

**SCHOOL DISTRICT OF THE
BOROUGH OF FORT LEE
COUNTY OF BERGEN, NEW JERSEY
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2015**

**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, 2015**

Comprehensive Annual Financial Report

of the

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

Year Ended June 30, 2015

Prepared by

**David L. Rinderknecht
Business Administrator/Board Secretary**

OUTLINE OF CAFR

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INTRODUCTORY SECTION



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Central Administration Offices

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Phone: 201.585.4612 ♦ Fax: 201.585.7997

www.FLBOE.com

Mr. Kenneth J. Rota
Superintendent of Schools

Dr. Sharon Amato
Director of Curriculum & Instruction

Mr. H. Ronald Smith
Interim Business Administrator/Board Secretary

November 17, 2015

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, 2015. 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 694 school districts in the State of New Jersey and one of 80 school districts in Bergen County. The School District provides education to 3,787 students, in-district and out-of-district, 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 2014-2015 fiscal year with an average daily enrollment of 3,728 students, which is fifty-one students less than the previous year's enrollment. The following details the changes in the student average daily enrollment of the District over the last five years.

Fiscal Year	Average Daily Enrollment Student Enrollment	Percent Change
2014-2015	3,728	-1.30%
2013-2014	3,779	1.04%
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%

Future trends points towards an increase in enrollment due to approved residential developments.

The District's primary funding source is property tax revenue. As a result, the District, along with many other public school systems in the State, faces some difficult economic situations in the future. Overall tax revenue for the general fund increased for the 2014-2015 school year by 3.97%, but the increase in expenditures from inflationary pressures, contractual agreements and benefits have outpaced the additional revenue. The district's administration is closely monitoring the cost of operations and continues to look for innovative ways to contain costs in addition to new funding sources in order to maintain the quality educational services that the District has been accustomed to providing.

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

Major Initiatives/Educational Program

Major activities for the Fort Lee School District for the 2014-2015 school year include:

1. Utilized new technologies and update curriculum to synthesize Common Core Standards based knowledge with real world applications.
2. Implemented newly designed Technology courses at the High School and Middle School focusing on engineering, experimentation, research methods, analytical thinking, problem solving, creativity, communication, and peer review.
3. Planned for the roll-out of the Marshall teacher and administrator observation and evaluation system.
4. Updated job descriptions, and created a CST manual and development of measurable achievement goals for SWD to guide program, staffing and curriculum.
5. Implementation of IEP Direct.
6. Implementation of an enhanced School Security Surveillance System, swipe card system and hiring security guards to protect students and staff. Development of a linked communication system for immediate information and response.
7. HIB training to coaches, aides, and outsourced service providers and implementation of HIBster to manage and prevent bullying.
8. Purchased 31 new High School classroom computers and 10 new High School mounted projectors in 10 classrooms.
9. Purchased 31 new Middle School STEM Surface Pro 3's w/ 2 - 3D printers and Surface Pro 3's for Middle School teachers.
10. PARCC technology readiness assessment, planning, training and implementation.
11. Roll-out of new (Genesis) student information system migration and training.
12. Passed a referendum initiative of \$49,840,000 to provide adequate, high-quality instructional spaces to meet growing student population.
13. Sold Bonds below advertised tax impact rate and amortization period.
14. Implemented and conducted ESIP program planning committees.
15. Purchased and installed 12 modular units and revitalized #2 School playground.
16. Repurposed High School space to create 8 new classrooms.

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 addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the general fund, special revenue fund and debt service fund. Project length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section. An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either cancelled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 2015.

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

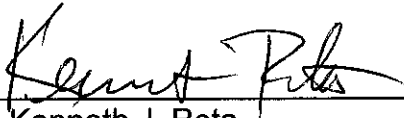
Risk Management: The Board carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds. A schedule of insurance coverage is found in Exhibit J-20.

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

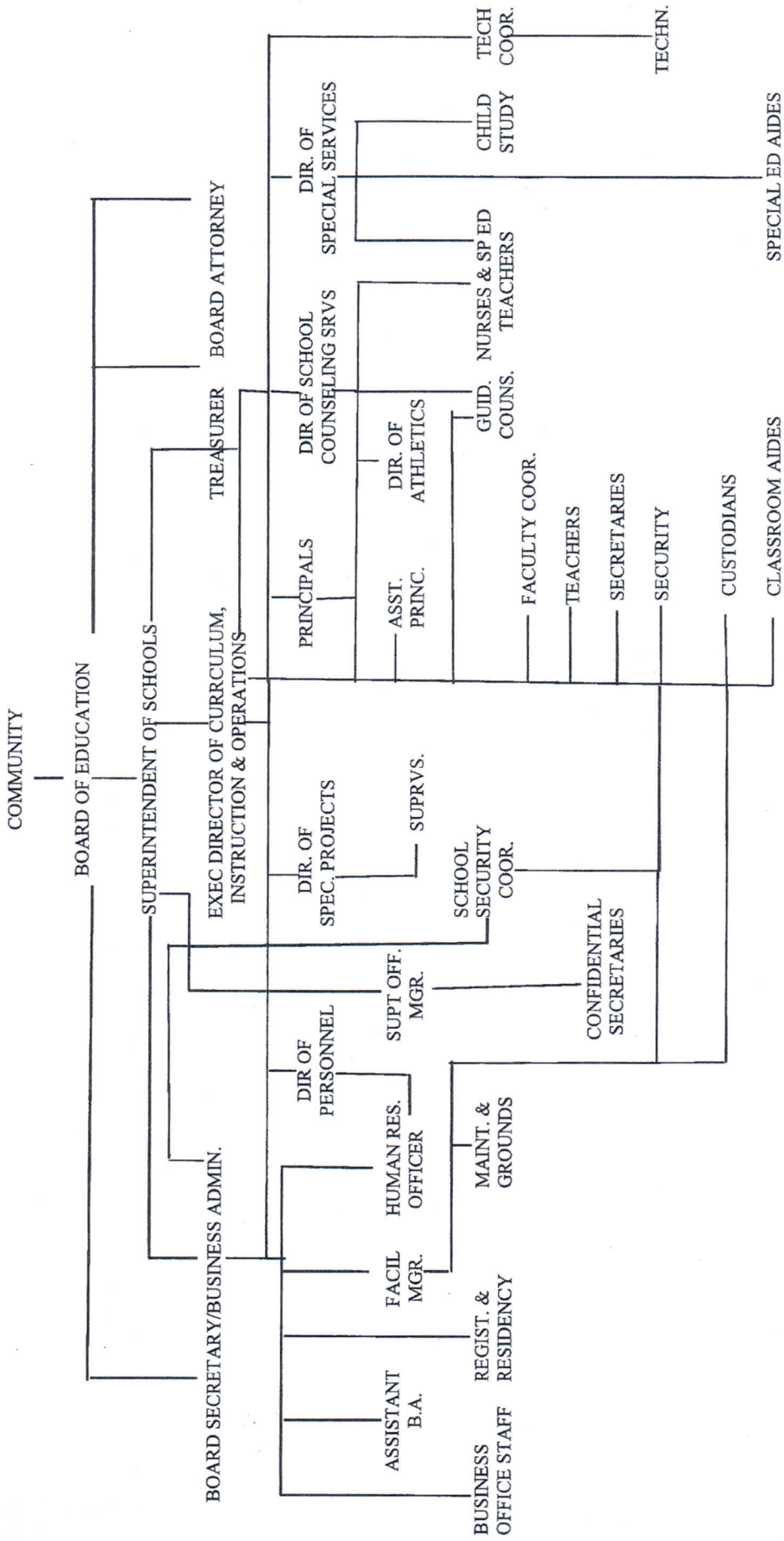


Mr. Kenneth J. Rota
Superintendent of Schools



Mr. H. Ronald Smith
Interim Business Administrator/Board Secretary

**ORGANIZATION OF PERSONNEL AND REPORTING RESPONSIBILITIES
FORT LEE PUBLIC SCHOOLS
2014-2015**



2P*
Revised

FORT LEE BOARD OF EDUCATION

ROSTER OF OFFICIALS

JUNE 30, 2015

<u>Members of the Board of Education</u>	<u>Term Expires</u>
David Sarnoff, President	12/31/2015
Holly Morell, Vice President	12/31/2015
Yusang Park (James)	12/31/2015
Joseph J. Surace	12/31/2017
Esther Han Silver	12/31/2015
Jeffrey Weinberg	12/31/2016
Candace Romba	12/31/2016
Michael Osso	12/31/2017
Ammad Quraishi	12/31/2017
Paula Colbath	12/31/2015

Other Officials

Kenneth Rota - Superintendent

Dr. Sharon Amato - Director of Curriculum & Operations

Ronald Smith - Interim Business Administrator/Board Secretary

Charles Hangle, Treasurer of School Monies

Ana M. Flores, Assistant Business Administrator

Jack L. DeNichilo, Supervisor Buildings & Grounds

Mr. Dennis McKeever, Esq., Board Attorney

FORT LEE BOARD OF EDUCATION

CONSULTANTS & ADVISORS

JUNE 30, 2015

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District Auditor

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401 Wanaque Avenue
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TD Bank
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Ramsey, NJ 07446

NJ ARM
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Princeton, NJ 08540

Bank of NJ
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Hackensack, NJ 07601

FINANCIAL SECTION

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James J. Cerullo, CPA, RMA
Paul J. Cuva, CPA, RMA
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INDEPENDENT AUDITOR'S REPORT

Honorable President and
Members of the Board of Education
Borough of Fort Lee School District
County of Bergen, New Jersey
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, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

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

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, 2015, 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, Budgetary Comparison Information and schedules related to accounting and reporting for pensions (GASB 68) identified in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Honorable President and
Members of the Board of Education
Page 3.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Borough of Fort Lee Board of Education's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, and schedule of expenditures of federal awards, as required by 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 combining and individual nonmajor fund financial statements 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 combining and individual nonmajor fund financial statements, 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 17, 2015 on our consideration of the Borough of Fort Lee Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope

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

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. Wielkatz

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

Ferraioli, Wielkatz, Cerullo & Cova, P.A.

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

November 17, 2015

**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, 2015
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, 2015.

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 decreased \$(3,238,719). Net position of governmental activities decreased \$(3,180,145) while net position of business-type activity decreased by \$(58,574).
- General revenues accounted for \$73,788,901 in revenue or 96 percent of all district revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$2,797,602 or 4 percent of total revenues of \$76,586,503.
- The School District had 78,419,180 in expenses related to governmental activities; only \$1,451,934 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily grants, entitlements and property taxes) of \$73,787,101 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, 2015
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 improving or deteriorating.

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

Both of the district-wide financial statements distinguish functions of the Borough of Fort Lee School District that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the Borough of Fort Lee School District include instruction, support services and special schools. The business-type activities of the Borough of Fort Lee School District include the food service program 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, 2015
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, 2015
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, 2015
UNAUDITED (continued)**

DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)

The School District's net positions were \$2,535,694 at June 30, 2015 and \$18,239,267 at June 30, 2014. 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 2015 compared to 2014 (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>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Assets						
Current and Other Assets	59,704,076	21,590,765	359,880	496,159	60,063,956	22,086,924
Capital Assets	<u>39,155,916</u>	<u>24,842,230</u>	<u>96,328</u>	<u>65,940</u>	<u>39,252,244</u>	<u>24,908,170</u>
Total Assets	<u>98,859,992</u>	<u>46,432,995</u>	<u>456,208</u>	<u>562,099</u>	<u>99,316,200</u>	<u>46,995,094</u>
Deferred Outflows:						
Unamortized Bond Issuance						
Costs	297,970	340,537			297,970	340,537
Deferred Outflows of Resources						
Related to PERS	<u>2,376,475</u>	_____	_____	_____	<u>2,376,475</u>	_____
Total Deferred Outflows	<u>2,674,445</u>	<u>340,537</u>	_____	_____	<u>2,674,445</u>	<u>340,537</u>
Liabilities						
Current Liabilities	3,464,558	2,036,358	88,349	135,666	3,552,907	2,172,024
Noncurrent Liabilities	<u>93,398,958</u>	<u>24,999,803</u>	_____	_____	<u>93,398,958</u>	<u>24,999,803</u>
Total Liabilities	<u>96,863,516</u>	<u>27,036,161</u>	<u>88,349</u>	<u>135,666</u>	<u>96,951,865</u>	<u>27,171,827</u>
Deferred Inflows:						
Unamortized Bond Issuance						
Premiums	1,683,970	1,924,537			1,683,970	1,924,537
Deferred Inflows of Resources						
Related to PERS	<u>819,116</u>	_____	_____	_____	<u>819,116</u>	_____
Total Deferred Inflows	<u>2,503,086</u>	<u>1,924,537</u>	_____	_____	<u>2,503,086</u>	<u>1,924,537</u>
Net Position						
Net Investment in Capital						
Assets	(36,171,048)	3,994,842	96,328	65,940	(36,074,720)	4,060,782
Restricted	56,001,477	18,051,812			56,001,477	18,051,812
Unrestricted	<u>(17,662,594)</u>	<u>(4,233,820)</u>	<u>271,531</u>	<u>360,493</u>	<u>(17,391,063)</u>	<u>(3,873,327)</u>
Total Net Position	<u>2,167,835</u>	<u>17,812,834</u>	<u>367,859</u>	<u>426,433</u>	<u>2,535,694</u>	<u>18,239,267</u>

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

**MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
UNAUDITED (continued)**

DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)

Table 2 below shows the changes in net position for fiscal year 2015 compared to 2014.

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

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Revenues						
Program Revenues:						
Charges for Services and						
Sales			915,764	836,887	915,764	836,887
Operating Grants and						
Contributions	1,451,934	1,675,017	429,904	437,334	1,881,838	2,112,351
General Revenues:						
Taxes:						
Property taxes	56,707,369	54,673,393			56,707,369	54,673,393
Federal and State Aid not						
Restricted	16,611,285	7,654,476			16,611,285	7,654,476
Capital Outlay		2,193,768				2,193,768
Tuition	43,650				43,650	
Cancellation of Capital						
Outlay to Capital Reserves		1,397,566				1,397,566
Miscellaneous Income	361,823	567,332	1,800		363,623	567,332
Investment Income	<u>62,974</u>	<u>3,978</u>	<u> </u>	<u>43</u>	<u>62,974</u>	<u>4,021</u>
Total Revenues and Transfers	<u>75,239,035</u>	<u>68,165,530</u>	<u>1,347,468</u>	<u>1,274,264</u>	<u>76,586,503</u>	<u>69,439,794</u>

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

**MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
UNAUDITED (continued)**

DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Functions/Program Expenses						
Instruction:						
Regular	27,939,247	23,815,229			27,939,247	23,815,229
Special Education	5,285,671	5,081,131			5,285,671	5,081,131
Other Special Education	3,111,092	2,680,798			3,111,092	2,680,798
Other Instruction	1,434,806	1,313,645			1,434,806	1,313,645
Support Services:						
Tuition	3,792,977	3,496,240			3,792,977	3,496,240
Student & Instruction						
Related Services	10,175,398	9,078,827			10,175,398	9,078,827
General Administrative						
Services	1,685,546	1,591,783			1,685,546	1,591,783
School Administrative						
Services	3,361,029	2,987,540			3,361,029	2,987,540
Central Services and Admin.						
Info. Tech.	1,167,626	1,113,877			1,167,626	1,113,877
Plant Operations and						
Maintenance	5,624,082	5,158,782			5,624,082	5,158,782
Pupil Transportation	1,711,881	1,616,017			1,711,881	1,616,017
Unallocated Benefits	5,883,397	4,118,192			5,883,397	4,118,192
Charter School	9,686				9,686	
Food Service			1,406,042	1,502,023	1,406,042	1,502,023
Interest on Long-Term Debt	868,913	699,444			868,913	699,444
Unallocated Depreciation	976,850	982,630			976,850	982,630
Capital Outlay -						
Nondepreciable	5,588,979	3,378,021			5,588,979	3,378,021
Amortization and Capital						
Lease Obligations	<u>(198,000)</u>	<u>(198,000)</u>	<u> </u>	<u> </u>	<u>(198,000)</u>	<u>(198,000)</u>
Total Expenses	<u>78,419,180</u>	<u>66,914,156</u>	<u>1,406,042</u>	<u>1,502,023</u>	<u>79,825,222</u>	<u>68,416,179</u>
Increase or (Decrease) in						
Net Position	<u>(3,180,145)</u>	<u>1,251,374</u>	<u>(58,574)</u>	<u>(227,759)</u>	<u>(3,238,719)</u>	<u>1,023,615</u>

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

**MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
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 \$79,825,222. However, the amount that our taxpayers ultimately financed for these activities through School District taxes was only \$56,707,369 because some of the cost was paid by those who benefitted from the programs \$915,764, by other governments and organizations who subsidized certain programs with grants and contributions \$1,881,838, investment income \$62,974, tuition \$43,650, and by miscellaneous sources \$361,823.

The following schedules present a summary of governmental fund revenues and expenditures for the fiscal year ended June 30, 2015, 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 2014</u>	<u>Percent of Increase/ (Decrease)</u>
Local Source	\$57,178,715	82.4%	\$1,934,012	3.50%
State Source	10,846,091	15.6	914,154	9.20%
Federal Source	<u>1,347,667</u>	<u>1.9</u>	<u>(243,657)</u>	(15.31)%
Total	<u>\$69,372,473</u>	<u>100.0%</u>	<u>\$2,604,509</u>	3.90%

<u>Expenditures</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) from 2014</u>	<u>Percent of Increase/ (Decrease)</u>
Current Expenditures:				
Instruction	\$26,783,701	30.7%	\$832,178	3.21%
Undistributed	38,279,999	43.9	1,423,813	3.86%
Debt Service	1,345,575	1.5	(6,525)	(0.48)%
Capital Outlay	<u>20,879,515</u>	<u>23.9</u>	<u>10,259,278</u>	96.60%
Total	<u>\$87,288,790</u>	<u>100.0%</u>	<u>\$12,508,744</u>	16.73%

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

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

**MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
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, 2015, the School District amended the special revenue fund by \$352,816 for increases in federal and state grants.

General Fund

The general fund actual revenue including transfers and capital leases was \$69,712,066. That amount is \$11,468,408 above the final amended budget of \$58,243,658. The variance between the actual revenues and final budget was the result of non-budgeted on-behalf payments of \$5,562,353 for TPAF pension and Social Security reimbursements, \$10,610 for additional extraordinary state aid, \$26,280 for additional state aid, \$(27,880) for a reduction in federal aid, \$5,571,444 for capital lease non-budgeted, and \$325,601 for increases in other anticipated revenues.

The actual expenditures of the general fund were \$71,031,309 including transfers and capital leases which is \$9,203,021 above the final amended budget of \$61,828,288. The variance between the actual and final budget was due to non-budget on-behalf payments of \$5,562,353 for TPAF pension and Social Security reimbursements, \$5,571,444 for capital lease non-budgeted, and \$1,930,776 of unexpended budgeted funds.

General fund had total revenues and other financing sources of \$69,712,066 and total expenditures and transfers of \$71,031,309 with an ending fund balance of \$4,756,021 on the budgetary basis of accounting.

Special Revenue Fund

The special revenue fund actual revenue was \$1,495,620. That amount is \$484,145 below the final amended budget of \$1,979,765. 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 \$1,495,620, which is \$484,145 below the final amended budget of \$1,979,765. 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, 2015
UNAUDITED (continued)**

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal year 2015 the School District had \$67,281,703 invested in sites, buildings, equipment and construction in progress. Of this amount \$28,029,459 in depreciation has been taken over the years. We currently have a net book value of \$39,252,244. Total additions for the year were \$15,343,031, 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 2015 balances compared to 2014.

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

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Land and Construction in Progress	\$21,662,735	\$9,566,661			\$21,662,735	\$9,566,661
Site Improvements	435,543	503,945			435,543	503,945
Buildings and Building Improvements	16,563,926	14,406,482			16,563,926	14,406,482
Machinery and Equipment	<u>493,712</u>	<u>365,142</u>	<u>\$96,328</u>	<u>\$65,940</u>	<u>590,040</u>	<u>431,082</u>
	<u>\$39,155,916</u>	<u>\$24,842,230</u>	<u>\$96,328</u>	<u>\$65,940</u>	<u>\$39,252,244</u>	<u>\$24,908,170</u>

Debt Administration

At June 30, 2015, the District had \$93,398,958 of outstanding debt. Of this amount, \$5,713,190 is for compensated absences; \$7,750,964 is for obligations under capital leases; \$66,109,000 of serial bonds for school improvements; and \$13,744,804 is for net pension liability.

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

**MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
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 2015-2016 school year that is greater than the level of the 2014-2015 school year.

These factors were considered in preparing the Borough of Fort Lee School District's budgets for the 2015-2016 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:

Ronald Smith
Interim School Business Administrator/Board Secretary
Borough of Fort Lee School District
2175 Lemoine Avenue, 6th Floor
Fort Lee, NJ 07024

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

FORT LEE BOARD OF EDUCATION
Statement of Net Position
June 30, 2015

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	15,004,873	217,160	15,222,033
Investments	39,642,154		39,642,154
Receivables, net	3,792,807	86,535	3,879,342
Internal Balances	(47,644)	47,644	
Inventory		8,541	8,541
Prepaid Rent	20,230		20,230
Restricted assets:			
Capital reserve account - cash	1,041,656		1,041,656
Emergency reserve account - cash	250,000		250,000
Capital Assets:			
Land and construction in progress	21,662,735		21,662,735
Depreciable Buildings, Improvements and Equipment (net)	17,493,181	96,328	17,589,509
Total Assets	<u>98,859,992</u>	<u>456,208</u>	<u>99,316,200</u>
Deferred Outflow of Resources:			
Unamortized bond issuance costs	297,970		297,970
Deferred outflows of resources related to PERS	2,376,475		2,376,475
Total Deferred Outflows	<u>2,674,445</u>	<u>-</u>	<u>2,674,445</u>
LIABILITIES			
Accounts payable and accrued liabilities	3,394,549	72,662	3,467,211
Interfunds Payable	236		236
Payable to state government	23,567		23,567
Payable to local government	7,207		7,207
Prepaid revenue		15,687	15,687
Unearned revenue	38,999		38,999
Noncurrent liabilities:			
Due within one year	1,174,130		1,174,130
Due beyond one year	92,224,828		92,224,828
Total liabilities	<u>96,863,516</u>	<u>88,349</u>	<u>96,951,865</u>
Deferred Inflow of Resources:			
Unamortized bond issuance premiums	1,683,970		1,683,970
Deferred inflows of resources related to PERS	819,116		819,116
Total Deferred Inflows	<u>2,503,086</u>	<u>-</u>	<u>2,503,086</u>
NET POSITION			
Net Investment in Capital Assets	(36,171,048)	96,328	(36,074,720)
Restricted for:			
Debt service	64,154		64,154
Capital projects	53,957,798		53,957,798
Other purposes	1,979,525		1,979,525
Unrestricted (Deficit)	(17,662,594)	271,531	(17,391,063)
Total net position	<u>2,167,835</u>	<u>367,859</u>	<u>2,535,694</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, 2015

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	19,593,114	8,346,133			(27,939,247)		(27,939,247)
Special education	3,986,239	1,299,432		1,128,599	(4,157,072)		(4,157,072)
Other special instruction	2,136,879	974,213			(3,111,092)		(3,111,092)
Other instruction	1,067,469	367,337			(1,434,806)		(1,434,806)
Support services:							
Tuition	3,792,977				(3,792,977)		(3,792,977)
Student & instruction related services	7,588,933	2,586,465		323,335	(9,852,063)		(9,852,063)
School administrative services	2,324,603	1,036,426			(3,361,029)		(3,361,029)
General administrative services	1,440,703	244,843			(1,685,546)		(1,685,546)
Central services and administrative information technology	856,281	311,345			(1,167,626)		(1,167,626)
Plant operations and maintenance	4,947,119	676,963			(5,624,082)		(5,624,082)
Pupil transportation	1,564,673	147,208			(1,711,881)		(1,711,881)
Unallocated benefits	5,883,397				(5,883,397)		(5,883,397)
Charter schools	9,686				(9,686)		(9,686)
Capital outlay	5,588,979				(5,588,979)		(5,588,979)
Interest on long-term debt	868,913				(868,913)		(868,913)
Unallocated depreciation	976,850				(976,850)		(976,850)
Amortization	(198,000)				198,000		198,000
Total governmental activities	62,428,815	15,990,365	-	1,451,934	(76,967,246)	-	(76,967,246)
Business-type activities:							
Food Service	1,406,042		915,764	429,904		(60,374)	(60,374)
Total business-type activities	1,406,042		915,764	429,904		(60,374)	(60,374)
Total primary government	63,834,857		915,764	1,881,838	(76,967,246)		(77,027,620)
General revenues:							
Taxes:							
Levied for general purposes					55,438,424		55,438,424
Taxes levied for debt service					1,268,945		1,268,945
Federal and State aid not restricted					16,611,285		16,611,285
Tuition					43,650		43,650
Investment Earnings					62,974		62,974
Miscellaneous Income					361,823	1,800	363,623
Total general revenues, special items, extraordinary items and transfers					73,787,101	1,800	73,788,901
Change in Net Position					(3,180,145)	(58,574)	(3,238,719)
Net Position—beginning (restated)					5,347,980	426,433	5,774,413
Net Position—ending					2,167,835	367,859	2,535,694

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, 2015

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS					
Cash and cash equivalents					
Checking	3,519,128		11,483,537	2,208	15,004,873
Investments			39,642,154		39,642,154
Accounts Receivable -					
Interfund	1,131,633			61,946	1,193,579
Intergovernmental - Federal		972,124			972,124
Intergovernmental - State	805,229		1,805,566		2,610,795
Other receivables	179,065				179,065
Prepaid Rent	20,230				20,230
Restricted cash and cash equivalents					
Capital reserve	1,041,656				1,041,656
Emergency reserve	250,000				250,000
Total assets	<u>6,946,941</u>	<u>972,124</u>	<u>52,931,257</u>	<u>64,154</u>	<u>60,914,476</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	204,199	83,683	206,267		494,149
Intergovernmental accounts payable - State		23,567			23,567
Intergovernmental accounts payable - Local	7,207				7,207
Accrued salaries & benefits	2,027,453				2,027,453
Interfund payables	44,261	857,527	308,848		1,210,636
Unearned revenue	31,652	7,347			38,999
Total liabilities	<u>2,314,772</u>	<u>972,124</u>	<u>515,115</u>	<u>-</u>	<u>3,802,011</u>
Fund Balances:					
Restricted for:					
Excess Surplus - current year	502,337				502,337
Capital reserve account	1,541,656				1,541,656
Emergency reserve account	250,000				250,000
Assigned to:					
Year-end Encumbrances	737,178				737,178
Designated by the BOE for subsequent year's expenditures	490,010				490,010
Capital projects fund			52,416,142		52,416,142
Debt service fund				64,154	64,154
Unassigned:					
General Fund	1,110,988				1,110,988
Total Fund balances	<u>4,632,169</u>	<u>-</u>	<u>52,416,142</u>	<u>64,154</u>	<u>57,112,465</u>
Total liabilities and fund balances	<u>6,946,941</u>	<u>972,124</u>	<u>52,931,257</u>	<u>64,154</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 \$66,832,560 and the accumulated depreciation is \$17,493,181					39,155,916
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					(251,269)
Accounts payable for subsequent Pension payment is not a payable in the funds					(621,678)
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 \$721,701					(1,683,970)
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 \$127,701					297,970
Deferred outflows and inflows of resources are applicable to future periods and therefore are not reported in the funds.					
Deferred outflows of resources related to PERS Pension Liability					2,376,475
Deferred inflows of resources related to PERS Pension Liability					(819,116)
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>(93,398,958)</u>
Net position of governmental activities					<u>2,167,835</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, 2015

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
REVENUES					
Local sources:					
Municipal tax levy	55,438,424			1,268,945	56,707,369
Tuition	43,650				43,650
Interest Earned on Capital Reserve Funds	1,028		61,946		62,974
Miscellaneous	361,823	2,899			364,722
Total - Local Sources	55,844,925	2,899	61,946	1,268,945	57,178,715
State sources	8,306,275	101,368	2,438,448		10,846,091
Federal sources		1,347,667			1,347,667
Total revenues	64,151,200	1,451,934	2,500,394	1,268,945	69,372,473
EXPENDITURES					
Current:					
Regular instruction	19,593,114				19,593,114
Special education instruction	2,857,640	1,128,599			3,986,239
Other special instruction	2,136,879				2,136,879
School sponsored/other instructional	1,067,469				1,067,469
Support services and undistributed costs:					
Tuition	3,792,977				3,792,977
Attendance and social work services	195,721				195,721
Health services	644,768				644,768
Student & instruction related services	6,425,109	323,335			6,748,444
School administrative services	2,324,603				2,324,603
General administrative services	1,440,703				1,440,703
Central services & administrative information technology	856,281				856,281
Plant operations and maintenance	4,947,119				4,947,119
Pupil transportation	1,633,541				1,633,541
Unallocated benefits	10,123,803				10,123,803
On-behalf contributions	5,562,353				5,562,353
Transfer to charter school	9,686				9,686
Debt service:					
Principal				665,000	665,000
Interest and other charges				680,575	680,575
Capital outlay	7,419,543		13,459,972		20,879,515
Total expenditures	71,031,309	1,451,934	13,459,972	1,345,575	87,288,790
Excess (Deficiency) of revenues	(6,880,109)	-	(10,959,578)	(76,630)	(17,916,317)
OTHER FINANCING SOURCES (USES)					
Transfers in				61,946	61,946
Transfers out			(61,946)		(61,946)
Proceeds from Sale of Bonds			49,840,000		49,840,000
Capital Leases (non-budget)	5,571,444				5,571,444
Total other financing sources and uses	5,571,444	-	49,778,054	61,946	55,411,444
Net change in fund balances	(1,308,665)	-	38,818,476	(14,684)	37,495,127
Fund balance—July 1	5,940,834		13,597,666	78,838	19,617,338
Fund balance—June 30	4,632,169	-	52,416,142	64,154	57,112,465

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, 2015

Total net change in fund balances - governmental funds (from B-2) 37,495,127

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

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

	Depreciation expense	(976,850)	
	Depreciable Capital outlays	<u>15,290,536</u>	14,313,686

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

In the current year, these amounts consist of:

	General Serial Bonds	665,000	
	Capital Lease Obligations	<u>68,868</u>	733,868

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.

	Proceeds of long-term debt		(49,840,000)
	Capital lease proceeds		(5,571,444)

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

	General Bond Obligations - Prior Year	57,546	
	General Bond Obligations	(202,503)	
	General Capital Lease Obligations - Prior Year	5,385	
	General Capital Lease Obligations	<u>(48,766)</u>	(188,338)

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 (+).

	Decrease in compensated absences payable		23,225
--	--	--	--------

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

	District Pension Contributions	605,201	
	Less: Pension Expense	<u>(949,470)</u>	(344,269)

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

	Increase in On-behalf State Aid TPAF Pension		5,866,562
	Increase in On-behalf TPAF Pension Expense		(5,866,562)

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

240,567

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 (-)

(42,567)

Change in net position of governmental activities

(3,180,145)

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, 2015

	Business-type Activities - Enterprise Fund	
	Food Service Program	Totals
ASSETS		
Current assets:		
Cash and cash equivalents	217,160	217,160
Accounts receivable:		
State	3,360	3,360
Federal	79,121	79,121
Other	4,054	4,054
Interfund accounts receivable	47,644	47,644
Inventories	8,541	8,541
Total current assets	359,880	359,880
Noncurrent assets:		
Capital assets:		
Equipment	449,143	449,143
Less accumulated depreciation	(352,815)	(352,815)
Total capital assets (net of accumulated depreciation)	96,328	96,328
Total assets	456,208	456,208
LIABILITIES		
Current Liabilities:		
Accounts payable	72,662	72,662
Prepaid Revenue	15,687	15,687
Total Liabilities	88,349	88,349
NET POSITION		
Net investment in capital assets	96,328	96,328
Unrestricted	271,531	271,531
Total net position	367,859	367,859

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, 2015

	Business-type Activities - Enterprise Fund	
	Food Service Program	Totals
Operating revenues:		
Charges for services:		
Daily sales - reimbursable programs	854,244	854,244
Daily sales - other	61,520	61,520
Total operating revenues	915,764	915,764
 Operating expenses:		
Cost of food	568,422	568,422
Salaries	429,863	429,863
Supplies and materials	51,607	51,607
Employee benefits	150,854	150,854
Depreciation	22,107	22,107
Repairs and other expenses	70,389	70,389
Purchased services	112,800	112,800
Total Operating Expenses	1,406,042	1,406,042
Operating income (loss)	(490,278)	(490,278)
 Nonoperating revenues (expenses):		
State sources:		
School lunch program	13,832	13,832
Federal sources:		
School lunch program	327,793	327,793
School breakfast program	28,517	28,517
U.S.D.A. Commodities	59,762	59,762
Interest on investments	1,800	1,800
Total nonoperating revenues (expenses)	431,704	431,704
Income (loss) before contributions & transfers	(58,574)	(58,574)
 Total net position—beginning	426,433	426,433
Total net position—ending	367,859	367,859

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, 2015

	Business-type Activities - Enterprise Fund	
	Food Service Program	Totals
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	928,217	928,217
Payments to suppliers	(1,372,584)	(1,372,584)
Net cash provided by (used for) operating activities	(444,367)	(444,367)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State Sources	10,533	10,533
Federal Sources	261,429	261,429
Miscellaneous	3,945	3,945
Net cash provided by (used for) non-capital financing activities	275,907	271,962
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition of capital assets	(52,495)	(52,495)
Net cash used for capital and related financing activities	(52,495)	(52,495)
Net increase (decrease) in cash and cash equivalents	(220,955)	(224,900)
Balances—beginning of year	438,115	438,115
Balances—end of year	217,160	213,215
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	(490,278)	(490,278)
Adjustments to reconcile operating income (loss) to net cash provided by		
Depreciation and net amortization	22,107	22,107
Food distribution program	59,762	59,762
(Increase) decrease in accounts receivable	20,544	20,544
(Increase) decrease in interfunds receivable	(5,815)	(5,815)
(Increase) decrease in inventories	(3,370)	(3,370)
Increase (decrease) in prepaid revenue	(2,276)	(2,276)
Increase (decrease) in accounts payable	(45,041)	(45,041)
Total adjustments	45,911	45,911
Net cash provided by (used for) operating activities	(444,367)	(444,367)

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, 2015

	<u>Private Purpose Scholarship Fund</u>	<u>Unemployment Compensation Trust Fund</u>	<u>Agency Funds</u>
ASSETS			
Cash and cash equivalents	31,258	317,850	391,967
Miscellaneous receivables			1,745
Interfund receivables		12,938	
Total assets	<u>31,258</u>	<u>330,788</u>	<u>393,712</u>
LIABILITIES			
Accounts payable			288,277
Interfund payable			43,524
Payable to student groups			61,911
Due to State of NJ - Unemployment		7,316	
Total liabilities	<u>-</u>	<u>7,316</u>	<u>393,712</u>
NET POSITION			
Reserved			
Principal portion	5,000		
Held in trust for unemployment claims and other purposes		<u>323,472</u>	
Reserved for scholarships	<u>26,258</u>		
	<u>31,258</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, 2015

	Private Purpose Scholarship Fund	Unemployment Compensation Trust Fund
ADDITIONS		
Contributions:		
Donations	3,672	
Payroll withholdings		48,768
Total Contributions	3,672	48,768
Investment earnings:		
Interest		237
Net investment earnings	-	237
Total additions	3,672	49,005
DEDUCTIONS		
Quarterly contribution reports		102,874
Scholarships awarded	4,300	
Total deductions	4,300	102,874
OTHER CHANGES TO FIDUCIARY NET POSITION		
Change in net position	(628)	(53,869)
Net position—beginning of the year	31,886	377,341
Net position—end of the year	31,258	323,472

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, 2015**

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, 2015**

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 - *government*, *proprietary*, and *fiduciary* - are presented. The New Jersey Department of Education (NJDOE) has elected to require New Jersey districts to treat each governmental fund as a major fund in accordance with the option noted in GASB No. 34, paragraph 76. The NJDOE believes that the presentation of all funds as major is important for public interest and to promote consistency among district financial reporting models. The various funds of the Board are grouped into the categories governmental, proprietary and fiduciary.

GOVERNMENTAL FUNDS

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

**Borough of Fort Lee School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2015**

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, 2015**

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, 2015**

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, 2015**

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.

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, 2015**

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, 2015**

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, 2015, 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, 2015**

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, 2015**

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. Accounting and Financial Reporting for Pensions:

In fiscal year 2015, the District implemented GASB 68. This Statement amends GASB Statement No. 27. It improves accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local government employers about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. This Statement replaces the requirement of Statement No. 27, *Accounting for Pension by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements that meet certain criteria. The requirements of Statements 27 and 50 remain applicable for pensions that are not covered by the scope of this Statement. This statement is effective for periods beginning after June 15, 2014.

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

**Borough of Fort Lee School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2015**

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

O. Accounting and Financial Reporting for Pensions: (continued)

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

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

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

P. 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).

**Borough of Fort Lee School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2015**

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

P. Fund Balances: (continued)

- **Restricted** fund balance includes amounts that can be spent only for the specific purposes stipulated by external resource providers (for example, grant providers), constitutionally, or through enabling legislation (that is, legislation that creates a new revenue source and restricts its use). Effectively, restrictions may be changed or lifted only with the consent of resource providers.
- **Committed** fund balance includes amounts that can be used only for the specific purposes determined by a formal action of the Board's highest level of decision-making authority. Commitments may be changed or lifted only by the government taking the same formal action that imposed the constraint originally.
- **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.

Q. 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.

**Borough of Fort Lee School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2015**

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

R. 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.

S. 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.

T. 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.

U. 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.

V. Recent Accounting Pronouncements:

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 and was implemented by the District for the year ended June 30, 2015.

**Borough of Fort Lee School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2015**

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

V. Recent Accounting Pronouncements:(continued)

The Governmental Accounting Standards Board (GASB) issued Statement No. 71 “Pension Transition for Contributions Made Subsequent to the Measurement Date-an-amendment of GASB Statement No. 68”. The provisions of this statement are required to be applied simultaneously with the provisions of Statement 68 which is effective for periods beginning after June 15, 2014 and was implemented by the District for the year ended June 30, 2015.

The Government Accounting Standards Board issued GASB Statement No. 72, Fair Value Measurement and Application. This Statement addresses accounting and financial reporting issues related to fair value measurements. The definition of *fair value* is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This Statement also provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. The District is currently reviewing what effect, if any, this Statement might have on future financial statements.

The Government Accounting Standards Board issued GASB Statement No. 73, Accounting and Financial Reporting for Pensions and Related Assets That Are Not Within the Scope of GASB Statement 68 and Amendments to Certain Provisions of GASB Statements 67 and 68. This Statement is effective for fiscal years beginning after June 15, 2015 – except those provisions that address employers and governmental nonemployer contributing entities for pensions that are not within the scope of Statement 68, which are effective for financial statements for fiscal years beginning after June 15, 2016. The District is currently reviewing what effect, if any, this Statement might have on future financial statements.

The Government Accounting Standards Board issued GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans. This Statement applies to OPEB plans and basically parallels GASB Statement 67 and replaces GASB Statement 43 and is effective for fiscal years beginning after June 15, 2016. The District is currently reviewing what effect, if any, this Statement might have on future financial statements.

The Government Accounting Standards Board issued GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. This Statement applies to government employers who provided OPEB plans to their employees and basically parallels GASB Statement 68 and replaces GASB Statement 45. The Statement is effective for fiscal years beginning after June 15, 2017. The District is currently reviewing what effect, if any, this Statement might have on future financial statements.

**Borough of Fort Lee School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2015**

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, 2015, \$46,008,153 of the District's bank balance of \$58,836,666 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. As of June 30, 2015, the District invested in various U.S. Treasury Bonds with maturity dates from 6 months to 4 years.

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, 2015**

NOTE 4. RECEIVABLES:

Receivables at June 30, 2015, 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	\$1,193,579	\$47,644	\$30,823
State Aid	2,610,795	3,360	2,614,155
Federal Aid	972,124	79,121	1,051,245
Other	<u>179,065</u>	<u>4,054</u>	<u>183,119</u>
Gross Receivables	4,955,563	134,179	3,879,342
Less: Allowance for Uncollectibles			
Total Receivables, Net	<u>\$4,955,563</u>	<u>\$134,179</u>	<u>\$3,879,342</u>

NOTE 5. INTERFUND BALANCE AND ACTIVITY:

Balances due to/from other funds at June 30, 2015 consist of the following:

\$30,823	Due to the General Fund from the Fiduciary Funds for interest earnings and expense reimbursements.
853,907	Due to the General Fund from the Special Revenue Fund to cover deficit in cash and expense reimbursement.
246,903	Due to the General Fund from the Capital Projects Fund for expense reimbursement.
3,995	Due to the Cafeteria Fund from the General Fund for expense reimbursements
40,029	Due to the Cafeteria Fund from the General Fund for subsidy reimbursements.
3,620	Due to the Cafeteria Fund from the Special Revenue Fund for expense reimbursements.
12,701	Due to the Unemployment Account from the Payroll Agency Funds for employee deductions.
237	Due to the Unemployment Account from the General Fund interest earnings.
5,000	Due to the Payroll Agency Fund from the FSA Account for expense reimbursements.
<u>61,946</u>	Due to the Debt Service Fund from the Capital Projects Fund for interest earnings.
<u>\$1,259,161</u>	

**Borough of Fort Lee School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2015**

NOTE 6. CAPITAL ASSETS:

Capital asset activity for the fiscal year ended June 30, 2015 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Governmental Activities				
Capital assets that are not being depreciated:				
Land	\$2,509,321	\$		\$2,509,321
Construction in progress	<u>7,057,340</u>	<u>13,459,972</u>	<u>(1,363,898)</u>	<u>19,153,414</u>
Total capital assets not being depreciated	<u>9,566,661</u>	<u>13,459,972</u>	<u>(1,363,898)</u>	<u>21,662,735</u>
Site Improvements	1,825,125			1,825,125
Building and improvements	36,991,293	1,579,991	1,363,898	39,935,182
Machinery and equipment	<u>3,158,945</u>	<u>250,573</u>		<u>3,409,518</u>
Totals at historical cost	<u>41,975,363</u>	<u>1,830,564</u>	<u>1,363,898</u>	<u>45,169,825</u>
Less accumulated depreciation for:				
Site Improvements	(1,321,180)	(68,402)		(1,389,582)
Buildings and improvements	(22,584,811)	(786,445)		(23,371,256)
Equipment	<u>(2,793,803)</u>	<u>(122,003)</u>		<u>(2,915,806)</u>
Total accumulated depreciation	<u>(26,699,794)</u>	<u>(976,850)</u>		<u>(27,676,644)</u>
Total capital assets being depreciated, net of accumulation	<u>15,275,569</u>	<u>853,714</u>	<u>1,363,898</u>	<u>17,493,181</u>
Governmental activities capital assets, net	<u>24,842,230</u>	<u>14,313,686</u>		<u>39,155,916</u>
Business-type activities:				
Equipment	396,648	52,495		449,143
Less accumulated depreciation for:				
Equipment	<u>(330,708)</u>	<u>(22,107)</u>		<u>(352,815)</u>
Business-type activities capital assets, net	<u>\$65,940</u>	<u>\$30,388</u>		<u>\$96,328</u>

Depreciation expense was charged to governmental functions as follows:

Unallocated	(\$976,850)
Direct expense of various functions	<u>-0-</u>
Total depreciation expense	<u>(\$976,850)</u>

**Borough of Fort Lee School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2015**

NOTE 7. LONG-TERM OBLIGATION ACTIVITY:

Changes in long-term obligations for the fiscal year ended June 30, 2015 were as follows:

	<u>Beginning Balance</u>	<u>Issued</u>	<u>Retired</u>	<u>Ending Balance</u>	<u>Amount Due Within One Year</u>
Governmental Activities:					
Bonds Payable:					
General Obligation Debt	\$17,015,000	\$49,840,000	\$(665,000)	\$17,015,000	\$685,000
Total Bonds Payable	<u>17,015,000</u>	<u>49,840,000</u>	<u>(665,000)</u>	<u>17,015,000</u>	<u>685,000</u>
Other Liabilities:					
Net Pension Liability PERS	12,464,854	1,279,950		13,744,804	
Obligations Under Capital Lease	2,248,388	5,571,444	(68,868)	7,750,964	489,130
Compensated Absences Payable	<u>5,736,415</u>	<u>410,067</u>	<u>(433,292)</u>	<u>5,713,190</u>	
Total Other Liabilities	<u>20,449,657</u>	<u>7,261,461</u>	<u>(502,160)</u>	<u>27,208,958</u>	<u>489,130</u>
	<u>\$37,464,657</u>	<u>\$57,101,461</u>	<u>(\$1,167,160)</u>	<u>\$93,398,958</u>	<u>\$1,174,130</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, 2015 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, 2015</u>
BCIA Improvement Bonds	8/7/2012	2.00%-5.00%	11/1/2031	\$16,350,000
General Serial Bonds	4/7/2015	3.00%-3.500%	3/15/2041	<u>49,840,000</u>
				<u>\$66,190,000</u>

**Borough of Fort Lee School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2015**

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>
2016	\$2,850,869	\$685,000	\$2,165,869
2017	4,513,012	2,270,000	2,243,012
2018	4,290,888	2,120,000	2,170,888
2019	4,274,387	2,175,000	2,099,387
2020	4,255,112	2,230,000	2,025,112
2020-2024	21,384,163	12,500,000	8,884,163
2021-2025	21,470,087	14,975,000	6,495,087
2026-2030	17,501,813	13,560,000	3,941,813
2031-2035	14,760,325	12,895,000	1,865,325
2036-2040	<u>2,877,300</u>	<u>2,780,000</u>	<u>97,300</u>
	<u>\$98,177,956</u>	<u>\$66,190,000</u>	<u>\$31,987,956</u>

B. Bonds Authorized But Not Issued:

As of June 30, 2015 the Board has no authorized but not issued bonds.

C. Capital Leases:

The District is leasing various equipment and temporary classroom trailers under capital leases. The capital leases are for terms of five years and fifteen 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, 2015:

Year Ending <u>June 30,</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2016	\$660,788	\$489,130	\$171,658
2017	945,502	783,539	161,963
2018	969,129	822,525	146,604
2019	849,083	718,283	130,800
2020	632,242	514,859	117,383
2021-2025	2,137,107	1,674,916	462,191
2026-2030	2,431,813	2,206,896	224,917
2031	<u>551,111</u>	<u>540,816</u>	<u>10,295</u>
	<u>\$9,176,775</u>	<u>\$7,750,964</u>	<u>\$1,425,811</u>

Total minimum lease payments	\$9,176,775
Less: Amount representing interest	<u>(1,425,811)</u>
Present value of lease payments	<u>\$7,750,964</u>

**Borough of Fort Lee School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2015**

NOTE 8. OPERATING LEASES:

The District is leasing certain office equipment and office space under operating leases that expire from 2015 through 2019. Total operating lease payments made during the year ended June 30, 2015 were \$362,957. Future minimum lease payments are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2016	\$245,708
2017	176,788
2018	95,868
2019	<u>95,868</u>
	<u>\$614,232</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.

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, 2015**

NOTE 9. PENSION PLANS: (continued)

Defined Contribution Retirement Program (DCRP) - The Defined Contribution Retirement Program (DCRP) was established as of July 1, 2008 under the provisions of Chapter 92, P.L. 2008 and Chapter 103, P.L. 2008 (NJSA 43:15C-1 et seq). The DCRP is a cost-sharing multiple-employer defined contribution pension fund. The DCRP provides eligible members, and their beneficiaries with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting and benefit provisions are established by NJSA 43:15C-1 et seq.

Contribution Requirements Fund Based Statements - 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. The phase in will take place on July 1 of each subsequent fiscal year. 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, 2015 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 AND DCRP, equal to the required contributions for each year as reported in the fund based statements, were as follows:

Year		
<u>Ending</u>	<u>PERS</u>	<u>DCRP</u>
6/30/15	\$611,780	\$14,344
6/30/14	539,873	7,493
6/30/13	493,542	8,374

**Borough of Fort Lee School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2015**

NOTE 9. PENSION PLANS: (continued)

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

Year <u>Ending</u>	Pension <u>Contributions</u>	Post-Retirement Medical <u>Contributions</u>	NCGI <u>Premium</u>
6/30/15	\$1,331,038	\$2,265,047	\$95,762
6/30/14	985,815	1,759,038	87,015
6/30/13	1,607,674	1,913,519	84,586

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

Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$1,870,506 during the year ended June 30, 2015 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. This amount has been included in the fund-based statements as revenues and expenditures in accordance with GASB 24, paragraphs 7 through 13.

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

Public Employees Retirement System (PERS)

At June 30, 2015, the District reported a liability of \$13,744,804 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts, actuarially determined. At June 30, 2014, the District's proportion was .0734123712 percent, which was an increase of .0000819229 percent from its proportion measured as of June 30, 2013.

**Borough of Fort Lee School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2015**

NOTE 9. PENSION PLANS: (continued)

For the year ended June 30, 2015, the District recognized pension expense of \$949,470. At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes of assumptions	\$432,210	\$
Net difference between projected and actual earnings on pension plan investments		819,116
Changes in proportion and differences between District contributions and proportionate share of contributions	1,322,587	
District contributions subsequent to the measurement date	<u>621,678</u>	<u> </u>
Total	<u>\$2,376,475</u>	<u>\$819,116</u>

The \$621,678 reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2015, the plan measurement date is June 30, 2014) will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2016	\$(125,328)
2017	(125,328)
2018	(125,328)
2019	79,450
Thereafter	34,958

**Borough of Fort Lee School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2015**

NOTE 9. PENSION PLANS: (continued)

Additional Information

Local Group Collective balances at December 31, 2014 and 2013 are as follows:

	<u>Dec. 31, 2014</u>	<u>Dec. 31, 2013</u>
Collective deferred outflows of resources	\$952,194,675	Not Available
Collective deferred inflows of resources	1,479,224,662	Not Available
Collective net pension liability	18,722,735,003	19,111,986,911
District's Proportion	.0734123712%	.0652200824%

Actuarial Assumptions

The total pension liability for the June 30, 2014 measurement date was determined by an actuarial valuation as of July 1, 2013, which rolled forward to June 30, 2014. The total pension liability for the July 1, 2013 measurement date was determined by an actuarial valuation as of July 1, 2013. This actuarial valuation used the following assumptions, applied to all periods in the measurement.

Inflation	3.01 Percent
Salary Increases:	
2012-2021	2.15-4.40 Percent (based on age)
Thereafter	3.15-5.40 Percent (based on age)
Investment Rate of Return	7.90 Percent

The actuarial assumptions used in the June 30, 2013 valuation were based on the results of an actuarial experience study for the period July 1, 2008 to June 30, 2011.

Mortality Rates

Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback one year for females) with adjustments for mortality improvements from the base year of 2012 based on Projection Scale AA.

**Borough of Fort Lee School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2015**

NOTE 9. PENSION PLANS: (continued)

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2014 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	6.00%	0.80%
Core Bond	1.00%	2.49%
Intermediate Term Bonds	11.20%	2.26%
Mortgages	2.50%	2.17%
High Yield Bonds	5.50%	4.82%
Inflation Indexed Bonds	2.50%	3.51%
Broad U.S. Equities	25.90%	8.22%
Developed Foreign Markets	12.70%	8.12%
Emerging Market Equities	6.50%	9.91%
Private Equity	8.25%	13.02%
Hedge Funds/Absolute Returns	12.25%	4.92%
Real Estate (Property)	3.20%	5.80%
Commodities	2.50%	5.35%
	<u>100.00%</u>	

Discount Rate

The discount rate used to measure the total pension liability was 5.39% and 5.55% as of June 30, 2014 and 2013, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.9%, and a municipal bond rate of 4.29% and 4.63% as of June 30, 2014 and 2013, respectively, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years of contributions made in relation to the last five years of recommended contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2033. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2033, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

**Borough of Fort Lee School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2015**

NOTE 9. PENSION PLANS: (continued)

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

The following presents the collective net pension liability of the participating employers as of June 30, 2014 respectively, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1 -percentage point lower or 1 -percentage-point higher than the current rate:

	June 30, 2014		
	1% Decrease <u>4.39%</u>	At Current Discount Rate <u>5.39%</u>	1% Increase <u>6.39%</u>
District's proportionate share of the pension liability	\$17,291,431	\$13,744,804	\$10,766,539

Pension Plan Fiduciary Net Position

Detailed information about the pension plan’s fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Public Employees Retirement System (PERS).

Teachers Pensions and Annuity Fund (TPAF)

The employer contributions for local participating employers are legally required to be funded by the State in accordance with N.J.S.A 18:66-33. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the net pension liability that is associated with the local participating employer.

The portion of the TPAF Net Pension Liability that was associated with the District recognized at June 30, 2015 was as follows:

Net Pension Liability:	
District's proportionate share	\$ -0-
State's proportionate share associated with the District	<u>135,540,690</u>
	<u>\$135,540,690</u>

**Borough of Fort Lee School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2015**

NOTE 9. PENSION PLANS: (continued)

The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2013. The net pension liability associated with the District was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts and the State, actuarially determined. At June 30, 2014, the proportion of the TPAF net pension liability associated with the District was .2535995199%.

For the year ended June 30, 2015, the District recognized on-behalf pension expense and revenue of \$7,293,362 for contributions provided by the State in the District-Wide Financial Statements.

Actuarial Assumptions

The total pension liability for the June 30, 2014 measurement date was determined by an actuarial valuation as of July 1, 2013, which was rolled forward to June 30, 2014. The total pension liability for the June 30, 2013 measurement date was determined by an actuarial valuation as of July 1, 2013. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation rate	2.50%
Salary Increases:	
2012-2021	Varies based on experience
Thereafter	Varies based on experience
Investment Rate of Return	7.90%

Mortality Rates

Mortality rates were based on the RP-2000 Health Annuitant Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA. Pre-retirement mortality improvements for active members are projected using Scale AA from the base year of 2000 until the valuation date plus 15 years to account for future mortality improvement. Post-retirement mortality improvements for non-disabled annuitants are projected using Scale AA from the base year of 2000 for males and 2003 for females until the valuation date plus 7 years to account for future mortality improvement. The actuarial assumptions used in the July 1, 2013 valuation were based on the results of an actuarial experience study for the period July 1, 2009 to June 30, 2012.

**Borough of Fort Lee School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2015**

NOTE 9. PENSION PLANS: (continued)

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2014 are summarized in the table on the following page:

Asset Class	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	6.00%	0.50%
Core Fixed Income	0.00%	2.19%
Core Bonds	1.00%	1.38%
Short-Term Bonds	0.00%	1.00%
Intermediate-Term Bonds	11.20%	2.60%
Long-Term Bonds	0.00%	3.23%
Mortgages	2.50%	2.84%
High Yield Bonds	5.50%	4.15%
Non-US Fixed Income	0.00%	1.41%
Inflation-Indexed Bonds	2.50%	1.30%
Broad US Equities	25.90%	5.88%
Large Cap US Equities	0.00%	5.62%
Mid Cap US Equities	0.00%	6.39%
Small Cap US Equities	0.00%	7.39%
Developed Foreign Equities	12.70%	6.05%
Emerging Market Equities	6.50%	8.90%
Private Equity	8.25%	9.15%
Hedge Funds Absolute Return	12.25%	3.85%
Real Estate (Property)	3.20%	4.43%
Real Estate (REITS)	0.00%	5.58%
Commodities	2.50%	3.60%
Long Credit Bonds	0.00%	3.74%
	<u>100.00%</u>	

Discount Rate

The discount rate used to measure the total pension liability was 4.68% and 4.95% as of June 30, 2014 and 2013, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.9%, and a municipal bond rate of 4.29% and 4.63% as of June 30, 2014 and 2013, respectively, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made

**Borough of Fort Lee School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2015**

NOTE 9. PENSION PLANS: (continued)

at the current member contribution rates and that contributions from employers will be made based on the average of the last five years. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2027. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2027, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability,

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

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

NOTE 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, 2014, there were 103,432 retirees receiving post-retirement medical benefits, and the State contributed \$1.04 billion on their behalf. 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 employer paid 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. The State paid \$165.8 million toward Chapter 126 benefits for 18,122 eligible retired members in Fiscal Year 2014.

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

**Borough of Fort Lee School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2015**

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.

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>
2014-2015	\$237	\$48,768	\$102,874	\$323,472
2013-2014	246	49,392	109,341	377,341
2012-2013	336	47,978	70,676	437,044

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 \$1,541,656 in the capital reserve account at June 30, 2015.

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, 2015**

NOTE 13. CAPITAL RESERVE ACCOUNT: (continued)

The activity of the capital reserve for the July 1, 2014 to June 30, 2015 fiscal year is as follows:

Beginning balance, July 1, 2014	\$2,044,628
Increased by:	
Interest Earnings	1,028
Unexpended Budget Appropriations	<u>1,000,000</u>
	3,045,656
Decreased by:	
Budget Appropriations	<u>1,504,000</u>
Ending balance, June 30, 2015	<u>\$1,541,656</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, 2015 to June 30, 2015 fiscal year is as follows:

Beginning balance, July 1, 2015	<u>\$250,000</u>
Ending balance, June 30, 2015	<u>\$250,000</u>

NOTE 15. FUND BALANCE APPROPRIATED:

General Fund [Exhibit B-1] - Of the \$4,632,169 General Fund fund balance at June 30, 2015, \$737,178 is reserved for encumbrances; \$502,337 is reserved as excess surplus in accordance with N.J.S.A. 18A:7F-7; (\$-0- of the total reserve for excess surplus has been appropriated and included as anticipated revenue for the year ending June 30, 2016); \$1,541,656 has been reserved in the Capital Reserve Account; \$250,000 has been reserved in the Emergency Reserve Account; \$490,010 has been appropriated and included as anticipated revenue for the year ending June 30, 2016; and \$1,110,988 is unreserved and undesignated.

**Borough of Fort Lee School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2015**

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, 2015 is \$502,337 of which \$502,337 is the result of current year operations.

NOTE 17. INVENTORY:

Inventory in the Food Service Fund at June 30, 2015 consisted of the following:

Food	\$6,325
Supplies	<u>2,216</u>
	<u>\$8,541</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. RESTATEMENT:

Net position for June 30, 2014 was restated in the amount of \$12,464,854 to reflect the net pension liability at June 30, 2013 for the Public Employee Retirement System (PERS) as per Governmental Accounting Standards Board ("GASB") number 68. This resulted in restatement of net position as of June 30, 2014 as follows:

	<u>Governmental Activities</u>
Net Position at June 30, 2014	\$17,812,834
Prior Period Adjustment for Net Pension Liability	<u>(12,464,854)</u>
Net Position at June 30, 2014 - Restated	<u>\$5,347,980</u>

**Borough of Fort Lee School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2015**

NOTE 19. 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 20. SUBSEQUENT EVENTS:

The District has evaluated subsequent events through November 17, 2015, 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, 2015

	<u>Original Budget</u>	<u>Budget Transfers/ Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES:					
General Fund:					
Revenues from Local Sources:					
Local Tax Levy	55,438,424		55,438,424	55,438,424	
Tuition	20,000	(20,000)		43,650	
Interest Earned on Capital Reserve Funds	50	(50)		1,028	1,028
Unrestricted Miscellaneous Revenues	88,730	(7,830)	80,900	361,823	280,923
Total - Local Sources	<u>55,547,204</u>	<u>(27,880)</u>	<u>55,519,324</u>	<u>55,844,925</u>	<u>325,601</u>
Revenues from State Sources:					
Categorical Special Education Aid	1,797,805		1,797,805	1,797,805	
Categorical Security Aid	91,765		91,765	91,765	
Categorical Transportation Aid	79,344		79,344	79,344	
Extraordinary Aid	650,000		650,000	660,610	10,610
Other State Aid	77,540		77,540	77,540	
Non-Public Transportation Aid				26,280	26,280
On-behalf TPAF Post-Retirement Medical (non-budgeted)				2,265,047	2,265,047
On-behalf TPAF Pension (non-budgeted)				1,331,038	1,331,038
On-behalf TPAF NCGI Premium (non-budgeted)				95,762	95,762
Reimbursed TPAF Social Security Contributions (non-budgeted)				1,870,506	1,870,506
Total - State Sources	<u>2,696,454</u>		<u>2,696,454</u>	<u>8,295,697</u>	<u>5,599,243</u>
Revenues from Federal Sources:					
Special Education Medicaid Initiative		27,880	27,880		(27,880)
Total - Federal Sources		<u>27,880</u>	<u>27,880</u>		<u>(27,880)</u>
TOTAL REVENUES	<u>58,243,658</u>		<u>58,243,658</u>	<u>64,140,622</u>	<u>5,896,964</u>
EXPENDITURES:					
Current Expense:					
Regular Programs - Instruction					
Kindergarten - Salaries of Teachers	1,309,839	(15,153)	1,294,686	1,270,057	24,629
Grades 1-5 - Salaries of Teachers	7,397,069	212,706	7,609,775	7,607,287	2,488
Grades 6-8 - Salaries of Teachers	3,890,460	125,844	4,016,304	3,959,218	57,086
Grades 9-12 - Salaries of Teachers	4,976,945	(278,751)	4,698,194	4,697,047	1,147
Regular Programs - Home Instruction:					
Salaries of Teachers	107,000	18,000	125,000	111,975	13,025
Purchased Professional-Educational Services	10,000	4,000	14,000	10,046	3,954
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	844,239	(197,100)	647,139	645,683	1,456
Purchased Professional - Educational Services	4,000	138,425	142,425	64,040	78,385
Purchased Technical Services	34,500	8,000	42,500	40,793	1,707
Other Purchased Services (400-500 series)	210,900	20,057	230,957	202,076	28,881
General Supplies	882,482	293,177	1,175,659	847,591	328,068
Textbooks	562,640	(280,542)	282,098	121,975	160,123
Other Objects	16,000	900	16,900	15,326	1,574
TOTAL REGULAR PROGRAMS - INSTRUCTION	<u>20,246,074</u>	<u>49,563</u>	<u>20,295,637</u>	<u>19,593,114</u>	<u>702,523</u>
SPECIAL EDUCATION - INSTRUCTION					
Learning and/or Language Disabilities					
Salaries of Teachers	269,233	13,810	283,043	282,102	941
Other Salaries for Instruction	281,807	(94,083)	187,724	177,380	10,344
General Supplies	2,500	(2,000)	500	301	199
Total Learning and/or Language Disabilities	<u>553,540</u>	<u>(82,273)</u>	<u>471,267</u>	<u>459,783</u>	<u>11,484</u>
Resource Room/Resource Center:					
Salaries of Teachers	1,562,411	(203,410)	1,359,001	1,350,430	8,571
Other Salaries for Instruction	15,477	1,100	16,577	13,380	3,197
General Supplies	10,000	(5,000)	5,000	3,043	1,957
Total Resource Room/Resource Center	<u>1,587,888</u>	<u>(207,310)</u>	<u>1,380,578</u>	<u>1,366,853</u>	<u>13,725</u>
Autism					
Salaries of Teachers	241,460	1,050	242,510	238,513	3,997
Other Salaries for Instruction	335,929	(88,200)	247,729	245,784	1,945
General Supplies	3,600	(1,250)	2,350	2,200	150
Total Autism	<u>580,989</u>	<u>(88,400)</u>	<u>492,589</u>	<u>486,497</u>	<u>6,092</u>
Preschool Disabilities- Full-Time:					
Salaries of Teachers	236,301	58,700	295,001	294,853	148
Other Salaries for Instruction	233,837	15,499	249,336	245,376	3,960
General Supplies	9,900		9,900	4,278	5,622
Total Preschool Disabilities - Full-Time	<u>480,038</u>	<u>74,199</u>	<u>554,237</u>	<u>544,507</u>	<u>9,730</u>
TOTAL SPECIAL EDUCATION - INSTRUCTION	<u>3,202,455</u>	<u>(303,784)</u>	<u>2,898,671</u>	<u>2,857,640</u>	<u>41,031</u>

Exhibit C-1

FORT LEE BOARD OF EDUCATION
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2015

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
Basic Skills/Remedial - Instruction					
Salaries of Teachers	843,555	(93,320)	750,235	749,259	976
General Supplies	3,000	(3,000)			
Total Basic Skills/Remedial - Instruction	<u>846,555</u>	<u>(96,320)</u>	<u>750,235</u>	<u>749,259</u>	<u>976</u>
Bilingual Education - Instruction					
Salaries of Teachers	1,341,564	44,778	1,386,342	1,385,728	614
Other Purchased Services (400-500 series)	100	200	300	86	214
General Supplies	4,500	1,100	5,600	1,806	3,794
Total Bilingual Education - Instruction	<u>1,346,164</u>	<u>46,078</u>	<u>1,392,242</u>	<u>1,387,620</u>	<u>4,622</u>
School-Sponsored Cocurricular Activities - Instruction					
Salaries	305,097	(60,650)	244,447	242,186	2,261
Purchased Services (300-500 series)	10,700	19,250	29,950	27,714	2,236
Supplies and Materials	104,114	(20,650)	83,464	76,248	7,216
Other Objects	31,500	(10,250)	21,250	14,265	6,985
Total School-Sponsored Cocurricular Activities - Instruction	<u>451,411</u>	<u>(72,300)</u>	<u>379,111</u>	<u>360,413</u>	<u>18,698</u>
School-Sponsored Athletics - Instruction					
Salaries	436,846	(19,000)	417,846	383,240	34,606
Purchased Services (300-500 series)	65,942	790	66,732	48,247	18,485
Supplies and Materials	72,957	(1,000)	71,957	65,600	6,357
Other Objects	28,055	6,000	34,055	30,343	3,712
Total School-Sponsored Athletics - Instruction	<u>603,800</u>	<u>(13,210)</u>	<u>590,590</u>	<u>527,430</u>	<u>63,160</u>
Before/After School Programs - Instruction					
Salaries	19,430	(11,680)	7,750		7,750
Total Before/After School Programs - Instruction	<u>19,430</u>	<u>(11,680)</u>	<u>7,750</u>		<u>7,750</u>
Summer School - Instruction					
Salaries	105,765	16,500	122,265	116,232	6,033
Other Salaries for Instruction	54,855	11,999	66,854	63,394	3,460
Total Summer School - Instruction	<u>160,620</u>	<u>28,499</u>	<u>189,119</u>	<u>179,626</u>	<u>9,493</u>
TOTAL INSTRUCTION	<u>26,876,509</u>	<u>(373,154)</u>	<u>26,503,355</u>	<u>25,655,102</u>	<u>848,253</u>
Undistributed Expenditures - Instruction:					
Tuition to Other LEAs Within the State - Special	1,145,277	(119,565)	1,025,712	1,019,776	5,936
Tuition to County Voc. School Dist. - Regular	668,304	64,260	732,564	729,898	2,666
Tuition to CSSD & Regional Day Schools	678,850	206,300	885,150	884,991	159
Tuition to Private Schools for the Handicapped - Within State	1,061,725	103,723	1,165,448	1,158,312	7,136
Tuition to Priv. Scho. Disabled & Other LEAs - Spl, O/S State	30,804	4,200	35,004		35,004
Total Undistributed Expenditures - Instruction:	<u>3,584,960</u>	<u>258,918</u>	<u>3,843,878</u>	<u>3,792,977</u>	<u>50,901</u>
Undistributed Expend. - Attend. & Social Work					
Salaries	91,013	(3,000)	88,013	87,219	794
Salaries of Family Support Teams	66,642	4,101	70,743	70,722	21
Purchased Professional and Technical Services	37,000	(960)	36,040	36,040	
Supplies and Materials	2,500		2,500	1,740	760
Total Undistributed Expend. - Attend. & Social Work	<u>197,155</u>	<u>141</u>	<u>197,296</u>	<u>195,721</u>	<u>1,575</u>
Undist. Expend. - Health Services					
Salaries	495,160	52,697	547,857	547,427	430
Purchased Professional and Technical Services	48,300	16,200	64,500	61,614	2,886
Other Purchased Services (400-500 series)		4,380	4,380	4,325	55
Supplies and Materials	13,805	19,105	32,910	31,402	1,508
Total Undistributed Expenditures - Health Services	<u>557,265</u>	<u>92,382</u>	<u>649,647</u>	<u>644,768</u>	<u>4,879</u>
Undist. Expend. - Speech, OT, PT & Related Svcs.					
Salaries	768,468	(111,000)	657,468	644,852	12,616
Purchased Prof. Services-Educational Services	829,934	54,164	884,098	853,651	30,447
Supplies and Materials	6,300		6,300	6,146	154
Total Undist. Expend. - Speech, OT, PT, & Related Svcs	<u>1,604,702</u>	<u>(56,836)</u>	<u>1,547,866</u>	<u>1,504,649</u>	<u>43,217</u>
Undist. Expend. - Other Supp. Serv. Students-Extra Serv.					
Salaries	773,529	7,610	781,139	776,178	4,961
Purchased Prof. Services-Educational Services	478,551	(70,500)	408,051	396,842	11,209
Supplies and Materials		3,000	3,000	2,432	568
Total Undist. Expend. - Other Supp. Serv. Students-Extra Svcs.	<u>1,252,080</u>	<u>(59,890)</u>	<u>1,192,190</u>	<u>1,175,452</u>	<u>16,738</u>
Undist. Expend. - Guidance					
Salaries of Other Professional Staff	963,251	5,000	968,251	962,437	5,814
Salaries of Secretarial and Clerical Assistants	105,608	2,000	107,608	107,420	188
Purchased Professional - Educational Services		2,750	2,750	1,550	1,200
Purchased Professional and Technical Services	209,374	(184,925)	24,449	18,522	5,927
Other Purchased Services (400-500 series)	500		500	150	350
Supplies and Materials	9,350	(2,000)	7,350	3,043	4,307
Other Objects	4,600	(4,000)	600	480	120
Total Undist. Expend. - Guidance	<u>1,292,683</u>	<u>(181,175)</u>	<u>1,111,508</u>	<u>1,093,602</u>	<u>17,906</u>
Undist. Expend. - Other Supp. Child Study Teams					
Salaries of Other Professional Staff	1,005,794	(13,654)	992,140	991,646	494

Exhibit C-1

FORT LEE BOARD OF EDUCATION
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2015

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
Salaries of Secretarial and Clerical Assistants	160,935	5,300	166,235	166,171	64
Purchased Prof. Services-Educational Services		248,150	248,150	226,953	21,197
Other Purchased Professional and Technical Services	7,000	5,000	12,000	11,770	230
Misc. Pur Services (400-500 Series)	1,575		1,575	837	738
Supplies and Materials	22,000	20,000	42,000	39,934	2,066
Total Undist. Expend. - Other Supp. Serv. Students-Special	1,197,304	264,796	1,462,100	1,437,311	24,789
Undist. Expend. - Improvement of Instructional Services					
Salaries of Supervisors of Instruction	463,455	(95,800)	367,655	323,205	44,450
Salaries of Other Professional Staff	62,000	5,140	67,140	67,091	49
Purchased Prof-Ed Services	15,000	12,800	27,800	27,000	800
Other Purch Services (400-500)	1,600		1,600	524	1,076
Supplies and Materials	8,000	(4,000)	4,000	3,815	185
Other Objects	4,500		4,500	2,460	2,040
Total Undist. Expend. - Improvement of Inst. Services	554,555	(81,860)	472,695	424,095	48,600
Undist. Expend. - Educational Media Serv./Sch. Library					
Salaries	446,847	17,000	463,847	462,893	954
Salaries of Technology Coordinators	105,182		105,182	105,182	
Purchased Professional and Technical Services	23,420	(9,818)	13,602	12,276	1,326
Supplies and Materials	84,678	5,813	90,491	86,241	4,250
Total Undist. Expend. - Educational Media Serv./Sch. Library	660,127	12,995	673,122	666,592	6,530
Undist. Expend. - Instructional Staff Training Serv.					
Salaries-Other Prof. Staff	67,876	3,000	70,876	70,814	62
Purchased Professional - Educational Services	40,000	6,500	46,500	36,886	9,614
Other Purchased Services (400-500 series)	8,800	3,200	12,000	8,457	3,543
Supplies and Materials	54,000	(46,700)	7,300	7,251	49
Total Undist. Expend. - Instructional Staff Training Serv.	170,676	(34,000)	136,676	123,408	13,268
Undist. Expend. - Supp. Serv. - General Administration					
Salaries	600,561	(61,000)	539,561	536,596	2,965
Legal Services	173,525	28,395	201,920	183,036	18,884
Audit Fees	77,125	(625)	76,500	38,500	38,000
Architectural/Engineering Services	80,031	17,455	97,486	9,591	87,895
Other Purchased Professional Services	36,600	76,200	112,800	108,356	4,444
Purchased Technical Services	26,500	11,500	38,000	37,085	915
Communications/Telephone	168,421	(38,900)	129,521	113,842	15,679
BOE Other Purchased Services	4,000	3,200	7,200	5,339	1,861
Other Purch Services (400-500 Series)	200,591	7,450	208,041	202,543	5,498
General Supplies	25,000	(2,000)	23,000	21,376	1,624
BOE In-House Training/Meeting Supplies	200		200		200
Judgements against the School District	20,000	132,000	152,000	151,592	408
Misc. Expenditures	17,310	(400)	16,910	9,123	7,787
BOE Membership Dues and Fees	25,000	(1,275)	23,725	23,724	1
Total Undist. Expend. - Supp. Serv. - General Administration	1,454,864	172,000	1,626,864	1,440,703	186,161
Undist. Expend. - Support Serv. - School Administration					
Salaries of Principals/Assistant Principals	1,798,844	(98,917)	1,699,927	1,699,504	423
Salaries of Secretarial and Clerical Assistants	552,732	21,501	574,233	571,914	2,319
Other Purchased Services (400-500 series)	10,790	(1,691)	9,099	584	8,515
Supplies and Materials	39,250	(1,400)	37,850	31,829	6,021
Other Objects	18,000	4,891	22,891	20,772	2,119
Total Undist. Expend. - Support Serv. - School Administration	2,419,616	(75,616)	2,344,000	2,324,603	19,397
Undist. Expend. - Support Serv. - Central Services					
Salaries	569,182	(14,500)	554,682	548,048	6,634
Purchased Professional Services	37,590	(13,000)	24,590	23,860	730
Purchased Technical Services	14,700		14,700	14,010	690
Misc. Pur Services (400-500 Series)	11,628	(500)	11,128	9,497	1,631
Supplies and Materials	13,532	13,868	27,400	25,584	1,816
Interest on Lease Purchase Agreement		14,500	14,500	14,370	130
Misc. Expenditures	2,780	100	2,880	2,725	155
Total Undist. Expend. - Support Serv. - Central Services	649,412	468	649,880	638,094	11,786
Undist. Expend. - Admin Info. Technology					
Information Technology					
Salaries	134,450		134,450	134,290	160
Purchased Technical Services	49,000	(500)	48,500	26,468	22,032
Other Purchased Services (400-500 series)	2,900	(1,000)	1,900	357	1,543
Supplies and Materials	53,000	5,997	58,997	57,072	1,925
Other Objects	600	(100)	500		500
Total Undist. Expend. - Support Serv. - Administrative	239,950	4,397	244,347	218,187	26,160

Exhibit C-1

**FORT LEE BOARD OF EDUCATION
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2015**

	<u>Original Budget</u>	<u>Budget Transfers/ Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Undist. Expend. - Required Maint. for School Facilities (261)					
Salaries	206,838	(37,000)	169,838	135,324	34,514
Cleaning, Repair and Maintenance Services	257,979	50,120	308,099	259,713	48,386
General Supplies	7,500		7,500	4,186	3,314
Other Objects	600	3,480	4,080	2,988	1,092
Undist. Expend. - Required Maint. for School Facilities	<u>472,917</u>	<u>16,600</u>	<u>489,517</u>	<u>402,211</u>	<u>87,306</u>
Undist. Expend. - Oth. Oper. & Maint. of Plant (262)					
Salaries	1,323,122	(11,800)	1,311,322	1,279,470	31,852
Purchased Prof. And Tech. Services	18,500	(9,500)	9,000		9,000
Cleaning, Repair and Maintenance Services	969,910	75,400	1,045,310	1,007,880	37,430
Rental of Land & Bldg. Oth. Than Lease Pur Agrmt.	386,966	(79,000)	307,966	307,959	7
Other Purchased Property Services	357,000	(277,376)	79,624	79,290	334
Insurance	175,692		175,692	170,024	5,668
General Supplies	165,000	45,500	210,500	202,885	7,615
Energy (Natural Gas)	310,000	30,000	340,000	325,264	14,736
Energy (Energy and Electricity)	445,000	215,000	660,000	654,022	5,978
Energy (Gasoline)	22,000	(3,000)	19,000	13,721	5,279
Other Objects	1,550	3,900	5,450	5,384	66
Total Undist. Expend. - Other Oper. & Maint. Of Plant	<u>4,174,740</u>	<u>(10,876)</u>	<u>4,163,864</u>	<u>4,045,899</u>	<u>117,965</u>
Undist. Expend. - Care & Upkeep of Grounds (263)					
Salaries	9,734	24,000	33,734	28,446	5,288
Cleaning, Repair and Maintenance Services	141,415	23,500	164,915	142,653	22,262
General Supplies	13,919		13,919	13,243	676
Total Undist. Expend. - Care & Upkeep of Grounds	<u>165,068</u>	<u>47,500</u>	<u>212,568</u>	<u>184,342</u>	<u>28,226</u>
Undist. Expend. - Security					
Salaries		48,000	48,000	40,384	7,616
Purchased Professional and Technical Services	151,816	109,000	260,816	251,406	9,410
Cleaning, Repair and Maintenance Services	10,000	9,000	19,000	11,815	7,185
General Supplies	14,500	9,000	23,500	11,062	12,438
Total Undist. Expend. - Security	<u>176,316</u>	<u>175,000</u>	<u>351,316</u>	<u>314,667</u>	<u>36,649</u>
Undist. Expend. - Student Transportation Services (270)					
Salaries for Pupil Trans (Bet. Home & Sch.) - Sp Ed	316,543	7,000	323,543	322,619	924
Cleaning, Repair and Maintenance Services	33,000	5,000	38,000	37,172	828
Contract Services (Between Home & School)-Vendors	180,597	(4,000)	176,597	175,666	931
Contract Services (Other than Between Home & School)-Vendors	105,131	(25,590)	79,541	76,227	3,314
Contract Services (Sp. Ed. Students)-Vendors	713,367	162,000	875,367	874,973	394
Contract Services - Aid in lieu Pymts - Non Public Schools	132,600	(17,000)	115,600	111,974	3,626
Transportation Supplies	52,000		52,000	34,217	17,783
Other Objects	1,000		1,000	693	307
Total Undist. Expend. - Student Transportation Services	<u>1,534,238</u>	<u>127,410</u>	<u>1,661,648</u>	<u>1,633,541</u>	<u>28,107</u>
ALLOCATED BENEFITS					
Regular Programs - Instruction					
Other Employee Benefits	518,634	(518,634)			
Total Regular Programs - Instruction	<u>518,634</u>	<u>(518,634)</u>			
Special Programs - Instruction					
Other Employee Benefits	54,383	(54,383)			
Total Special Programs - Instruction	<u>54,383</u>	<u>(54,383)</u>			
Attendance and Social Work Services					
Other Employee Benefits	16,669	(16,669)			
Total Attendance and Social Work Services	<u>16,669</u>	<u>(16,669)</u>			
Health Services					
Other Employee Benefits	50,071	(50,071)			
Total Health Services	<u>50,071</u>	<u>(50,071)</u>			
Other Supp. Serv. - Guidance					
Other Employee Benefits	6,646	(6,646)			
Total Other Supp. Serv. - Guidance	<u>6,646</u>	<u>(6,646)</u>			
Other Supp. Serv. - Child Study Teams					
Other Employee Benefits	40,047	(40,047)			
Total Other Supp Serv. - Child Study Teams	<u>40,047</u>	<u>(40,047)</u>			
Educational Media Services - School Library					
Other Employee Benefits	50,071	(50,071)			
Total Educational Media Services - School Library	<u>50,071</u>	<u>(50,071)</u>			
Operation and Maintenance of Plant Service					
Other Employee Benefits	23,581	(23,581)			
Total Operation and Maintenance of Plant Service	<u>23,581</u>	<u>(23,581)</u>			
TOTAL ALLOCATED BENEFITS	<u>760,102</u>	<u>(760,102)</u>			

Exhibit C-1

FORT LEE BOARD OF EDUCATION
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2015

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
UNALLOCATED BENEFITS					
Social Security Contributions	660,000		660,000	611,773	48,227
Other Retirement Contributions-PERS	627,217	(15,437)	611,780	611,780	
Workmen's Compensation	226,500	65,783	292,283	292,283	
Health Benefits	8,559,600	(541,279)	8,018,321	7,989,311	29,010
Tuition Reimbursements	112,990	(22,000)	90,990	52,499	38,491
Other Employee Benefits	103,932	471,864	575,796	566,157	9,639
TOTAL UNALLOCATED BENEFITS	<u>10,290,239</u>	<u>(41,069)</u>	<u>10,249,170</u>	<u>10,123,803</u>	<u>125,367</u>
On-behalf TPAF Post-Retirement Medical (non-budgeted)				2,265,047	(2,265,047)
On-behalf TPAF Pension (non-budgeted)				1,331,038	(1,331,038)
On-behalf TPAF NCGI Premium (non-budgeted)				95,762	(95,762)
Reimbursed TPAF Social Security Contributions (non-budgeted)				1,870,506	(1,870,506)
TOTAL ON-BEHALF CONTRIBUTIONS				<u>5,562,353</u>	<u>(5,562,353)</u>
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS	<u>11,050,341</u>	<u>(801,171)</u>	<u>10,249,170</u>	<u>15,686,156</u>	<u>(5,436,986)</u>
TOTAL UNDISTRIBUTED EXPENDITURES	<u>33,408,969</u>	<u>(128,817)</u>	<u>33,280,152</u>	<u>37,946,978</u>	<u>(4,666,826)</u>
TOTAL GENERAL CURRENT EXPENSE	<u>60,285,478</u>	<u>(501,971)</u>	<u>59,783,507</u>	<u>63,602,080</u>	<u>(3,818,573)</u>
CAPITAL OUTLAY					
Equipment					
Vocational Programs:					
School-Sponsored and Other Instructional Programs		12,515	12,515	9,762	2,753
Total Equipment		<u>12,515</u>	<u>12,515</u>	<u>9,762</u>	<u>2,753</u>
Undist. Expenditures:					
Undistributed Expenditures - Instruction		290,074	290,074	164,596	125,478
Undistributed Expenditures - Admin Info Tech.		10,000	10,000		10,000
Undistributed Expenditures - Custodial Services	7,000	103,065	110,065	76,215	33,850
Undistributed Expenditures - Care and Upkeep of Grounds		14,000	14,000		14,000
Total Undist. Expend.	<u>7,000</u>	<u>417,139</u>	<u>424,139</u>	<u>240,811</u>	<u>183,328</u>
Facilities Acquisition and Construction Services					
Architectural/Engineering Services		102,152	102,152	101,251	901
Other Purchased Prof. and Tech. Services		71,344	71,344	71,344	
Construction Services	1,518,276	(110,879)	1,407,397	1,407,397	
Assessment for Debt Service on SDA Funding	17,534		17,534	17,534	
Total Facilities Acquisition and Construction Services	<u>1,535,810</u>	<u>62,617</u>	<u>1,598,427</u>	<u>1,597,526</u>	<u>901</u>
Capital Leases (non-budgeted)					
Energy Savings Improvement Program (ESIP)				5,571,444	(5,571,444)
Total Capital Leases (non-budgeted)				<u>5,571,444</u>	<u>(5,571,444)</u>
TOTAL CAPITAL OUTLAY	<u>1,542,810</u>	<u>492,271</u>	<u>2,035,081</u>	<u>7,419,543</u>	<u>(5,384,462)</u>
Transfer of Funds to Charter Schools		9,700	9,700	9,686	14
TOTAL EXPENDITURES	<u>61,828,288</u>		<u>61,828,288</u>	<u>71,031,309</u>	<u>(9,203,021)</u>
Excess (Deficiency) of Revenues					
Over (Under) Expenditures	<u>(3,584,630)</u>		<u>(3,584,630)</u>	<u>(6,890,687)</u>	<u>(3,306,057)</u>
Other Financing Sources/(Uses):					
Capital Lease (non-budgeted)				5,571,444	(5,571,444)
Total Other Financing Sources/(Uses):				<u>5,571,444</u>	<u>(5,571,444)</u>
Excess (Deficiency) of Revenues and Other Financing Sources					
Over (Under) Expenditures and Other Financing Sources (Uses)	<u>(3,584,630)</u>		<u>(3,584,630)</u>	<u>(1,319,243)</u>	<u>(8,877,501)</u>
Fund Balance, July 1	6,075,264		6,075,264	6,075,264	
Fund Balance, June 30	<u>2,490,634</u>		<u>2,490,634</u>	<u>4,756,021</u>	<u>(8,877,501)</u>

Exhibit C-1

FORT LEE BOARD OF EDUCATION
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2015

	<u>Original Budget</u>	<u>Budget Transfers/ Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures					
Adjustment for Prior Year Encumbrances	(1,331,021)		(1,331,021)	(1,331,021)	
Increase in Capital Reserve:					
Principal				100,000	(100,000)
Interest Deposit to Capital Reserve	50		50	1,028	(978)
Withdrawal from Capital Reserve	(1,504,000)		(1,504,000)	(1,504,000)	
Budgeted Fund Balance	<u>(749,659)</u>		<u>(749,659)</u>	<u>1,414,750</u>	<u>(8,776,523)</u>
	<u>(3,584,630)</u>		<u>(3,584,630)</u>	<u>(1,319,243)</u>	<u>(8,877,501)</u>
Recapitulation:					
Restricted Fund Balance:					
Excess Surplus - Current Year				502,337	
Capital Reserve				1,541,656	
Emergency Reserve				250,000	
Assigned Fund Balance:					
Year-end Encumbrances				737,178	
Designated for Subsequent Year's Expenditures				490,010	
Unassigned Fund Balance				<u>1,234,840</u>	
Total Fund Balance per Governmental Funds (Budgetary)				<u>4,756,021</u>	
Recapitulation to Governmental Fund Statement (GAAP):					
Less: Last State Aid Payment not Recognized GAAP Basis				<u>123,852</u>	
Total Fund Balance per Governmental Funds (GAAP)				<u><u>4,632,169</u></u>	

FORT LEE BOARD OF EDUCATION
Budgetary Comparison Schedule
Special Revenue Fund
Fiscal Year Ended June 30, 2015

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources		2,899	2,899	2,899	-
State Sources	97,520	31,355	128,875	105,308	(23,567)
Federal Sources	1,439,631	408,360	1,847,991	1,387,413	(460,578)
Total Revenues	1,537,151	442,614	1,979,765	1,495,620	(484,145)
EXPENDITURES:					
Instruction:					
Salaries of Teachers	270,633	363,701	634,334	344,559	289,775
Other Purchased Services (400-500 series)	544,105	163,383	707,488	696,115	11,373
General Supplies	198,437	(34,573)	163,864	80,399	83,465
Textbooks	8,557	5,563	14,120	13,759	361
Total instruction	1,021,732	498,074	1,519,806	1,134,832	384,974
Support services:					
Salaries of Program Directors	74,180	1,220	75,400	75,400	-
Personal Services - Employee Benefits	101,007	6,128	107,135	88,590	18,545
Purchased Professional - Educational Services	340,232	(110,922)	229,310	187,810	41,500
Supplies & Materials		18,144	18,144	2,651	15,493
Other Objects		29,970	29,970	6,337	23,633
Total support services	515,419	(55,460)	459,959	360,788	99,171
Total Expenditures	1,537,151	442,614	1,979,765	1,495,620	484,145
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	-	-	-	-	-

FORT LEE BOARD OF EDUCATION
Required Supplementary Information
Budgetary Comparison Schedule
Note to Required Supplementary Information - Part II
Fiscal Year Ended June 30, 2015

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

		General Fund	Special Revenue Fund
Sources/inflows of resources			
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	[C-1]&[C-2]	64,140,622	1,495,620
Difference - budget to GAAP:			
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.			
Prior Year			5,143
Current Year			(48,829)
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.		134,430	
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).		(123,852)	
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2]	64,151,200	1,451,934
Uses/outflows of resources			
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1]&[C-2]	71,031,309	1,495,620
Differences - budget to GAAP			
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for <i>financial reporting</i> purposes.			
Prior Year			5,143
Current Year			(48,829)
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	[B-2]	71,031,309	1,451,934

**REQUIRED SUPPLEMENTARY
INFORMATION - PART III**

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

	2015
Districts proportion of the net pension liability (asset)	0.0734123712%
District's proportionate share of the net pension liability (asset)	\$ 13,744,804
District's covered payroll - PERS	\$ 4,563,410
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	301.20%
Plan fiduciary net position as a percentage of the total pension liability	52.08%

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

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

	2015
Contractually required contribution	\$ 605,201
Contributions in relation to the contractually required contribution	\$ (605,201)
Contribution deficiency (excess)	\$ -
District's covered payroll - PERS	\$ 4,563,410
Contributions as a percentage of covered payroll	13.26%

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

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

	2015
District's proportion of the net pension liability (asset)	0.2535995199%
District's proportionate share of the net pension liability (asset)	\$ -
State's proportionate share of the net pension liability Associated with the District (asset)	\$ 135,540,690
District's covered payroll - TPAF	\$ 24,914,404
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	0.00%
Plan fiduciary net position as a percentage of the total pension liability	33.64%

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

FORT LEE BOARD OF EDUCATION
Note to Required Schedules of Supplementary Information - Part III
Fiscal Year Ended June 30, 2015

PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS)

Change in benefit terms

None

Change in assumptions

The calculation of the discount rate used to measure the total pension liability is dependent upon the long-term expected rate of return, and the municipal bond index rate. There was a change in the municipal bond index rate from the prior measurement date (4.63%) to the current measurement date (4.29%), resulting in a change in the discount rate from 5.55% to 5.39%. This change in the discount rate is considered to be a change in actuarial assumptions under GASBS No. 68.

TEACHERS PENSION AND ANNUITY FUND (TPAF)

Change in benefit terms

Change in assumptions

The calculation of the discount rate used to measure the total pension liability is dependent upon the long-term expected rate of return, and the municipal bond index rate. There was a change in the municipal bond index rate from the prior measurement date (4.63%) to the current measurement date (4.29%), resulting in a change in the discount rate from 4.95% to 4.68%. This change in the discount rate is considered to be a change in actuarial assumptions under GASBS No. 68.

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, 2015

	Total Brought Forward (Ex. E-1a)	NCLB Title I	NCLB Title II, A Training	NCLB Title III	NCLB Title III Immigrant	IDEA Part - B	IDEA Part - B Preschool	Totals 2015
REVENUES								
Local Sources	2,899							2,899
State Sources	105,308							105,308
Federal Sources	-	283,592	109,937	87,452	104,914	784,343	17,175	1,387,413
Total Revenues	108,207	283,592	109,937	87,452	104,914	784,343	17,175	1,495,620
EXPENDITURES:								
Instruction:								
Salaries of Teachers	-	201,434			83,700	59,425		344,559
Other Purchased Services (400-500 series)	-					678,940	17,175	696,115
General Supplies	10,245	20,142		33,737	3,135	13,140		80,399
Textbooks	13,759							13,759
Total instruction	24,004	221,576	-	33,737	86,835	751,505	17,175	1,134,832
Support services:								
Salaries of Program Directors	-		75,400					75,400
Personal Services - Employee Benefits	-	49,679	16,286		18,079	4,546		88,590
Purchased Professional - Educational Services	84,203	6,000	15,600	53,715		28,292		187,810
Supplies & Materials	-		2,651					2,651
Other Objects	-	6,337						6,337
Total support services	84,203	62,016	109,937	53,715	18,079	32,838	-	360,788
Total Expenditures	108,207	283,592	109,937	87,452	104,914	784,343	17,175	1,495,620
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	-	-	-	-	-	-	-	-

FORT LEE BOARD OF EDUCATION
 Special Revenue Fund
 Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
 Fiscal Year Ended June 30, 2015

	Total Brought Forward (Ex. E-1b)	Chapter 192 Compensatory Education	Chapter 192 ESL	Chapter 193 Supplemental Instruction	Chapter 193 Exam & Classification	Chapter 193 Corrective Speech	Total Carried Forward
REVENUES							
Local Sources	2,899						2,899
State Sources	43,584	23,380	20,736	1,805	3,964	11,839	105,308
Federal Sources	-						-
Total Revenues	46,483	23,380	20,736	1,805	3,964	11,839	108,207
EXPENDITURES:							
Instruction:							
Salaries of Teachers	-						-
Other Purchased Services (400-500 series)	-						-
General Supplies	10,245						10,245
Textbooks	13,759						13,759
Total instruction	24,004	-	-	-	-	-	24,004
Support services:							
Salaries of Program Directors	-						-
Personal Services - Employee Benefits	-						-
Purchased Professional - Educational Services	22,479	23,380	20,736	1,805	3,964	11,839	84,203
Supplies & Materials	-						-
Other Objects	-						-
Total support services	22,479	23,380	20,736	1,805	3,964	11,839	84,203
Total Expenditures	46,483	23,380	20,736	1,805	3,964	11,839	108,207
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	-	-	-	-	-	-	-

FORT LEE BOARD OF EDUCATION
 Special Revenue Fund
 Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
 Fiscal Year Ended June 30, 2015

	Chapter 194 Nonpublic Textbook	Nonpublic Nursing	Technology Grant	Exxon Donation	School 1 Donation	Ironman Donation	Total Carried Forward
REVENUES							
Local Sources	13,759	22,479	7,346	1,499	200	1,200	2,899
State Sources							43,584
Federal Sources							-
Total Revenues	13,759	22,479	7,346	1,499	200	1,200	46,483
EXPENDITURES:							
Instruction:							
Salaries of Teachers							-
Other Purchased Services (400-500 series)							-
General Supplies	13,759		7,346	1,499	200	1,200	10,245
Textbooks							13,759
Total instruction	13,759	-	7,346	1,499	200	1,200	24,004
Support services:							
Salaries of Program Directors							-
Personal Services - Employee Benefits		22,479					-
Purchased Professional - Educational Services							22,479
Supplies & Materials							-
Other Objects							-
Total support services	-	22,479	-	-	-	-	22,479
Total Expenditures	13,759	22,479	7,346	1,499	200	1,200	46,483
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	-	-	-	-	-	-	-

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, 2015

Revenues and Other Financing Sources	
State Sources - SCC Grant	(992,527)
Bond proceeds and transfers	49,840,000
Transfers from Capital Reserve	-
Transfers from Capital Outlay	-
Transfers from Emergency Reserve	-
Interest on Investments	61,946
	<u>48,909,419</u>
Expenditures and Other Financing Uses	
Purchased professional and technical services	1,227,618
Land and improvements	-
Construction services	12,219,649
Equipment purchases	12,705
	<u>13,459,972</u>
Total expenditures	<u>13,459,972</u>
Excess (deficiency) of revenues over (under) expenditures	35,449,447
Other Finance Sources (Uses)	
Transfers out:	
Debt Service Fund	(61,946)
	<u>(61,946)</u>
Total other financing sources (uses)	<u>(61,946)</u>
Net change in fund balance	35,387,501
Fund balance - beginning	<u>17,577,588</u>
Fund balance - ending	<u><u>52,965,089</u></u>
Recapitulation:	
Unrestricted Fund Balance	52,965,089
Reconciliation to Governmental Funds Statements (GAAP):	
SDA Grant Receivable not Recognized on GAAP Basis	<u>(548,947)</u>
Fund Balance per Governmental Funds	<u><u>52,416,142</u></u>

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, 2015

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SCC Grant	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>1,050,000</u>	<u>-</u>	<u>1,050,000</u>	<u>1,050,000</u>
Expenditures and Other Financing Uses				
Purchased professional and technical services	53,000		53,000	196,900
Land and improvements			-	-
Construction services			-	853,100
Equipment purchases			-	-
	<u>53,000</u>	<u>-</u>	<u>53,000</u>	<u>1,050,000</u>
Other Finance Sources (Uses)				
Transfers out			-	
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>997,000</u>	<u>-</u>	<u>997,000</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	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
High School Masonry Repairs
Fiscal Year Ended June 30, 2015

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SCC Grant	130,212		130,212	130,212
Bond proceeds and transfers	197,667		197,667	197,667
Transfers from Capital Reserve			-	-
Transfers from Capital Outlay			-	-
Transfers from Emergency Reserve			-	-
	<u>327,879</u>	<u>-</u>	<u>327,879</u>	<u>327,879</u>
Expenditures and Other Financing Uses				
Purchased professional and technical services	27,879		27,879	27,879
Land and improvements			-	-
Construction services	300,000		300,000	300,000
Equipment purchases			-	-
	<u>327,879</u>	<u>-</u>	<u>327,879</u>	<u>327,879</u>
Other Finance Sources (Uses)				
Transfers in			-	
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)				
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Additional project information:				
Project number	1550-050-10-1002			
Grant Date	9/28/2010			
Bond authorization date	N/A			
Bonds authorized	N/A			
Bonds issued	N/A			
Original authorization cost	796,077			
Additional authorized cost	(468,198)			
Revised authorized cost	327,879			
Percentage increase over original authorized cost	-59%			
Percentage completion	100%			
Original target completion date	9/1/2012			
Revised target completion date	9/1/2013			

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, 2015

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SCC Grant	1,592,000	(225,403)	1,366,597	1,366,597
Bond proceeds and transfers	2,388,000	(337,520)	2,050,480	2,050,480
Transfers from Capital Reserve			-	-
Transfers from Capital Outlay			-	-
Transfers from Emergency Reserve			-	-
	<u>3,980,000</u>	<u>(562,923)</u>	<u>3,417,077</u>	<u>3,417,077</u>
Expenditures and Other Financing Uses				
Purchased professional and technical services	330,931	121,808	452,739	452,739
Land and improvements			-	-
Construction services	1,480,107	1,484,231	2,964,338	2,964,338
Equipment purchases			-	-
	<u>1,811,038</u>	<u>1,606,039</u>	<u>3,417,077</u>	<u>3,417,077</u>
Other Finance Sources (Uses)				
Transfers out			-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,168,962</u>	<u>(2,168,962)</u>	<u>-</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	(562,923)			
Revised authorized cost	3,417,077			
Percentage increase over original authorized cost	-14%			
Percentage completion	100%			
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, 2015

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SCC Grant	192,597		192,597	192,597
Bond proceeds and transfers	288,895		288,895	288,895
Transfers from Capital Reserve			-	-
Transfers from Capital Outlay			-	-
Transfers from Emergency Reserve			-	-
	<u>481,492</u>	<u>-</u>	<u>481,492</u>	<u>481,492</u>
Expenditures and Other Financing Uses				
Purchased professional and technical services	38,988		38,988	38,988
Land and improvements			-	-
Construction services	442,504		442,504	442,504
Equipment purchases			-	-
	<u>481,492</u>	<u>-</u>	<u>481,492</u>	<u>481,492</u>
Other Finance Sources (Uses)				
Transfers out			-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</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	(388,508)			
Revised authorized cost	481,492			
Percentage increase over original authorized cost	-45%			
Percentage completion	100%			
Original target completion date	12/31/2012			
Revised target completion date	12/31/2013			

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, 2015

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SCC Grant	327,918		327,918	327,918
Bond proceeds and transfers	491,878		491,878	491,878
Transfers from Capital Reserve			-	-
Transfers from Capital Outlay			-	-
Transfers from Emergency Reserve			-	-
	<u>819,796</u>	<u>-</u>	<u>819,796</u>	<u>819,796</u>
Expenditures and Other Financing Uses				
Purchased professional and technical services	146,587		146,587	146,587
Land and improvements			-	-
Construction services	673,209		673,209	673,209
Equipment purchases			-	-
	<u>819,796</u>	<u>-</u>	<u>819,796</u>	<u>819,796</u>
Other Finance Sources (Uses)				
Transfers out			-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</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	(509,954)			
Revised authorized cost	819,796			
Percentage increase over original authorized cost	-38%			
Percentage completion	100%			
Original target completion date	9/30/2012			
Revised target completion date	9/30/2013			

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, 2015

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SCC Grant	371,023		371,023	371,023
Bond proceeds and transfers	559,162		559,162	559,162
Transfers from Capital Reserve			-	-
Transfers from Capital Outlay			-	-
Transfers from Emergency Reserve			-	-
	<u>930,185</u>	<u>-</u>	<u>930,185</u>	<u>930,185</u>
Expenditures and Other Financing Uses				
Purchased professional and technical services	74,832		74,832	74,832
Land and improvements			-	-
Construction services	855,353		855,353	855,353
Equipment purchases			-	-
	<u>930,185</u>	<u>-</u>	<u>930,185</u>	<u>930,185</u>
Other Finance Sources (Uses)				
Transfers out			-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Additional project information:				
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	(235,065)			
Revised authorized cost	930,185			
Percentage increase over original authorized cost	-20%			
Percentage completion	100%			
Original target completion date	9/30/2012			
Revised target completion date	9/30/2013			

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, 2015

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SCC Grant	278,000	(126,699)	151,301	151,301
Bond proceeds and transfers	417,000	(190,049)	226,951	226,951
Transfers from Capital Reserve			-	-
Transfers from Capital Outlay			-	-
Transfers from Emergency Reserve			-	-
	<u>695,000</u>	<u>(316,748)</u>	<u>378,252</u>	<u>378,252</u>
Expenditures and Other Financing Uses				
Purchased professional and technical services	41,331	2,421	43,752	43,752
Land and improvements			-	-
Construction services	305,501	28,999	334,500	334,500
Equipment purchases			-	-
	<u>346,832</u>	<u>31,420</u>	<u>378,252</u>	<u>378,252</u>
Other Finance Sources (Uses)				
Transfers out			-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>348,168</u>	<u>(348,168)</u>	<u>-</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	(316,748)			
Revised authorized cost	378,252			
Percentage increase over original authorized cost	-46%			
Percentage completion	100%			
Original target completion date	9/30/2013			
Revised target completion date	9/30/2013			

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, 2015

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SCC Grant	212,800	(67,769)	145,031	145,031
Bond proceeds and transfers	319,200	(97,979)	221,221	221,221
Transfers from Capital Reserve			-	-
Transfers from Capital Outlay			-	-
Transfers from Emergency Reserve			-	-
	<u>532,000</u>	<u>(165,748)</u>	<u>366,252</u>	<u>366,252</u>
Expenditures and Other Financing Uses				
Purchased professional and technical services	42,202	550	42,752	42,752
Land and improvements			-	-
Construction services	271,168	52,332	323,500	323,500
Equipment purchases			-	-
	<u>313,370</u>	<u>52,882</u>	<u>366,252</u>	<u>366,252</u>
Other Finance Sources (Uses)				
Transfers out			-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>218,630</u>	<u>(218,630)</u>	<u>-</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	(165,748)			
Revised authorized cost	366,252			
Percentage increase over original authorized cost	-31%			
Percentage completion	100%			
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, 2015

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SCC Grant	88,030		88,030	88,030
Bond proceeds and transfers	132,952		132,952	132,952
Transfers from Capital Reserve			-	-
Transfers from Capital Outlay			-	-
Transfers from Emergency Reserve			-	-
	<u>220,982</u>	<u>-</u>	<u>220,982</u>	<u>220,982</u>
Expenditures and Other Financing Uses				
Purchased professional and technical services	18,482		18,482	18,482
Land and improvements			-	-
Construction services	202,500		202,500	202,500
Equipment purchases			-	-
	<u>220,982</u>	<u>-</u>	<u>220,982</u>	<u>220,982</u>
Other Finance Sources (Uses)				
Transfers out			-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</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	(162,018)			
Revised authorized cost	220,982			
Percentage increase over original authorized cost	-42%			
Percentage completion	100%			
Original target completion date	9/1/2012			
Revised target completion date	9/1/2013			

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, 2015

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SCC Grant	69,559		69,559	69,559
Bond proceeds and transfers	105,209		105,209	105,209
Transfers from Capital Reserve			-	-
Transfers from Capital Outlay			-	-
Transfers from Emergency Reserve			-	-
	<u>174,768</u>	<u>-</u>	<u>174,768</u>	<u>174,768</u>
Expenditures and Other Financing Uses				
Purchased professional and technical services	14,568		14,568	14,568
Land and improvements			-	-
Construction services	160,200		160,200	160,200
Equipment purchases			-	-
	<u>174,768</u>	<u>-</u>	<u>174,768</u>	<u>174,768</u>
Other Finance Sources (Uses)				
Transfers out			-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</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	(255,232)			
Revised authorized cost	174,768			
Percentage increase over original authorized cost	-59%			
Percentage completion	100%			
Original target completion date	9/1/2012			
Revised target completion date	9/1/2013			

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, 2015

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SCC Grant	1,656,000	(351,748)	1,304,252	1,304,252
Bond proceeds and transfers	2,484,000	(527,620)	1,956,380	1,956,380
Transfers from Capital Reserve			-	-
Transfers from Capital Outlay			-	-
Transfers from Emergency Reserve			-	-
	<u>4,140,000</u>	<u>(879,368)</u>	<u>3,260,632</u>	<u>3,260,632</u>
Expenditures and Other Financing Uses				
Purchased professional and technical services	250,452	116,563	367,015	383,321
Land and improvements			-	-
Construction services	1,367,909	1,385,468	2,753,377	2,877,311
Equipment purchases			-	-
	<u>1,618,361</u>	<u>1,502,031</u>	<u>3,120,392</u>	<u>3,260,632</u>
Other Finance Sources (Uses)				
Transfers out			-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,521,639</u>	<u>(2,381,399)</u>	<u>140,240</u>	<u>-</u>
Additional project information:				
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	(879,368)			
Revised authorized cost	3,260,632			
Percentage increase over original authorized cost	-21%			
Percentage completion	96%			
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, 2015

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SCC Grant	198,000	(5,879)	192,121	192,121
Bond proceeds and transfers	297,000	(8,818)	288,182	288,182
Transfers from Capital Reserve			-	-
Transfers from Capital Outlay			-	-
Transfers from Emergency Reserve			-	-
	<u>495,000</u>	<u>(14,697)</u>	<u>480,303</u>	<u>480,303</u>
Expenditures and Other Financing Uses				
Purchased professional and technical services	45,433		45,433	48,326
Land and improvements			-	-
Construction services	269,016	138,000	407,016	431,977
Equipment purchases			-	-
	<u>314,449</u>	<u>138,000</u>	<u>452,449</u>	<u>480,303</u>
Other Finance Sources (Uses)				
Transfers out			-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>180,551</u>	<u>(152,697)</u>	<u>27,854</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	(14,697)			
Revised authorized cost	480,303			
Percentage increase over original authorized cost	-3%			
Percentage completion	94%			
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, 2015

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SCC Grant	548,142		548,142	548,142
Bond proceeds and transfers	822,632		822,632	822,632
Transfers from Capital Reserve			-	-
Transfers from Capital Outlay			-	-
Transfers from Emergency Reserve			-	-
	<u>1,370,774</u>	<u>-</u>	<u>1,370,774</u>	<u>1,370,774</u>
Expenditures and Other Financing Uses				
Purchased professional and technical services	107,774		107,774	107,774
Land and improvements			-	-
Construction services	1,263,000		1,263,000	1,263,000
Equipment purchases			-	-
	<u>1,370,774</u>	<u>-</u>	<u>1,370,774</u>	<u>1,370,774</u>
Other Finance Sources (Uses)				
Transfers out			-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</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	(579,226)			
Revised authorized cost	1,370,774			
Percentage increase over original authorized cost	-30%			
Percentage completion	100%			
Original target completion date	9/30/2012			
Revised target completion date	9/30/2012			

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, 2015

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SCC Grant	248,878		248,878	248,878
Bond proceeds and transfers	373,316		373,316	373,316
Transfers from Capital Reserve			-	-
Transfers from Capital Outlay			-	-
Transfers from Emergency Reserve			-	-
	<u>622,194</u>	<u>-</u>	<u>622,194</u>	<u>622,194</u>
Expenditures and Other Financing Uses				
Purchased professional and technical services	53,880		53,880	53,880
Land and improvements			-	-
Construction services	568,314		568,314	568,314
Equipment purchases			-	-
	<u>622,194</u>	<u>-</u>	<u>622,194</u>	<u>622,194</u>
Other Finance Sources (Uses)				
Transfers out			-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</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	(507,806)			
Revised authorized cost	622,194			
Percentage increase over original authorized cost	-45%			
Percentage completion	100%			
Original target completion date	9/30/2012			
Revised target completion date	9/30/2012			

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, 2015

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SCC Grant	1,557,180		1,557,180	1,557,180
Bond proceeds and transfers	9,963,555	1,484,530	11,448,085	11,448,085
Transfers from Capital Reserve			-	-
Transfers from Capital Outlay			-	-
Transfers from Emergency Reserve			-	-
	<u>11,520,735</u>	<u>1,484,530</u>	<u>13,005,265</u>	<u>13,005,265</u>
Expenditures and Other Financing Uses				
Purchased professional and technical services	933,318	408,255	1,341,573	1,584,253
Land and improvements			-	-
Construction services	868,836	8,155,910	9,024,746	11,108,010
Equipment purchases		12,705	12,705	313,002
	<u>1,802,154</u>	<u>8,576,870</u>	<u>10,379,024</u>	<u>13,005,265</u>
Other Finance Sources (Uses)				
Transfers out			-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>9,718,581</u>	<u>(7,092,340)</u>	<u>2,626,241</u>	<u>-</u>
Additional project information:				
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	3,345,265			
Revised authorized cost	13,005,265			
Percentage increase over original authorized cost	35%			
Percentage completion	80%			
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, 2015

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SCC Grant	640,000	(215,029)	424,971	424,971
Bond proceeds and transfers	960,000	(322,544)	637,456	637,456
Transfers from Capital Reserve			-	-
Transfers from Capital Outlay			-	-
Transfers from Emergency Reserve			-	-
	<u>1,600,000</u>	<u>(537,573)</u>	<u>1,062,427</u>	<u>1,062,427</u>
Expenditures and Other Financing Uses				
Purchased professional and technical services	120,988	37,273	158,261	192,557
Land and improvements			-	-
Construction services	54,955	641,935	696,890	869,870
Equipment purchases			-	-
	<u>175,943</u>	<u>679,208</u>	<u>855,151</u>	<u>1,062,427</u>
Other Finance Sources (Uses)				
Transfers out			-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,424,057</u>	<u>(1,216,781)</u>	<u>207,276</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	(537,573)			
Revised authorized cost	1,062,427			
Percentage increase over original authorized cost	-34%			
Percentage completion	80%			
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. Additions
Fiscal Year Ended June 30, 2015

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SCC Grant			-	-
Bond proceeds and transfers		37,175,000	37,175,000	37,175,000
Transfers from Capital Reserve			-	-
Transfers from Capital Outlay			-	-
Transfers from Emergency Reserve			-	-
	<u>-</u>	<u>37,175,000</u>	<u>37,175,000</u>	<u>37,175,000</u>
Expenditures and Other Financing Uses				
Purchased professional and technical services		327,824	327,824	3,729,691
Land and improvements			-	-
Construction services		19,798	19,798	33,445,309
Equipment purchases			-	-
	<u>-</u>	<u>347,622</u>	<u>347,622</u>	<u>37,175,000</u>
Other Finance Sources (Uses)				
Transfers out			-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>36,827,378</u>	<u>36,827,378</u>	<u>-</u>

Additional project information:

Project number	1550-100-15-1000
Grant Date	11/18/2014
Bond authorization date	N/A
Bonds authorized	N/A
Bonds issued	N/A
Original authorization cost	37,175,000
Additional authorized cost	
Revised authorized cost	37,175,000
Percentage increase over original authorized cost	0%
Percentage completion	1%
Original target completion date	12/31/2016
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. 2 Additions
Fiscal Year Ended June 30, 2015

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SCC Grant			-	-
Bond proceeds and transfers		10,970,000	10,970,000	10,970,000
Transfers from Capital Reserve			-	-
Transfers from Capital Outlay			-	-
Transfers from Emergency Reserve			-	-
	<u>-</u>	<u>10,970,000</u>	<u>10,970,000</u>	<u>10,970,000</u>
Expenditures and Other Financing Uses				
Purchased professional and technical services		137,303	137,303	1,096,019
Land and improvements			-	-
Construction services		5,901	5,901	9,873,981
Equipment purchases			-	-
	<u>-</u>	<u>143,204</u>	<u>143,204</u>	<u>10,970,000</u>
Other Finance Sources (Uses)				
Transfers out			-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>10,826,796</u>	<u>10,826,796</u>	<u>-</u>
Additional project information:				
Project number	1550-070-14-1000			
Grant Date	8/8/2014			
Bond authorization date	N/A			
Bonds authorized	N/A			
Bonds issued	N/A			
Original authorization cost	10,970,000			
Additional authorized cost				
Revised authorized cost	10,970,000			
Percentage increase over original authorized cost	0%			
Percentage completion	1%			
Original target completion date	11/30/2015			
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 Field Improvements
Fiscal Year Ended June 30, 2015

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SCC Grant			-	-
Bond proceeds and transfers		1,695,000	1,695,000	1,695,000
Transfers from Capital Reserve			-	-
Transfers from Capital Outlay			-	-
Transfers from Emergency Reserve			-	-
	-	1,695,000	1,695,000	1,695,000
Expenditures and Other Financing Uses				
Purchased professional and technical services		75,621	75,621	155,000
Land and improvements			-	-
Construction services		307,075	307,075	1,540,000
Equipment purchases			-	-
	-	382,696	382,696	1,695,000
Other Finance Sources (Uses)				
Transfers out			-	-
	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	-	1,312,304	1,312,304	-

Additional project information:

Project number	
Grant Date	
Bond authorization date	N/A
Bonds authorized	N/A
Bonds issued	N/A
Original authorization cost	1,695,000
Additional authorized cost	
Revised authorized cost	1,695,000
Percentage increase over original authorized cost	0%
Percentage completion	23%
Original target completion date	12/31/2016
Revised target completion date	

FORT LEE BOARD OF EDUCATION
Capital Projects Fund
Summary Statement of Project Expenditures
Fiscal Year Ended June 30, 2015

Project Title/Issue	Date	Expenditures to Date		Unexpended Project Funds Transferred Out	Unexpended Balance June 30, 2015
		Prior Years	Current Year		
High School Window Replacement	2011-2012	1,050,000	-	-	997,000
High School Masonry Repairs	2011-2012	327,879	-	-	-
High School Interior Alterations	2011-2012	3,417,077	1,606,039	-	-
High School HVAC Upgrades	2011-2012	481,492	-	-	-
School No. 1 HVAC Upgrades	2011-2012	819,796	-	-	-
School No. 1 Roof Replacement	2011-2012	930,185	-	-	-
School No. 1 Window Replacement	2011-2012	378,252	31,420	-	-
School No. 3 Window Replacement	2011-2012	366,252	52,882	-	-
School No. 3 Masonry Repairs	2011-2012	220,982	-	-	-
School No. 4 Masonry Repairs	2011-2012	174,768	-	-	-
School No. 4 HVAC Upgrades	2011-2012	3,260,632	1,618,361	1,502,031	140,240
School No. 4 Roof Replacement	2011-2012	480,303	314,449	138,000	27,854
Lewis F. Cole M.S. Roof Replacement	2011-2012	1,370,774	-	-	-
Lewis F. Cole M.S. Boiler Replacement	2011-2012	622,194	-	-	-
Lewis F. Cole M.S. Addition and Rehabilitation	2011-2012	13,005,265	8,576,870	-	2,626,241
Lewis F. Cole M.S. Interior Alterations	2011-2012	1,062,427	679,208	-	207,276
Lewis F. Cole M.S. Additions	2014-2015	37,175,000	347,622	-	36,827,378
School No. 2 Additions	2014-2015	10,970,000	143,204	-	10,826,796
High School Field Improvements	2014-2015	1,695,000	382,696	-	1,312,304
		<u>77,808,278</u>	<u>11,383,217</u>	<u>-</u>	<u>52,965,089</u>

PROPRIETARY FUNDS

FORT LEE BOARD OF EDUCATION
Combining Statement of Net Position
Enterprise Funds
June 30, 2015

	<u>Food Service Program</u>	<u>Totals</u>
ASSETS		
Current assets:		
Cash and cash equivalents	217,160	217,160
Accounts receivable:		
State	3,360	3,360
Federal	79,121	79,121
Other	4,054	4,054
Interfund accounts receivable	47,644	47,644
Inventories	8,541	8,541
Total current assets	<u>359,880</u>	<u>359,880</u>
Noncurrent assets:		
Capital assets:		
Equipment	449,143	449,143
Less accumulated depreciation	<u>(352,815)</u>	<u>(352,815)</u>
Total capital assets (net of accumulated depreciation)	<u>96,328</u>	<u>96,328</u>
Total assets	<u>456,208</u>	<u>456,208</u>
LIABILITIES		
Current Liabilities:		
Accounts Payable	72,662	72,662
Prepaid Revenue	<u>15,687</u>	<u>15,687</u>
Total Liabilities	<u>88,349</u>	<u>88,349</u>
NET POSITION		
Net investment in capital assets	96,328	96,328
Unrestricted	<u>271,531</u>	<u>271,531</u>
Total net position	<u>367,859</u>	<u>367,859</u>

FORT LEE BOARD OF EDUCATION
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
Enterprise Funds
Fiscal Year Ended June 30, 2015

	Food Service Program	Totals
Operating revenues:		
Charges for services:		
Daily sales - reimbursable programs	854,244	854,244
Daily sales - other	61,520	61,520
Total operating revenues	915,764	915,764
Operating expenses:		
Cost of food	568,422	568,422
Salaries	429,863	429,863
Supplies and materials	51,607	51,607
Employee benefits	150,854	150,854
Depreciation	22,107	22,107
Repairs and other expenses	70,389	70,389
Purchased services	112,800	112,800
Total Operating Expenses	1,406,042	1,406,042
Operating income (loss)	(490,278)	(490,278)
Nonoperating revenues (expenses):		
State sources:		
School lunch program	13,832	13,832
Federal sources:		
School lunch program	327,793	327,793
School breakfast program	28,517	28,517
U.S.D.A. Commodities	59,762	59,762
Miscellaneous	1,800	1,800
Total nonoperating revenues (expenses)	431,704	431,704
Income (loss) before contributions & transfers	(58,574)	(58,574)
Total net position—beginning	426,433	426,433
Total net position—ending	367,859	367,859

FORT LEE BOARD OF EDUCATION
Combining Statement of Cash Flows
Enterprise Funds
Fiscal Year Ended June 30, 2015

	Food Service Program	Totals
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	928,217	928,217
Payments to suppliers	(1,372,584)	(1,372,584)
Net cash provided by (used for) operating activities	(444,367)	(444,367)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State Sources	10,533	10,533
Federal Sources	261,429	261,429
Interfunds	3,945	3,945
Net cash provided by (used for) non-capital financing activities	275,907	271,962
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition of capital assets	(52,495)	(52,495)
Net cash used for capital and related financing activities	(52,495)	(52,495)
Net increase (decrease) in cash and cash equivalents	(220,955)	(224,900)
Balances—beginning of year	438,115	438,115
Balances—end of year	217,160	213,215
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	(490,278)	(490,278)
Adjustments to reconcile operating income (loss) to net cash provided by		
Depreciation and net amortization	22,107	22,107
Food distribution program	59,762	59,762
(Increase) decrease in accounts receivable	20,544	20,544
(Increase) decrease in interfunds receivable	(5,815)	(5,815)
(Increase) decrease in inventories	(3,370)	(3,370)
Increase (decrease) in prepaid revenue	(2,276)	(2,276)
Increase (decrease) in accounts payable	(45,041)	(45,041)
Total adjustments	45,911	45,911
Net cash provided by (used for) operating activities	(444,367)	(444,367)

FIDUCIARY FUND

FORT LEE BOARD OF EDUCATION
Combining Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2015

	Private Purpose Scholarship Fund	Unemployment Compensation Trust Fund	Agency Funds
ASSETS			
Cash and cash equivalents	31,258	317,850	391,967
Miscellaneous receivables			1,745
Interfund receivables		12,938	
Total assets	<u>31,258</u>	<u>330,788</u>	<u>393,712</u>
LIABILITIES			
Accounts payable			288,277
Interfunds payable			43,524
Payable to student groups			61,911
Due to State of NJ - Unemployment		7,316	
Total liabilities	<u>-</u>	<u>7,316</u>	<u>393,712</u>
NET POSITION			
Reserved			
Principal portion	5,000		
Held in trust for unemployment claims and other purposes		<u>323,472</u>	
Reserved for scholarships	<u>26,258</u>		
	<u>31,258</u>		

FORT LEE BOARD OF EDUCATION
Combining Statement of Changes in Fiduciary Net Position
Fiduciary Funds
Fiscal Year Ended June 30, 2015

	Private Purpose Scholarship Fund	Unemployment Compensation Trust Fund
ADDITIONS		
Contributions:		
Donations	3,672	
Payroll withholdings		48,768
Total Contributions	3,672	48,768
Investment earnings:		
Interest		237
Net investment earnings	-	237
Total additions	3,672	49,005
DEDUCTIONS		
Quarterly contribution reports		102,874
Scholarships awarded	4,300	
Total deductions	4,300	102,874
OTHER CHANGES TO FIDUCIARY NET ASSETS		
Change in net assets	(628)	(53,869)
Net position—beginning of the year	31,886	377,341
Net position—end of the year	31,258	323,472

FORT LEE BOARD OF EDUCATION
Student Activity Agency Fund
Schedule of Receipts and Disbursements
Fiscal Year Ended June 30, 2015

	Balance July 1, 2014	Cash Receipts	Cash Disbursed	Accounts Receivable June 30, 2015	Interfunds Payable June 30, 2015	Balance June 30, 2015
Elementary Schools:						
Activity Account - School One	5,730	3,982	4,367			5,345
Activity Account - School Two	1,798	7,351	6,778			2,371
Activity Account - School Three	1,014	1,562	1,893			683
Activity Account - School Four	2,653	1,062				3,715
Total Elementary Schools	11,195	13,957	13,038	-	-	12,114
Middle School:						
General Organization	3,014	12,794	10,638			5,170
Total Middle Schools	3,014	12,794	10,638	-	-	5,170
High School:						
General Organization	44,195	91,680	88,302	1,745	4,691	44,627
Total High Schools	44,195	91,680	88,302	1,745	4,691	44,627
Athletic Departments:						
General		50,000	38,645		11,355	-
Total Athletic Department	-	50,000	38,645	-	11,355	-
Total All Schools	58,404	168,431	150,623	1,745	16,046	61,911

FORT LEE BOARD OF EDUCATION
Payroll Agency Fund
Schedule of Receipts and Disbursements
Fiscal Year Ended June 30, 2015

	Balance July 1, 2014	Cash Receipts	Cash Disbursed	Accounts Payable June 30, 2015	Balance June 30, 2015
Net payroll		20,353,705	20,353,705		-
Payroll deductions and withholdings	-	16,842,275	16,558,428	283,847	-
Flexible Spending Account	-	55,447	51,017	4,430	-
Interfunds payable	15,196	27,478	15,196		27,478
	<u>15,196</u>	<u>37,278,905</u>	<u>36,978,346</u>	<u>288,277</u>	<u>27,478</u>
	\$				

LONG-TERM DEBT

FORT LEE BOARD OF EDUCATION
General Long-Term Debt Account Group
Schedule of Serial Bonds
Fiscal Year Ended June 30, 2015

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities</u>		<u>Interest Rate</u>	<u>Balance, July 1, 2014</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance, June 30, 2015</u>
			<u>Date</u>	<u>Amount</u>					
BCIA Improvement Bonds	August 7, 2012	18,450,000	11/1/2015	685,000	3.000	\$ 17,015,000		665,000	\$ 16,350,000
			11/1/2016	705,000	3.000				
			11/1/2017	730,000	4.000				
			11/1/2018	760,000	4.000				
			11/1/2019	275,000	3.000				
			11/1/2019	500,000	5.000				
			11/1/2020	825,000	4.000				
			11/1/2021	855,000	4.000				
			11/1/2022	895,000	5.000				
			11/1/2023	940,000	5.000				
			11/1/2024	990,000	5.000				
			11/1/2025	1,035,000	4.000				
			11/1/2026	1,080,000	4.000				
			11/1/2027	1,120,000	4.000				
			11/1/2028	1,170,000	4.000				
		11/1/2029	1,215,000	4.000					
		11/1/2030	1,265,000	4.000					
		11/1/2031	1,305,000	4.000					

FORT LEE BOARD OF EDUCATION
General Long-Term Debt Account Group
Schedule of Capital Leases
Fiscal Year Ended June 30, 2015

<u>Issue</u>	<u>Date of Lease</u>	<u>Amount of Lease</u>	<u>Principal Payment</u>		<u>Interest Rate</u>	<u>Balance, June 30, 2014</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance, June 30, 2015</u>	
			<u>Date</u>	<u>Amount</u>						
District Wireless System	June 25, 2013	354,919	7/1/15	68,817	2.567 %	280,663		68,868	211,795	
			7/1/16	70,583	2.567 %					
			7/1/17	72,395	2.567 %					
12 Temporary Classroom Units	June 9, 2014	1,967,725	7/7/15	208,981	1.461 %	1,967,725				1,967,725
			1/7/16	211,332	1.461 %					
			7/7/16	213,709	1.461 %					
			1/7/17	216,114	1.461 %					
			7/7/17	218,545	1.461 %					
			1/7/18	221,004	1.461 %					
			7/7/18	223,490	1.461 %					
			1/7/19	226,004	1.461 %					
			7/7/19	228,547	1.461 %					

FORT LEE BOARD OF EDUCATION
General Long-Term Debt Account Group
Schedule of Capital Leases
Fiscal Year Ended June 30, 2015

Energy Savings Investment Plan	Date of Lease	Amount of Lease	Principal Payment		Interest Rate	Balance, June 30, 2014	Issued	Retired	Balance, June 30, 2015
			Date	Amount					
	April 16, 2015	5,571,444	10/16/16	140,652	2.495 %		5,571,444		5,571,444
			4/16/17	142,481	2.495 %				
			10/16/17	154,288	2.495 %				
			4/16/18	156,294	2.495 %				
			10/16/18	133,526	2.495 %				
			4/16/19	135,262	2.495 %				
			10/16/19	142,232	2.495 %				
			4/16/20	144,081	2.495 %				
			10/16/20	150,994	2.495 %				
			4/16/21	152,957	2.495 %				
			10/16/21	155,583	2.495 %				
			4/16/22	157,606	2.495 %				
			10/16/22	165,112	2.495 %				
			4/16/23	167,258	2.495 %				
			10/16/23	175,024	2.495 %				
			4/16/24	177,300	2.495 %				
			10/16/24	185,337	2.495 %				
			4/16/25	187,746	2.495 %				
			10/16/25	196,062	2.495 %				
			4/16/26	198,611	2.495 %				
			10/16/26	207,212	2.495 %				
			4/16/27	209,906	2.495 %				
			10/16/27	218,807	2.495 %				
			4/16/28	221,652	2.495 %				
			10/16/28	230,858	2.495 %				
			4/16/29	233,860	2.495 %				
			10/16/29	243,382	2.495 %				
			4/16/30	246,546	2.495 %				
			10/16/30	256,396	2.495 %				
			4/16/31	284,419	2.495 %				
						<u>\$ 2,248,388</u>	<u>5,571,444</u>	<u>68,868</u>	<u>7,750,964</u>

FORT LEE BOARD OF EDUCATION
Budgetary Comparison Schedule
Debt Service Fund
Fiscal Year Ended June 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	1,268,945		1,268,945	1,268,945	-
Total Revenues	1,268,945	-	1,268,945	1,268,945	-
EXPENDITURES:					
Regular Debt Service:					
Interest	680,575		680,575	680,575	-
Redemption of Principal	665,000		665,000	665,000	-
Total Regular Debt Service	1,345,575		1,345,575	1,345,575	-
Total expenditures	1,345,575	-	1,345,575	1,345,575	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(76,630)		(76,630)	(76,630)	-
Other Financing Sources/(Uses):					
Operating Transfers In:					
Interest earned in Capital Projects Fund				61,946	61,946
Total Other Financing Sources/(Uses)	-			61,946	61,946
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	(76,630)		(76,630)	(14,684)	61,946
Fund Balance, July 1	78,838		78,838	78,838	-
Fund Balance, June 30	2,208		2,208	64,154	61,946
Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures					
Budgeted Fund Balance	(76,630)		(76,630)	(76,630)	-
Operating Transfer In				61,946	61,946
Total	(76,630)		(76,630)	(14,684)	61,946

STATISTICAL SECTION

STATISTICAL SECTION (UNAUDITED)

Introduction to the Statistical Section

Financial Trends

- J-1 Net Assets/Position by Component
- J-2 Changes in Net Assets/Position
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- J-16 Full-time Equivalent District Employees by Function/Program
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STATISTICAL SECTION (UNAUDITED) - INTRODUCTION

J SERIES

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Financial Trends These schedules contain trend information to help the reader understand how the district's financial performance and well-being have changes over time.	J-1 to J-5
Revenue Capacity These schedules contain information to help the reader assess the district's most significant local revenue sources, the property tax.	J-6 to J-9
Debt Capacity These schedules present information to help the reader assess the affordability of the district's current levels of outstanding debt and the district's ability to issue additional debt in the future.	J-10 to J-13
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place.	J-14 to J-15
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the district's financial report relates to the services the district provides and the activities it performs.	J-16 to J-20
Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports (CAFR) for the relevant year. The district implemented GASB Statement 34 in the fiscal year ending June 30, 2004; schedules presenting district-wide information include information beginning in that year.	

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Governmental activities										
Net investment in capital assets	\$ 12,708,878	\$ 14,113,741	\$ 14,267,966	\$ 10,950,910	\$ 13,327,585	\$ 12,758,856	\$ 14,116,324	\$ (1,278,960)	\$ 3,994,842	\$ (36,171,048)
Restricted	3,061,302	2,748,475	2,876,841	3,184,034	2,015,950	3,054,358	4,869,850	22,650,012	18,051,812	56,001,477
Unrestricted	(5,916,252)	(5,581,765)	(4,680,195)	(4,454,396)	(5,705,497)	(5,079,224)	(4,733,750)	(4,809,592)	(4,233,820)	(17,662,594)
Total governmental activities net assets	\$ 9,853,928	\$ 11,280,451	\$ 12,464,612	\$ 9,680,548	\$ 9,638,038	\$ 10,733,990	\$ 14,252,424	\$ 16,561,460	\$ 17,812,834	\$ 2,167,835
Business-type activities										
Net investment in capital assets	\$ 153,302	\$ 355,041	\$ 305,612	\$ 139,334	\$ 86,609	\$ 100,024	\$ 92,772	\$ 79,460	\$ 65,940	\$ 96,328
Restricted										
Unrestricted	657,171	538,598	310,523	197,002	228,977	295,328	449,260	574,732	360,493	271,531
Total business-type activities net assets	\$ 810,473	\$ 893,639	\$ 616,135	\$ 336,336	\$ 315,586	\$ 395,352	\$ 542,032	\$ 654,192	\$ 426,433	\$ 367,859
District-wide										
Net investment in capital assets	\$ 12,862,180	\$ 14,468,782	\$ 14,573,578	\$ 11,090,244	\$ 13,414,194	\$ 12,858,880	\$ 14,209,096	\$ (1,199,500)	\$ 4,060,782	\$ (36,074,720)
Restricted	3,061,302	2,748,475	2,876,841	3,184,034	2,015,950	3,054,358	4,869,850	22,650,012	18,051,812	56,001,477
Unrestricted	(5,259,081)	(5,043,167)	(4,369,672)	(4,257,394)	(5,476,520)	(4,783,896)	(4,284,490)	(4,234,860)	(3,873,327)	(17,391,063)
Total district net assets	\$ 10,664,401	\$ 12,174,090	\$ 13,080,747	\$ 10,016,884	\$ 9,933,624	\$ 11,129,342	\$ 14,794,456	\$ 17,215,652	\$ 18,239,267	\$ 2,535,694

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

Source: CAFR Exhibit A-1

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

	Fiscal Year Ending June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Expenses										
Governmental activities:										
Instruction										
Regular	\$ 21,103,665	\$ 22,819,372	\$ 23,262,961	\$ 20,525,561	\$ 22,852,291	\$ 22,037,507	\$ 21,969,182	\$ 23,773,786	\$ 23,815,229	\$ 27,939,247
Special education	2,676,508	2,861,247	2,613,512	2,282,103	3,146,977	4,146,536	4,820,815	5,480,927	5,081,131	5,285,671
Other special education	1,857,142	2,183,453	2,257,617	2,313,667	2,646,190	2,506,824	2,501,588	2,439,814	2,680,798	3,111,092
Other instruction	866,530	1,051,007	1,065,488	1,219,438	910,661	954,758	955,886	1,003,251	1,313,645	1,434,806
Support Services:										
Tuition	3,677,911	4,358,617	4,246,167	4,650,182	4,178,690	3,149,926	3,315,783	3,472,301	3,496,240	3,792,977
Student & instruction related services	5,709,233	6,587,759	6,927,382	7,038,342	8,250,972	8,138,886	8,165,565	9,010,969	9,078,827	10,175,398
School administrative services	3,078,166	3,140,112	3,310,440	2,858,209	3,163,425	3,327,080	2,744,677	2,549,700	2,987,540	3,361,029
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	1,591,783	1,685,546
Central services and administrative information technology	783,099	890,773	931,765	792,153	830,678	869,440	892,131	880,547	1,113,877	1,167,626
Business and other support services										
Plant operations and maintenance	5,298,109	5,520,395	5,360,192	5,409,968	5,282,704	4,334,191	4,536,978	4,697,862	5,158,782	5,624,082
Pupil transportation	1,138,842	1,513,638	1,520,693	1,743,806	1,560,289	1,343,168	1,480,585	1,493,593	1,616,017	1,711,881
Unallocated Benefits	69,289	79,426	78,734	3,996,266	4,026,554	3,493,585	3,799,983	5,939,141	4,118,192	5,883,397
Special Schools										9,686
Charter Schools										868,913
Interest on long-term debt	1,092,808	1,147,370	747,081	1,993	5,360	(1,730)	(1,800)	616,664	699,444	976,850
Unallocated depreciation				757,547	745,850	746,955	731,457	902,366	982,630	(198,000)
Amortization & Capital Lease Obligations										(198,000)
Capital Outlay - nondepreciable				294,537			490	364,675	3,378,021	5,588,979
Total governmental activities expenses	48,883,422	53,919,429	54,090,991	55,507,367	59,254,940	56,475,764	57,217,466	63,742,751	66,914,156	78,419,180
Business-type activities:										
Food service	972,687	994,448	1,035,099	1,069,784	1,087,838	1,147,633	1,123,403	1,211,683	1,246,312	1,406,042
Latchkey program	203,435	221,452	251,979	696,127	355,214	492,737	501,273	521,024	255,711	-
Total business-type activities expense	1,176,122	1,215,900	1,287,078	1,765,911	1,443,052	1,640,370	1,624,676	1,732,707	1,502,023	1,406,042
Total district expenses	\$ 50,059,544	\$ 55,135,329	\$ 55,378,069	\$ 57,273,278	\$ 60,697,992	\$ 58,116,134	\$ 58,842,142	\$ 65,475,458	\$ 68,416,179	\$ 79,825,222
Program Revenues										
Governmental activities:										
Charges for services:										
Special schools	54,800	62,005	38,700	1,913,648	3,893,615	1,886,702	1,733,644	1,810,086	1,675,017	1,451,934
Operating grants and contributions	5,643,931	7,382,950	7,609,758	1,913,648	3,893,615	1,886,702	1,733,644	1,810,086	1,675,017	1,451,934
Total governmental activities program revenues	5,698,731	7,444,955	7,648,458	1,913,648	3,893,615	1,886,702	1,733,644	1,810,086	1,675,017	1,451,934

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

	Fiscal Year Ending June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Business-type activities:										
Charges for services:										
Food service	801,466	787,003	797,208	803,602	817,317	833,569	912,665	887,637	836,704	915,764
Latchkey program	330,155	356,194	434,959	299,471	469,037	510,205	524,692	572,722	183	
Operating grants and contributions	209,220	196,426	234,641	255,548	332,755	357,872	442,030	443,442	437,334	429,904
Total business type activities program revenues	1,340,841	1,339,623	1,466,808	1,358,621	1,619,109	1,701,646	1,879,387	1,903,801	1,274,221	1,345,668
Total district program revenues	\$ 7,039,572	\$ 8,784,578	\$ 9,115,266	\$ 3,272,269	\$ 5,512,724	\$ 3,588,348	\$ 3,613,031	\$ 3,713,887	\$ 2,949,238	\$ 2,797,602
Net (Expense)/Revenue										
Governmental activities	\$ (43,184,691)	\$ (46,474,474)	\$ (46,442,533)	\$ (53,593,719)	\$ (55,361,325)	\$ (54,589,062)	\$ (55,483,822)	\$ (61,932,665)	\$ (65,239,139)	\$ (76,967,246)
Business-type activities	164,719	123,723	179,730	(407,290)	176,057	61,276	254,711	171,094	(227,802)	(60,374)
Total district-wide net expense	\$ (43,019,972)	\$ (46,350,751)	\$ (46,262,803)	\$ (54,001,009)	\$ (55,185,268)	\$ (54,527,786)	\$ (55,229,111)	\$ (61,761,571)	\$ (65,466,941)	\$ (77,027,620)
General Revenues and Other Changes in Net Assets										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 39,182,171	\$ 42,581,845	\$ 44,285,119	\$ 46,056,524	\$ 47,898,785	\$ 50,245,845	\$ 51,250,762	\$ 52,275,777	\$ 53,321,293	\$ 55,438,424
Taxes levied for debt service								1,400,000	1,352,100	1,268,945
Unrestricted grants and contributions	2,848,004	2,996,693	3,019,066	6,838,632	7,152,921	4,895,937	6,604,235	8,570,981	7,654,476	16,611,285
Restricted grants and contributions							663,113	1,693,536	2,193,768	
Cancellation Capital Outlay to Capital Reserve									1,397,566	
Tuition										43,650
Investment earnings	217,401	350,416	215,821	49,755	787	45	497	5,313	3,978	62,974
Miscellaneous income	465,717	1,972,043	106,688	313,173	266,322	543,187	483,649	296,094	567,332	361,823
Total governmental activities	42,713,293	47,900,997	47,626,694	53,258,084	55,318,815	55,685,014	59,002,256	64,241,701	66,490,513	73,787,101
Business-type activities:										
Investment earnings	30,621	21,599	2,904	511	2,796		78	78	43	1,800
Total business-type activities	30,621	21,599	2,904	511	2,796	-	78	78	43	1,800
Total district-wide	\$ 42,743,914	\$ 47,922,596	\$ 47,629,598	\$ 53,258,595	\$ 55,321,611	\$ 55,685,014	\$ 59,002,334	\$ 64,241,779	\$ 66,490,556	\$ 73,788,901
Change in net assets										
Governmental activities	\$ (339,260)	\$ (471,398)	\$ 1,426,523	\$ 1,184,161	\$ (42,510)	\$ 1,095,952	\$ 3,518,434	\$ 2,309,036	\$ 1,251,374	\$ (3,180,145)
Business-type activities	96,927	141,071	83,166	(277,504)	178,853	61,276	254,789	171,172	(227,759)	(58,574)
Total district	\$ (242,333)	\$ (330,327)	\$ 1,509,689	\$ 906,657	\$ 136,343	\$ 1,157,228	\$ 3,773,223	\$ 2,480,208	\$ 1,023,615	\$ (3,238,719)

* - 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)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Fund										
Reserved	\$ 2,304,512	\$ 2,235,492	\$ 2,722,015	\$ 3,029,209	\$ 778,099					
Unreserved	762,290	823,380	1,386,135	2,235,876	958,404	1,639,659	3,210,976	3,658,099	2,475,618	2,293,993
Restricted						274,425	1,182,757			
Committed						650,000	1,315,959	1,864,968	1,899,690	1,227,188
Assigned						1,442,570	1,297,861	1,614,117	1,565,526	1,110,988
Unassigned										
Total general fund	\$ 3,066,802	\$ 3,058,872	\$ 4,108,150	\$ 5,265,085	\$ 1,736,503	\$ -	\$ 7,007,553	\$ 7,137,184	\$ 5,940,834	\$ 4,632,169
All Other Governmental Funds										
Reserved	\$ -	\$ 471,984	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Capital projects fund	756,790	40,999	154,826	154,826	1,237,851	490,274	(839,842)	17,050,315	13,597,666	52,416,142
Debt service fund								76,630	78,838	64,154
Total all other governmental funds	\$ 756,790	\$ 512,983	\$ 154,826	\$ 154,826	\$ 1,237,851	\$ 490,274	\$ (839,842)	\$ 17,126,945	\$ 13,676,504	\$ 52,480,296

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,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Revenues										
Tax levy	\$ 39,182,171	\$ 42,581,845	\$ 44,285,119	\$ 46,056,524	\$ 47,898,785	\$ 50,245,845	\$ 51,250,762	\$ 53,675,777	\$ 54,673,393	\$ 56,707,369
Interest- capital reserve funds	40,931	53,422	38,501	16,882	787	45	497	5,313	3,978	62,974
Interest earnings	176,470	296,994	177,320	32,873	2,946	37,589	4,894	4,720	1,918	3,777
Transportation						38,105	8,628			
Tuition						85,973	19,500	34,750	30,000	43,650
Miscellaneous	521,871	2,034,048	526,988	314,073	266,627	386,129	457,199	256,624	535,414	360,945
State sources	6,710,136	8,493,651	8,856,381	6,987,844	8,227,542	5,001,235	7,271,822	10,361,082	9,931,937	10,846,091
Federal sources	1,780,445	1,885,992	1,772,443	1,763,536	2,815,743	1,776,795	1,722,598	1,713,521	1,591,324	1,347,667
Total revenue	48,412,024	55,345,952	55,656,752	55,171,732	59,212,430	57,571,716	60,735,900	66,051,787	66,767,964	69,372,473
Expenditures										
Instruction										
Regular Instruction	15,539,586	16,134,918	16,257,191	16,689,817	17,978,798	17,470,348	17,686,731	19,299,415	18,639,107	19,593,114
Special education instruction	1,931,599	1,924,589	1,828,329	1,816,700	2,392,416	3,205,818	3,799,173	4,314,565	4,191,760	3,986,239
Other special instruction	1,336,521	1,476,232	1,575,356	2,064,966	2,006,619	1,932,043	1,965,408	1,915,689	2,049,705	2,136,879
Other instruction	655,165	781,949	804,182	779,313	746,698	797,260	782,915	821,867	1,070,951	1,067,469
Support Services:										
Tuition	3,677,911	4,358,617	4,246,167	4,650,182	4,178,690	3,149,926	3,315,783	3,472,301	3,496,240	3,792,977
Student and instruction related services	4,478,163	4,924,259	5,279,599	5,923,101	6,836,783	6,599,857	6,807,393	7,514,047	7,390,300	7,588,933
School administrative services	2,215,551	2,175,858	2,279,410	2,279,477	2,409,955	2,576,616	2,167,907	2,013,900	2,295,528	2,324,603
General administrative services	1,237,152	1,399,421	1,403,297	1,418,364	1,419,757	1,265,634	1,191,334	1,189,393	1,417,870	1,440,703
Central services and administrative information technology services	611,462	677,160	703,875	654,668	663,011	713,536	741,121	725,705	889,545	856,281
Business and other support services	4,291,011	4,465,622	4,559,453	4,688,086	4,414,450	3,939,182	4,149,469	4,296,950	4,709,092	4,947,119
Plant operations and maintenance	1,124,950	1,499,037	1,503,774	1,732,005	1,528,574	1,308,313	1,451,533	1,464,678	1,573,249	1,633,541
Pupil transportation	10,508,684	13,148,368	13,544,958	11,134,661	14,016,326	12,969,113	12,959,691	14,744,871	15,084,362	15,686,156
Employee benefits	69,289	79,426	78,734							
Special schools	1,148,294	2,552,233	901,306	446,297	3,065,910	121,496	2,046,659	5,627,007	10,620,237	20,879,515
Capital outlay										
Debt service:										
Principal								780,000	655,000	665,000
Interest and other charges								559,900	697,100	680,575
Transfer to charter school										
Total expenditures	48,825,338	55,597,689	54,965,631	54,277,637	61,657,987	56,049,142	59,065,117	68,740,288	74,780,046	87,288,790
Excess (Deficiency) of revenues over (under) expenditures	(413,314)	(251,737)	691,121	894,095	(2,445,557)	1,522,574	1,670,783	(2,688,501)	(8,012,082)	(17,916,317)

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
	Fiscal Year Ending June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Other Financing sources (uses)										
Capital leases (non-budgeted)	-	-	-	262,840	-	-	-	354,919	1,967,725	5,571,444
Bond proceeds	-	-	-	-	-	-	-	20,430,000	-	49,840,000
Cancellation of Capital Outlay to Capital Reserve									1,397,566	
Transfers in					2,484,000	747,577	334,958	3,952	157,034	61,946
Transfers out					(2,484,000)	(747,577)	(334,958)	(3,952)	(157,034)	(61,946)
Total other financing sources (uses)	-	-	-	262,840	-	-	-	20,784,919	3,365,291	55,411,444
Net change in fund balances	\$ (413,314)	\$ (251,737)	\$ 691,121	\$ 1,156,935	\$ (2,445,557)	\$ 1,522,574	\$ 1,670,783	\$ 18,096,418	\$ (4,646,791)	\$ 37,495,127

Debt service as a percentage of noncapital expenditures 0.0% 0.0% 0.0% 0.0% 0.0% 0.0% 0.0% 0.0% 0.0% 2.1% 2.0%

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)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Fund:										
Interest on investments	\$ 176,470	\$ 296,994	\$ 177,320	\$ 32,873	\$ 2,946	\$ 37,589	\$ 4,894	\$ 4,720	\$ 1,918	\$ 3,777
Summer school tuition and fees	54,800	62,005	38,700			85,973	19,500	34,750	30,000	43,650
Prior years' refunds	34,709	74,409	18,322							
Rentals				98,667	94,500	140,550	174,175	95,000	5,500	-
Donations				5,500	2,721	433	89,635	2,150	500	200
Transportation					37,584	38,105	8,628			
Cancellation of prior year void checks				7,554	7,194	2,443		1,737	5,305	5,319
Contributions	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	203,911	264,722
Athletic receipts	7,821	5,310	3,712	587	1,356	4,463	4,650	6,198	5,021	3,623
Other	4,080		4,075			93,448		7,862	4,259	4,691
Book fines	9,299	7,416	9,030	5,268	5,023	2,839		2,061	1,282	1,108
Restitution non-residents	240	4,080								
Miscellaneous-unrestricted	12,142	3,791	3,209	1,886	4,433	39,935	97,547	46,020	309,636	78,383
Total Miscellaneous	\$ 314,487	\$ 502,262	\$ 701,542	\$ 346,946	\$ 266,322	\$ 543,187	\$ 483,649	\$ 282,584	\$ 567,332	\$ 405,473
Interest on capital reserve funds	40,931	53,422	38,501	16,882	787	45	497	1,827	1,770	1,028
Total General Fund	\$ 355,418	\$ 555,684	\$ 740,043	\$ 363,828	\$ 267,109	\$ 543,232	\$ 484,146	\$ 284,411	\$ 569,102	\$ 406,501

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

Fiscal Year Ended Dec. 31,	Residential			Commercial/Industrial	Apartment	Total Assessed Value	Public Utilities ^a	Net Valuation Taxable	Memo Only Tax Exempt Property	Estimated Actual (County Equalized Value)	Total Direct School Tax Rate ^b
	Vacant Land	Residential	Commercial/Industrial								
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	\$ 6,077,655,363	\$ 328,642,000	\$ 6,423,963,635	0.89	
2014	\$ 142,308,600	\$ 3,602,571,100	\$ 853,593,300	\$ 1,491,298,420	\$ 6,089,771,420	\$ 7,070,493	\$ 6,096,841,913	\$ 343,287,801	\$ 6,440,129,714	0.92	
2015	\$ 134,175,700	\$ 3,608,370,300	\$ 852,711,100	\$ 1,553,522,520	\$ 6,148,779,620	\$ 7,218,641	\$ 6,155,998,261	\$ 336,153,900	\$ 6,723,511,984	0.95	

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.

Exhibit J-7

**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
	Basic Rate ^a	General Obligation Debt Service ^b	Borough of Fort Lee	County of Bergen	
2006	0.69		0.79	0.18	1.66
2007	0.72		0.82	0.18	1.72
2008	0.75		0.89	0.20	1.84
2009	0.77		0.91	0.21	1.89
2010	0.80		0.93	0.21	1.94
2011	0.83		0.94	0.22	1.99
2012	0.86		0.96	0.23	2.05
2013	0.87	0.023	0.99	0.24	2.12
2014	0.89	0.023	1.00	0.25	2.16
2015	0.95		0.99	0.26	2.20

Source: Municipal Tax Collector

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

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

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

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

Taxpayer	2015			2006		
	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.	\$ 278,000,000	1	4.56%	\$ 289,151,000		4.87%
1530 Owners Corp.	\$ 168,478,000	2	2.76%	\$ 168,478,000		2.84%
Southbridge Park, Inc.	\$ 82,673,000	3	1.36%	\$ 82,673,000		1.39%
CCA Crest at Fort Lee, LLC	\$ 82,000,000	4	1.34%			
2100 Linwood Ave. Owners Inc.	\$ 78,000,000	5	1.28%	\$ 78,500,000		1.32%
Mediterranean Towers West Owners, Inc.	\$ 72,000,000	6	1.18%	\$ 91,058,000		1.53%
2000 Linwood Avenue Owners, Inc.	\$ 69,403,000	8	1.14%	\$ 69,403,000		1.17%
One Century City Apartment Corp.	\$ 64,703,000	9	1.06%	\$ 64,703,000		1.09%
Northbridge Park Co-op Inc	\$ 63,267,000	10	1.04%	\$ 637,767,000		10.74%
Fort Lee EP, LLC	\$ 55,275,000	11	0.91%			
Executive Park, LLC	\$ 36,725,000	12	0.60%			
Kelby Associates c/o Parker Corp.	\$ 46,354,900	13	0.76%	\$ 46,350,000		0.78%
1170 Apt. Corp.	\$ 70,584,020	7	1.16%	\$ 70,584,000		1.19%
Total	\$ 1,167,462,920		19.15%	\$ 1,598,667,000		26.92%

Net Assessed Valuation: \$ 5,938,526,398

Net Assessed Valuation: \$ 6,096,841,913

Source: Municipal Tax Assessor.

Exhibit J-9

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

Fiscal Year Ended June 30,	District Taxes Levied for the Fiscal Year	Collected within the Fiscal Year		Collections in Subsequent Years
		Amount	Percentage of Levy ^a	
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%	\$ -
2014	\$54,673,393	\$54,673,393	100.00%	\$ -
2015	\$56,707,369	\$56,707,369	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 ^a	Per Capita ^a
	General Obligation Bonds/Loans ^b	Capital Leases					
2006	-	-	-	-	0.00%	\$ 63,103	
2007	-	-	-	-	0.00%	\$ 67,544	
2008	-	-	-	-	0.00%	\$ 67,331	
2009	-	-	-	-	0.00%	\$ 63,874	
2010	-	-	-	-	0.00%	\$ 63,885	
2011	-	157,715	-	157,715	0.01%	\$ 67,248	
2012	-	107,229	-	107,229	0.00%	\$ 69,281	
2013	17,670,000	409,604	-	18,079,604	0.72%	\$ 69,495	
2014	17,015,000	2,248,388	-	19,263,388	Not Available	Not Available	
2015	66,190,000	7,750,964	-	73,940,964	Not Available	Not Available	

Source: District records

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

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

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 ^b
	General Obligation Bonds/Loans	Deductions	Net General Bonded Debt Outstanding		
2006	\$ -	-	-	0.00%	\$ 63,103
2007	\$ -	-	-	0.00%	\$ 67,544
2008	\$ -	-	-	0.00%	\$ 67,331
2009	\$ -	-	-	0.00%	\$ 63,874
2010	\$ -	-	-	0.00%	\$ 63,885
2011	\$ -	-	-	0.00%	\$ 67,248
2012	\$ -	-	-	0.00%	\$ 69,281
2013	\$ 17,670,000	-	17,670,000	0.29%	\$ 69,495
2014	\$ 17,015,000	-	17,015,000	0.28%	Not Available
2015	\$ 66,190,000	-	66,190,000	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.

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

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

**Fort Lee Board of Education
Ratios of Overlapping Governmental Activities Debt
As of June 30, 2015**

<u>Governmental Unit</u>	<u>Estimated Percentage Applicable ^a</u>	<u>Debt Outstanding</u>	<u>Estimated Share of Overlapping Debt</u>
Direct Debt of School District as of June 30, 2015			\$ 66,190,000
Net overlapping debt of School District:			
Borough of Fort Lee	100.000%	\$ 57,336,944	
County of Bergen - City's Share	3.967%	\$ 3,451,126	
Bergen County Utility Authority-City's Share	7.889%	\$ 16,510,906	
Subtotal, overlapping debt			\$ 77,298,976
Total direct and overlapping debt			\$ 143,488,976

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 2015

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Debt limit	\$ 207,969,494	\$ 227,749,168	\$ 239,922,048	\$ 251,121,316	259,326,993	256,555,056	172,693,511	239,831,696	239,831,696	186,346,100
Total net debt applicable to limit	-	-	-	-	-	-	-	17,670,000	17,015,000	66,190,000
Legal debt margin	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	7.37%	7.09%	35.52%
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%	7.37%	7.09%	35.52%

	2014	2013	2012
Equalized valuation basis	6,440,129,714	6,423,963,635	6,076,114,120
[A]	\$ 18,940,207,469		
[A/3]	\$ 6,313,402,490		
Average equalized valuation of taxable property			
Debt limit (4 % of average equalization value)	[B]	252,536,100	^a
Net bonded school debt	[C]	66,190,000	
Legal debt margin	[B-C]	\$ 186,346,100	

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

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

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

Year	Population ^{a(1)}	Personal Income (thousands of dollars) ^b	Per Capita Personal Income ^{c(2)}	Unemployment Rate ^d
2006	36,214	\$ 2,285,212,042	63,103	3.00%
2007	36,124	\$ 2,439,959,456	67,544	2.60%
2008	36,107	\$ 2,431,120,417	67,331	3.20%
2009	36,288	\$ 2,317,859,712	63,874	5.90%
2010	35,392	\$ 2,261,017,920	63,885	6.30%
2011	35,664	\$ 2,398,332,672	67,248	6.20%
2012	35,841	\$ 2,483,100,321	69,281	5.80%
2013	36,310	\$ 2,523,363,450	69,495	5.80%
2014	37,026	Not Available	Not Available	4.20%
2015	Not Available	Not Available	Not Available	Not Available

Source:

a- Population information provided by the NJ Department of Labor and Workforce Development.

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

c- US Bureau of Economic Analysis per capita personal income for New Jersey by county

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

Notes:

(1) Represents estimate of July 1

(2) Represents county information vs. municipality

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

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

	2015		2006		
	Employees	Rank (Optional)	Percentage of Total Employment	Rank (Optional)	Percentage of Total Employment
1			N/A	1	N/A
2			N/A	2	N/A
3			N/A	3	N/A
4			N/A	4	N/A
5			N/A	5	N/A
6			N/A	6	N/A
7			N/A	7	N/A
8			N/A	8	N/A
9			N/A	9	N/A
10			N/A	10	N/A

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

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

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

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

Function/Program	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Instruction										
Regular	N/A	231.0	233.0	237.0	241.0	229.0	212.0	231.0	260.0	271.5
Special education	N/A	26.0	27.0	27.0	29.0	37.0	64.0	82.0	63.0	61.5
Other instruction	N/A	29.0	31.0	29.0	28.5	33.5	23.0	24.0	27.0	26.0
Support Services:										
Student & instruction related services	N/A	65.0	64.0	66.0	67.0	71.5	78.5	95.0	82.0	79.0
General administrative services	N/A	12.0	12.0	12.0	12.0	10.0	8.5	8.0	8.0	8.5
School administrative services	N/A	33.0	33.0	33.0	33.0	24.0	24.0	22.0	26.0	26.5
Business administrative services	N/A	6.0	6.0	6.0	6.0	13.0	14.0	15.0	17.0	17.0
Plant operations and maintenance	N/A	46.0	46.0	45.0	44.0	21.0	20.5	21.0	21.0	22.0
Total	0.0	448.0	452.0	455.0	460.5	439.0	444.5	498.0	504.0	512.0

Source: District Personnel Records

Fort Lee Board of Education
Operating Statistics
Last Ten Fiscal Years

Pupil/Teacher Ratio

Fiscal Year	Enrollment	Operating Expenditures ^a	Cost Per Pupil	Percentage Change	Teaching Staff ^b	Pupil/Teacher Ratio			Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School	High School				
2006	3,513	47,677,044	13,572	0.55%	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	3,475	3,321	(0.20)	95.57%	
2008	3,551	54,965,631	15,479	1.52%	233	1:17	1:12	3,488	3,338	0.37	95.70%	
2009	3,545	54,277,637	15,311	0.42%	237	1:18	1:11	3,454	3,296	(0.1)	95.43%	
2010	3,621	58,592,077	16,181	4.54%	241	1:18	1:11	3,543	3,406	0.04	96.13%	
2011	3,671	55,927,646	15,235	-0.50%	229	1:17	1:11	3,601	3,450	0.01	95.81%	
2012	3,727	57,018,458	15,299	-5.45%	212	1:17	1:11	3,689	3,547	0.02	96.15%	
2013	3,791	61,773,381	16,295	6.96%	231	1:17	1:11	3,740	3,570	0.01	95.45%	
2014	3,819	62,807,709	16,446	7.50%	291	1:10	1:10	3,779	3,606	0.01	95.42%	
2015	3,787	65,063,700	17,181	5.44%	299	1:09	1:09	3,728	3,545	-0.01	95.09%	

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<u>District Buildings</u>										
<u>Elementary</u>										
School 1										
Square Feet	57,938	57,938	57,938	57,938	57,938	57,938	57,938	57,938	57,938	50,470
Capacity (students)	447	447	447	447	447	447	447	447	447	590
Enrollment	491	498	517	529	529	634	644	678	708	666
School 2										
Square Feet	50,989	50,989	50,989	50,989	50,989	50,989	50,989	50,989	50,989	47,800
Capacity (students)	339	339	339	339	339	339	339	339	339	442
Enrollment	397	399	415	421	421	422	428	455	457	470
School 3										
Square Feet	41,974	41,974	41,974	41,974	41,974	41,974	41,974	41,974	41,974	46,260
Capacity (students)	392	392	392	392	392	392	392	392	392	450
Enrollment	464	464	490	497	497	513	533	530	536	534
School 4										
Square Feet	48,722	48,722	48,722	48,722	48,722	48,722	48,722	48,722	48,722	48,990
Capacity (students)	395	395	395	395	395	395	395	395	395	450
Enrollment	484	484	474	493	493	535	516	540	541	551
<u>Middle School</u>										
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	79,060
Capacity (students)	295	295	295	295	295	295	295	295	295	487
Enrollment	509	513	528	477	477	526	556	574	558	534
<u>High School</u>										
Fort Lee High School										
Square Feet	142,789	142,789	142,789	142,789	142,789	142,789	142,789	142,789	142,789	148,050
Capacity (students)	552	552	552	552	552	552	552	552	552	1,000
Enrollment	1,089	1,096	1,041	1,039	1,039	979	995	959	978	983
Number of Schools at June 30, 2015										
Elementary	4									
Middle School	1									
High School	1									

Source: District records, ASSA

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

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

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

* School Facilities	School #	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Fort Lee High School	50	143,804	211,437	177,364	201,794	136,945	210,988	287,542	271,993	294,830	257,401
Lewis F. Cole Middle School	100	77,481	97,829	80,173	78,468	67,095	86,179	126,885	111,862	121,786	114,399
Elementary School #1	60	50,383	80,468	65,678	78,720	76,040	98,065	108,715	124,887	135,657	100,099
Elementary School #2	70	53,205	39,226	39,221	82,480	49,203	68,348	83,985	88,111	95,994	85,801
Elementary School #3	80	42,834	47,362	53,743	48,255	44,730	58,245	77,274	75,086	81,858	71,498
Elementary School #4	90	34,504	71,315	68,262	50,202	53,676	72,508	87,104	94,240	102,534	85,802
Grand Total		\$ 402,211	\$ 547,637	\$ 484,441	\$ 539,919	\$ 427,689	\$ 594,333	\$ 771,505	\$ 766,179	\$ 832,659	\$ 715,000

* 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, 2015
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	5,000
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	320,000	
	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). See 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, 2015, 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 17, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit on the financial statements, we considered the Borough of Fort Lee Board of Education's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Borough of Fort Lee Board of Education's internal control. Accordingly, we do not express an opinion on the effectiveness of the Borough of Fort Lee Board of Education's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.



Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

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

We noted certain matters that were required to be reported to the Board of Education of the Borough of Fort Lee School District in the separate Auditors Management Report on Administrative Findings - Financial, Compliance and Performance dated November 17, 2015.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Steven D. Wielkocz

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

Ferraioli, Wielkocz, Cerullo & Cova, P.A.

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

November 17, 2015

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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, 2015. 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, 2015.

Other Matters

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.

Honorable President and
Members of the Board of Education

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Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies 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.

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.

Steven D. Wielkotz

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

Ferraioli, Wielkotz, Cerullo & Cova, P.A.

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

November 17, 2015

BOROUGH OF FORT LEE SCHOOL DISTRICT

Schedule of Expenditures of Federal Awards

For the Fiscal Year ended June 30, 2015

Federal Grantor/Pass-through Grantor/ Program Title	Federal CFDA Number	Grant or State Project Number	Award Amount	Grant Period From To	Balance at June 30, 2014	Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	Balance at June 30, 2015 (Accounts Receivable)	Deferred Revenue	Due to Grantor at
US Department of Education													
Passed Through State Dept of Education:													
Special Revenue Fund													
Title I Part A, Improving Basic Program	84-010	NCLB431015	478,484	7/1/14 6/30/15	(114,899)	(114,899)	114,899	279,562			(279,562)		
Title I Part A, Improving Basic Program	84-010	NCLB431014	475,928	7/1/13 6/30/14	(114,899)	114,899	114,899	279,562			(279,562)		
Title II, Part A, Teacher/Principa Training and Recruiting	84-367	NCLB431015	125,764	7/1/14 6/30/15	(31,831)	(31,831)	30,095	111,674	1,736		(111,674)		
Title II, Part A, Teacher/Principa Training and Recruiting	84-367	NCLB431014	122,876	7/1/13 6/20/14	(31,831)	31,831	30,095	111,674	1,736		(111,674)		
Title III	84-365	NCLB431015	91,825	7/1/14 6/30/15	(18,099)	(18,099)	18,099	49,999			(49,999)		
Title III	84-365	NCLB431014	87,800	7/1/13 6/30/14	(18,099)	18,099	18,099	49,999			(49,999)		
Title III, Immigrant	84-365	NCLB431015	100,221	7/1/14 6/30/15	(11,474)	(11,474)	11,474	104,914			(104,914)		
Title III, Immigrant	84-365	NCLB431014	67,197	7/1/13 6/30/14	(11,474)	11,474	11,474	104,914			(104,914)		
IDEA, Part B-Basic	84-027	IDEA431015	833,356	7/1/14 6/30/15	(373,640)	(373,640)	749,183	784,343			(408,800)		
IDEA, Part B-Basic	84-027	IDEA431014	794,187	7/1/13 6/30/14	(373,640)	373,640	749,183	784,343			(408,800)		
IDEA, Part B-Preschool	84-173	IDEA431015	20,410	7/1/14 6/30/15	(4,941)	(4,941)	4,941	17,175			(17,175)		
IDEA, Part B-Preschool	84-173	IDEA431014	20,428	7/1/13 6/30/14	(4,941)	4,941	4,941	17,175			(17,175)		
Total Special Revenue Fund					(554,884)		928,691	1,347,667	1,736		(972,124)		
US Department of Agriculture													
Passed Through State Dept of Education:													
Enterprise Fund													
Food Distribution Program	10-565	N/A	59,762	7/1/14 6/30/15			59,762	59,762					
National School Breakfast Program	10-553	N/A	28,517	7/1/14 6/30/15			21,736	28,517			(6,781)		
National School Breakfast Program	10-553	N/A	22,785	7/1/13 6/30/14	(1,890)		1,890	28,517			(6,781)		
National School Lunch Program	10-555	N/A	327,793	7/1/14 6/30/15			255,453	327,793			(72,340)		
National School Lunch Program	10-555	N/A	320,743	7/1/13 6/30/14	(20,930)		20,930	327,793			(72,340)		
Total Enterprise Fund					(22,820)		359,771	416,072			(79,121)		
Total Federal Financial Assistance					(577,704)		1,288,462	1,763,739	1,736		(1,051,245)		

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 \$10,578 for the general fund and \$(43,686) 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	\$	\$8,306,275	\$	\$8,306,275
Special Revenue Fund	1,347,667	101,368	2,899	1,451,934
Capital Projects Fund		2,438,448		2,438,448
Food Service Fund	<u>416,072</u>	<u>13,832</u>	<u> </u>	<u>429,904</u>
Total Financial Awards	<u>\$1,763,739</u>	<u>\$10,859,923</u>	<u>\$2,899</u>	<u>\$12,626,561</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, 2015. 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, 2015.

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

On-behalf State Programs for TPAF Pension and Post-Retirement Medical Benefits Contributions are not subject to a State single audit and, therefore, the amount of \$3,691,847 of on-behalf payments is excluded from major program determination.

**BOROUGH OF FORT LEE SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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? _____ yes X none reported
- 2. Material weakness(es) identified? _____ yes X no

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

Any audit findings disclosed that are required to be reported in accordance with section .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>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? _____ yes X no

**BOROUGH OF FORT LEE SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(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>
495-034-5095-003 (A)	Reimbursed TPAF Social Security Contribution

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, 2015
(continued)**

Section II - Financial Statement Findings

None

**BOROUGH OF FORT LEE SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(continued)**

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

FEDERAL AWARDS

None

BOROUGH OF FORT LEE SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Status of Prior Year Findings

Finding 2015-1:

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 allowance and non-allowable costs was included in the total reimbursement amount.

Current Status

Corrective action has been taken.