538,598	310,523	197,002	228,977	295,328	449,260	574,732
Unrestricted	\$ 572,475	\$ 669,402	\$ 810,473	\$ 893,639	\$ 616,135	\$ 336,336	\$ 315,586	\$ 395,352	\$ 542,032	\$ 654,192
Total business-type activities net assets										
<b>District-wide</b>										
Net investment in capital assets	\$ 12,944,238	\$ 12,824,963	\$ 12,862,180	\$ 14,468,782	\$ 14,573,578	\$ 11,090,244	\$ 13,414,194	\$ 12,858,880	\$ 14,209,096	\$ (1,199,500)
Restricted	3,625,152	3,252,291	3,061,302	2,748,475	2,876,841	3,184,034	2,015,950	3,054,358	4,869,850	22,650,012
Unrestricted	(5,332,329)	(5,082,526)	(5,259,081)	(5,043,167)	(4,369,672)	(4,257,394)	(5,476,520)	(4,783,896)	(4,284,490)	(4,234,860)
Total district net assets	\$ 11,237,061	\$ 10,994,728	\$ 10,664,401	\$ 12,174,090	\$ 13,080,747	\$ 10,016,884	\$ 9,953,624	\$ 11,129,342	\$ 14,794,456	\$ 17,215,652

\* - GASB Statement No. 63 became effective for the fiscal year ended June 30, 2013 which changed Net Assets to Net Position.

Source: CAFR Exhibit A-1

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

	Fiscal Year Ending June 30,									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Expenses</b>										
Governmental activities										
Instruction										
Regular	\$ 20,545,406	\$ 21,043,287	\$ 21,103,665	\$ 22,819,372	\$ 23,262,961	\$ 20,525,561	\$ 22,852,291	\$ 22,037,507	\$ 21,969,182	\$ 23,773,786
Special education	2,504,938	2,386,098	2,676,508	2,861,247	2,613,512	2,282,103	3,146,977	4,146,536	4,820,815	5,480,927
Other special education	2,020,411	2,081,129	1,857,142	2,183,453	2,257,617	2,313,667	2,646,190	2,506,824	2,501,588	2,439,814
Other instruction	830,316	852,846	866,530	1,051,007	1,065,488	1,219,438	910,661	954,758	955,886	1,003,251
Support Services:										
Tuition	2,533,941	3,292,727	3,677,911	4,358,617	4,246,167	4,650,182	4,178,690	3,149,926	3,315,783	3,472,301
Student & instruction related services	4,510,583	5,123,824	5,709,233	6,587,759	6,927,382	7,038,342	8,250,972	8,138,886	8,165,565	9,010,969
School administrative services	3,918,946	2,615,676	3,078,166	3,140,112	3,310,440	2,888,209	3,163,425	3,327,080	2,744,677	2,549,700
General administrative services			1,532,120	1,766,260	1,768,959	1,623,595	1,654,299	1,428,638	1,304,146	1,315,155
Central services and administrative information technology			783,099	890,773	931,765	792,153	830,678	869,440	892,131	880,547
Business and other support services	1,273,671	2,129,895								
Plant operations and maintenance	4,859,912	5,185,595	5,298,109	5,520,395	5,360,192	5,409,968	5,282,704	4,334,191	4,536,978	4,697,862
Pupil transportation	1,085,553	993,869	1,138,842	1,513,638	1,520,693	1,743,806	1,560,289	1,343,168	1,480,585	1,493,593
Unallocated Benefits				79,426	78,734	3,996,266	4,026,554	3,493,585	3,799,983	5,939,141
Special Schools	119,606	120,532	69,289					(1,730)	(1,800)	616,664
Interest on long-term debt						1,993	5,360	746,955	731,457	902,366
Unallocated depreciation	613,566	786,412	1,092,808	1,147,370	747,081	757,547	745,850			(198,000)
Amortization & Capital Lease Obligations										
Capital Outlay - nondepreciable						294,537		490		364,675
Total governmental activities expenses	44,816,849	46,611,890	48,883,422	53,919,429	54,090,991	55,507,367	59,254,940	56,475,764	57,217,466	63,742,751
Business-type activities:										
Food service	871,537	972,687	994,448	1,035,099	1,069,784	1,087,838	1,147,633	1,123,403	1,211,683	1,277,769
Latchkey program	191,263	203,435	221,452	251,979	696,127	355,214	492,737	501,273	521,024	513,950
Total business-type activities expense	1,062,800	1,176,122	1,215,900	1,287,078	1,765,911	1,443,052	1,640,370	1,624,676	1,732,707	1,791,719
Total district expenses	\$ 45,879,649	\$ 47,788,012	\$ 50,099,322	\$ 55,206,507	\$ 55,856,902	\$ 56,950,419	\$ 60,895,310	\$ 58,100,440	\$ 58,950,173	\$ 65,534,470
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
Special schools	90,425	108,375	54,800	62,005	38,700	1,913,648	3,893,615	1,886,702	1,733,644	1,810,086
Operating grants and contributions	2,448,828	5,034,179	5,643,931	7,382,950	7,609,758	1,913,648	3,893,615	1,886,702	1,733,644	1,810,086
Total governmental activities program revenues	2,539,253	5,142,554	5,698,731	7,444,955	7,648,458	1,913,648	3,893,615	1,886,702	1,733,644	1,810,086

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

	Fiscal Year Ending June 30,									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Business-type activities:</b>										
Charges for services:										
Food service	746,730	794,625	801,466	787,003	797,208	803,602	817,317	833,569	912,665	887,637
Latchkey program	303,819	276,670	330,155	356,194	434,959	299,471	469,037	510,205	524,692	572,722
Operating grants and contributions	175,375	196,646	209,220	196,426	234,641	255,548	332,755	357,872	442,030	443,442
Total business type activities program revenues	1,225,924	1,267,941	1,340,841	1,339,623	1,466,808	1,358,621	1,619,109	1,701,646	1,879,387	1,903,801
Total district program revenues	\$ 3,765,177	\$ 6,410,495	\$ 7,039,572	\$ 8,784,578	\$ 9,115,266	\$ 3,272,269	\$ 5,512,724	\$ 3,588,348	\$ 3,613,031	\$ 3,713,887
<b>Net (Expense)/Revenue</b>										
Governmental activities	\$ (42,277,596)	\$ (41,469,336)	\$ (43,184,691)	\$ (46,474,474)	\$ (46,442,533)	\$ (53,593,719)	\$ (55,361,325)	\$ (54,589,062)	\$ (55,483,822)	\$ (61,932,665)
Business-type activities	163,124	91,819	124,941	52,545	(299,103)	(84,431)	(21,261)	76,970	146,680	112,082
Total district-wide net expense	\$ (42,114,472)	\$ (41,377,517)	\$ (43,059,750)	\$ (46,421,929)	\$ (46,741,636)	\$ (53,678,150)	\$ (55,382,586)	\$ (54,512,092)	\$ (55,337,142)	\$ (61,820,583)
<b>General Revenues and Other Changes in Net Assets</b>										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 37,482,022	\$ 38,002,413	\$ 39,182,171	\$ 42,581,845	\$ 44,285,119	\$ 46,056,524	\$ 47,898,785	\$ 50,245,845	\$ 51,250,762	\$ 52,275,777
Taxes levied for debt service										\$ 1,400,000
Unrestricted grants and contributions	5,242,596	2,938,774	2,848,004	2,996,693	3,019,066	6,838,632	7,152,921	4,895,937	6,604,235	8,570,981
Restricted grants and contributions										1,693,536
Investment earnings	46,714	84,428	217,401	350,416	215,821	49,755	787	45	497	5,313
Miscellaneous income	133,511	104,461	465,717	1,972,043	106,688	313,173	266,322	543,187	483,649	296,094
Total governmental activities	42,904,843	41,130,076	42,713,293	47,900,997	47,626,694	53,258,084	55,318,815	55,685,014	59,002,256	64,241,701
<b>Business-type activities:</b>										
Investment earnings	622	5,108	16,130	30,621	21,599	2,904	511	2,796	-	78
Total business-type activities	622	5,108	16,130	30,621	21,599	2,904	511	2,796	-	78
<b>Total district-wide</b>	\$ 42,905,465	\$ 41,135,184	\$ 42,729,423	\$ 47,931,618	\$ 47,648,293	\$ 53,260,988	\$ 55,319,326	\$ 55,687,810	\$ 59,002,256	\$ 64,241,779
<b>Change in net assets</b>										
Governmental activities	\$ 627,247	\$ (339,260)	\$ (471,398)	\$ 1,426,523	\$ 1,184,161	\$ (335,635)	\$ (42,510)	\$ 1,095,952	\$ 3,518,434	\$ 2,309,036
Business-type activities	163,746	96,927	141,071	83,166	(277,504)	(81,527)	(20,750)	79,766	146,680	112,160
<b>Total district</b>	\$ 790,993	\$ (242,333)	\$ (330,327)	\$ 1,509,689	\$ 906,657	\$ (417,162)	\$ (63,260)	\$ 1,175,718	\$ 3,665,114	\$ 2,421,196

\* - GASB Statement No. 63 became effective for the fiscal year ended June 30, 2013 which changed Net Assets to Net Position.

Source: CAFR Exhibit A-2

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

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

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General Fund										
Reserved	\$ 2,565,628	\$ 2,339,224	\$ 2,304,512	\$ 2,235,492	\$ 2,722,015	\$ 3,029,209	\$ 778,099			
Unrestricted	1,591,701	984,615	762,290	823,380	1,386,135	2,235,876	958,404	1,639,659	3,210,976	3,658,099
Restricted								274,425	1,182,757	
Committed								650,000	1,315,959	1,864,968
Assigned								1,442,570	1,297,861	1,614,117
Unassigned										
Total general fund	\$ 4,157,329	\$ 3,323,839	\$ 3,066,802	\$ 3,058,872	\$ 4,108,150	\$ 5,265,085	\$ 1,736,503	\$ 4,006,654	\$ 7,007,553	\$ 7,137,184
All Other Governmental Funds										
Reserved	\$ 163,671	\$ -	\$ -	\$ 471,984	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Capital projects fund	895,853	913,067	756,790	40,999	154,826	154,826	1,237,851	490,274	(839,842)	17,050,315
Debt service fund										76,630
Total all other governmental funds	\$ 1,059,524	\$ 913,067	\$ 756,790	\$ 512,983	\$ 154,826	\$ 154,826	\$ 1,237,851	\$ 490,274	\$ (839,842)	\$ 17,126,945

Source: CAFR Exhibit B-1

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

	Fiscal Year Ending June 30,									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Revenues</b>										
Tax levy	\$ 37,482,022	\$ 38,002,413	\$ 39,182,171	\$ 42,581,845	\$ 44,285,119	\$ 46,056,524	\$ 47,898,785	\$ 50,245,845	\$ 51,250,762	\$ 53,675,777
Interest- capital reserve funds	19,129	20,939	40,931	53,422	38,501	16,882	787	45	497	5,313
Interest earnings	27,585	63,489	176,470	296,994	177,320	32,873	2,946	37,589	4,894	4,720
Transportation								38,105	8,628	
Tuition								85,973	19,500	34,750
Miscellaneous	223,936	212,836	521,871	2,034,048	526,988	314,073	266,627	386,129	457,199	256,624
State sources	6,406,417	6,335,676	6,710,136	8,493,651	8,856,381	6,987,844	8,227,542	5,001,235	7,271,822	10,361,082
Federal sources	1,285,007	1,637,277	1,780,445	1,885,992	1,772,443	1,763,536	2,815,743	1,776,795	1,722,598	1,713,521
Total revenue	45,444,096	46,272,630	48,412,024	55,345,952	55,656,752	55,171,732	59,212,430	57,571,716	60,735,900	66,051,787
<b>Expenditures</b>										
Instruction										
Regular instruction	15,516,899	16,212,266	15,539,586	16,134,918	16,257,191	16,689,817	17,978,798	17,470,348	17,686,731	19,299,415
Special education instruction	1,818,632	1,899,926	1,931,599	1,924,589	1,828,329	1,816,700	2,392,416	3,205,818	3,799,173	4,314,565
Other special instruction	1,456,408	1,529,394	1,336,521	1,476,232	1,575,356	2,064,966	2,006,619	1,932,043	1,965,408	1,915,689
Other instruction	626,094	637,733	655,165	781,949	804,182	779,313	746,698	797,260	782,915	821,867
Support Services:										
Tuition	2,533,941	3,292,727	3,677,911	4,338,617	4,246,167	4,650,182	4,178,690	3,149,926	3,315,783	3,472,301
Student and instruction related services	4,238,623	4,067,850	4,478,163	4,924,259	5,279,599	5,923,101	6,836,783	6,599,857	6,807,393	7,514,047
School administrative services	3,474,017	2,042,197	2,215,551	2,175,858	2,279,410	2,279,477	2,409,955	2,576,616	2,167,907	2,013,900
General administrative services		1,169,399	1,237,152	1,399,421	1,403,297	1,418,364	1,419,757	1,265,634	1,191,334	1,189,393
Central services and administrative information technology services		668,967	611,462	677,160	703,875	654,668	663,011	713,536	741,121	725,705
Business and other support services	488,710									
Plant operations and maintenance	3,899,373	4,356,079	4,291,011	4,465,622	4,559,453	4,688,086	4,414,450	3,939,182	4,149,469	4,296,950
Pupil transportation	1,085,553	993,869	1,124,950	1,499,037	1,503,774	1,732,005	1,528,574	1,308,313	1,451,533	1,464,678
Employee benefits	8,444,758	9,596,971	10,508,684	13,148,368	13,544,958	11,134,661	14,016,326	12,969,113	12,959,691	14,744,871
Special schools	111,326	120,532	69,289	79,426	78,734					
Capital outlay	1,086,800	664,667	1,148,294	2,552,233	901,306	446,297	3,065,910	121,496	2,046,659	5,627,007
Debt service:										
Principal										780,000
Interest and other charges										559,900
Transfer to charter school										
Total expenditures	44,809,414	47,252,577	48,825,338	55,597,689	54,965,631	54,277,637	61,657,987	56,049,142	59,065,117	68,740,288
Excess (Deficiency) of revenues over (under) expenditures	634,682	(979,947)	(413,314)	(251,737)	691,121	894,095	(2,445,557)	1,522,574	1,670,783	(2,688,501)

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

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Other financing sources (uses)</b>										
Capital leases (non-budgeted)	-	-	-	-	-	262,840	-	-	-	354,919
Bond proceeds	-	-	-	-	-	-	-	-	-	20,430,000
Transfers in	1,531,916	-	-	-	-	-	2,484,000	747,577	334,958	3,952
Transfers out	(1,531,916)	-	-	-	-	-	(2,484,000)	(747,577)	(334,958)	(3,952)
Total other financing sources (uses)	-	-	-	-	-	262,840	-	-	-	20,784,919
Net change in fund balances	\$ 634,682	\$ (979,947)	\$ (413,314)	\$ (251,737)	\$ 691,121	\$ 1,156,935	\$ (2,445,557)	\$ 1,522,574	\$ 1,670,783	\$ 18,096,418

Debt service as a percentage of noncapital expenditures

2004	0.0%	2005	0.0%	2006	0.0%	2007	0.0%	2008	0.0%	2009	0.0%	2010	0.0%	2011	0.0%	2012	0.0%	2013	0.0%
------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------

Source: CAFR Exhibit B-2

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

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

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>General Fund:</b>										
Interest on investments	\$ 27,585	\$ 63,489	\$ 176,470	\$ 296,994	\$ 177,320	\$ 32,873	\$ 2,946	\$ 37,589	\$ 4,894	\$ 4,720
Summer school tuition and fees	90,425	108,375	54,800	62,005	38,700			85,973	19,500	34,750
Prior years' refunds	35,873	79,321	34,709	74,409	18,322					
Rentals	2,953	1,000				98,667	94,500	140,550	174,175	95,000
Donations						5,500	2,721	433	89,635	2,150
Transportation						7,554	37,584	38,105	8,628	
Cancellation of prior year void checks							7,194	2,443		1,737
Contributions	6,373	3,757	1,926	2,757	13,574					
Miscellaneous-restricted										
Reimbursement of custodial			13,000	45,500	433,600	194,611	110,565	97,409	84,620	82,086
Athletic receipts	5,530	7,509	7,821	5,310	3,712	587	1,356	4,463	4,650	6,198
Other			4,080		4,075			93,448		7,862
Book fines	8,603	5,902	9,299	7,416	9,030	5,268	5,023	2,839		2,061
Restitution non-residents		3,148	240	4,080						
Miscellaneous-unrestricted	74,179	3,824	12,142	3,791	3,209	1,886	4,433	39,935	97,547	46,020
Total Miscellaneous	\$ 251,521	\$ 276,325	\$ 314,487	\$ 502,262	\$ 701,542	\$ 346,946	\$ 266,322	\$ 543,187	\$ 483,649	\$ 282,584
Interest on capital reserve funds	19,129	20,939	40,931	53,422	38,501	16,882	787	45	497	1,827
<b>Total General Fund</b>	<b>\$ 270,650</b>	<b>\$ 297,264</b>	<b>\$ 355,418</b>	<b>\$ 555,684</b>	<b>\$ 740,043</b>	<b>\$ 363,828</b>	<b>\$ 267,109</b>	<b>\$ 543,232</b>	<b>\$ 484,146</b>	<b>\$ 284,411</b>

**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	Commercial/Industrial	Apartment	Total Assessed Value	Public Utilities <sup>a</sup>	Net Valuation Taxable	Memo Only Tax Exempt Property	Estimated Actual (County Equalized Value)	Total Direct School Tax Rate <sup>b</sup>
2004	N/A	N/A	N/A	N/A	N/A	N/A	\$ 5,861,219,604	\$ 335,518,700	\$ 4,521,020,614	0.64
2005	\$ 42,856,900	\$ 3,167,290,200	\$ 988,600,000	\$ 1,600,766,520	\$ 5,799,513,620	\$ 9,550,396	\$ 5,809,064,016	\$ 335,518,700	\$ 5,405,151,721	0.66
2006	\$ 47,450,100	\$ 3,503,231,100	\$ 961,978,900	\$ 1,417,207,720	\$ 5,929,867,820	\$ 8,658,578	\$ 5,938,526,398	\$ 351,037,400	\$ 5,822,717,382	0.69
2007	\$ 130,801,900	\$ 3,525,098,500	\$ 937,102,300	\$ 1,411,590,620	\$ 6,004,593,320	\$ 8,540,038	\$ 6,013,133,358	\$ 358,234,700	\$ 6,085,431,283	0.72
2008	\$ 122,770,000	\$ 3,554,620,700	\$ 947,923,900	\$ 1,414,385,820	\$ 6,039,700,420	\$ 8,337,130	\$ 6,048,037,550	\$ 363,433,300	\$ 6,522,953,051	0.75
2009	\$ 124,914,300	\$ 3,585,523,400	\$ 948,009,500	\$ 1,415,253,320	\$ 6,073,700,520	\$ 8,723,969	\$ 6,082,424,489	\$ 360,587,400	\$ 6,588,899,981	0.77
2010	\$ 124,462,700	\$ 3,594,309,700	\$ 950,314,300	\$ 1,440,155,620	\$ 6,109,242,320	\$ 8,564,849	\$ 6,117,807,169	\$ 329,971,800	\$ 6,417,757,379	0.80
2011	\$ 127,344,500	\$ 2,599,114,200	\$ 949,276,800	\$ 1,437,682,320	\$ 5,113,417,820	\$ 9,180,439	\$ 5,122,598,259	\$ 328,933,300	\$ 6,588,899,981	0.77
2012	\$ 100,665,200	\$ 3,599,241,400	\$ 935,804,500	\$ 1,440,403,020	\$ 6,076,114,120	\$ 10,219,689	\$ 6,086,333,809	\$ 329,372,300	\$ 6,076,114,120	0.86
2013	\$ 89,754,600	\$ 3,590,670,300	\$ 944,612,900	\$ 1,444,617,220	\$ 6,069,655,020	\$ 7,980,343	\$ 6,077,635,363	\$ 328,642,000	\$ 6,423,963,635	0.89

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

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

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

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

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

b- Tax rates are per \$100.

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

Fiscal Year Ended Dec. 31,	Fort Lee Board of Education			Overlapping Rates		Total Direct and Overlapping Tax Rate
	General			Borough of Fort Lee	County of Bergen	
	Basic Rate <sup>a</sup>	Debt Service <sup>b</sup>	Total Direct			
2004	0.64		0.64	0.69	0.15	1.48
2005	0.66		0.66	0.74	0.19	1.59
2006	0.69		0.69	0.79	0.18	1.66
2007	0.72		0.72	0.82	0.18	1.72
2008	0.75		0.75	0.89	0.20	1.84
2009	0.77		0.77	0.91	0.21	1.892
2010	0.80		0.80	0.93	0.21	1.94
2011	0.83		0.83	0.94	0.22	1.989
2012	0.86		0.86	0.96	0.23	2.05
2013	0.87	0.023	0.89	0.99	0.24	2.12

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 val

**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	2012			2003		
	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.	\$ 289,151,000	1	4.75%	\$ 137,400,000		2.34%
1530 Owners Corp.	\$ 168,478,000	2	2.77%	\$ 91,000,000		1.55%
Fort Lee EP, LLC	\$ 90,000,000	4	1.48%			
Mediterranean Towers West Owners, Inc.	\$ 91,058,000	3	1.50%	\$ 44,000,000		0.75%
CCA Crest at Fort Lee, LLC	\$ 83,825,300	5	1.38%			
Southbridge Park, Inc.	\$ 82,673,000	6	1.36%	\$ 49,000,000		0.84%
2100 Linwood Ave. Owners Inc.	\$ 78,000,000	7	1.28%	\$ 38,858,000		0.66%
2000 Linwood Avenue Owners, Inc.	\$ 69,403,000	8	1.14%	\$ 38,858,000		0.66%
One Century City Apartment Corp.	\$ 64,703,000	9	1.06%	\$ 42,200,000		0.72%
Northbridge Park Co-op Inc	\$ 63,267,000	10	1.04%			
Executive Park, LLC				\$ 48,750,000		0.83%
Kelby Associates c/o Parker Corp.				\$ 29,500,000		0.50%
1170 Apt. Corp.				\$ 33,700,000		0.57%
<b>Total</b>	<b>\$ 1,080,558,300</b>		<b>17.75%</b>	<b>\$ 553,266,000</b>		<b>9.44%</b>

Net Assessed Valuation: \$ 5,861,219,604

Net Assessed Valuation: \$ 6,086,093,646

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		Collections in Subsequent Years
		Amount	Percentage of Levy <sup>a</sup>	
2004	\$37,482,022	\$37,482,022	100.00%	\$ -
2005	\$38,002,413	\$38,002,413	100.00%	\$ -
2006	\$39,182,171	\$39,182,171	100.00%	\$ -
2007	\$42,581,845	\$42,581,845	100.00%	\$ -
2008	\$44,285,119	\$44,285,119	100.00%	\$ -
2009	\$46,977,655	\$46,977,655	100.00%	\$ -
2010	\$47,898,785	\$47,898,785	100.00%	\$ -
2011	\$50,245,845	\$50,245,845	100.00%	\$ -
2012	\$51,250,762	\$51,250,762	100.00%	\$ -
2013	\$53,675,777	\$53,675,777	100.00%	\$ -

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.

Exhibit J-10

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 <sup>a</sup>	Per Capita <sup>a</sup>
	General Obligation Bonds/Loans <sup>b</sup>	Capital Leases				
2004	-	-	-	-	0.00%	\$ 54,462
2005	-	-	-	-	0.00%	\$ 56,706
2006	-	-	-	-	0.00%	\$ 62,714
2007	-	-	-	-	0.00%	\$ 67,394
2008	-	-	-	-	0.00%	\$ 68,227
2009	-	-	-	-	0.00%	\$ 63,198
2010	-	-	-	-	0.00%	\$ 65,486
2011	-	157,715	-	157,715	0.00%	\$ 66,096
2012	-	107,229	-	107,229	Not Available	Not Available
2013	17,670,000	409,604	-	18,079,604	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.

District has no school debt.

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.

Exhibit J-11

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 <sup>b</sup>
	General Obligation Bonds/Loans	Deductions	Net General Bonded Debt Outstanding		
2004	\$ -	-	-	0.00%	\$ 54,462
2005	\$ -	-	-	0.00%	\$ 56,706
2006	\$ -	-	-	0.00%	\$ 62,714
2007	\$ -	-	-	0.00%	\$ 67,394
2008	\$ -	-	-	0.00%	\$ 68,227
2009	\$ -	-	-	0.00%	\$ 63,198
2010	\$ -	-	-	0.00%	\$ 65,486
2011	\$ -	-	-	0.00%	\$ 66,096
2012	\$ -	-	-	0.00%	Not Available
2013	\$ 17,670,000	-	17,670,000	0.00%	Not Available

Source: District Records

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

District has no school debt.

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

**Fort Lee Board of Education  
Ratios of Overlapping Governmental Activities Debt  
As of June 30, 2013**

<u>Governmental Unit</u>	<u>Estimated Percentage Applicable <sup>a</sup></u>	<u>Debt Outstanding</u>	<u>Estimated Share of Overlapping Debt</u>
<b>Direct Debt of School District as of June 30, 2013</b>			
<b>Net overlapping debt of School District:</b>			
Borough of Fort Lee	100.000%	\$ 67,184,583	
County of Bergen - City's Share	3.837%	\$ 26,801,277	
Bergen County Utility Authority-City's Share	3.326%	<u>\$ 7,728,505</u>	
<b>Subtotal, overlapping debt</b>			<u>\$ 101,714,365</u>
<b>Total direct and overlapping debt</b>			<u><u>\$ 119,384,365</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 2012

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Debt limit	\$ 155,356,517	\$ 160,089,676	\$ 207,969,494	\$ 227,749,168	239,922,048	251,121,316	259,326,993	259,555,056	172,693,511	239,831,696
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	17,670,000
Legal debt margin	\$ 155,356,517	\$ 160,089,676	\$ 207,969,494	\$ 227,749,168	\$ 239,922,048	\$ 251,121,316	\$ 259,326,993	\$ 259,555,056	\$ 172,693,511	\$ 222,161,696
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	7.37%

Equalized valuation basis	
2012	6,360,613,888
2011	6,542,820,769
2010	6,409,192,530
[A]	\$ 19,312,627,187
[A]/3	\$ 6,437,542,396

Average equalized valuation of taxable property	
[B]	257,501,696 <sup>a</sup>
[C]	17,670,000
[B-C]	\$ 239,831,696

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

<sup>a</sup> Limit set by NISA 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 <sup>a(1)</sup>	Personal Income (thousands of dollars) <sup>b</sup>	Per Capita		Unemployment Rate <sup>d</sup>
			Personal Income <sup>c(2)</sup>	Income	
2004	36,779	\$ 2,003,057,898	54,462		4.30%
2005	36,546	\$ 2,072,377,476	56,706		2.80%
2006	36,214	\$ 2,271,124,796	62,714		3.00%
2007	36,124	\$ 2,434,540,856	67,394		2.60%
2008	36,107	\$ 2,463,472,289	68,227		3.20%
2009	36,288	\$ 2,293,329,024	63,198		5.90%
2010	35,387	\$ 2,317,353,082	65,486		6.30%
2011	35,579	\$ 2,351,629,584	66,096		6.20%
2012	35,732	Not Available	N/A		N/A
2013	N/A	Not Available	N/A		N/A

**Source:**

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

**Notes:**

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

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

Exhibit J-15

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

Employer	2013		2003		Percentage of Total Employment
	Rank (Optional)	Employees	Rank (Optional)	Employees	
	1	N/A	1	N/A	N/A
	2	N/A	2	N/A	N/A
	3	N/A	3	N/A	N/A
	4	N/A	4	N/A	N/A
	5	N/A	5	N/A	N/A
	6	N/A	6	N/A	N/A
	7	N/A	7	N/A	N/A
	8	N/A	8	N/A	N/A
	9	N/A	9	N/A	N/A
	10	N/A	10	N/A	N/A

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

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

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

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

<u>Function/Program</u>	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Instruction										
Regular	247.0	244.0	N/A	231.0	233.0	237	241	229	212	231
Special education	N/A	N/A	N/A	26.0	27.0	27.0	29.0	37.0	64.0	82.0
Other instruction	33.0	33.0	N/A	29.0	31.0	29.0	28.5	33.5	23.0	24.0
Support Services:										
Student & instruction related services	25.0	24.0	N/A	65.0	64.0	66.0	67.0	71.5	78.5	95.0
General administrative services	26.0	26.0	N/A	12.0	12.0	12.0	12.0	10.0	8.5	8.0
School administrative services	57.0	55.0	N/A	33.0	33.0	33.0	33.0	24.0	24.0	22.0
Business administrative services	3.5	7.0	N/A	6.0	6.0	6.0	6.0	13.0	14.0	15.0
Plant operations and maintenance	43.5	48.0	N/A	46.0	46.0	45.0	44.0	21.0	20.5	21.0
<b>Total</b>	<b>435.0</b>	<b>437.0</b>	<b>0.0</b>	<b>448.0</b>	<b>452.0</b>	<b>455.0</b>	<b>460.5</b>	<b>439.0</b>	<b>444.5</b>	<b>498.0</b>

**Source:** District Personnel Records

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

Fort Lee Board of Education  
Operating Statistics  
Last Ten Fiscal Years

Pupil/Teacher Ratio

Fiscal Year	Enrollment	Operating Expenditures <sup>a</sup>	Cost Per Pupil	Percentage Change	Teaching Staff <sup>b</sup>	Pupil/Teacher Ratio			Average Daily Enrollment (ADE) <sup>c</sup>	Average Daily Attendance (ADA) <sup>c</sup>	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School	High School				
2004	3,536	43,722,614	12,365	5.24%	247	1:17	1:14	1:12	3,413	3,270	0.71	95.81%
2005	3,473	46,876,615	13,497	9.16%	244	1:15	1:14	1:14	3,427	3,256	0.41	95.01%
2006	3,513	47,677,044	13,572	0.55%	N/A	N/A	N/A	N/A	3,482	3,307	1.60	94.97%
2007	3,546	54,064,325	15,247	12.34%	231	1:18	1:11	1:15	3,475	3,321	(0.20)	95.57%
2008	3,551	54,965,631	15,479	1.52%	233	1:17	1:12	1:14	3,488	3,338	0.37	95.70%
2009	3,545	54,277,637	15,311	0.42%	237	1:18	1:11	1:14	3,454	3,296	(.01)	95.43%
2010	3,621	58,592,077	16,181	4.54%	241	1:18	1:11	1:14	3,543	3,406	0.04	96.13%
2011	3,671	55,927,646	15,235	-0.50%	229	1:17	1:11	1:14	3,601	3,450	0.01	95.81%
2012	3,727	57,018,458	15,299	-5.45%	212	1:17	1:11	1:14	3,689	3,547	0.02	96.15%
2013	3,791	61,773,381	16,295	6.96%	231	1:17	1:11	1:14	3,740	3,570	0.01	95.45%

Sources: District records, ASSA and Schedules J-4

Note: Enrollment based on annual October district count.

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

b Teaching staff includes only full-time equivalents of certificated staff.

c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

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

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

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>District Buildings</b>										
<b>Elementary</b>										
School 1										
Square Feet	57,938	57,938	57,938	57,938	57,938	57,938	57,938	57,938	57,938	57,938
Capacity (students)	447	447	447	447	447	447	447	447	447	447
Enrollment	N/A	527	491	498	517	529	529	634	644	678
School 2										
Square Feet	50,989	50,989	50,989	50,989	50,989	50,989	50,989	50,989	50,989	50,989
Capacity (students)	339	339	339	339	339	339	339	339	339	339
Enrollment	N/A	364	397	399	415	421	421	422	428	455
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	N/A	459	464	464	490	497	497	513	533	530
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	N/A	446	484	484	474	493	493	535	516	540
<b>Middle School</b>										
Lewis F. Cole Middle School										
Square Feet	78,455	78,455	78,455	78,455	78,455	78,455	78,455	78,455	78,455	78,455
Capacity (students)	295	295	295	295	295	295	295	295	295	295
Enrollment	N/A	560	509	513	528	477	477	526	556	574
<b>High School</b>										
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	N/A	1,064	1,089	1,096	1,041	1,039	1,039	979	995	959

Number of Schools at June 30, 2013  
 Elementary 4  
 Middle School 1  
 High School 1

Source: District records, ASSA

Note: Year of original construction is shown in parentheses. Increases in square footage and capacity are the result of additions. 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 #	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Fort Lee High School	50	177,364	201,794	136,945	210,988	287,542	271,993	294,830	257,401	267,377	228,405
Lewis F. Cole Middle School	100	80,173	78,468	67,095	86,179	126,885	111,862	121,786	114,399	103,980	101,513
Elementary School #1	60	65,678	78,720	76,040	98,065	108,715	124,887	135,657	100,099	89,125	88,824
Elementary School #2	70	39,221	82,480	49,203	68,348	83,985	88,111	95,994	85,801	74,271	76,135
Elementary School #3	80	53,743	48,255	44,730	58,245	77,274	75,086	81,858	71,498	89,126	63,446
Elementary School #4	90	68,262	50,202	53,676	72,508	87,104	94,240	102,534	85,802	118,835	76,134
Grand Total		\$ 484,441	\$ 539,919	\$ 427,689	\$ 594,333	\$ 771,505	\$ 766,179	\$ 832,659	\$ 715,000	\$ 742,714	\$ 634,457

\* 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, 2013  
Unaudited**

Company	Type of Coverage	Coverage	Deductible
School Package Policy - School Alliance Insurance Fund			
	Property - Blanket Building and Contents	\$ 88,560,709	\$ 1,000
	Flood/Earthquake	10,000,000/25,000,000	25,000
	Commercial General Liability:		
	General Aggregate	50,000,000	
	Each Occurance	5,000,000	
	Prod/Completed Oper.	50,000,000	
	Fire Damage Legal Liability	2,500,000	
	Personal Injury	5,000,000	
	Medical Expense	5,000	
	Employee Benefit each occurrence/aggregate	5,000,000	1,000
	Automobile Liability CSL		
	Combined Single Limit	5,000,000	1,000
	Comprehensive Crime Coverage:		
	Employee Dishonesty	500,000	1,000
	Robbery - Outside/Inside	50,000/50,000	1,000
Boiler and Machinery - School Alliance Insurance Fund			
	Property Damage	100,000,000	1,000
Board of Education Liability - National Union Fire Ins			
	Limit of Liability	5,000,000	
Excess Liability - Fireman's Fund Insurance Co.			
	Each Occurrence/Aggregate	50,000,000/50,000,000	
	Excess of	10,000,000	
Environmental Site Specific - ACE American Insurance Co.			
	Each Occurrence/Aggregate	1,000,000/25,000,000	10,000
Public Officials Bonds - Hartford Fire Insurance Co.			
	Board Secretary/Business Administrator	200,000	
	Treasurer of School Monies	300,000	
	Assistant Board Secretary/Business Administrator	200,000	
Student Accident - Monumental Life Insurance Co.			
	Students	5,000,000	
	Athletics	5,000,000	

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**

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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, 2013, 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 11, 2013.

### *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. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies (2013-1).

#### ***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 and which are described in the accompanying schedule of findings and questioned costs as item 2013-1.

#### ***Borough of Fort Lee Board of Education's Response to Findings***

The Borough of Fort Lee Board of Education's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The Borough of Fort Lee Board of Education's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Honorable President and  
Members of the Board of Education

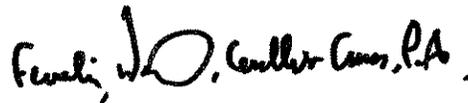
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*Purpose of this Report*

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.



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Licensed Public School Accountant  
No. 816



FERRAIOLI, WIELKOTZ, CERULLO & CUVA, P.A.  
Certified Public Accountants  
Pompton Lakes, New Jersey

November 11, 2013



# Ferraioli, Wielkotz, Cerullo & Cuva, P.A.

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## INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133 AND N.J. OMB CIRCULAR 04-04

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**

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 Circular A-133 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, 2013. 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.

### **Management's Responsibility**

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal and state programs.

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the Borough of Fort Lee Board of Education's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Those standards, OMB Circular A-133 and N.J. OMB Circular 04-04 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct



and material effect on a major federal and state program occurred. An audit includes examining, on a test basis, evidence about the Borough of Fort Lee Board of Education's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

***Opinion on Each Major Federal and State Program***

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, 2013.

***Other Matters***

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items 2013-01. Our opinion on each major federal program is not modified with respect to these matters.

The Borough of Fort Lee Board of Education's response to the noncompliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The Borough of Fort Lee Board of Education's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Management of the Borough of Fort Lee Board of Education is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Borough of Fort Lee Board of Education's internal control over compliance with the type of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with OMB Circular A-133 and N.J. OMB Circular 04-04, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Borough of Fort Lee Board of Education's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal 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

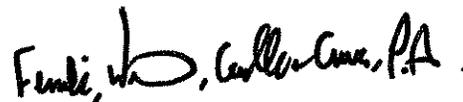
reasonable possibility that material noncompliance with a type of compliance requirement of a federal and state program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item 2013-01, that we consider to be significant deficiencies.

The Borough of Fort Lee Board of Education's response to internal control over compliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The Borough of Fort Lee Board of Education's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.



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November 11, 2013

**BOROUGH OF FORT LEE SCHOOL DISTRICT**

**Schedule of Expenditures of Federal Awards**

For the Fiscal Year ended June 30, 2013

Federal Grantor/Pass-through Grantor/ Program Title	Federal CFDA Number	Grant or State Project Number	Award Amount	Grant Period		Balance at June 30, 2012	Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Adjustments	Balance at June 30, 2013 (Accounts Receivable)	Due to Grantor at	MEMO Cumulative Total Expenditures
				From	To									
<b>US Department of Education</b>														
<b>Passed Through State Dept of Education:</b>														
<b>Special Revenue Fund</b>														
Title I Part A, Improving Basic Programs														
84.010		NCLB431013	565,522	9/1/12	8/31/13	(198,592)	(198,592)	583,342	577,094	810		(191,534)		577,094
84.010		NCLB431012	627,550	9/1/11	8/31/12	(198,592)	198,592	583,342	577,094	810		(191,534)		490,413
						(198,592)		583,342	577,094	810		(191,534)		1,067,507
Title II, Part A, Teacher/Principal Training and Recruiting														
84.367		NCLB431013	121,674	9/1/12	8/31/13	(90,578)	(90,578)	184,862	140,766			(46,482)		140,766
84.367		NCLB431012	144,596	9/1/11	8/31/12	(90,578)	90,578	184,862	140,766			(46,482)		166,126
						(90,578)		184,862	140,766			(46,482)		306,892
Title III														
84.365		NCLB431013	96,893	9/1/12	8/31/13	(38,388)	(38,388)	98,357	101,054	1		(41,084)		101,054
84.365		NCLB431012	80,038	9/1/11	8/31/12	(43,077)	38,388	38,692	4,998	332		(9,051)		76,565
84.365		NCLB431012	92,043	9/1/11	8/31/12	(31,463)	137,049	137,049	106,032	333		(50,132)		91,573
						(31,463)		137,049	106,032	333		(50,132)		265,192
IDEA, Part B-Basic														
84.027		IDEA431013	803,612	9/1/12	8/31/13	(329,175)	(329,175)	321,175	826,185			(834,185)		826,185
84.027		IDEA431012	808,128	9/1/11	8/31/12	(329,175)	329,175	329,175	826,185			(834,185)		783,388
84.175		IDEA431013	22,025	9/1/12	8/31/13	(1,252)	(1,252)	1,252	22,013			(22,013)		22,013
84.175		IDEA431012	22,095	9/1/11	8/31/12	(330,427)	1,252	322,427	848,198			(856,198)		23,347
						(330,427)		322,427	848,198			(856,198)		1,654,933
Planning for the Next Pandemic Program														
93.069			25,372	9/1/10	8/31/11	(372)	(372)			372				25,372
Race to the Top														
84.395A			49,978	7/1/12	11/30/15	(701,434)		1,227,680	1,722,018	1,515		(49,908)		49,908
						(701,434)		1,227,680	1,722,018	1,515		(1,194,257)		3,373,804
<b>Total Special Revenue Fund</b>														
<b>US Department of Agriculture</b>														
<b>Passed Through State Dept of Education:</b>														
<b>Enterprise Fund</b>														
10.550		N/A	87,533	7/1/12	6/30/13			87,533	87,533					87,533
10.553		N/A	19,348	7/1/12	6/30/13			17,528	19,348					19,348
10.553		N/A	19,921	7/1/11	6/30/12	(1,382)	(1,382)	1,382				(1,820)		19,921
10.555		N/A	322,879	7/1/12	6/30/13	(19,008)	(19,008)	297,313	322,879			(25,566)		322,879
10.555		N/A	322,888	7/1/11	6/30/12	(29,390)	(29,390)	422,764	429,760			(27,386)		322,888
						(29,390)		422,764	429,760			(27,386)		772,569
						(721,824)		1,650,444	2,151,778	1,515		(1,221,643)		4,146,373
						(721,824)		1,650,444	2,151,778	1,515		(1,221,643)		4,146,373

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

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

Year ended June 30, 2013

State Grantor/Program Titles	Grant or State Project Number	Award Amount	Grant Period From To	Balance at June 30, 2012		Due to Grantor	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years Balances	Balance at June 30, 2013		Memo
				Deferred Revenue (Accts Receivable)	(Accts Receivable)						Revenue/ Interfund Payable	Due to Grantor at	
<b>State Department of Education:</b>													
<b>General Fund</b>													
Transportation Aid	13-495-034-5120-014	\$ 77,936	7/1/2012	6/30/2013			72,456	77,936					
Special Education Aid	13-495-034-5120-089	1,780,610	7/1/2012	6/30/2013			1,656,103	1,780,610					
Security Aid	13-495-034-5120-084	87,903	7/1/2012	6/30/2013			81,723	87,903					
Extraordinary Aid	13-495-034-5120-044	1,008,747	7/1/2012	6/30/2013				1,008,747	(1,008,747)				
Extraordinary Aid	12-495-034-5120-044	759,302	7/1/2011	6/30/2012			759,302						
Non Public Transportation	13-495-034-5120-014	33,582	7/1/2012	6/30/2013				33,582					
Non Public Transportation	12-495-034-5120-014	33,193	7/1/2011	6/30/2012			33,193						
Reimbursed TPAF Social Security	13-495-034-5095-051	1,998,028	7/1/2012	6/30/2013			1,903,950	1,998,028					
Reimbursed TPAF Social Security	12-495-034-5095-051	1,917,421	7/1/2011	6/30/2012			90,847						
On Behalf TPAF Pension and NCGI Premium	13-495-034-5095-001	1,692,260	7/1/2012	6/30/2013			1,692,260	1,692,260					
On Behalf TPAF Pension - Post Retirement	13-495-034-5095-001	1,913,519	7/1/2012	6/30/2013			1,913,519	1,913,519					
<b>Total General Fund</b>							8,203,353	8,592,585	(1,136,407)				
<b>Special Revenue Fund</b>													
NJ NonPublic Aid:													
Textbook Aid	13-100-034-5120-064	10,885	7/1/2012	6/30/2013			10,885	10,885					
Technology Aid	13-100-034-5120-373	4,017	7/1/2012	6/30/2013			4,017	4,017					
Nursing Services	13-100-034-5120-070	15,108	7/1/2012	6/30/2013			15,108	15,108					
<b>Handicapped Services:</b>													
Exam & Classification	13-100-034-5120-066	15,922	7/1/2012	6/30/2013			15,922	7,961					
Exam & Classification	12-100-034-5120-066	12,080	7/1/2011	6/30/2012		4,835			4,835				
Corrective Speech	13-100-034-5120-066	28,904	7/1/2012	6/30/2013			28,904	8,046					
Corrective Speech	12-100-034-5120-066	31,594	7/1/2011	6/30/2012		20,220			20,220				
Supplementary Inst.	13-100-034-5120-066	11,101	7/1/2012	6/30/2013			11,101	3,469					
Supplementary Inst.	12-100-034-5120-066	9,120	7/1/2011	6/30/2012		7,156			7,156				
<b>Auxiliary Services:</b>													
Compensatory Education	13-100-034-5120-067	127,084	7/1/2012	6/30/2013			127,084	29,260					
Compensatory Education	12-100-034-5120-067	119,191	7/1/2011	6/30/2012		67,879			67,879				
English as a Second Language	13-100-034-5120-067	28,988	7/1/2012	6/30/2013			28,988	17,819					
English as a Second Language	12-100-034-5120-067	27,671	7/1/2011	6/30/2012		12,844			12,844				
<b>Total State Sources</b>							242,009	96,565	112,934	112,934	145,444		
<b>Local Sources:</b>													
Exxon - Donation	N/A	500	7/1/2009	6/30/2010		249						249	
Exxon - Donation	N/A	750	7/1/2010	6/30/2011		750						750	
Ironman Donation	N/A	1,200	7/1/2011	6/30/2012		1,200						1,200	
<b>Total Local Sources</b>						999						2,199	
<b>Total Special Revenue</b>						999	243,209	96,565	112,934	112,934	145,444		
<b>Total</b>							8,203,353	8,592,585	(1,136,407)				
<b>Total</b>													11,211,654
<b>Total</b>													10,885
<b>Total</b>													4,017
<b>Total</b>													15,108
<b>Total</b>													7,961
<b>Total</b>													7,245
<b>Total</b>													8,046
<b>Total</b>													11,374
<b>Total</b>													3,469
<b>Total</b>													1,964
<b>Total</b>													29,260
<b>Total</b>													51,312
<b>Total</b>													17,819
<b>Total</b>													14,827
<b>Total</b>													183,287
<b>Total</b>													251
<b>Total</b>													251
<b>Total</b>													183,538

BOROUGH OF FORT LEE SCHOOL DISTRICT

Schedule of Expenditures of State Financial Awards

Year ended June 30, 2013

State Grantor/Program Titles	Grant or State Project Number	Award Amount	Grant Period From To	Balance at June 30, 2012		Balance at June 30, 2013			Memo						
				Deferred Revenue (Accts. Receivable)	Due to Grantor	Cash Received	Budgetary Expenditures	Adjustments		Repayment of Prior Years' Balances	(Accounts Receivable)	Deferred Revenue/ Interfund Payable	Due to Grantor at	Budgetary Receivable	Cumulative Total Expenditures
<b>Capital Projects Fund</b>															
Section 15 Grant:															
Lewis F. Cole M.S. Masonry Restoration	1550-100-04-0A0T	151,848			(150,325)							(150,325)			151,848
Fort Lee Public School #1 Façade Restoration	1550-080-04-1400	152,760			(152,760)							(152,760)			152,760
High School Window Replacement	1550-050-10-1001	420,000					17,004					(17,004)			17,004
High School Masonry Repairs	1550-050-10-1002	318,431			(19,468)		111,684					(131,152)			131,152
High School Interior Alterations	1550-050-10-1003	1,592,000					142,053					(142,053)			142,053
High School HVAC Upgrades	1550-050-10-1005	348,000			(15,831)		165,753					(181,584)			181,584
School No. 1 HVAC Upgrades	1550-060-10-1006	531,900			(54,695)		267,837					(322,532)			322,532
School No. 1 Roof Replacement	1550-060-10-1007	466,100			(45,292)		326,782					(372,074)			372,074
School No. 1 Window Replacement	1550-060-10-1008	278,000					13,727					(13,727)			13,727
School No. 3 Window Replacement	1550-080-10-1010	212,800					12,959					(12,959)			12,959
School No. 3 Window Repairs	1550-080-10-1011	153,200			(9,513)		78,880					(88,393)			88,393
School No. 4 Masonry Repairs	1550-090-10-1012	172,000			(9,052)		60,855					(69,907)			69,907
School No. 4 HVAC Upgrades	1550-090-10-1013	1,656,000					70,397					(70,397)			70,397
School No. 4 Roof Replacement	1550-090-10-1014	198,000					12,970					(12,970)			12,970
Lewis F. Cole M.S. Roof Replacement	1550-100-10-1015	780,000			(398,227)		150,082					(548,309)			548,309
Lewis F. Cole M.S. Boiler Replacement	1550-100-10-1016	452,000			(111,035)		126,711					(237,746)			237,745
Lewis F. Cole M.S. Addition & Rehabilitation	1550-100-10-1018	1,557,180					116,642					(116,642)			116,642
Lewis F. Cole M.S. Interior Alterations	1550-100-10-1019	640,000					19,201					(19,201)			19,201
<b>Total Capital Projects Fund</b>					(966,198)		1,693,537					(2,659,735)			2,661,257
<b>Enterprise Fund</b>															
State Department of Agriculture															
National School Lunch Program (State Share)	13-100-010-3360-067	13,682	7/1/2012	6/30/2013			11,836					(1,846)			13,682
National School Lunch Program (State Share)	12-100-010-3360-067	13,869	7/1/2011	6/30/2012	(808)		808								13,869
<b>Total Enterprise Fund</b>					(808)		12,644					(1,846)			27,551
<b>Total State Financial Assistance</b>					(1,849,349)		8,459,206					(3,797,988)		2,199	145,444
															(136,167)
															14,084,000

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 present 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 Schedules of Expenditures of Federal Awards and State Financial Assistance.

**NOTE 2. BASIS OF ACCOUNTING**

The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Notes 2(C) and 2(D) to the Board's basic financial statements. The information in these schedules is presented in accordance with the requirements of OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations." 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 \$(21,604) for the general fund and \$(8,497) 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>Local</u>	<u>Total</u>
General Fund	\$	\$8,570,981	\$	\$8,570,981
Special Revenue Fund	1,713,521	96,565		1,810,086
Capital Projects Fund		1,693,537		1,693,537
Food Service Fund	<u>429,760</u>	<u>13,682</u>	<u>          </u>	<u>443,442</u>
Total Financial Awards	<u>\$2,143,281</u>	<u>\$10,374,765</u>	<u>\$          </u>	<u>\$12,518,046</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 U.S.D.A. Food Distribution Program represent current year value received and current year distributions respectively. 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, 2013. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the District for the year ended June 30, 2013.

**BOROUGH OF FORT LEE SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

*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**

Internal Control over major programs:

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

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

Any audit findings disclosed that are required to be reported in accordance with section .510(a) of Circular A-133? \_\_\_\_\_ yes      X   no

Identification of major programs:

<u>CFDA Number(s)</u>		<u>Name of Federal Program or Cluster</u>
<u>84.027/84.173</u>	(A)	<u>IDEA, Part B-Basic/IDEA, Part B- Preschool</u>
<u>84.01</u>	(A)	<u>Title I, Part A</u>
<u>10.553/10.555</u>	(A)	<u>National School Lunch Program/National School Breakfast Program</u>

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

Dollar threshold used to distinguish between type A and type B programs: \$300,000

Auditee qualified as low-risk auditee?   X   yes    \_\_\_\_\_ no

**BOROUGH OF FORT LEE SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
(continued)**

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

**State Awards**

Dollar threshold used to distinguish between type A and type B programs:     \$ 300,000

Auditee qualified as low-risk auditee?                               X   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 04-04?                             \_\_\_\_\_ yes       X   no

Identification of major programs:

<u>GMIS Number(s)</u>	<u>Name of State Program</u>
495-034-5120-089/	Special Education Categorical Aid/
495-034-5120-084	Security Aid
495-034-5095-002	Reimbursed TPAF Social Security Contribution
100-034-5120-473	Extraordinary Aid
1550-100-10-1015	SDA Grant - Capital Projects

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

**BOROUGH OF FORT LEE SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013  
(continued)**

*Section II - Financial Statement Findings*

None

FORT LEE BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

*Section III – Federal Awards and State Financial Assistance Findings and Questioned Costs*

**FEDERAL AWARDS**

**Finding 13-1**

**Information on the state program:**

Title I Part A, Improving Basic Programs CFDA number 84.010A Grant Period 9/1/12-8/31/13.

**Criteria or specific requirement:**

In a targeted assistance school, funds available under Title I Part A may be used only programs that are designed to help participating children meet the State's student academic achievement standards expected of all children.

**Condition:**

The District submitted for federal reimbursement, expenditures for textbooks and workbooks for students not enrolled in the Title I Part A program. A purchase order including both allowable and non-allowable costs was included in the total reimbursement amount.

**Questioned costs:**

The District purchased textbooks and workbooks in the amount of \$16,272.40 which were utilized by non-participating students.

**Context:**

Per the OMB Circular A-133 Federal Grant Compliance Supplement, in a targeted assistance school, funds under Title I Part A may only be used for participating students.

**Effect:**

By utilizing grant funds for students who are not enrolled in the grant program, the District is not in compliance with Federal Aid grant requirements.

**Cause:**

Expenditures for textbooks and workbooks utilized by non-participating students were included in the submission for reimbursement through the Title I Part A program. District personnel failed to segregate the non-allowable cost portion of one purchase order when preparing the reimbursement request.

**Recommendation:**

In the future more care should be taken to ensure only eligible expenditures are submitted for reimbursement.

**Views of responsible officials and planned corrective actions:**

Expenditures will be reviewed for allowable costs prior to submission of reimbursement requests.

**BOROUGH OF FORT LEE SCHOOL DISTRICT**  
**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

**Status of Prior Year Findings**

None