

Comprehensive Annual Financial Report

of the

Fort Lee School District

Fort Lee, New Jersey

For the Fiscal Year Ended June 30, 2016

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INTRODUCTORY SECTION



Fort Lee Public Schools

Central Administration Offices

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www.FLBOE.com

Mr. Kenneth J. Rota
Superintendent of Schools

Dr. Sharon Amato
Director of Curriculum & Instruction

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

December 2, 2016

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, 2016. 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 Title 2 *U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey and New Jersey OMB's Circulars 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid (NJOMB 15-08)*. 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 3,797 students, in-district and out-of-district, in grades kindergarten through twelve.

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

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

Reporting Entity

The Borough of Fort Lee 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 2015-2016 fiscal year with an average daily enrollment of 3,763 students, which is thirty-five students more than the previous year's enrollment. The following details the changes in the student average daily enrollment of the District over the last five years.

Fiscal Year	Average Daily Enrollment Student Enrollment	Percent Change
2015-2016	3,763	0.94%
2014-2015	3,728	-1.35%
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%

Future trends point towards an increase in enrollment due to approved residential developments. The District's primary funding source is property tax revenue. As a result, the District, along with many other public school systems in the State, faces some difficult economic situations in the future. Overall tax revenue for the general fund increased for the 2015-2016 school year by 5.85%, 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 2015-2016 school year include:

1. Balanced Literacy training for K-2 staff incorporating a variety of reading approaches realizing student's need to use multiple strategies to become proficient readers.
2. Hired permanent key Board Management including School Business Administrator/Board Secretary, Assistant School Business Administrator, and Director of Human Resources rounding out the Central Office management team.
3. Implemented new recruitment strategies including improved and far reaching advertisements and participation in college fairs targeting highly qualified candidates.
4. Developed and adopted new districtwide Music and Social Studies curricula and new Middle and High School Science curricula.
5. Expanded course selections at the Middle and High School levels.
6. Added an Autistic Spectrum Disorder (ASD) class at the Middle School expanding the services offered.
7. Sheltered Instruction Observational Protocol (SIOP) training for new staff and all administrators facilitating learning in the content areas for English Language Learners.
8. Purchased and installed interactive overhead projectors in classrooms at the Elementary, Middle, and High Schools.
9. Enhanced a mentoring program partnering new educators with veteran teachers helping to acclimate new hires.
10. Installed a districtwide card access system minimizing the need for keys and systematizing building-specific data collection and reporting of building occupants.
11. Purchased 1,600 Chromebooks and rolled out a 1-to-1 student Chromebook initiative for all students in grades 7-12.
12. Launched electronic report card delivery through our online student information system reducing costs and expediting notification to parents of student progress.
13. Added after-school tutoring, Basic Skills, and Title I support programs supplementing instructional programs to aid.
14. Completed LED lighting installations throughout the six school buildings, upgraded HVAC systems in two buildings, and installed a district-wide Building Management System (BMS) to manage those systems.
15. Launched a Smart Readers reading intervention program for K-2 in each of the elementary schools.
16. Replaced roofing at one elementary school, added air conditioning in two elementary schools, and renovated restrooms in one elementary school.

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, 2016.

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.

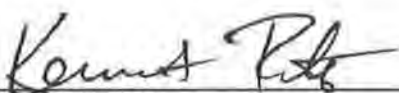
Independent Audit: State statutes require an annual audit by independent certified public accountants or registered municipal accounts. The accounting firm of Samuel Klein and Company, was selected by the Board. In addition to meeting the requirements set forth in State statutes, the audit was also designed to meet the requirements of the Title 2 *U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey and New Jersey OMB's Circulars

15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid (NJOMB 15-08)*. 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,

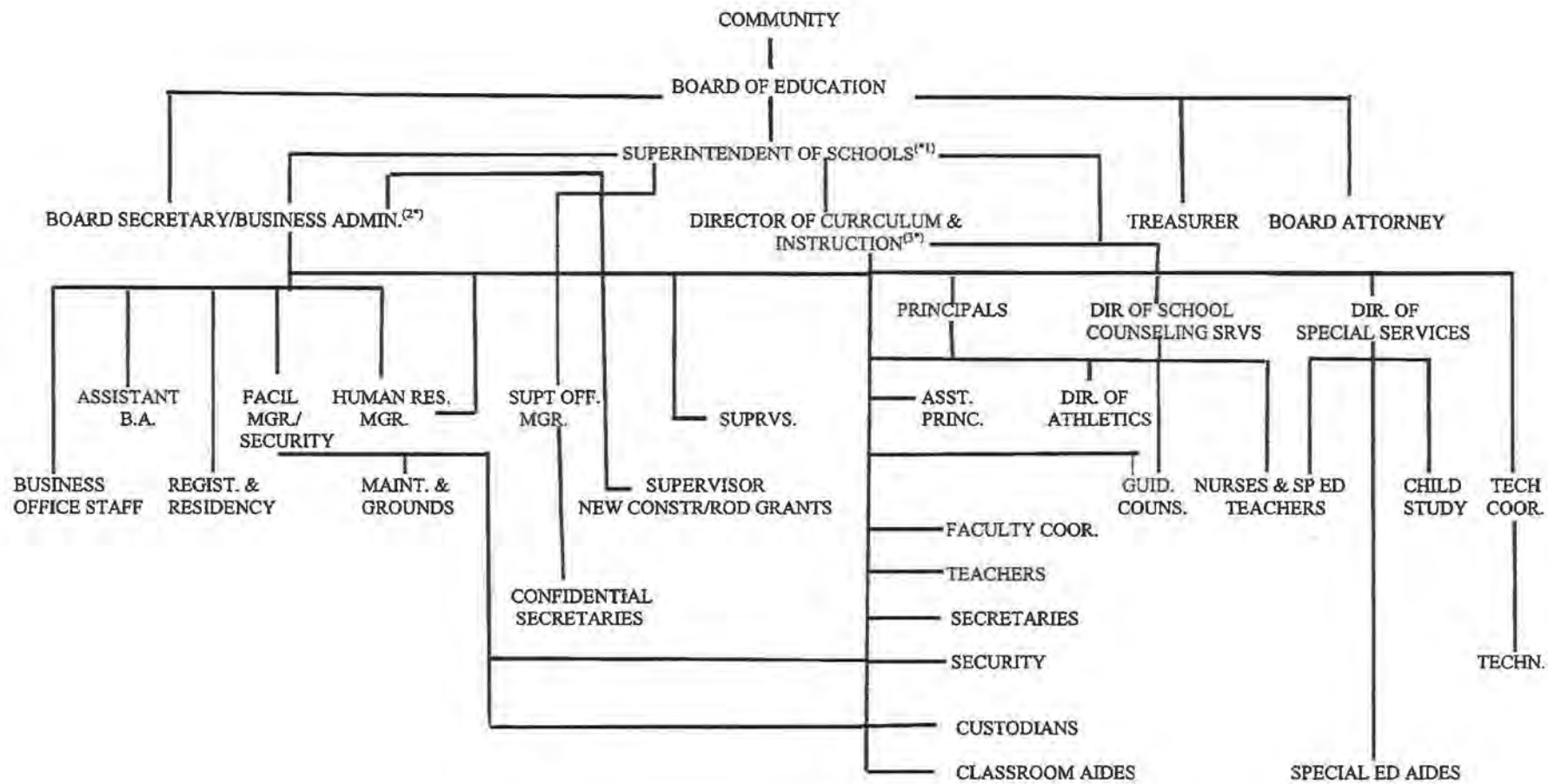


Kenneth J. Rota
Superintendent of Schools



Haquisha Q. Taylor
Business Administrator/Board Secretary

**ORGANIZATION OF PERSONNEL AND REPORTING RESPONSIBILITIES
FORT LEE PUBLIC SCHOOLS
2015-2016**



*Order of Authority
 — Order of Responsibility

2P*

10/26/15

**FORT LEE BOARD OF EDUCATION
FORT LEE, NEW JERSEY**

ROSTER OF OFFICIALS

JUNE 30, 2016

<u>Members of the Board of Education</u>	<u>Term Expires</u>
David Sarnoff, President	12/31/2018
Candace Romba, Vice President	12/31/2016
Holly Morell	12/31/2018
Joseph J. Surace	12/31/2017
Esther Han Silver	12/31/2018
Jeffrey Weinberg	12/31/2016
Michael Osso	12/31/2017
Ammad Quraishi	12/31/2017
Paula Colbath	12/31/2016

Other Officials

Kenneth Rota - Superintendent

Dr. Sharon Amato - Director of Curriculum and Operations

James Mallen - Interim Business Administrator/Board Secretary

Charles Hanglely - Treasurer of School Moneys

Jack L. DeNichilo - Supervisor Buildings and Grounds

Dennis McKeever, Esq. - Board Attorney

FORT LEE SCHOOL DISTRICT

CONSULTANTS AND ADVISORS

JUNE 30, 2016

Audit Firm

Samuel Klein and Company
Certified Public Accountants
550 Broad Street, 11th Floor
Newark, New Jersey 07102-4543

Attorney

Dennis McKeever, Esq.
Sciarrillo Cornell
Merlino, McKeever & Osborne, LLC
238 St. Paul Street
Westfield, New Jersey 07090

Official Depository

TD Bank
1100 Lake Street
Ramsey, New Jersey 07446

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

Bank of NJ
Continental Plaza
401 Hackensack Avenue
Hackensack, New Jersey 07601

FINANCIAL SECTION

SAMUEL KLEIN AND COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

The Honorable President and Members
of the Board of Education
Fort Lee Board of Education
County of Bergen
Fort Lee, New Jersey 07024

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Board of Education of the Fort Lee School District, County of Bergen, State of New Jersey, as of and for the year ended June 30, 2016 and the related notes to the financial statements, which collectively comprise the Board's basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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 Board'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 Board'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, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the Board of Education of the Fort Lee School District, as of June 30, 2016, 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.

Prior Period Financial Statements

The financial statements of the Fort Lee School District as of June 30, 2015 were audited by other auditors whose reported dated November 17, 2015 expressed an unmodified opinion on those statements.

Other Matters

Required Supplementary Information

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

Other Information

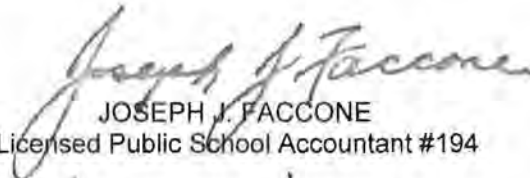
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Fort Lee School District's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards and state financial assistance is presented for purposes of additional analysis as required by *Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, and is also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements, the schedule of expenditures of federal awards and state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards and state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 21, 2016, on our consideration of the Board of Education of the Fort Lee School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Fort Lee School District's internal control over financial reporting and compliance.


JOSEPH J. FACCONI
Licensed Public School Accountant #194


SAMUEL KLEIN AND COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

Newark, New Jersey
October 21, 2016

REQUIRED SUPPLEMENTARY INFORMATION - PART I

FORT LEE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
UNAUDITED

The discussion and analysis of the Fort Lee School District's financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2016. The intent of this discussion and analysis is to look at the District's financial performance as a whole. Readers should also review the notes to the basic financial statements and other financial statements to enhance their understanding of the District's financial performance.

Financial Highlights

Key financial highlights for 2016 are as follows:

In total, net position totaled \$3,538,622.01 which represents a 63.23% increase from 2015.

General revenues accounted for \$63,328,810 in revenue or 86.70% of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$9,714,225 or 13.30% to total revenues of \$73,043,035.

Total assets of governmental activities decreased by \$814,401 as cash and cash equivalents and investments decreased by \$8,904,810. Receivables decreased by \$355,417 and capital assets increased by \$7,918,412.

The District had \$70,040,151 in expenses; only \$9,714,423 of these expenses was offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes) of \$60,025,790 and aid of \$3,098,393 were adequate to provide for these programs.

Among major funds, the General Fund had \$66,949,303 in revenues and \$66,779,037 in expenditures, which does not include the operating transfer out for the Capital Projects Fund. The General Fund's fund balance increased \$720,266 from 2015. The General Fund's fund balance is \$5,352,435.

Using this Comprehensive Annual Financial Report (CAFR)

The annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the Fort Lee School District as a financial whole, an entire operating entity. The statements then proceed to provide a detailed look at specific financial activities.

The Statement of Net Assets and Statement of Activities provide information about the activities of the District, presenting both an aggregate view of the District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. Governmental fund statements tell how services were financed in the short term as well as what remains for future spending. The fund financial statements also look at the District's most significant funds with all other non-major funds presented in total in one column. In the case of the Fort Lee School District, the General Fund is by far the most significant.

FORT LEE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
UNAUDITED (CONTINUED)

Reporting the District as a Whole

Statement of Net Assets and the Statement of Activities

This document contains all funds used by the District to provide programs and activities, viewing the District as a whole and reports the culmination of all financial transactions. The report answers the question "How We Did Financially during Fiscal Year 2016". The Statement of Net Assets and the Statement of Activities provides the summary. The statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into accounts all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the District's net assets and changes in those assets. This change in net assets is important because they report on whether the District's financial position has improved or diminished.

In the Statement of Net Assets and the Statement of Activities, the District is divided into two types of activities:

Governmental Activities - all of the District's programs and services are reported here including, instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities.

Business-Type Activities - these services are provided on a charge for goods or services basis to recover all the expense of the goods or services provided. The Food Service Fund is reported as a business-type activity.

Reporting the District's Most Significant Funds

Fund Financial Statement

The Analysis of the District's major funds begins on page 71. Fund financial reports provide detailed information about the District's major funds. The District's major governmental funds are the General Fund, Special Revenue Fund, Capital Projects Fund and Debt Service Fund.

Governmental Funds

The District's activities are reported in governmental funds, which focus on how money flows into and out of the funds and balances left at year-end available for spending in the future years. These funds are reported using a modified accrual accounting method, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds is reconciled in the financial statements.

**FORT LEE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
UNAUDITED (CONTINUED)**

Enterprise Fund

The Enterprise Fund uses the same basis of accounting as business-type activities. The reporting of this fund did not change with the conversion to GASB 34.

The District as a Whole

The Statement of Net Position provides the financial perspective of the District as a whole.

Table 1 provides a comparative summary of the District's net assets for 2016 and 2015.

Table 1 - Net Assets

	<u>2016</u>	<u>2015</u>	<u>Total % Change</u>
Assets			
Current and Other Assets	\$ 51,339,050	\$ 59,704,076	-14.01%
Capital Assets	<u>47,148,364</u>	<u>39,155,916</u>	<u>20.41%</u>
Total Assets	<u>\$ 98,487,414</u>	<u>\$ 98,859,992</u>	<u>-0.38%</u>
Liabilities			
Long-Term Liabilities	\$ 91,745,277	\$ 93,398,958	-1.77%
Other Liabilities	<u>5,370,410</u>	<u>3,464,558</u>	<u>55.01%</u>
Total Liabilities	<u>\$ 97,115,686</u>	<u>\$ 96,863,516</u>	<u>0.26%</u>
Net Assets			
Invested in Capital Assets, Net of Debt	\$ (26,037,943)	\$ (36,171,048)	-28.01%
Restricted	48,185,275	56,001,477	-13.96%
Unrestricted	<u>(18,608,710)</u>	<u>(17,662,594)</u>	<u>5.36%</u>
Total Net Position	<u>\$ 3,538,622</u>	<u>\$ 2,167,835</u>	<u>63.23%</u>

The District's combined net assets were \$3,538,622 on June 30, 2016. This is a decrease of 62.23% from the previous year.

**FORT LEE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
UNAUDITED (CONTINUED)**

Table 2 shows the comparative changes in net assets from fiscal year 2016 and 2015.

Table 2 - Comparative Changes in Net Assets

	<u>2016</u>	<u>2015</u>	<u>Total % Change</u>
Revenues:			
Program Revenues:			
Charges for Services	\$ 964,952	\$ 915,764	5.37%
Operating Grants and Contributions	8,749,273	1,881,838	364.93%
General Revenues:			
Property Taxes	60,025,790	56,707,369	5.85%
Grants and Entitlements	3,098,392	16,611,285	-81.35%
Other	<u>204,628</u>	<u>470,247</u>	<u>-56.48%</u>
Total Revenues	<u>73,043,035</u>	<u>76,586,503</u>	<u>-4.63%</u>
Program Expenses:			
Instruction	39,006,183	37,770,816	3.27%
Support Services:			
Pupils and Instructional Staff	14,293,625	13,968,375	2.33%
General Administration, School Administration, Business Operations and Maintenance of Facilities	11,593,365	11,838,283	-2.07%
Pupil Transportation	1,874,600	1,711,881	9.51%
Unallocated Benefits		5,883,397	-100.00%
Charter School	9,963	9,686	2.86%
Debt Service	2,492,004	868,913	186.80%
Food Service and Community School	1,417,898	1,406,042	0.84%
Unallocated Depreciation	982,981	976,850	0.63%
Capital Outlay - Non-depreciable	567,534	5,588,979	-89.85%
Amortization and Capital Lease Obligations	<u>(198,000)</u>	<u>(198,000)</u>	
Total Expenses	<u>72,040,151</u>	<u>79,825,222</u>	<u>-9.75%</u>
Increase/(Decrease) in Net Assets	<u>\$ 1,002,884</u>	<u>\$ (3,238,719)</u>	

**FORT LEE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
UNAUDITED (CONTINUED)**

Business-Type Activities

Revenues for the District's business-type activities (food service program) was comprised of charges for services and federal and state reimbursements.

Food service expenses exceeded revenues by \$12,777. Charges for services is \$964,952. This represents the amount paid by patrons for daily food service and catering.

Federal and state reimbursements for meals, including payments for free and reduced lunches and donated commodities were \$440,169.

Governmental Activities

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows the total cost of services and the net cost of services. The net cost shows the financial burden that was placed on the District's taxpayers by each of these functions.

Table 3 - Comparative Statement of Activities

	Total Cost of Services			Net Cost of Services		
	2015-2016	2014-2015	% Change	2015-2016	2014-2015	% Change
Instruction	\$ 39,006,183	\$ 37,770,816	3.27%	\$ 31,678,666	\$ 36,842,217	-13.55%
Support Services:						
Pupils and Instructional Staff	14,293,625	13,968,375	2.33%	13,725,654	13,645,040	0.59%
General Administration, School Administration, Business Operation and Maintenance of Facilities	11,593,365	11,838,283	-2.07%	11,179,748	11,838,283	-5.56%
Pupil Transportation	1,874,600	1,711,881	9.51%	1,874,599	1,711,881	9.51%
Charter School	9,963	9,686	2.86%	9,963	9,686	2.86%
Debt Service	2,492,004	868,913	186.80%	2,492,004	686,913	262.78%
	<u>\$ 69,269,740</u>	<u>\$ 86,167,954</u>	<u>4.69%</u>	<u>\$ 60,960,634</u>	<u>\$ 64,534,020</u>	<u>-5.54%</u>

Instructional expenses include activities directly dealing with the teaching of pupils and the interaction between teacher and student, including extracurricular activities.

Extracurricular activities includes expenses related to student activities provided by the District which are designed to provide opportunities for students to participate in school and public events for the purpose of motivation, enjoyment, skill improvement, school spirit and leadership.

**FORT LEE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
UNAUDITED (CONTINUED)**

Pupils and instructional staff include the activities involved with assisting staff with the content and process of teaching students, including curriculum and staff development.

General administration, school administration and business operation include expenses associated with administrative and financial supervision of the District.

Operation and maintenance of facilities' activities involve keeping the school grounds, buildings and equipment in a safe and effective working condition.

Pupil transportation includes activities involved with the conveyance of students to and from school, to school co-curricular, athletic activities and co-curricular field trips as provided by state law.

Interest and fiscal charges involve the transactions associated with the payment of interest and other related charges to debt of the District.

The District's Funds

Information about the District's major funds starts on page 71. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$71,637,915 and expenditures of \$80,041,087.

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The following schedules present a summary of the revenues of the governmental funds for the fiscal years ended June 30, 2016 and June 30, 2015, and the amount and percentage of increases and decreases in relation to prior year revenues.

Comparative Summary of Revenues

<u>Revenue</u>	<u>June 30, 2016</u>	<u>Percent of Total</u>	<u>June 30, 2015</u>	<u>Increase (Decrease) from 2015</u>	<u>Percent of Increase (Decrease)</u>
Local Sources	\$ 60,025,790	83.79%	\$ 56,707,369	\$ 3,318,421	5.85%
State Sources	9,707,246	13.55%	10,846,091	(1,138,845)	-10.50%
Federal Sources	1,700,251	2.37%	1,347,667	352,584	26.16%
Private Sources	204,628	0.29%	471,346	(266,718)	-56.59%
	<u>\$ 71,637,915</u>	<u>100.00%</u>	<u>\$ 69,372,473</u>	<u>\$ 2,265,442</u>	<u>3.27%</u>

The increase in Local Sources is attributed to increases in the local tax levy.

**FORT LEE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
UNAUDITED (CONTINUED)**

The following schedule presents a summary of the General Fund, Special Revenue Fund and Debt Service Fund expenditures for the fiscal year ended June 30, 2016 and the amount and percentage of increases (decreases) in relation to prior year amounts.

Comparative Summary of Expenditures

<u>Expenditures</u>	<u>June 30, 2016</u>	<u>Percent of Total</u>	<u>June 30, 2015</u>	<u>Increase/ (Decrease) from 2015</u>	<u>Percent of Increase (Decrease)</u>
Current Expenditures					
Instruction	\$ 26,852,894	33.55%	\$ 26,783,701	\$ 69,193	0.26%
Undistributed	40,247,778	50.28%	38,270,313	1,977,465	5.17%
Capital Outlay	10,088,584	12.60%	20,879,515	(10,790,931)	-51.68%
Charter School	963	0.00%	9,686	(8,723)	-90.06%
Debt Service	2,850,869	3.56%	1,345,575	1,505,294	111.87%
	<u>\$ 80,041,087</u>	<u>100.00%</u>	<u>\$ 87,288,790</u>	<u>\$ (7,247,703)</u>	<u>-8.30%</u>

The increase in Current Instruction is attributed to the costs of salaries of teachers and to serve increased enrollments.

The major Increases for Undistributed Expenditures are attributable to the following increased costs:

- Pupil Transportation Increases.
- Operation and Maintenance of Plant Services increases.

**FORT LEE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
UNAUDITED (CONTINUED)**

General Fund Budgeting Highlights

The District's budget is prepared according to New Jersey law and is based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The most significant budgeted fund is the General Fund.

During the course of the fiscal year 2016, the district amended its General Fund budget as needed. The District uses program based budgeting and the budgeting systems are designed to tightly control program budgets but provide flexibility for program management. Transfers from one program to another must be approved by the Board of Education. Transfers were necessitated by:

- Operation and Maintenance of Plant increased energy costs, maintenance and contracted services.
- Out of District tuition increased student placements for special and regular programs.
- Special Education increased related service costs for in district classified students.
- Special Education increased staffing needs for mandated programs.

At the end of the fiscal year 2016, the District had \$75,724,871 invested in land, buildings, furniture and equipment and vehicles. Table 4 shows fiscal 2016 balances compared to 2015.

Table 4 - Capital Assets at June 30

Land/Sites	\$ 30,246,584	\$ 21,662,735
Site Improvements	1,825,125	1,825,125
Buildings and Improvements	39,935,182	39,935,182
Machinery and Equipment	3,717,980	3,409,518
Totals	\$ 75,724,871	\$ 66,832,560

Overall capital assets increased \$8,901,392 from fiscal year 2015 to fiscal year 2016. The increases in capital assets were due primarily to the improvements made in the District during 2016.

FORT LEE SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
UNAUDITED (CONTINUED)

For the Future

The Fort Lee School District is financially sound and is able to meet all instructional programs and service requirements.

The District priorities are to develop a community input driven Strategic Plan which engages community members to identify future district needs relating to our growing diverse population. We will also continue to increase learning opportunities for students in multiple subgroups prevalent in our diverse school district population inclusive of our special needs transition students and our middle school struggling learners with a Response to Interventions Framework. Lastly, we are proceeding with infrastructure improvements as prescribed by the Energy Savings and Improvement Plan (ESIP).

In terms of reserves, the district on June 30, 2016 had \$2,514,456 in Capital Reserves and \$250,000 in Emergency Reserves.

Capital Reserves will be used to fund projects on the district's Long Range Facilities Plan and Capital Outlay Projects.

Maintenance Reserves will be used to supplement annual budgets to fund required maintenance projects.

Emergency Reserves will be 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.

Contacting the School District's Financial Management

- This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional information, you may contact Haggiusha Taylor, School Business Administrator/Board Secretary, Fort Lee Public Schools, 2175 Lemoine Avenue, Fort Lee, New Jersey 07024.

BASIC FINANCIAL STATEMENTS

A. DISTRICT-WIDE FINANCIAL STATEMENTS

**FORT LEE BOROUGH SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2016**

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current Assets:			
Cash and Cash Equivalents	\$ 45,742,217.33	\$ 142,784.93	\$ 45,885,002.26
Receivables, Net	3,437,389.93	84,178.39	3,521,568.32
Inventories		12,831.13	12,831.13
Interfunds Receivable		127,993.16	127,993.16
Restricted Assets:			
Cash and Cash Equivalents	1,791,655.61		1,791,655.61
Total Current Assets	50,971,262.87	367,787.61	51,339,050.48
Non-Current Assets:			
Capital Assets, Net (Note 5)	47,065,245.94	74,035.79	47,139,281.73
Total Non-Current Assets	47,065,245.94	74,035.79	47,139,281.73
Total Assets	98,036,508.81	441,823.40	98,478,332.21
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Amount Related to Pension	3,799,956.00		3,799,956.00
Unamortized Bond Issuance Costs	255,403.00		255,403.00
Total Deferred Outflows of Resources	4,055,359.00	-	4,055,359.00
LIABILITIES			
Current Liabilities:			
Accounts Payable and Accrued Liabilities	1,693,490.95	70,085.90	1,763,576.85
Interfunds Payable	198,683.34		198,683.34
Payable to State Government	17,253.32		17,253.32
Unearned Revenue	320,745.29	16,611.81	337,357.10
Long-Term Liabilities:			
Due Within One Year	3,053,539.00		3,053,539.00
Due Beyond One Year	91,745,276.59		91,745,276.59
Total Liabilities	97,028,988.49	86,697.71	97,115,686.20
DEFERRED INFLOWS OF RESOURCES			
Deferred Amount Related to Pension	435,980.00		435,980.00
Unamortized Bond Premium	1,443,403.00		1,443,403.00
Total Deferred Outflows of Resources	1,879,383.00	-	1,879,383.00
NET POSITION			
Invested in Capital Assets, Net of Related Debt	(26,111,978.34)	74,035.79	(26,037,942.55)
Restricted for:			
Debt Service	12,618.94		12,618.94
Capital Projects	44,381,239.08		44,381,239.08
Other Purposes	3,791,416.56		3,791,416.56
Unrestricted	(18,889,799.92)	281,089.90	(18,608,710.02)
Total Net Position	3,183,496.32	355,125.69	3,538,622.01
Total Liabilities and Net Position	\$102,091,867.81	\$ 441,823.40	\$102,533,691.21

The accompanying notes to financial statements are an integral part of this statement.

**FORT LEE BOROUGH SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2016**

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:						
Instruction:						
Regular	\$ 29,142,295.76	\$	\$ 6,275,982.92	\$ (22,866,312.84)	\$	\$ (22,866,312.84)
Special Education Instruction	5,374,540.95		499,579.73	(4,874,961.22)		(4,874,961.22)
Other Special Instruction	3,239,151.17		551,953.93	(2,687,197.24)		(2,687,197.24)
Other Instruction	1,250,194.63			(1,250,194.63)		(1,250,194.63)
Support Services:						
Tuition	4,023,438.75			(4,023,438.75)		(4,023,438.75)
Student and Instruction Related Services	10,270,185.87		567,970.97	(9,702,214.90)		(9,702,214.90)
School Administrative Services	2,220,269.26		413,617.18	(1,806,652.08)		(1,806,652.08)
Other Administrative Services	2,410,847.86			(2,410,847.86)		(2,410,847.86)
Central Services and Admin. Info Tech	1,139,101.34			(1,139,101.34)		(1,139,101.34)
Plant Operations and Maintenance	5,823,146.46			(5,823,146.46)		(5,823,146.46)
Pupil Transportation	1,874,599.34			(1,874,599.34)		(1,874,599.34)
Transfer to Charter School	9,963.00			(9,963.00)		(9,963.00)
Capital Outlay	567,534.00			(567,534.00)		(567,534.00)
Interest on Long-term Debt	2,492,004.48			(2,492,004.48)		(2,492,004.48)
Amortization	(198,000.00)			198,000.00		198,000.00
Unallocated Depreciation	982,980.58			(982,980.58)		(982,980.58)
Total Governmental Activities	<u>70,822,253.45</u>	<u>-</u>	<u>8,309,104.73</u>	<u>(62,313,148.72)</u>	<u>-</u>	<u>(62,313,148.72)</u>
Business-Type Activities:						
Food Service	1,417,897.52	964,951.52	440,168.61		(12,777.39)	(12,777.39)
Total Business-Type Activities	<u>1,417,897.52</u>	<u>964,951.52</u>	<u>440,168.61</u>		<u>(12,777.39)</u>	<u>(12,777.39)</u>
Total Primary Government	<u>\$ 72,040,150.97</u>	<u>\$ 964,951.52</u>	<u>\$ 8,749,273.34</u>	<u>\$ (62,313,148.72)</u>	<u>\$ (12,777.39)</u>	<u>\$ (62,325,926.11)</u>
General Revenues						
Taxes:						
Property Taxes, Levied for General Purposes				\$ 57,177,129.00	\$	\$ 57,177,129.00
Property Taxes, Levied for Debt Service				2,848,660.80		2,848,660.80
Federal and State Aid Not Restricted				3,098,392.01		3,098,392.01
Miscellaneous Income				204,628.23		204,628.23
Total General Revenues, Special Items, Extraordinary Items and Transfers				<u>63,328,810.04</u>	<u>-</u>	<u>63,328,810.04</u>
Change in Net Position				1,015,661.32	(12,777.39)	1,002,883.93
Net Position - Beginning				2,167,835.00	367,903.08	2,535,738.08
Net Position - Ending				<u>\$ 3,183,496.32</u>	<u>\$ 355,125.69</u>	<u>\$ 3,538,622.01</u>

The accompanying notes to financial statements are an integral part of this statement.

B. FUND FINANCIAL STATEMENTS

GOVERNMENTAL FUNDS

**FORT LEE SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2016**

ASSETS	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Government Funds</u>
Cash and Cash Equivalents	\$3,014,838.05	\$ -	\$43,775,511.66	\$ 74,564.94	\$46,864,914.65
Due from State of New Jersey	1,234,304.93		830,375.56		2,064,680.49
Due from Federal Government		1,282,581.50			1,282,581.50
Interfunds Receivable	11,800.71		9,081.90	296,695.29	317,377.90
Other Receivables	21,110.25		69,017.69		90,127.94
Restricted Cash and Cash Equivalents	<u>1,791,655.61</u>				<u>1,791,655.61</u>
Total Assets	<u>\$6,073,509.55</u>	<u>\$ 1,282,581.50</u>	<u>\$44,683,986.81</u>	<u>\$371,260.23</u>	<u>\$52,411,338.09</u>
LIABILITIES:					
Cash Overdraft	\$ -	\$ 1,122,697.32	\$ -	\$ -	\$ 1,122,697.32
Due to State of New Jersey		17,253.32			17,253.32
Accounts Payable	477,658.27	142,630.86	6,052.44		626,341.57
Interfunds Payable	219,365.95		296,695.29		516,061.24
Unearned Revenues	24,050.00			296,695.29	320,745.29
	<u>721,074.22</u>	<u>1,282,581.50</u>	<u>302,747.73</u>	<u>296,695.29</u>	<u>2,603,098.74</u>
FUND BALANCES:					
Restricted for:					
Capital Reserve Account	2,755,255.61				2,755,255.61
Emergency Reserve	250,000.00				250,000.00
Debt Service Fund				12,618.94	12,618.94
Assigned to:					
Surplus Designated for Subsequent Year's Expenditures	529,692.00			61,946.00	591,638.00
Year End Encumbrances	194,522.95				194,522.95
Capital Projects Fund			44,381,239.08		44,381,239.08
Unassigned, Reported in:					
General Fund	<u>1,622,964.77</u>				<u>1,622,964.77</u>
Total Fund Balances	<u>5,352,435.33</u>		<u>44,381,239.08</u>	<u>74,564.94</u>	<u>49,808,239.35</u>
Total Liabilities and Fund Balance	<u>\$6,073,509.55</u>	<u>\$ 1,282,581.50</u>	<u>\$44,683,986.81</u>	<u>\$371,260.23</u>	<u>\$52,411,338.09</u>

Total Fund Balances Above \$49,808,239.35

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 capital assets is \$75,724,870.52 and the accumulated depreciation is \$28,659,624.58 (See Note 5). 47,065,245.94

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 fund statements (477,124.38)

Accounts payable for subsequent pension payment is not payable in the funds statements (590,025.00)

Deferred outflows and inflows of resources related to pension actuarial gains from experience and differences in actual return and assumed returns and other deferred items are not reported as liabilities in the fund statements

Deferred outflows of resources related to PERS pension liability 3,799,956.00

Deferred inflows of resources related to PERS pension liability (435,980.00)

Bond issuance premium is recorded as revenue in the governmental funds in the year of receipt. The original premium is \$2,405,671 and the accumulated amortization is \$962,268. (1,443,403.00)

Bond issuance cost is recorded as expenditure in the governmental funds in the year of expenditure. The original cost is \$425,671 and the accumulated amortization is \$170,268. 255,403.00

Long-term liabilities, including bonds, loans and leases payable are not payable in the current period and therefore are not reported as liabilities in the funds (See Note 6). (94,798,815.59)

Net Position of Governmental Activities (A-1) \$ 3,183,496.32

FORT LEE BOROUGH SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

	<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 Tax Levy	\$ 57,177,129.00	\$	\$	\$ 2,848,660.80	\$ 60,025,789.80
Miscellaneous	192,009.95		12,618.28		204,628.23
State Sources	9,580,163.92	127,081.68			9,707,245.60
Federal Sources		1,700,251.14			1,700,251.14
Total Revenues	<u>66,949,302.87</u>	<u>1,827,332.82</u>	<u>12,618.28</u>	<u>2,848,660.80</u>	<u>71,637,914.77</u>
Expenditures					
Current:					
Regular Instruction	19,544,412.34				19,544,412.34
Special Education Instruction	2,668,444.95	1,505,524.63			4,173,969.58
Other Special Instruction	2,099,810.61				2,099,810.61
Other Instruction	1,034,701.13				1,034,701.13
Support Services and Undistributed Costs:					
Tuition	4,023,438.75				4,023,438.75
Student and Instruction Related Services	7,877,702.14	321,808.19			8,199,510.33
School Administrative Services	1,186,577.92				1,186,577.92
Other Administrative Services	2,262,266.95				2,262,266.95
Central Services and Admin. Info Tech.	934,014.69				934,014.69
Plant Operations and Maintenance	5,303,185.48				5,303,185.48
Pupil Transportation	1,794,303.48				1,794,303.48
Employee Benefits	16,535,479.82				16,535,479.82
Transfer to Charter School	9,963.00				9,963.00
Debt Service:					
Principle				685,000.00	685,000.00
Interest				2,165,868.52	2,165,868.52
Capital Outlay	1,504,735.28		8,583,848.96		10,088,584.24
Total Expenditures	<u>66,779,036.54</u>	<u>1,827,332.82</u>	<u>8,583,848.96</u>	<u>2,850,868.52</u>	<u>80,041,086.84</u>
Excess of Revenues Over/(Under) Expenditures	<u>170,266.33</u>		<u>(8,571,230.68)</u>	<u>(2,207.72)</u>	<u>(8,403,172.07)</u>
Other Financing Sources (Uses):					
Capital Leases (Nonbudget)	550,000.00				550,000.00
Operating Transfers In				12,618.28	12,618.28
Operating Transfers (Out)			(12,618.28)		(12,618.28)
	<u>550,000.00</u>		<u>(12,618.28)</u>	<u>12,618.28</u>	<u>550,000.00</u>
Net Change in Fund Balances	720,266.33		(8,583,848.96)	10,410.56	(7,853,172.07)
Fund Balance - July 1	<u>4,632,169.00</u>		<u>52,965,088.04</u>	<u>64,154.38</u>	<u>57,661,411.42</u>
Fund Balance - June 30	<u>\$ 5,352,435.33</u>	<u>\$ -</u>	<u>\$ 44,381,239.08</u>	<u>\$ 74,564.94</u>	<u>\$ 49,808,239.35</u>

**FORT LEE BOROUGH SCHOOL DISTRICT
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2016**

	<u>Ref.</u>	
Total Net Change in Fund Balances - Governmental Funds	B-2	\$ (7,853,172.07)
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	\$ (982,980.58)	
Depreciable Capital Outlays	<u>8,892,310.52</u>	7,909,329.94
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.		
General Serial	685,000.00	
Capital Lease	<u>628,739.72</u>	1,313,739.72
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.		
Capital Lease Proceeds		(550,000.00)
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	202,503.00	
General Bond Obligations - Current Year	(528,972.12)	
General Capital Lease Obligations - Prior Year	48,766.00	
General Capital Lease Obligations - Current Year	<u>(48,432.84)</u>	(326,135.96)
Governmental funds report the effects of bond premiums when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities		
		240,567.00
Governmental funds report the effects of bond issuance costs when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities		
		(42,567.00)
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 (+).		
		<u>323,899.69</u>
Change in Net Position of Governmental Activities	A-2	<u>\$ 1,015,661.32</u>

PROPRIETARY FUNDS

**FORT LEE BOROUGH SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2016**

Business-Type
Activities
Enterprise Fund
Food
Service

ASSETS

Current Assets:

Cash and Cash Equivalents	\$ 142,784.93
Interfunds Receivable	127,993.16
Accounts Receivable:	
State Sources	2,915.92
Federal Sources	81,262.47
Inventories	12,831.13
Total Current Assets	<u><u>367,787.61</u></u>

Noncurrent Assets:

Capital Assets:	
Equipment	449,143.06
Less Accumulated Depreciation	<u>(375,107.27)</u>
Total Capital Assets (Net of Accumulated Depreciation)	<u><u>74,035.79</u></u>

Total Assets

\$ 441,823.40

LIABILITIES

Accounts Payable	\$ 70,085.90
Prepaid revenue	<u>16,611.81</u>
Total Liabilities	<u><u>\$ 86,697.71</u></u>

NET POSITION

Net Investment in Capital Assets	\$ 74,035.79
Unrestricted	<u>281,089.90</u>
Total Net Position	<u><u>\$ 355,125.69</u></u>

**FORT LEE BOROUGH SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2016**

	Business-Type Activities Enterprise Fund <u>Food Service</u>
Operating Revenues:	
Charges for Services:	
Daily Sales - Reimbursable Programs	\$ 930,775.82
Daily Sales - Nonreimbursable Programs	<u>34,175.70</u>
Total Operating Revenues	<u>964,951.52</u>
Operating Expenses:	
Cost of Sales	632,283.39
Salaries	542,677.88
Other Purchased Services	46,592.31
Food Distribution Program - Net	45,437.23
Management Fee	128,616.90
Depreciation	<u>22,289.81</u>
Total Operating Expenses	<u>1,417,897.52</u>
Operating Loss	<u>(452,946.00)</u>
Nonoperating Revenues:	
State Sources:	
State School Lunch Program	14,010.26
Federal Sources:	
National School Lunch Program	326,131.47
National School Breakfast Program	35,547.99
HHFK Program	19,041.66
Food Distribution Program	<u>45,437.23</u>
Total Nonoperating Revenues	<u>440,168.61</u>
Change in Net Position	(12,777.39)
Total Net Position - Beginning	<u>367,903.08</u>
Total Net Position - Ending	<u>\$ 355,125.69</u>

**FORT LEE BOROUGH SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2016**

	<u>Business-Type Activities Enterprise Fund Food Service</u>
<u>Cash Flows from Operating Activities</u>	
Receipts from Customers	\$ 965,876.09
Payments to Vendors	<u>(1,402,473.64)</u>
Net Cash Used for Operating Activities	<u>(436,597.55)</u>
<u>Cash Flows from Noncapital Financing Activities</u>	
State and Federal Sources	265,041.28
Miscellaneous	45,437.23
Interfund Adjustment	<u>51,697.67</u>
Net Cash Provided by Noncapital Financing Activities	<u>362,176.18</u>
<u>Cash Flows from Noncapital and Related Financing Activities</u>	
Purchases of Capital Assets	
Net Increase in Cash and Cash Equivalents	(74,421.37)
Balances - Beginning of Year	<u>217,206.30</u>
Balances - End of Year	<u>\$ 142,784.93</u>
<u>Reconciliation of Operating Loss to Net Cash Used by Operating Activities</u>	
Operating Loss	\$ (452,946.00)
Adjustments to Reconcile Operating Loss to Cash Used by Operating Activities:	
Depreciation	22,289.81
Change in Assets and Liabilities:	
(Increase)/Decrease in Inventory	(4,289.74)
Increase/(Decrease) in Prepaid Revenue	924.57
Increase/(Decrease) in Accounts Payable	<u>(2,576.19)</u>
Total Adjustments	<u>16,348.45</u>
Net Cash Used by Operating Activities	<u>\$ (436,597.55)</u>

FIDUCIARY FUNDS

**FORT LEE BOROUGH SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2016**

<u>ASSETS</u>	<u>Private Purpose Scholarship Fund</u>	<u>Unemployment Compensation Trust</u>	<u>Agency Fund</u>
Cash and Cash Equivalents	\$ 26,739.28	\$ 245,517.41	\$ 581,794.85
Miscellaneous Receivables			4,054.27
Interfunds Receivable		12,304.65	81,980.34
Total Assets	<u>\$ 26,739.28</u>	<u>\$ 257,822.06</u>	<u>\$ 667,829.46</u>
 <u>LIABILITIES</u>			
Payroll Deductions and Withholdings			\$ 529,828.23
Interfunds Payable			22,780.37
Due to Student Groups			115,220.86
Due to State of NJ - Unemployment		2,574.60	
Total Liabilities	<u>\$ -</u>	<u>\$ 2,574.60</u>	<u>\$ 667,829.46</u>
 <u>NET POSITION</u>			
Reserved			
Principal Portion	5,000.00		
Held in Trust for Unemployment Claims and Other Purposes		\$ 255,247.46	
Reserved for Scholarships	<u>21,739.28</u>		
	<u>\$ 26,739.28</u>		

NOTES TO FINANCIAL STATEMENTS

FORT LEE SCHOOL DISTRICT

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2016**

1. DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY

The Fort Lee School District (the "District") is a Type II District located in the County of Bergen, State of New Jersey. As a Type II District, the District functions independently through a Board of Education (the "Board"). The Board is comprised of nine members elected to three-year terms. The purpose of the District is to educate students in grades K - 12. The District had an approximate enrollment at June 30, 2016 of 3,731 students.

A reporting entity is comprised of the primary government, component units, and other organizations that are included to insure that the financial statements of the District are not misleading. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the District. For the District, this includes general operations, food service and student related activities of the District.

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 District holds the corporate powers of the organization
- . the District appoints a voting majority of the organization's board
- . the District is able to impose its will on the organization
- . the organization has the potential to impose a financial benefit/burden on the District
- . there is a fiscal dependency by the organization on the District

Based on the aforementioned criteria, the District has no component units.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the District have been prepared in conformity with generally accepted accounting principles (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 District also applies Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or before November 30, 1989, to its governmental activities provided they do not conflict with or contradict GASB pronouncements. The most significant of the District's accounting policies are described below.

A. Basis of Presentation

The District's basic financial statements consist of government-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.

1. Government-Wide Financial Statements

The statement of net position and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds.

2. ***SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)***

A. ***Basis of Presentation (Continued)***

1. ***Government-Wide Financial Statements (Continued)***

The statement of net position presents the financial condition of the governmental activities of the District at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the District's governmental activities. 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 that are not classified as program revenues are presented as general revenues of the District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the District.

2. ***Fund Financial Statements***

During the year, the District segregates transactions related to certain District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance.

Fund financial statements are designed to present financial information of the District at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column.

B. ***Fund Accounting***

The District uses funds to maintain its financial records during the fiscal year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts.

1. ***Governmental Funds***

Governmental funds are those through which most governmental functions typically 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 District's major governmental funds:

General Fund - The General Fund is the general operating fund of the District. 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 District includes budgeted Capital Outlay in this fund. Accounting principles generally accepted in the United States of America (GAAP) 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Fund Accounting (Continued)

1. Governmental Funds (Continued)

General Fund (Continued)

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 temporary notes or serial bonds that are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election.

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

Permanent Fund - The Permanent Fund is used to account for assets held under the terms of a formal trust agreement, whereby the District is under obligation to maintain the trust principal. Resources are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting entity's programs - that is, for the benefit of the school district. The District presently has no resources that are considered permanent funds.

2. Proprietary Fund Type

The focus of Proprietary Fund measurement is upon determination of net income, financial position and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. The following is a description of the Proprietary Fund of the District:

Enterprise Fund - The Enterprise Fund is utilized to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the District 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 District 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 District's Enterprise Fund is comprised of the Food Service Fund.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Fund Accounting (Continued)

2. Proprietary Fund Type (Continued)

Enterprise Fund (Continued)

All Proprietary Funds are accounted for on a cost of services or "capital maintenance" measurement focus. This means that all assets and all liabilities, whether current or noncurrent, associated with their activity are included on their balance sheets. Their reported fund equity (net total position) is segregated into contributed capital and unreserved retained earnings, if applicable. Proprietary Fund type operating statements present increases (revenues) and decreases (expenses) in net total position.

Depreciation of all exhaustive fixed assets used by Proprietary Funds is charged as an expense against their operations. Accumulated depreciation is reported on Proprietary Fund balance sheets. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Food Service Fund:	
Machinery and Equipment	5 - 12 Years

Internal Service Funds - These funds may be used to report any activity that provides goods or services to other funds, departments or agencies of the primary entity and its component units, or to other governments, on a cost-reimbursement basis. In addition, internal service funds are used only if the reporting school district is the predominant participant in the activity. The District does not currently utilize any Internal Service Funds.

3. Fiduciary Funds

Fiduciary Fund reporting focuses on net position and changes in net position. They are used to account for assets held in a trustee or agency capacity for others and therefore cannot be used to support the District's own programs. There are four fiduciary fund types - pension (and other employee benefit) trust funds, investment trust funds, private-purpose trusts and agency funds. The overarching rule for these funds is that they should never be used to report resources that can be used for programs of the reporting district.

Unemployment Insurance Trust - The SUI Fund is an employee benefit trust fund which accounts for resources held and administered while acting in a fiduciary capacity for individuals or other government agencies. Assets are held in trust for members of the defined contribution plan.

Agency Funds - Agency Funds are used to account for the assets that the District holds on behalf of others as their agent. These funds are custodial in nature and do not involve measurement of results of operations. Agency Funds include payroll and student activities funds.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Fund Accounting (Continued)

4. Long-Term Debt

Long-term liabilities expected to be financed from governmental funds are accounted for in the General Long-Term Debt, not in the governmental funds. This includes serial bonds outstanding that are expected to be financed from governmental funds, the outstanding principal balance on capital leases, lease-purchase agreements, compensated absences, claims and judgments, early retirement incentive programs and rebatable arbitrage.

C. Measurement Focus

1. Government-Wide Financial Statements

The government-wide financial statements are prepared using the economic resources measurement focus. All assets and liabilities associated with the operation of the District are included on the Statement of Net Position.

2. 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 government-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.

All proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Fund equity (i.e., net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund-type operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net total position.

Fiduciary funds are reported using the economic resources measurement focus.

D. Basis of Accounting

The modified accrual basis of accounting is used for measuring financial position and operating results of all governmental fund types, expendable trust funds and agency funds. Under the modified accrual basis of accounting, revenues are recognized when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. State equalization monies are recognized as revenue during the period in which they are appropriated. A one-year availability period is used for revenue recognition for all other governmental fund revenues. Expenditures are recognized in the accounting period in which the fund liability is incurred, except for principal and interest on general long-term debt which are recorded when due.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Basis of Accounting (Continued)

Ad Valorem (Property) Taxes are susceptible to accrual and under New Jersey State Statute a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available. The District is entitled to receive moneys under the established payment schedule and the unpaid amount is considered to be an "accounts receivable".

In its accounting and financial reporting, the District follows the pronouncements of the Governmental Accounting Standards Board (GASB) and the pronouncements of the Financial Accounting Standards Board (FASB) and its predecessor organizations issued on or before November 30, 1989, unless they conflict with or contradict GASB pronouncements. The District's proprietary funds have elected not to apply the standards issued by FASB after November 30, 1989.

The accrual basis of accounting is used for measuring financial position and operating results of proprietary fund types and nonexpendable trust funds. Under this method, revenues are recognized in the accounting period in which they are earned and expenses are recognized when they are incurred.

E. Budgets/Budgetary Control

Annual appropriated budgets are prepared in the spring of each year for the General, Special Revenue, and Debt Service Funds. The budgets are submitted to the County Office for approval. Budgets which meet the tax levy cap requirements do not require voter approval. Budgets which exceed the tax levy cap require voter approval for the excess amount at the November election. 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. 6:20-2A.2(m)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year subject to the limitation of N.J.A.C. 6A:23A-2.3 (et seq.).

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 generally accepted accounting principles with the exception of the legally mandated revenue recognition of the last state aid payment for budgetary purposes only and the Special Revenue Fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

The accounting records of the Special Revenue Fund are maintained on the grant accounting budgetary basis. The grant accounting budgetary basis differs from GAAP in that the grant accounting budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.

The following presents a reconciliation of the General Fund Revenue and Special Revenue Fund Revenue from the budgetary basis of accounting as presented in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - General, Special Revenue and Debt Service Funds to the GAAP basis of accounting as presented in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - All Governmental Fund Types.

2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

E. **Budgets/Budgetary Control (Continued)**

Explanation of Differences Between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources/Inflows of Resources:		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule.	\$ 66,951,980.87	\$ 1,827,332.82
Difference - Budget-to-GAAP:		
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	123,852.00	
State aid payments recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	<u>(126,530.00)</u>	<u> </u>
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 66,949,302.87</u>	<u>\$ 1,827,332.82</u>
Uses/Outflows of Resources:		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule.	<u>\$ 66,779,036.54</u>	<u>\$ 1,827,332.82</u>
Total expenditures as reported on the statement of revenue, expenditures, and changes in fund balances - governmental funds	<u>\$ 66,779,036.54</u>	<u>\$ 1,827,332.82</u>

F. **Encumbrances**

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

Open encumbrances in the Special Revenue Fund, for which the District has received advances, are reflected in the balance sheet as deferred inflows at fiscal year end. There were no open encumbrances recorded in the Special Revenue Fund as of June 30, 2016.

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Cash, Cash Equivalents and Investments

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

New Jersey school districts are limited to the types of investments and types of financial institutions they may invest in. New Jersey Statute 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey school districts.

Additionally, the District has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey.

N.J.S.A. 17:9-41 et seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Act. Public depositories include savings and loan institutions, banks, (both state and national banks) and savings banks the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of governmental units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the Governmental Units.

H. Inventories and Prepaid Expenses

Inventories and prepaid expenses, which benefit future periods, other than those recorded in the Enterprise Fund are recorded as an expenditure during the year of purchase.

Inventories in the Proprietary Funds are valued at cost, which approximates market, using the first-in-first-out (FIFO) method. Prepaid expenses in the Enterprise Fund represent payments made to vendors for services that will benefit periods beyond June 30, 2016.

I. Tuition 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.

J. Tuition Payable

Tuition charges for the fiscal years 2014-15 and 2015-16 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

K. Short-Term Interfund Receivables/Payables

Short-term interfund receivables/payables represent amounts that are owed, other than charges for goods or services rendered to/from a particular fund in the District and that are due within one year.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L. Capital Assets

General capital assets result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position but are not reported in the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated fixed assets are recorded at their fair market values as of the date received. The District maintains a capitalization threshold of two thousand dollars. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

All reported capital assets except for land 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>Estimated Lives</u>
Buildings and Improvements	20 - 40 Years
Furniture and Equipment	7 - 20 Years
Vehicles	8 Years

M. Compensated Absences

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

The entire sick leave and vacation leave liabilities are reported on the government-wide financial statements.

For governmental fund financial statements, the current portion of unpaid compensated absences is in the amount expected to be paid using expendable available resources. These amounts are recorded in the account "compensated absences payable" in the fund from which the employees who have accumulated unpaid leave are paid. The noncurrent portion of the liability is not reported.

In proprietary and similar trust funds, compensated absences are recorded as an expense and liability of the fund that will pay for them.

N. Accrued Liabilities and Long-Term Obligations

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

In general, 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 governmental funds. However, the noncurrent portion of capital leases, compensated absences and loans payable that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are normally expected to be paid with expendable, available financial resources.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

O. Net Position

The District has implemented GASB Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position. This statement defines net position as the residual of all other elements presented in a statement of financial position. It is the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources. This Statement provides guidance for reporting net position within a framework that includes deferred outflows of resources and deferred inflows of resources, in addition to assets and liabilities.

The District has implemented GASB No. 65, *Items Previously Reported as Assets and Liabilities*. This statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities.

A deferred outflow of resources is a consumption of net position by the District that is applicable to a future reporting period. A deferred inflow of resources is an acquisition of net position by the District that is applicable to a future reporting period.

Net position is displayed in three components - net investment in capital assets; restricted and unrestricted.

The net investment in capital assets component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of borrowings that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt also would be included in this component of net position.

The restricted component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets.

The unrestricted component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

P. Deferred Inflows

Deferred inflows in the special revenue fund represents cash that has been received but not yet earned.

Q. Fund Equity

Contributed capital represents the amount of fund capital contributed to the proprietary funds from other funds. Reserves represent those portions of fund equity not available for appropriation for expenditure or legally segregated for a specific future use. Designated fund balances represent plans for future use of financial resources.

R. Fund Balance Reserves

The School District reserves those portions of fund balance which are legally segregated for a specific future use or which do not represent available expendable resources and, therefore, are not available for appropriation or expenditure. Unreserved fund balance indicates that portion which is available for appropriation in future periods. A fund balance reserve has been established for encumbrances.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

S. Proprietary Funds Revenues and Expenses

Proprietary Funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the School District enterprise fund (the Food Service) are charges to customers for sales of food service. Operating expenses for enterprise funds include the cost of sales and services, administrative expense and depreciation on Capital Assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

T. Rebatable Arbitrage

Rebatable arbitrage results from investing the proceeds of borrowed funds either directly or indirectly into investments that are higher in yield than the bond yield incurred on the borrowed funds. In accordance with GASB 34, rebatable arbitrage is treated like a claim or judgment. All interest income is reported as revenue of the Capital Projects Fund. The liability, if any, is recorded in the "Statement of Net Position".

U. Non-Monetary Transactions

Commodities received under the Federal Food Distribution Program are received by the District and are recorded as nonoperating revenue when received in the food service enterprise fund at market value. The use of the commodities is included in cost of sales.

V. Allocation of 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. Employee benefits, including the employer's share of social security, worker's compensation and medical and dental benefits, were allocated based on salaries of that program. Depreciation expense, where practicable, is specifically identified by function and is included in the direct expense column of the Statement of Activities. Depreciation expense that could not be attributed to a specific function is reported separately on the Statement of Activities. No expenses were allocated as "Indirect Expenses".

W. Extraordinary and Special Items

Extraordinary items are transactions or events that are unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of management and are either unusual in nature or infrequent in occurrence. Neither of these types of transactions occurred during the fiscal year.

3. CASH AND CASH EQUIVALENTS AND INVESTMENTS

Cash and cash equivalents includes petty cash, change funds, amounts in deposits, and short-term investments with original maturities of three months or less.

Investments are stated at cost, which approximates market. The Board classifies certificates of deposit which have original maturity dates of more than three months, but less than twelve months from the date of purchase, as investments. The District is in compliance with GASB Statement No. 3 as amended by GASB Statement No. 40.

3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (Continued)

Deposits

New Jersey statutes require that school districts deposit public funds in public depositories located in New Jersey which are insured by the Federal Deposit Insurance Corporation, or by any other agency of the United States that insures deposits made in public depositories. School districts are also permitted to deposit public funds in the State of New Jersey Cash Management Fund.

New Jersey statutes require public depositories to maintain collateral for deposits of public funds that exceed depository insurance limits as follows:

The market value of the collateral must equal at least 5% of the average daily balance of collected public funds on deposit.

In addition to the above collateral requirement, if the public funds deposited exceed 75% of the capital funds of the depository, the depository must provide collateral having a market value at least equal to 100% of the amount exceeding 75%.

All collateral must be deposited with the Federal Reserve Bank of New York, the Federal Reserve Bank of Philadelphia, the Federal Home Loan Bank of New York, or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.

As of June 30, 2016, cash and cash equivalents (Deposits) of the District consisted of the following:

Checking and Money Market Accounts, Interest Bearing	\$ 7,071,304.60
Investments	<u>40,095,761.92</u>
	<u>\$ 47,167,066.52</u>

Of the total amount, deposits of \$1,541,655.61 have been earmarked towards the Capital Reserve Account (See Note 4).

Investments

New Jersey statutes permit the District to purchase the following types of securities:

- Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America. This includes instruments such as Treasury bills, notes and bonds.
- Government money market mutual funds.
- Any federal agency or instrumentality obligation authorized by Congress that matures within 397 days from the date of purchase, and has a fixed rate of interest not dependent on any index or external factors.
- Bonds or other obligations of the school district or local unit of which the school district is a part.
- Any other obligations with maturities not exceeding 397 days, as permitted by the Division of Investments, New Jersey State Department of Treasury.
- Local government investment pools.
- New Jersey State Cash Management Fund.
- Repurchase agreements of fully collateralized securities, subject to special conditions.

4. CAPITAL ASSETS

Classification of Balances - June 30, 2016

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
<u>Governmental Activities</u>				
Nondepreciable:				
Sites	\$ 2,509,321.00	\$	\$	\$ 2,509,321.00
Construction-in-Progress	19,153,414.00	8,583,848.96		27,737,262.96
	<u>21,662,735.00</u>	<u>8,583,848.96</u>		<u>30,246,583.96</u>
Depreciable:				
Site Improvements	1,825,125.00			1,825,125.00
Buildings and Improvements	39,935,182.00			39,935,182.00
Machinery and Equipment	3,409,518.00	308,461.56		3,717,979.56
	<u>45,169,825.00</u>	<u>308,461.56</u>		<u>45,478,286.56</u>
Total Assets	<u>66,832,560.00</u>	<u>8,892,310.52</u>		<u>75,724,870.52</u>
Less Accumulated Depreciation:				
Site Improvements	(1,389,582.00)	(68,402.00)		(1,457,984.00)
Buildings and Improvements	(23,371,256.00)	(786,445.00)		(24,157,701.00)
Machinery and Equipment	(2,915,806.00)	(128,133.58)		(3,043,939.58)
Total Accumulated Depreciation	<u>(27,676,644.00)</u>	<u>(982,980.58)</u>		<u>(28,659,624.58)</u>
Assets Net of Depreciation	<u>17,493,181.00</u>	<u>(674,519.02)</u>		<u>16,818,661.98</u>
Governmental Activities Capital Assets - Net	<u>\$ 39,155,916.00</u>	<u>\$ 7,909,329.94</u>	<u>\$ -</u>	<u>\$ 47,065,245.94</u>
Business-Type Activities:				
Machinery and Equipment	\$ 449,143.06	\$	\$	\$ 449,143.06
Less: Accumulated Depreciation:				
Machinery and Equipment	(352,817.46)	(22,289.81)		(375,107.27)
	<u>\$ 96,325.60</u>	<u>\$ (22,289.81)</u>	<u>\$ -</u>	<u>\$ 74,035.79</u>

5. LONG-TERM DEBT

Long-Term Liability Conversion Schedule - June 30, 2016

	Balance June 30, 2015	Additions	Reductions	Balance June 30, 2016	Amounts Due Within One Year	Long-Term Portion
Bonds Payable	\$ 66,190,000.00	\$	\$ 685,000.00	\$ 65,505,000.00	\$ 2,270,000.00	\$ 63,235,000.00
Capital Leases	7,750,964.00	550,000.00	628,739.72	7,672,224.28	783,539.00	6,888,685.28
Compensated Absences	5,713,190.00	275,369.09	599,268.78	5,389,290.31		5,389,290.31
Net Pension Liability - PERS	<u>13,744,804.00</u>	<u>2,487,497.00</u>	<u></u>	<u>16,232,301.00</u>	<u></u>	<u>16,232,301.00</u>
	<u>\$ 93,398,958.00</u>	<u>\$ 3,312,866.09</u>	<u>\$ 1,913,008.50</u>	<u>\$ 94,798,815.59</u>	<u>\$ 3,053,539.00</u>	<u>\$ 91,745,276.59</u>

5. LONG-TERM DEBT (Continued)

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. Interest rates on outstanding bonds range from 3.00% to 5.00%.

Outstanding bonds payable at June 30, 2016 consisted of the following:

<u>Issue</u>	<u>Issue Date</u>	<u>Interest Rates</u>	<u>Date of Maturity</u>	<u>Principal Balance June 30, 2016</u>
BCIA Improvement Bonds	08/07/2012	3.00% - 5.00%	11/01/2031	\$ 15,665,000
General Serial Bonds	04/07/2015	3.00% - 3.500%	03/15/2041	<u>49,840,000</u>
				<u>\$ 65,505,000</u>

Principal and interest due on bonds outstanding is as follows:

<u>Year Ending June 30,</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2017	\$ 4,513,012.50	\$ 2,270,000.00	2,243,012.50
2018	4,290,887.50	2,120,000.00	2,170,887.50
2019	4,274,387.50	2,175,000.00	2,099,387.50
2020	4,255,112.50	2,230,000.00	2,025,112.50
2021	4,273,337.50	2,325,000.00	1,948,337.50
2022	4,274,737.50	2,405,000.00	1,869,737.50
2023	4,273,762.50	2,490,000.00	1,783,762.50
2024	4,280,037.50	2,590,000.00	1,690,037.50
2025	2,877,300.00	2,690,000.00	1,592,287.50
2026	4,285,837.50	2,790,000.00	1,495,837.50
2027	4,290,887.50	2,890,000.00	1,400,887.50
2028	4,292,587.50	2,990,000.00	1,302,587.50
2029	4,300,687.50	3,100,000.00	1,200,687.50
2030	4,300,087.50	3,205,000.00	1,095,087.50
2031	4,303,300.00	3,320,000.00	983,300.00
2032	4,295,112.50	3,430,000.00	865,112.50
2033	2,964,950.00	2,195,000.00	769,950.00
2034	2,968,612.50	2,270,000.00	698,612.50
2035	2,969,837.50	2,345,000.00	624,837.50
2036	2,983,625.00	2,435,000.00	548,625.00
2037	2,973,400.00	2,510,000.00	463,400.00
2038	2,955,550.00	2,580,000.00	375,550.00
2039	2,935,250.00	2,650,000.00	285,250.00
2040	2,912,500.00	2,720,000.00	192,500.00
2041	<u>2,877,300.00</u>	<u>2,780,000.00</u>	<u>97,300.00</u>
	<u>\$ 95,327,087.50</u>	<u>\$ 65,505,000.00</u>	<u>\$ 29,822,087.50</u>

5. LONG-TERM DEBT (Continued)

B. Bonds Authorized but Not Issued

As of June 30, 2016, the Board had no authorized but not issued bonds.

C. Lease Purchase Agreement

The Board has entered into various lease purchase agreements to lease equipment and temporary classroom trailers. The terms of the leases are between five 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, 2016:

<u>Fiscal Year</u>	<u>Total' Payments</u>	<u>Principal</u>	<u>Interest</u>
2017	\$ 1,086,318.39	\$ 918,355.31	\$ 167,963.08
2018	1,109,944.95	959,311.97	150,632.98
2019	989,898.74	857,069.77	132,828.97
2020	632,242.00	514,859.20	117,382.80
2021	412,411.50	303,950.58	108,460.92
2022	414,009.06	313,188.96	100,820.10
2023	425,256.91	332,369.74	92,887.17
2024	436,795.11	352,324.22	84,470.89
2025	448,634.46	373,082.71	75,551.75
2026	460,781.81	394,672.28	66,109.53
2027	473,242.08	417,118.72	56,123.36
2028	486,030.14	440,458.54	45,571.60
2029	499,149.81	464,717.98	34,431.83
2030	512,609.47	489,928.59	22,680.88
2031	551,110.51	540,815.70	10,294.81
	<u>\$ 8,938,434.94</u>	<u>\$ 7,672,224.27</u>	<u>\$ 1,266,210.67</u>
	Total Minimum Lease Payments		\$ 8,938,434.94
	Less: Amount Representing Interest		<u>(1,266,210.67)</u>
	Present Value of Lease Payments		<u>\$ 7,672,224.27</u>

6. 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, P. O. Box 295, Trenton, New Jersey 08625.

6. PENSION PLANS (Continued)

Description of Plans (Continued)

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 noncontributing 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.

Vesting and Benefit Provisions

The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A and 43.3B, and N.J.S.A. 18A:6 for TPAF. All benefits vest after eight to ten years of service, except for medical benefits that vest after 25 years of service. Retirement benefits for age and service are available at age 60 and are generally determined to be 1/55 of the final average salary for each year of service credit, as defined. Final average salary equals the average salary for the final three years of service prior to retirement (or highest three years' compensation if other than the final three years). Pension benefits for members enrolled in PERS after May 21, 2010 would be based on 1/60th of the average annual compensation for the last five years of service or any five fiscal years of membership that provide the largest benefit to the member of the member's beneficiary. Early retirement is available to those under age 60 with 25 or more years of credited service. Anyone who retires early and is under age 55 receives retirement benefits as calculated in the above-mentioned formula but at a reduced rate (one quarter of one percent for each month the member lacks of attaining age 55). The TPAF and PERS provides for specified medical benefits for members who retire after achieving 25 years of qualified service, as defined, or under the disability provisions of the system.

Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

Significant Legislation

P.L. 2011, c. 78, effective June 28, 2011, made various changes to the manner in which TPAF and PERS operates and to the benefit provisions of those systems.

This new legislation's provisions impacting employee pension and health benefits include:

- New members of TPAF and PERS hired on or after June 28, 2011 (Tier 5 members), will need 30 years of creditable service and age 65 for receipt of the early retirement benefit without a reduction of ¼ to 1 percent for each month that the member is under age 65.
- The eligibility age to qualify for a service retirement in the TPAF and PERS is increased from age 62 to 65 for Tier 5 members.

6. PENSION PLANS (Continued)

Significant Legislation (Continued)

- Active member contribution rates will increase. TPAF and PERS active member rates increase from 5.5 percent of annual compensation to 6.5 percent plus an additional 1 percent phased-in over 7 years. For Fiscal Year 2012, the member contribution rates increased in October 2011. The phase-in of the additional incremental member contributions for TPAF and PERS members will take place in July of each subsequent fiscal year.
- The payment of automatic cost-of-living adjustment (COLA) additional increases to current and future retirees and beneficiaries is suspended until reactivated as permitted by this law.

In addition, this new legislation changes the method for amortizing the pension systems' unfunded accrued liability (from a level percent of pay method to a level dollar of pay).

Contribution Requirements

The contribution policy is set by New Jersey State Statutes and, in most retirement systems, contributions are required by active members and contribution employers. Plan member and employer contributions may be amended by State of New Jersey legislation.

In accordance with the provisions of Chapter 78, P.L. 2011, employee pension contribution rates for TPAF and PERS is currently 7.06% of employees' annual compensation, as defined.

Employers are required to contribute at an actuarially determined rate in both PERS and TPAF. The actuarially determined employer contribution includes funding for both 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 premium. Under current statute, the District is a noncontributing employer of the TPAF.

Three-Year Trend Information for PERS

<u>Year Funding</u>	<u>Annual Pension Cost (APC)</u>	<u>Net Cost to District</u>	<u>Percentage of APC Contributed</u>
June 30, 2016	\$ 621,678.00	\$ 621,678.00	100%
June 30, 2015	611,780.00	611,780.00	100%
June 30, 2014	539,873.00	539,873.00	100%

Three-Year Trend Information for TPAF (Paid On-Behalf of the District)

<u>Year Funding</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Post- Retirement Medical Benefits</u>
June 30, 2016	\$ 2,025,972.00	100%	\$ 2,412,373.00
June 30, 2015	1,426,800.00	100%	2,265,047.00
June 30, 2014	1,072,830.00	100%	1,759,038.00

During the fiscal year ended June 30, 2016, the State of New Jersey contributed \$2,025,972.00 to the TPAF for normal pension and \$2,412,373.00 for post-retirement medical benefits On-Behalf of the District. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$2,043,426.92 during the year ended June 30, 2016 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 basic financial statements and the individual fund statements and schedules as a revenue and expenditure in accordance with GASB 27.

6. PENSION PLANS (Continued)

Contribution Requirements (Continued)

Legislation enacted during 1993 provided early retirement incentives for certain members of TPAF and PERS who met certain age and service requirements and who applied for retirement between certain dates in the 1994 fiscal year. The early retirement incentives included: (a) an additional five years of service credit for employees at least age 50 with a minimum of 25 years of service; (b) free health benefits for employees at least 60 years old with at least 20 years of service; and (c) an additional \$500 per month for two years for employees at least age 60 with 10 but less than 20 years of service. The Board assumed the increased cost for the early retirement as it affected their district.

Teachers' Pension and Annuity Fund (TPAF)

Summary of Significant Accounting Policies

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Teachers' Pension and Annuity Fund (TPAF) and additions to/deductions from the TPAF's fiduciary net position have been determined on the same basis as they are reported by the TPAF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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

The employer contributions for the district are legally required to be funded by the State in accordance with N.J.S.A. 18:66-33. Therefore, the district (employer) is 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 district (employer) does 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 district. However, the State's portion of the net pension liability that was associated with the district was \$166,803,085, as measured on June 30, 2015 and \$135,540,690 as measured on June 30, 2014.

For the year ended June 30, 2016, the district recognized pension expense of \$4,438,345 and revenue of \$4,438,345 for support provided by the State. The measurement period for the pension expense and revenue reported in the district's financial statements (A-2) at June 30, 2016 is based upon changes in the collective net pension liability with a measurement period of June 30, 2014 through June 30, 2015. Accordingly, the pension expense and the related revenue associated with the support provided by the State is based upon the changes in the collective net pension liability between July 1, 2014 and June 30, 2015.

Although the district does not report net pension liability or deferred outflows or inflows related to the TPAF, the following schedule illustrates the collective net pension liability and deferred items and the State's portion of the net pension liability associated with the district. The collective amounts are the total of all New Jersey local governments participating in the TPAF plan.

6. PENSION PLANS (Continued)

Teachers' Pension and Annuity Fund (TPAF) (Continued)

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

	<u>June 30, 2014</u>	<u>June 30, 2015</u>
Collective Deferred Outflows of Resources	\$ 2,306,623,861	\$ 7,521,378,257
Collective Deferred Inflows of Resources	1,763,205,593	554,399,005
Collective Net Pension Liability (Nonemployer - State of New Jersey)	53,446,745,367	63,204,270,305
State's Portion of the Net Pension Liability that was Associated with the District	135,540,690	166,803,085
State's Portion of the Net Pension Liability that was Associated with the District as a Percentage of the Collective Net Pension Liability	0.2535995199%	0.2639110753%

Actuarial Assumptions

The total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation as of July 1, 2014, which was rolled forward to June 30, 2015. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation:	2.5%
Salary Increases:	Varies Based on Experience
Investment Rate of Return:	7.90%

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, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2009 to June 30, 2012.

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.90% at June 30, 2015) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the TPAF's target asset allocation as of June 30, 2015 are summarized in the following table:

6. PENSION PLANS (Continued)

Teachers' Pension and Annuity Fund (TPAF) (Continued)

Long-Term Expected Rate of Return (Continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Cash	5.00%	0.53%
US Government Bonds	1.75%	1.39%
US Credit Bonds	13.50%	2.72%
US Mortgages	2.10%	2.54%
US Inflation-Indexed Bonds	1.50%	1.47%
US High Yield Bonds	2.00%	4.57%
US Equity Market	27.25%	5.63%
Foreign-Developed Equity	12.00%	6.22%
Emerging Markets Equities	6.40%	8.46%
Private Real Estate Property	4.25%	3.97%
Timber	1.00%	4.09%
Farmland	1.00%	4.61%
Private Equity	9.25%	9.15%
Commodities	1.00%	3.58%
Hedge Funds - MultiStrategy	4.00%	4.59%
Hedge Funds - Equity Hedge	4.00%	5.68%
Hedge Funds - Distressed	4.00%	4.30%

Discount Rate

The discount rate used to measure the total pension liability was 4.13% as of June 30, 2015. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.90%, and a municipal bond rate of 3.80% as of June 30, 2015, 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 employers' 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 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 District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

Since the District has no proportionate share of the net pension liability because of the special funding situation, the District would not be sensitive to any changes in the discount rate. Detailed information about the pension plan's sensitivity of the collective net pension liability to changes in the discount rate is available in the separately issued State of New Jersey Division of Pensions and Benefits financial report at <http://www.nj.gov/treasury/pensions/pdf/financial/gasb68-tpaf16.pdf>.

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued State of New Jersey Division of Pensions and Benefits financial report at <http://www.nj.gov/treasury/pensions/financial-rprts-home.shtml>.

6. **PENSION PLANS (Continued)**

Public Employees' Retirement System (PERS)

Summary of Significant Accounting Policies

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the PERS and additions to/deductions from PERS fiduciary net position have been determined on the same basis as they are reported by PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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

At June 30, 2016, the District reported a liability of \$16,232,301 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2014, which was rolled forward to June 30, 2015. The total pension liability for the June 30, 2014 measurement date was determined by an actuarial valuation as of July 1, 2014. The District's proportion of the net pension liability is based on the ratio of the contributions as an individual employer to the PERS during the years ended June 30, 2015 and 2014. At June 30, 2015, the District's proportion was .0723106900%, which was a decrease of .0011016812% from its proportion measured as of June 30, 2014.

For the year ended June 30, 2016, the District recognized pension expense of \$621,678. At June 30, 2016, 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>
Differences Between Expected and Actual Experience	\$ 387,246	\$
Changes of Assumptions	1,743,219	
Net Difference Between Projected and Actual Earnings on Pension Plan Investments		260,984
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	1,079,466	174,996
District Contributions Subsequent to the Measurement Date	<u>590,025</u>	
	<u>\$ 3,799,956</u>	<u>\$ 435,980</u>

The \$590,025 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, 2016 the plan measurement date is June 30, 2015) will be recognized as a reduction of the net pension liability measured as of 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:

6. **PENSION PLANS (Continued)**

Public Employees' Retirement System (PERS)

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

<u>Year Ended</u> <u>June 30</u>	<u>Amount</u>
2016	\$ 340,339
2017	340,339
2018	340,339
2019	542,046
2020	306,416
	<u>\$ 1,869,479.00</u>

Additional Information:

Collective balances at June 30, 2014 and 2015 are as follows:

	<u>June 30, 2014</u>	<u>June 30, 2015</u>
Collective Deferred Outflows of Resources	\$ 952,194,675	\$ 3,578,755,666
Collective Deferred Inflows of Resources	1,479,224,662	993,410,455
Collective Net Pension Liability (Non State - Local Group)	18,722,735,003	22,447,996,119
District's Portion of Net Pension Liability	13,744,804	16,232,301
District's Proportion %	0.0734123712%	0.0723106900%

Actuarial Assumptions

The collective total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation as of July 1, 2014, which was rolled forward to June 30, 2015. This actuarial valuation used the following actuarial assumptions:

Inflation Rate	3.04%
Salary Increases:	
2012-2021	2.15% - 4.40% Based on Age
Thereafter	3.15% - 5.40% Based on Age
Investment Rate of Return	7.90%

Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback one year for males and females) for service retirement and beneficiaries of former members with adjustments for mortality improvements from the base year of 2012 based on Projection Scale AA. The RP-2000 Disabled Mortality Tables (setback 3 years for males and setback 1 year for females) are used to value disabled retirees.

The actuarial assumptions used in the July 1, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2008 to June 30, 2011. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

6. PENSION PLANS (Continued)

Public Employees' Retirement System (PERS) (Continued)

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.90% at June 30, 2015) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2015 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	1.04%
U.S. Treasuries	1.75%	1.64%
Investment Grade Credit	10.00%	1.79%
Mortgages	2.10%	1.62%
High Yields Bonds	2.00%	4.03%
Inflation Indexed Bonds	1.50%	3.25%
Broad U.S. Equities	27.25%	8.52%
Developed Foreign Equities	12.00%	6.88%
Emerging Market Equities	6.40%	10.00%
Private Equity	9.25%	12.41%
Hedge Funds/Absolute Returns	12.00%	4.72%
Real Estate (Property)	2.00%	6.83%
Commodities	1.00%	5.32%
Global Debt ex US	3.50%	-0.40%
REIT	4.25%	5.12%

Discount Rate

The discount rate used to measure the total pension liability was 4.90% as of June 30, 2015. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.90%, and a municipal bond rate of 3.80% as of June 30, 2015, 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 actuarially determined 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.

6. PENSION PLANS (Continued)

Public Employees' Retirement System (PERS) (Continued)

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the District's proportionate share of the net pension liability measured as of June 30, 2015, calculated using the discount rate of 4.90%, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (3.90%) or 1-percentage point higher (5.90%) than the current rate:

	<u>1% Decrease (3.90%)</u>	<u>Current Discount Rate (4.90%)</u>	<u>1% Increase (5.90%)</u>
District's Proportionate Share of the Net Pension Liability	\$ 20,174,764.00	\$ 16,232,301.00	\$ 12,926,968.00

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued State of New Jersey Division of Pensions and Benefits financial report at <http://www.nj.gov/treasury/pensions/financial-rpts-home.shtml>.

7. DEFINED CONTRIBUTION RETIREMENT PROGRAM

Description of System

The Defined Contribution Retirement Program (DCRP) was established on July 1, 2007 for certain public employees under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007. The program provides eligible members, with a minimum base salary of \$1,500.00 or more, with a tax-sheltered, defined contribution retirement benefit, in addition to life insurance and disability coverage. The DCRP is jointly administered by the Division of Pensions and Benefits and Prudential Financial.

If the eligible elected or appointed official will earn less than \$5,000.00 annually, the official may choose to waive participation in the DCRP for that office or position. This waiver is irrevocable.

As of May 21, 2010, the municipal base salary required for eligibility in the DCRP was increased to \$5,000.00.

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

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

- All elected officials taking office on or after July 1, 2007, except that a person who is reelected to an elected office held prior to that date without a break in service may remain in the Public Employees' Retirement System (PERS).
- A Governor appointee with the advice and consent of the Legislature or who serves at the pleasure of the Governor only during that Governor's term of office.
- Employees enrolled in the PERS on or after July 1, 2007 who earn salary in excess of established "maximum compensation" limits.

7. DEFINED CONTRIBUTION RETIREMENT PROGRAM (Continued)

Description of System (Continued)

- Employees otherwise eligible to enroll in the PERS on or after November 2, 2008 who do not earn the minimum salary for PERS Tier 3, but who earn salary of at least \$5,000.00.
- Employees otherwise eligible to enroll in the PERS after May 21, 2010, who do not work the minimum number of hours per week required for PERS Tier 4 or Tier 5 enrollment (32 hours per week) but who earn salary of at least \$5,000.00 annually.

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

Contributions Required and Made

Contributions made by employees for DCRP are currently at 5.5% of their base wages. Member contributions are matched by a 3.0% employer contribution. Contributions to the plan for the past three year are as follows:

<u>Fiscal Year</u>	<u>School District</u>
2016	\$ 18,897.00
2015	14,344.00
2014	7,493.00

8. POST-RETIREMENT BENEFITS

P.L. 1987, c. 384 and P.L. 1990, c. 6 required Teachers' Pensions and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law 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, 2015, there were 107,314 retirees receiving post-retirement medical benefits, and the State contributed \$1.25 billion on their behalf. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c. 62. Funding of post-retirement medical benefits changed from a 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, c.126, which provides employer paid health benefits to members of PERS and the Alternate Benefit Program (ABP) who retired from a board of education or county college with 25 years of service. The State paid \$214.1 million toward Chapter 126 benefits for 19,056 eligible retired members in Fiscal Year 2015.

The School Employees Health Benefits Program (SEHBP) Act is found in New Jersey Statutes Annotated, Title 52, Article 17.25 et seq. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. The State of New Jersey Division of pensions and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for SEHBP. That report may be obtained from the Treasury website at:

<http://www.nj.gov/treasury/pensions/pdf/financial/2015divisioncombined.pdf>

9. COMPENSATED ABSENCES

The District accounts for compensated absences (e.g., unused vacation, sick leave) as directed by Governmental Accounting Standards Board Statement No. 16 (GASB 16), "Accounting for Compensated Absences". A liability for compensated absences attributable to services already rendered and not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the rights to the benefits.

District employees are granted varying amounts of vacation and sick leave in accordance with the District's personnel policy. Upon termination, employees are paid for accrued vacation. The District's policy permits employees to accumulate unused sick leave and carry forward the full amount to subsequent years. Upon retirement employees shall be paid by the District for the unused sick leave in accordance with the District's agreements with the various employee unions.

The liability for vested compensated absences of the governmental fund types is recorded in the Statement of Net Position. The current portion of the compensated absences balance of the governmental funds is reported separately on the Statement of Net Position.

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2016, no liability existed for compensated absences in the Enterprise Fund.

10. 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:

Variable Annuity Life Insurance Company
AXA Equitable
MetLife
Financial Resources

11. 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.

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>District Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2016	\$	\$ 52,608.00	\$ 120,833.00	\$255,247.00
2015	237.00	48,768.00	102,874.00	323,472.00
2014	246.00	49,392.00	109,341.00	377,341.00

12. INTERFUND RECEIVABLES AND PAYABLES

The following are reflected as interfund receivables and payables on the various balance sheets at June 30, 2016:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 11,600.71	\$ 219,365.95
Capital Projects Fund	9,081.90	296,695.29
Debt Service Fund	296,695.29	
Proprietary Fund	127,993.16	
Unemployment Trust	12,304.65	
Agency Fund	81,165.90	22,780.37
	<u>\$538,841.61</u>	<u>\$ 538,841.61</u>

13. INVENTORY

Inventory in the Enterprise Fund for regular food and supplies and Food Distribution Program Commodities at June 30, 2016 of \$11,802.89 and \$1,028.24, respectively, is stated at lower of cost or market.

The value of Federal donated commodities as reflected on Schedule A (required by the Single Audit Law of 1984) is the difference between market value and cost of the commodities at the date of purchase and has been included as an item of nonoperating revenue in the financial statements.

14. UNAMORTIZED BOND ISSUANCE COSTS

In governmental funds, debt issuance costs are recognized in the current period. For the District-Wide financial statements, governmental activity debt issuance costs are amortized straight-line over the life of the specific bonds. The costs associated with the issues of the various bonds amounted to \$425,671.00, accumulated amortization through June 30, 2016 was \$170,268.00.

15. UNAMORTIZED BOND PREMIUMS

In governmental funds, bond premiums are recognized in the current period. For District-Wide financial statements, governmental activity bond premiums are amortized straight line over the life of the specific bonds. The premiums amounted to \$2,405,671, accumulated amortization through June 30, 2016 was \$962,268.

16. CAPITAL RESERVE ACCOUNT

The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the District's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A District may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to *N.J.S.A. 19:60-2*. Pursuant to *N.J.A.C. 6:23A-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.

16. CAPITAL RESERVE ACCOUNT (Continued)

The activity of the capital reserve for the July 1, 2015 to June 30, 2016 fiscal year is as follows:

Beginning Balance, July 1, 2015	\$ 1,541,655.61
Increased by:	
Transfer by Board of Education	<u>1,213,600.00</u>
Ending Balance, June 30, 2016	<u>\$ 2,755,255.61</u>

17. 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, 2016 fiscal year is as follows:

Beginning Balance, July 1, 2015	<u>\$ 250,000</u>
Ending Balance, June 30, 2016	<u>\$ 250,000</u>

18. FUND BALANCE APPROPRIATED

General Fund [Exhibit B-1] - Of the \$5,352,435.33 General Fund fund balance at June 30, 2016, \$194,522.95 is reserved for encumbrances; \$2,755,255.61 has been reserved in the Capital Reserve Account; \$250,000.00 has been reserved in the Emergency Reserve Account; \$529,692.00 has been appropriated and included as anticipated revenue for the year ending June 30, 2017 and \$1,749,494.77 is unreserved and undesignated.

Debt Service Fund - Of the \$74,564.94 Debt Service Fund balance at June 30, 2016, \$61,946.00 has been appropriated and included as anticipated revenue for the year ending June 30 2017 and \$12,618.94 is reserved and undesignated.

19. SECONDARY MARKET DISCLOSURE

Solely for purposes of complying with Rule 15c2-12 of the Securities and Exchange Commission, as amended and interpreted from time to time (the "Rule"), and provided that the Bonds are not exempt from the Rule and provided that the Bonds are not exempt from the requirements in accordance with Paragraph (d) of the Rule, for so long as the Bonds remain outstanding (unless the Bonds have been wholly defeased), the municipality shall provide for the benefit of the holders of the Bonds and the beneficial owners thereof various financial documents relating to the financial conditions of the Municipal Securities Rulemaking Board through the Electronic Municipal Access Data Port (the "MSRB").

20. CONTINGENT LIABILITIES

A. Litigation

The Board Attorney's letter did not indicate any litigation, claims or contingent liabilities that are either not covered by the Board's insurance carrier or would have a material financial impact on the Board.

B. Federal and State Awards

The School District participates in several federal and state grant and aid programs which are governed by various rules and regulations of the grantor agencies, therefore, to the extent that the School District has not complied with the rules and regulations governing the grants or aid, refunds of any money received may be required and the collectability of any related receivable at June 30, 2016 may be impaired. In the opinion of the management, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants, therefore, no provisions have been recorded in the accompanying general purpose financial statements for such contingencies.

21. SUBSEQUENT EVENT

The Fort Lee School District has evaluated subsequent events that occurred after the balance sheet date, but before October 21, 2016. No items were determined to require disclosure.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

C. BUDGETARY COMPARISON SCHEDULES

FORT LEE BOROUGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenues					
Local Sources:					
Local Tax Levy	\$ 57,177,129.00	\$	\$ 57,177,129.00	\$ 57,177,129.00	\$
Total Tuition	35,000.00		35,000.00	38,500.00	3,500.00
Interest on Capital Reserve	50.00		50.00		(50.00)
Miscellaneous	81,300.00		81,300.00	153,509.95	72,209.95
Total - Local Sources	57,293,479.00		57,293,479.00	57,369,138.95	75,659.95
State Sources:					
Categorical Special Education Aid	1,797,805.00		1,797,805.00	1,797,805.00	
Categorical Security Aid	91,765.00		91,765.00	91,765.00	
Categorical Transportation Aid	79,344.00		79,344.00	79,344.00	
PARCC Readiness Aid	38,770.00		38,770.00	38,770.00	
Per Pupil Growth Aid	38,770.00		38,770.00	38,770.00	
Extraordinary Aid	500,000.00		500,000.00	1,028,909.00	528,909.00
Non-Public Transportation				25,707.00	25,707.00
Nonbudgeted:					
On-Behalf TPAF Pension Contributions (Nonbudgeted)				4,438,345.00	4,438,345.00
Reimbursed TPAF Social Security Contributions (Nonbudgeted)				2,043,426.92	2,043,426.92
Total - State Sources	2,546,454.00		2,546,454.00	9,582,841.92	7,036,387.92
Federal Sources:					
Medicaid Reimbursement	44,283.00		44,283.00		(44,283.00)
Total Revenues	\$ 59,884,216.00	\$ -	\$ 59,884,216.00	\$ 66,951,980.87	\$ 7,067,764.87

FORT LEE BOROUGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<u>Expenditures</u>					
Current Expense:					
Instruction - Regular Programs:					
Salaries of Teachers:					
Kindergarten	\$ 1,247,653.00	\$ 28,261.66	\$ 1,275,914.66	\$ 1,275,914.66	\$
Grades 1 - 5	7,515,255.00	(102,703.94)	7,412,551.06	7,412,551.06	
Grades 6 - 8	3,993,726.00	(75,173.35)	3,918,552.65	3,918,552.65	
Grades 9 - 12	4,540,781.00	212,694.49	4,753,475.49	4,753,475.49	
Regular Programs - Home Instruction:					
Salaries of Teachers	125,000.00	(25,820.00)	99,180.00	99,180.00	
Purchased Professional/Educational Services	10,000.00	15,097.23	25,097.23	25,097.23	
Other Salaries for Instruction	734,900.00	(394,856.23)	340,043.77	340,043.77	
Purchased Professional/Educational Services	97,000.00	(42,999.00)	54,001.00	54,001.00	
Purchased Technical Services	53,670.00	(996.07)	52,673.93	52,673.93	
Other Purchased Services (400-500 Series)	262,436.00	108,148.46	370,584.46	161,916.65	208,667.81
General Supplies	1,112,494.02	186,125.90	1,298,619.92	1,176,226.47	122,393.45
Textbooks	349,409.45	(61,491.00)	287,918.45	261,025.43	26,893.02
Other Objects	14,700.00	1,490.00	16,190.00	13,754.00	2,436.00
Total Regular Programs	<u>20,057,024.47</u>	<u>(152,221.85)</u>	<u>19,904,802.62</u>	<u>19,544,412.34</u>	<u>360,390.28</u>
Special Education:					
Learning and/or Language Disabilities:					
Salaries of Teachers	270,514.00	(46,552.00)	223,962.00	223,431.62	530.38
Other Salaries for Instruction	174,609.00	(62,755.00)	111,854.00	111,557.70	296.30
General Supplies	2,500.00		2,500.00	2,408.94	91.06
Total Learning and/or Language Disabilities	<u>447,623.00</u>	<u>(109,307.00)</u>	<u>338,316.00</u>	<u>337,398.26</u>	<u>917.74</u>
Resource Room/Resource Center:					
Salaries of Teachers	1,364,741.00	(227,496.94)	1,137,244.06	1,116,639.42	20,604.64
Other Salaries for Instruction	16,071.00	28,418.00	44,489.00	41,406.20	3,082.80
General Supplies		112,900.00	112,900.00	112,811.09	88.91
Total Resource Room/Resource Center	<u>1,380,812.00</u>	<u>(86,178.94)</u>	<u>1,294,633.06</u>	<u>1,270,856.71</u>	<u>23,776.35</u>
Autism:					
Salaries of Teachers	248,750.00	10,853.38	259,603.38	259,603.38	
Other Salaries for Instruction	250,491.00	(131,798.92)	118,692.08	118,692.08	
General Supplies	2,500.00	38,938.48	41,438.48	41,091.04	347.44
Total Autism	<u>501,741.00</u>	<u>(82,007.06)</u>	<u>419,733.94</u>	<u>419,386.50</u>	<u>347.44</u>

FORT LEE BOROUGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Preschool Disabilities - Full-Time:					
Salaries of Teachers	\$ 301,644.00	\$ (4,755.00)	\$ 296,889.00	\$ 295,089.56	\$ 1,799.44
Other Salaries for Instruction	283,675.00	51,514.00	335,189.00	331,864.71	3,324.29
Preschool Supplies	4,210.32		4,210.32	3,990.26	220.06
General Supplies		10,000.00	10,000.00	9,858.95	141.05
Total Preschool Disabilities - Full-Time	<u>589,529.32</u>	<u>56,759.00</u>	<u>646,288.32</u>	<u>640,803.48</u>	<u>5,484.84</u>
Total Special Education - Instruction	<u>2,919,705.32</u>	<u>(220,734.00)</u>	<u>2,698,971.32</u>	<u>2,668,444.95</u>	<u>30,526.37</u>
Special Education:					
Basic Skills/Remedial:					
Salaries of Teachers	853,060.00	(103,552.00)	749,508.00	721,896.51	27,611.49
General Supplies		700.00	700.00	694.80	5.20
Total Basic Skills/Remedial	<u>853,060.00</u>	<u>(102,852.00)</u>	<u>750,208.00</u>	<u>722,591.31</u>	<u>27,616.69</u>
Bilingual Education:					
Salaries of Teachers	1,424,914.00	(51,472.00)	1,373,442.00	1,371,507.93	1,934.07
Other Purchased Services (400-500 Series)	300.00		300.00	53.63	246.37
General Supplies	7,790.41	(2,100.00)	5,690.41	5,657.74	32.67
Total Bilingual Education	<u>1,433,004.41</u>	<u>(53,572.00)</u>	<u>1,379,432.41</u>	<u>1,377,219.30</u>	<u>2,213.11</u>
School Sponsored Cocurricular Activities:					
Salaries	241,500.00	17,138.64	258,638.64	258,638.64	
Purchased Services (300-500 Series)	9,500.00	11,000.00	20,500.00	19,558.00	942.00
Supplies & Materials	50,705.48	(8,638.64)	42,066.84	39,765.73	2,301.11
Other Objects	24,650.00	(5,010.00)	19,640.00	18,240.71	1,399.29
Total School Sponsored Cocurricular Activities - Instruction	<u>326,355.48</u>	<u>14,490.00</u>	<u>340,845.48</u>	<u>336,203.08</u>	<u>4,642.40</u>
School Sponsored Athletics:					
Salaries	423,240.00	(21,591.38)	401,648.62	401,648.62	
Purchased Services (300-500 Series)	61,105.00	(2,692.62)	58,412.38	53,268.46	5,143.92
Supplies & Materials	69,015.00	(9,200.00)	59,815.00	58,021.25	1,793.75
Other Objects	23,905.00	14,378.00	38,283.00	32,847.15	5,435.85
Total School Sponsored Cocurricular Athletics - Instruction	<u>577,265.00</u>	<u>(19,106.00)</u>	<u>558,159.00</u>	<u>545,785.48</u>	<u>12,373.52</u>
Before/After School Programs - Instruction:					
Salaries	7,660.00		7,660.00		7,660.00
Total Before/After School Programs - Instruction	<u>7,660.00</u>		<u>7,660.00</u>		<u>7,660.00</u>
Summer School:					
Salaries	\$ 113,560.00	\$ (4,200.00)	\$ 109,360.00	\$ 107,716.32	\$ 1,643.68
Other Salaries for Instruction	40,825.00	4,200.00	45,025.00	44,996.25	28.75
Total Summer School	<u>154,385.00</u>		<u>154,385.00</u>	<u>152,712.57</u>	<u>1,672.43</u>

FORT LEE BOROUGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Total - Instruction	\$ 26,328,459.68	\$ (533,995.85)	\$ 25,794,463.83	\$ 25,347,369.03	\$ 447,094.80
Undistributed Expenditures:					
Instruction:					
Tuition to Other LEA's Within the State - Special	1,072,850.00	(176,824.00)	896,026.00	896,016.90	9.10
Tuition to County Voc. School Dist.- Regular	750,780.00	(10,000.00)	740,780.00	735,851.60	4,928.40
Tuition to CSSD & Reg. Day Schools	906,700.00	3,700.00	910,400.00	908,621.00	1,779.00
Tuition to Priv. Sch. For the Disabled W/I State	1,447,444.00	(34,350.00)	1,413,094.00	1,403,238.05	9,855.95
Tuition to Priv. Sch. For the Disabled & Oth LEAs- Spl, O/S St.	35,000.00	44,712.00	79,712.00	79,711.20	0.80
Tuition- State Facilities	4,500.00	4,500.00	4,500.00	4,500.00	0.00
Total Undistributed Expenditures - Instruction	<u>4,212,774.00</u>	<u>(168,262.00)</u>	<u>4,044,512.00</u>	<u>4,023,438.75</u>	<u>21,073.25</u>
Attendance and Social Work:					
Salaries	89,774.00	1,262.83	91,036.83	91,036.83	0.00
UE AT & SWS SAL FAM SUP	68,514.00	1,400.00	69,914.00	69,905.62	8.38
Purchased Professional and Technical Services	45,893.00	0.00	45,893.00	45,892.50	0.50
Supplies and Materials	2,500.00	(747.83)	1,752.17	1,740.00	12.17
Total Undis. Expend. - Attendance and Social Work	<u>206,681.00</u>	<u>1,915.00</u>	<u>208,596.00</u>	<u>208,574.95</u>	<u>21.05</u>
Health Services:					
Salaries	455,500.00	93,210.00	548,710.00	547,888.98	821.02
Purchased Professional and Technical Services	76,532.00	9,000.00	85,532.00	84,682.00	850.00
Other Purchased Services (400-500 series)	4,450.00	0.00	4,450.00	4,450.00	0.00
Supplies and Materials	13,105.00	10,500.00	23,605.00	8,166.60	15,438.40
Total Undis. Expend. - Health Services	<u>549,587.00</u>	<u>112,710.00</u>	<u>662,297.00</u>	<u>640,737.58</u>	<u>21,559.42</u>
Speech:					
Salaries	673,757.00	(32,955.00)	640,802.00	640,677.63	124.37
Purchased Professional - Educational Services	816,845.00	110,655.00	927,500.00	921,441.51	6,058.49
Supplies and Materials	2,500.00	0.00	2,500.00	2,247.61	252.39
Total Undis. Expend. - Speech	<u>1,493,102.00</u>	<u>77,700.00</u>	<u>1,570,802.00</u>	<u>1,564,366.75</u>	<u>6,435.25</u>
Other Support Services Student Extra Services:					

FORT LEE BOROUGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Salaries	\$ 782,655.00	\$ 583,752.00	\$ 1,366,407.00	\$ 1,319,113.98	\$ 47,293.02
Purchased Professional - Educational Services	520,299.00	36,055.00	556,354.00	510,427.01	45,926.99
Supplies and Materials	25.00	9,210.00	9,235.00	8,861.22	373.78
Total Undis. Expend. - Other Support Services Student Extra Services	<u>1,302,979.00</u>	<u>629,017.00</u>	<u>1,931,996.00</u>	<u>1,838,402.21</u>	<u>93,593.79</u>
Guidance:					
Salaries of Other Professional Staff	936,023.00	38,571.00	974,594.00	968,899.56	5,694.44
Salaries of Secretarial and Clerical Assistants	108,320.00	(600.00)	107,720.00	107,698.76	21.24
Purchased Professional - Educational Services	1,750.00		1,750.00	1,650.00	100.00
Other Purchased Professional and Technical Services	149,500.00	(86,798.00)	62,702.00	41,810.01	20,891.99
Other Purchased Services (400-500 series)	500.00		500.00		500.00
Supplies and Materials	10,779.50	(4,300.00)	6,479.50	6,365.13	114.37
Other Objects	3,800.00		3,800.00	2,813.84	986.16
Total Undis. Expend. - Other Support Services Student - Regular	<u>1,210,672.50</u>	<u>(53,127.00)</u>	<u>1,157,545.50</u>	<u>1,129,237.30</u>	<u>28,308.20</u>
Child Study Team:					
Salaries of Other Professional Staff	957,982.00	119,671.00	1,077,653.00	1,042,613.10	35,039.90
Salaries of Secretarial and Clerical Assistants	161,137.00	5,800.00	166,937.00	166,858.64	78.36
Purchased Professional - Education Services	211,185.00	(190,000.00)	21,185.00	10,997.05	10,187.95
Other Purchased Professional and Technical Services	30,500.00	(10,700.00)	19,800.00	19,690.68	109.32
Other Purchased Services (400-500 series)	1,575.00		1,575.00	566.57	1,008.43
Residential Costs		38,000.00	38,000.00	37,250.40	749.60
Supplies and Materials	15,348.48		15,348.48	15,092.27	256.21
Total Child Study Team	<u>1,377,727.48</u>	<u>(37,229.00)</u>	<u>1,340,498.48</u>	<u>1,293,068.71</u>	<u>47,429.77</u>
Salaries/Improvement of Instruction:					
Salaries of Supervisor - Instruction	435,307.00	(130,506.12)	304,800.88	287,341.10	17,459.78
Salaries of Other Professional Staff	82,140.00	27,796.12	109,936.12	109,936.12	
Purchased Professional - Education Services	20,000.00	11,200.00	31,200.00	31,200.00	
Other Purchased Services (400-500 series)	1,500.00	3,800.00	5,300.00	5,219.27	80.73
Supplies and Materials	4,000.00	(4,000.00)			
Other Objects	6,200.00	(3,300.00)	2,900.00	2,844.60	55.40
Total Salaries/Improvement of Instruction	<u>549,147.00</u>	<u>(95,010.00)</u>	<u>454,137.00</u>	<u>436,541.09</u>	<u>17,595.91</u>
Media:					
Salaries	452,604.00	2,055.00	454,659.00	454,534.32	124.68
UE EMS/SL SALS TECH CORD	107,286.00	705.00	107,991.00	107,989.96	1.04
Purchased Services	20,500.00	(3,565.03)	16,934.97	16,176.20	758.77
Supplies and Materials	87,775.02	25,565.03	113,340.05	100,235.23	13,104.82
Total Media	<u>668,165.02</u>	<u>24,760.00</u>	<u>692,925.02</u>	<u>678,935.71</u>	<u>13,989.31</u>

FORT LEE BOROUGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Instructional Staff Training Services:					
Salaries of Other Professional Staff	\$ 61,415.00	\$ 1,315.00	\$ 62,730.00	\$ 62,729.94	\$ 0.06
Purchased Professional - Education Services	48,000.00	(5,400.00)	42,600.00	7,708.00	34,892.00
Other Purchased Services (400-500 series)	4,200.00	15,750.00	19,950.00	17,329.85	2,620.15
Supplies and Materials	45,000.00	(44,915.00)	85.00	70.05	14.95
Total Instructional Staff Training Services	<u>158,615.00</u>	<u>(33,250.00)</u>	<u>125,365.00</u>	<u>87,837.84</u>	<u>37,527.16</u>
Support Services General Administration:					
Salaries	476,322.00	3,600.00	479,922.00	450,466.16	29,455.84
Salaries - Director HR		96,000.00	96,000.00	71,565.72	24,434.28
Salaries - Treasurer	7,500.00		7,500.00	7,499.96	0.04
Legal Services	120,000.00	9,000.00	129,000.00	112,018.89	16,981.11
Audit Fees	79,344.00	(9,000.00)	70,344.00	38,000.00	32,344.00
General Adm. Arch/E Services	30,000.00	(30,000.00)			
Other Purchased Professional Services	11,000.00	(4,050.00)	6,950.00	5,185.00	1,765.00
Purchased Technical Services	29,500.00	10,000.00	39,500.00	37,193.30	2,306.70
Communications/Telephone	120,422.00	44,800.00	165,222.00	156,421.47	8,800.53
BOE Other Purchased Services	4,300.00	250.00	4,550.00	4,158.94	391.06
Other Purchased Services (400-500 series)	250,186.00	776.35	250,962.35	244,515.49	6,446.86
General Supplies	20,041.24	2,923.65	22,964.89	22,964.89	
BOE In- House Training/Meeting Supplies	200.00	(200.00)			
Judgments Against the School District	20,000.00	(20,000.00)			
Miscellaneous Expenditures	10,400.00	3,158.00	13,558.00	12,698.00	860.00
BOE Membership Dues and Fees	26,500.00	(2,000.00)	24,500.00	23,890.10	609.90
Total Support Services General Administration	<u>1,205,715.24</u>	<u>105,258.00</u>	<u>1,310,973.24</u>	<u>1,186,577.92</u>	<u>124,395.32</u>
Support Services School Administration:					
Salaries of Principals/Assistant Principals	1,603,273.00	(32,600.00)	1,570,673.00	1,568,732.46	1,940.54
Salaries of Secretarial and Clerical Assistants	577,229.00	36,500.00	613,729.00	611,368.00	2,361.00
Unused Vacation Payment to Terminated/Retired Staff		29,800.00	29,800.00	29,800.00	
Other Purchased Services (400-500 series)	9,750.00	1,805.00	11,555.00	3,322.13	8,232.87
Supplies and Materials	40,270.36	4,900.00	45,170.36	33,792.86	11,377.50
Other Objects	19,250.00	(1,605.00)	17,645.00	15,251.50	2,393.50
Total Support Services School Administration	<u>2,249,772.36</u>	<u>38,800.00</u>	<u>2,288,572.36</u>	<u>2,262,266.95</u>	<u>26,305.41</u>

FORT LEE BOROUGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Central Services:					
Salaries	\$ 614,332.00	\$ (3,499.65)	\$ 610,832.35	\$ 569,842.92	\$ 40,989.43
Unused Vacation Payment to Terminated/Retired Staff		7,379.44	7,379.44	7,379.44	
Purchased Professional Services	32,950.00	3,594.50	36,544.50	36,544.50	
Purchased Technical Services	14,700.00	(440.00)	14,260.00	14,260.00	
Miscellaneous Purchased Services (400-500 series)	6,880.00	14,903.30	21,783.30	21,771.58	11.72
Supplies and Materials	26,150.00	(6,237.00)	19,913.00	17,647.33	2,265.67
Interest on Lease Purchase Agreements	27,215.00	(0.59)	27,214.41	27,214.41	
Other Objects	3,000.00		3,000.00	1,513.25	1,486.75
Total Central Services	725,227.00	15,700.00	740,927.00	696,173.43	44,753.57
Admin. Info. Technology:					
Salaries	172,007.00	(5,000.00)	167,007.00	153,691.97	13,315.03
Purchased Technical Services	52,000.00	5,000.00	57,000.00	29,231.24	27,768.76
Other Purchased Services (400-500 series)	3,710.00		3,710.00	1,400.00	2,310.00
Supplies and Materials	68,836.05	(15,700.00)	53,136.05	53,136.05	
Other Objects	882.00		882.00	382.00	500.00
Total Admin. Info Tech.	297,435.05	(15,700.00)	281,735.05	237,841.26	43,893.79
Total Central Services & Admin. Info Tech.	1,022,662.05		1,022,662.05	934,014.69	88,647.36
Allowable Maintenance for School Facilities:					
Salaries	168,391.00	103,000.00	271,391.00	186,295.85	85,095.15
Cleaning, Repair and Maintenance Services	308,323.81	288,553.00	596,876.81	521,572.59	75,304.22
General Supplies	6,750.00	2,000.00	8,750.00	5,092.16	3,657.84
Other Objects	540.00		540.00		540.00
Total Allowable Maintenance for School Facilities	484,004.81	393,553.00	877,557.81	712,960.60	164,597.21
Other Operations and Maintenance of Plant:					
Salaries	1,334,212.00	66,717.00	1,400,929.00	1,389,742.91	11,186.09
Purchased Professional and Technical Services	8,445.00	20,000.00	28,445.00	27,052.70	1,392.30
Cleaning, Repair and Maintenance Services	1,011,266.72	97,489.89	1,108,756.61	1,071,279.58	37,477.03
Rental of Land/Building Not Lease Pur Agrmnt	161,840.00	17,500.00	179,340.00	179,261.00	79.00
Other Purchased Property Services	74,000.00	5,664.11	79,664.11	79,664.11	
Insurance	193,037.00	(30,500.00)	162,537.00	162,432.91	104.09
Travel		2,600.00	2,600.00	1,830.01	769.99
General Supplies	160,352.57	142,237.00	302,589.57	291,183.51	11,406.06
Energy (Natural Gas)	385,000.00	(179,930.00)	205,070.00	82,983.00	122,087.00
Energy (Electricity)	513,500.00	198,000.00	711,500.00	670,575.70	40,924.30
Energy (Gasoline)	20,900.00		20,900.00	13,020.47	7,879.53
Other Objects	1,395.00	6,540.00	7,935.00	7,039.76	895.24
Interest- Energy Savings Improve Prog Bonds	139,008.00		139,008.00	139,007.52	0.48
Total Other Operations and Maintenance of Plant	4,002,956.29	346,318.00	4,349,274.29	4,115,073.18	234,201.11

FORT LEE BOROUGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Care & Upkeep - Grounds:					
Salaries	\$ 20,000.00	\$	\$ 20,000.00	\$ 18,036.13	\$ 1,963.87
Cleaning, Repair and Maintenance Services	164,752.00	(20,000.00)	144,752.00	134,945.97	9,806.03
General Supplies	12,528.00	7,300.00	19,828.00	18,841.56	986.44
Total Care & Upkeep - Grounds	<u>197,280.00</u>	<u>(12,700.00)</u>	<u>184,580.00</u>	<u>171,823.66</u>	<u>12,756.34</u>
Security:					
Salaries	51,000.00	(23,500.00)	27,500.00		27,500.00
Purchased Professional and Technical Services	260,413.00	10,000.00	270,413.00	259,029.31	11,383.69
Cleaning, Repair and Maintenance Services	16,184.55		16,184.55	15,970.20	214.35
General Supplies	23,640.00	9,440.00	33,080.00	28,328.53	4,751.47
Total Security	<u>351,237.55</u>	<u>(4,060.00)</u>	<u>347,177.55</u>	<u>303,328.04</u>	<u>43,849.51</u>
Total Undist. Expend - Other Operations & Maint. of Plant	<u>5,035,478.65</u>	<u>723,111.00</u>	<u>5,758,589.65</u>	<u>5,303,185.48</u>	<u>455,404.17</u>
Student Transportation Services:					
Salaries for Pupil Transportation (Between Home and School) - Sp. Ed	319,143.00	10,100.00	329,243.00	286,168.79	43,074.21
Cleaning, Repair and Maintenance Services	57,000.00		57,000.00	40,994.56	16,005.44
Cont. Serv. - Aid in Lieu of Payments - Non Public	128,180.00		128,180.00	122,787.60	5,392.40
Cont. Serv. (Bet. Home and Sch)- Vendors	179,259.00	5,000.00	184,259.00	181,149.91	3,109.09
Cont. Serv. (Oth. Bet. Home and Sch)- Vendors	96,080.00	(1,499.50)	94,580.50	81,773.29	12,807.21
Contracted Services (Special Education) - Vendors	777,300.00	280,471.50	1,057,771.50	1,057,771.50	
Misc. Purchased Services - Transportation		1,000.00	1,000.00	628.00	372.00
Transportation Supplies	54,000.00	(15,000.00)	39,000.00	22,321.83	16,678.17
Miscellaneous Expenditures	1,000.00		1,000.00	708.00	292.00
Total Student Transportation Services	<u>1,611,962.00</u>	<u>280,072.00</u>	<u>1,892,034.00</u>	<u>1,794,303.48</u>	<u>97,730.52</u>
Allocated Benefits - Employee Benefits:					
Regular Programs - Instruction					
Unused Vac. Payment to Terminated/Retired Staff	331,045.00	(130,246.50)	200,798.50	200,798.50	
Total Regular Programs - Instruction	<u>331,045.00</u>	<u>(130,246.50)</u>	<u>200,798.50</u>	<u>200,798.50</u>	
Attendance and Social Work Services:					
Unused Vac. Payment to Terminated/Retired Staff		1,485.00	1,485.00	1,485.00	
Total Attendance and Social Work Services		<u>1,485.00</u>	<u>1,485.00</u>	<u>1,485.00</u>	
Health Services:					
Unused Vac. Payment to Terminated/Retired Staff	103,210.00	(103,210.00)			
Total Health Services	<u>103,210.00</u>	<u>(103,210.00)</u>			
Other Supp. Serv. - Guidance:					

FORT LEE BOROUGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Unused Vac. Payment to Terminated/Retired Staff	\$ 50,071.00	\$ (50,071.00)	\$	\$	\$
Total Other Supp. Serv. - Guidance	50,071.00	(50,071.00)			
Other Supp. Serv. - Child Study Team:					
Unused Vac. Payment to Terminated/Retired Staff	50,071.00	(50,071.00)			
Total Other Supp. Serv. - Child Study Team	50,071.00	(50,071.00)			
Operation and Maintenance of Plant Service:					
Unused Vac. Payment to Terminated/Retired Staff	69,074.00	(37,071.00)	32,003.00	32,000.38	2.62
Total Operation and Maintenance of Plant Service	69,074.00	(37,071.00)	32,003.00	32,000.38	2.62
Student Transportation Services:					
Unused Vac. Payment to Terminated/Retired Staff	25,000.00		25,000.00	25,000.00	
Total Student Transportation Services	25,000.00		25,000.00	25,000.00	
Total Allocated Benefits	628,471.00	(369,184.50)	259,286.50	259,283.88	2.62
Unallocated Benefits - Employee Benefits:					
Social Security Contributions	693,000.00	(37,889.40)	655,110.60	655,110.60	
Other Retirement Contributions - PERS	625,000.00	(0.60)	624,999.40	621,678.00	3,321.40
Workmen's Compensation	232,782.00	(31,531.50)	201,250.50	201,250.50	
Health Benefits	8,919,900.00	(732,703.38)	8,187,196.62	8,172,449.83	14,746.79
Tuition Reimbursement	118,000.00	(68,658.00)	49,342.00	38,309.26	11,032.74
Unused Vac. Payment to Terminated/Retired Staff	90,114.00	21,448.23	111,562.23	105,625.83	5,936.40
Total Unallocated Benefits - Employee Benefits	10,678,796.00	(849,334.65)	9,829,461.35	9,794,424.02	35,037.33
On-Behalf TPAF Pension Contributions (Nonbudgeted)				4,438,345.00	(4,438,345.00)
Reimbursed TPAF Social Security Contributions (Nonbudgeted)				2,043,426.92	(2,043,426.92)
				6,481,771.92	(6,481,771.92)
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS	11,307,267.00	(1,218,519.15)	10,088,747.85	16,535,479.82	(6,446,731.97)
TOTAL UNDISTRIBUTED EXPENDITURES	34,162,307.30	387,945.85	34,550,253.15	39,916,969.23	(5,366,716.08)
TOTAL GENERAL CURRENT EXPENSE	60,490,766.98	(146,050.00)	60,344,716.98	65,264,338.26	(4,919,621.28)
Capital Outlay:					
Equipment:					
Vocational Programs:					
School-Sponsored and Other Instructional Programs	2,750.00	6,500.00	9,250.00	9,249.98	0.02
Total Equipment	2,750.00	6,500.00	9,250.00	9,249.98	0.02

FORT LEE BOROUGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undistributed Expenditures:					
Undistributed Expenditures - Instruction	\$ 112,594.00	\$ 123,250.00	\$ 235,844.00	\$ 226,432.33	\$ 9,411.67
Undistributed Expenditures - Admin. Info. Tech.	9,636.00		9,636.00	9,636.00	
Undistributed Expenditures - Custodial Services	33,809.00	14,000.00	47,809.00	46,855.33	953.67
Undistributed Expenditures - Care and Upkeep of Grounds	13,987.92	2,300.00	16,287.92	16,287.92	
Total Undistributed Expenditures	<u>170,026.92</u>	<u>139,550.00</u>	<u>309,576.92</u>	<u>299,211.58</u>	<u>10,365.34</u>
Facilities Acquisition and Construction Services:					
Lease Purchase Agreements - Principal	420,313.00		420,313.00	628,739.72	(208,426.72)
Assessment for Debt Serv on SDA Funding	17,534.00		17,534.00	17,534.00	
Total Facilities Acquisition and Construction Services	<u>437,847.00</u>		<u>437,847.00</u>	<u>646,273.72</u>	<u>(208,426.72)</u>
Capital Leases (Nonbudgeted)					
Total Capital Leases (Nonbudgeted)				550,000.00	(550,000.00)
				<u>550,000.00</u>	<u>(550,000.00)</u>
TOTAL CAPITAL OUTLAY	<u>610,623.92</u>	<u>146,050.00</u>	<u>756,673.92</u>	<u>1,504,735.28</u>	<u>(748,061.36)</u>
Transfer of Funds to Charter Schools	9,963.00		9,963.00	9,963.00	
TOTAL EXPENDITURES	<u>61,111,353.90</u>		<u>61,111,353.90</u>	<u>66,779,036.54</u>	<u>(5,667,682.64)</u>
Excess (Deficiency) of Revenues Over/(Under) Expenditures	<u>(1,227,137.90)</u>		<u>(1,227,137.90)</u>	<u>172,944.33</u>	<u>1,400,082.23</u>
Other Financing Sources (Uses):					
Capital Leases (Nonbudgeted)				550,000.00	(550,000.00)
Total Other Financing Sources (Uses)				<u>550,000.00</u>	<u>(550,000.00)</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	<u>(1,227,137.90)</u>		<u>(1,227,137.90)</u>	<u>722,944.33</u>	<u>850,082.23</u>
Fund Balances, July 1	<u>4,756,021.00</u>		<u>4,756,021.00</u>	<u>4,756,021.00</u>	
Fund Balances, June 30	<u>\$ 3,528,883.10</u>	<u>\$ -</u>	<u>\$ 3,528,883.10</u>	<u>\$ 5,478,965.33</u>	<u>\$ 850,082.23</u>

FORT LEE BOROUGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Recapitulation:					
Restricted Fund Balance:					
Capital Reserve				\$ 2,755,255.61	
Emergency Reserve				250,000.00	
Assigned Fund Balance:					
Designated for Subsequent Year's Expenditures				529,692.00	
Year-End Encumbrances				194,522.95	
Unassigned Fund Balance				<u>1,749,494.77</u>	
Total				5,478,965.33	
Reconciliation to Governmental Funds Statements (GAAP):					
Last State Aid Payment Not Recognized on GAAP Basis				<u>126,530.00</u>	
Fund Balance per Governmental Funds (GAAP)				<u>\$ 5,352,435.33</u>	

FORT LEE BOROUGH SCHOOL DISTRICT
 BUDGETARY COMPARISON SCHEDULE
 SPECIAL REVENUE FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES					
Federal Sources	\$ 1,306,263.00	\$ 648,722.24	\$ 1,954,985.24	\$ 1,700,251.14	\$ 254,734.10
State Sources	<u>103,099.00</u>	<u>41,236.00</u>	<u>144,335.00</u>	<u>127,081.68</u>	<u>17,253.32</u>
Total Revenues	<u>\$ 1,409,362.00</u>	<u>\$ 689,958.24</u>	<u>\$ 2,099,320.24</u>	<u>\$ 1,827,332.82</u>	<u>\$ 271,987.42</u>
EXPENDITURES					
Instruction:					
Salaries of Teachers	\$ 423,000.00	\$ 227,600.27	\$ 650,600.27	\$ 567,987.74	\$ 82,612.53
Other Purchased Services (400 - 500)		16,050.00	16,050.00		16,050.00
Tuition	525,201.00	207,790.00	732,991.00	711,009.56	21,981.44
General Supplies	64,704.00	258,532.97	323,236.97	214,459.84	108,777.13
Textbooks	<u>11,296.00</u>	<u>1,837.00</u>	<u>13,133.00</u>	<u>12,067.49</u>	<u>1,065.51</u>
Total Instruction	<u>1,024,201.00</u>	<u>711,810.24</u>	<u>1,736,011.24</u>	<u>1,505,524.63</u>	<u>230,486.61</u>
Support Services:					
Employee Benefits	105,750.00	61,233.00	166,983.00	166,983.00	
Purchased Professional - Educational Services	278,800.00	(95,449.50)	183,350.50	149,050.19	34,300.31
Other Purchased Services		5,775.50	5,775.50	5,775.00	0.50
Travel		6,200.00	6,200.00		6,200.00
Supplies and Materials	611.00	(611.00)			
Other Objects		1,000.00	1,000.00	0.00	1,000.00
Total Support Services	<u>385,161.00</u>	<u>(21,852.00)</u>	<u>363,309.00</u>	<u>321,808.19</u>	<u>41,500.81</u>
Total Expenditures	<u>\$ 1,409,362.00</u>	<u>\$ 689,958.24</u>	<u>\$ 2,099,320.24</u>	<u>\$ 1,827,332.82</u>	<u>\$ 271,987.42</u>

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PART II

FORT LEE BOROUGH SCHOOL DISTRICT
 REQUIRED SUPPLEMENTARY INFORMATION
 BUDGET-TO-GAAP RECONCILIATION
 NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Explanation of Differences between Budgetary Inflows and
 Outflows and GAAP Revenues and Expenditures

		<u>General Fund</u>		<u>Special Revenue Fund</u>
Sources/Inflows of Resources:				
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	C-1	\$ 66,951,980.87	C-2	\$ 1,827,332.82
Difference - Budget-to-GAAP:				
State aid payments recognized for GAAP statements in the current year, previously recognized for budgetary purposes.		123,852.00		
State aid payments recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.		<u>(126,530.00)</u>		
Total revenue as reported on the statement of revenue, expenditures, and changes in fund balances - governmental funds	B-2	<u>\$ 66,949,302.87</u>	B-2	<u>\$ 1,827,332.82</u>
Uses/Outflows of Resources:				
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	C-1	<u>\$ 66,779,036.54</u>	C-2	<u>\$ 1,827,332.82</u>
Total expenditures as reported on the statement of revenue, expenditures, and changes in fund balances - governmental funds	B-2	<u>\$ 66,779,036.54</u>	B-2	<u>\$ 1,827,332.82</u>

REQUIRED SUPPLEMENTARY INFORMATION - PART III

L. SCHEDULES RELATED TO ACCOUNTING AND REPORTING FOR PENSIONS (GASB 68)

Note: GASB 68 requires that ten years of statistical data be presented. The following unaudited information is presented utilizing information available. Data for the latest years available has been presented. Each year hereafter, an additional year's data will be included until ten years of data is presented.

FORT LEE BOROUGH SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY -
PUBLIC EMPLOYEES' RETIREMENT SYSTEM
LAST TWO FISCAL YEARS
(Unaudited)

L-1

	Fiscal Year Ending June 30,	
	2015	2014
District's proportion of the net pension liability (asset)	7.23106900%	7.34123712%
District's proportionate share of the net pension liability (asset)	\$ 621,678	\$ 605,201
State's proportionate share of the net pension liability (asset) associated with the District	22,447,996,119	18,722,735,003
Total	\$ 22,448,617,797	\$ 18,723,340,204
District's covered-employee payroll	\$ 4,654,678	\$ 4,563,410
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	13.36%	13.26%
Plan fiduciary net position as a percentage of the total pension liability	47.93%	52.08%

**FORT LEE BOROUGH SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT CONTRIBUTIONS
PUBLIC EMPLOYEES' RETIREMENT SYSTEM
LAST THREE FISCAL YEARS
(Unaudited)**

L-2

	Fiscal Year Ending June 30,		
	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 621,678	\$ 611,780	\$ 539,873
Contributions in relation to the contractually required contribution	<u>(621,678)</u>	<u>(611,780)</u>	<u>(539,873)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	*	\$ 4,654,678	\$ 4,563,410
Contributions as a percentage of covered-employee payroll	-	13.14%	11.83%

* Data was not provided by School District.

FORT LEE BOROUGH SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY -
TEACHERS' PENSION AND ANNUITY FUND
LAST TWO FISCAL YEARS
(Unaudited)

L-3

	Fiscal Year Ending June 30,	
	2015	2014
District's proportion of the net pension liability (asset)	0.2639110753%	0.2535995199%
District's proportionate share of the net pension liability (asset)	\$ 166,803,085	\$ 135,540,690
State's proportionate share of the net pension liability (asset) associated with the District	63,204,270,305	53,446,745,367
Total	\$ 63,371,073,390	\$ 53,582,286,057
District's covered-employee payroll	\$ 26,557,941	\$ 24,914,404
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	628.07%	544.03%
Plan fiduciary net position as a percentage of the total pension liability	28.71%	33.64%

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION - PART III

**FORT LEE BOROUGH SCHOOL DISTRICT
COUNTY OF BERGEN**

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION - PART III
FOR THE YEAR ENDED JUNE 30, 2016**

Changes of Benefit Terms and Changes of Assumptions

Refer to Note 6 on the Notes to Financial Statements for benefits and assumptions.

OTHER SUPPLEMENTARY INFORMATION

D. SCHOOL BASED BUDGET SCHEDULES (IF APPLICABLE)

E. SPECIAL REVENUE FUND

FORT LEE BOROUGH SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Total Brought Forward E-1a	NCLB Title I FY 15-16	NCLB Title II, A FY 15-16	NCLB Title III FY 15-16	NCLB Title III Immigrant FY 15-16	IDEA Part - B FY 15-16	IDEA Part - B FY 14-15	Totals 2016
REVENUE								
Federal Sources	\$ 20,298.00	\$ 420,994.50	\$ 119,759.95	\$ 133,677.28	\$ 91,829.34	\$ 780,198.62	\$ 133,493.45	\$ 1,700,251.14
State Sources	127,081.68							127,081.68
Total Revenue	\$ 147,379.68	\$ 420,994.50	\$ 119,759.95	\$ 133,677.28	\$ 91,829.34	\$ 780,198.62	\$ 133,493.45	\$ 1,827,332.62
EXPENDITURES								
Instruction:								
Salaries of Teachers	\$	\$ 249,776.48	\$ 84,229.95	\$ 99,729.84	\$	\$ 69,454.06	\$ 84,797.41	\$ 567,987.74
Tuition	20,298.00		7,100.00			683,611.56		711,009.56
General Supplies	5,365.50	98,562.02		8,017.44	75,399.34		27,095.54	214,459.84
Textbooks	12,067.49							12,067.49
Total Instruction	37,750.99	348,338.50	91,329.95	107,747.28	75,399.34	753,065.62	91,892.95	1,505,524.63
Support Services:								
Employee Benefits		68,206.00	23,430.00	25,930.00		27,133.00	22,284.00	166,983.00
Purchased Professional - Educational Services	103,853.69	4,450.00	5,000.00		16,430.00		19,316.50	149,050.19
Other Purchased Services	5,775.00							5,775.00
Total Support Services	109,628.69	72,656.00	28,430.00	25,930.00	16,430.00	27,133.00	41,600.50	321,808.19
Total Expenditures	147,379.68	420,994.50	119,759.95	133,677.28	91,829.34	780,198.62	133,493.45	1,827,332.62
Excess (Deficiency) of Revenues and Over/(Under) Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

FORT LEE BOROUGH SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Total Brought Forward E-1b	IDEA Part - B Preschool FY 15-16	Nonpublic Security Ajd	Nonpublic Nursing Services	Chapter 192 Compensatory Education	Chapter 192 ESL	Totals 2016
REVENUE							
Federal Sources	\$ -	\$ 20,298.00	\$ -	\$ -	\$ -	\$ -	\$ 20,298.00
State Sources	45,746.88	-	5,775.00	20,790.00	35,702.46	19,067.34	127,081.68
Total Revenue	<u>\$ 45,746.88</u>	<u>\$ 20,298.00</u>	<u>\$ 5,775.00</u>	<u>\$ 20,790.00</u>	<u>\$ 35,702.46</u>	<u>\$ 19,067.34</u>	<u>\$ 147,379.68</u>
EXPENDITURES							
Instruction:							
Salaries of Teachers	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Tuition	-	20,298.00	-	-	-	-	20,298.00
General Supplies	5,385.50	-	-	-	-	-	5,385.50
Textbooks	12,067.49	-	-	-	-	-	12,067.49
Total Instruction	<u>17,452.99</u>	<u>20,298.00</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>37,750.99</u>
Support Services:							
Employee Benefits	-	-	-	-	-	-	-
Purchased Professional - Educational Services	28,293.89	-	-	20,790.00	35,702.46	19,067.34	103,853.69
Other Purchased Services	-	-	5,775.00	-	-	-	5,775.00
Total Support Services	<u>28,293.89</u>	<u>-</u>	<u>5,775.00</u>	<u>20,790.00</u>	<u>35,702.46</u>	<u>19,067.34</u>	<u>109,828.69</u>
Total Expenditures	<u>45,746.88</u>	<u>20,298.00</u>	<u>5,775.00</u>	<u>20,790.00</u>	<u>35,702.46</u>	<u>19,067.34</u>	<u>147,379.68</u>
Excess (Deficiency) of Revenues Over/(Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

FORT LEE BOROUGH SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Chapter 193 Supplemental Instruction	Chapter 193 Exam & Classification	Chapter 193 Corrective Speech	Chapter 194 Nonpublic Textbook	Nonpublic Technology Aid	Totals Carried Forward 2016
REVENUE						
Federal Sources	\$	\$	\$	\$	\$	\$
State Sources	3,787.11	14,306.76	10,200.02	12,067.49	5,385.50	45,746.88
Total Revenue	<u>\$ 3,787.11</u>	<u>\$ 14,306.76</u>	<u>\$ 10,200.02</u>	<u>\$ 12,067.49</u>	<u>\$ 5,385.50</u>	<u>\$ 45,746.88</u>
EXPENDITURES						
Instruction:						
Salaries of Teachers	\$	\$	\$	\$	\$	\$
Tuition						
General Supplies					5,385.50	5,385.50
Textbooks				12,067.49		12,067.49
Total Instruction				<u>12,067.49</u>	<u>5,385.50</u>	<u>17,452.99</u>
Support Services:						
Employee Benefits						
Purchased Professional - Educational Services	3,787.11	14,306.76	10,200.02			28,293.89
Other Purchased Services						
Total Support Services	<u>3,787.11</u>	<u>14,306.76</u>	<u>10,200.02</u>			<u>28,293.89</u>
Total Expenditures	<u>3,787.11</u>	<u>14,306.76</u>	<u>10,200.02</u>	<u>12,067.49</u>	<u>5,385.50</u>	<u>45,746.88</u>
Excess (Deficiency) of Revenues Over/(Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

F. CAPITAL PROJECTS FUND

**FORT LEE BOROUGH SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

<u>Project Title/Issue</u>	<u>Approval Date</u>	<u>Revised Budgetary Appropriations</u>	<u>GAAP Expenditures to Date</u>		<u>Unexpended Appropriation June 30, 2016</u>
			<u>Prior Years</u>	<u>Current Year</u>	
High School Window Replacement	2011-2012	\$ 1,050,000.00	\$ 53,000.00	\$ 976,644.75	\$ 20,355.25
School 4 HVAC Upgrades	2011-2012	3,260,632.00	3,120,392.00	140,240.00	
School 4 Roof Replacements	2011-2012	480,303.00	452,449.00	27,252.12	601.88
Lewis F. Cole Middle School Additions and Rehabilitations	2011-2012	13,005,265.00	10,379,024.00	1,988,540.06	637,700.94
Lewis F. Cole Middle School Interior Alterations	2011-2012	1,062,427.00	855,151.00	207,276.00	
Lewis F. Cole Middle School Additions	2014-2015	37,175,000.00	347,622.96	3,184,152.04	33,643,225.00
School 2 Additions	2014-2015	10,970,000.00	143,204.00	854,073.61	9,972,722.39
High School Field Improvements	2014-2015	<u>1,695,000.00</u>	<u>382,696.00</u>	<u>1,205,670.38</u>	<u>106,633.62</u>
		<u>\$ 68,698,627.00</u>	<u>\$ 15,733,538.96</u>	<u>\$ 8,583,848.96</u>	<u>\$ 44,381,239.08</u>

FORT LEE BOROUGH SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2016

Revenues and Other Financing Sources:	
Interest on Investments	\$ 12,618.28
Total Revenues	<u>12,618.28</u>
Expenditures and Other Financing Uses:	
Purchased Professional and Technical Services	2,053,087.71
Construction Services	<u>6,530,761.25</u>
Total Expenditures	<u>8,583,848.96</u>
Excess (Deficiency) of Revenues Over/(Under) Expenditures	<u>(8,571,230.68)</u>
Other Financing Sources (Uses):	
Transfer Out:	
Debt Service Fund	<u>(12,618.28)</u>
Total other Financing Sources (Uses)	<u>(12,618.28)</u>
Net Change in Fund Balance	(8,583,848.96)
Fund Balance - Beginning	<u>52,965,088.04</u>
Fund Balance - Ending	<u>\$ 44,381,239.08</u>

FORT LEE BOROUGH SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS
BUDGETARY BASIS
HIGH SCHOOL WINDOW REPLACEMENT
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2016

	<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	\$ 420,000.00	\$	\$ 420,000.00	\$ 420,000.00
Bond Proceeds and Transfers	630,000.00		630,000.00	630,000.00
Total Revenues	<u>1,050,000.00</u>	<u>-</u>	<u>1,050,000.00</u>	<u>1,050,000.00</u>
Expenditures and Other Financing Uses:				
Purchased Professional and Technical Services	53,000.00	67,423.25	120,423.25	196,900.00
Construction Services		909,221.50	909,221.50	853,100.00
Total Expenditures	<u>53,000.00</u>	<u>976,644.75</u>	<u>1,029,644.75</u>	<u>1,050,000.00</u>
Excess (Deficiency) of Revenues Over/(Under) Expenditures	<u>\$ 997,000.00</u>	<u>\$(976,644.75)</u>	<u>\$ 20,355.25</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 Authorized Cost	\$ 1,050,000.00			
Additional Authorized Cost				
Revised Authorized Cost	\$ 1,050,000.00			
Percentage Increase Over Original Authorized Cost				
Percentage Completion	5%			
Original Target Completion Date	9/30/2013			
Revised Target Completion Date				

FORT LEE BOROUGH SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS
BUDGETARY BASIS
SCHOOL 4 HVAC UPGRADES
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2016

	<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	\$ 1,304,252.00	\$	\$ 1,304,252.00	\$ 1,304,252.00
Bond Proceeds and Transfers	1,956,380.00		1,956,380.00	1,956,380.00
Total Revenues	<u>3,260,632.00</u>	<u>-</u>	<u>3,260,632.00</u>	<u>3,260,632.00</u>
Expenditures and Other Financing Uses:				
Purchased Professional and Technical Services	367,015.00	21,117.03	388,132.03	383,321.00
Construction Services	2,753,377.00	119,122.97	2,872,499.97	2,877,311.00
Total Expenditures	<u>3,120,392.00</u>	<u>140,240.00</u>	<u>3,260,632.00</u>	<u>3,260,632.00</u>
Excess (Deficiency) of Revenues Over/(Under) Expenditures	<u>\$ 140,240.00</u>	<u>\$ (140,240.00)</u>	<u>\$ -</u>	<u>\$ -</u>
Additional Project Information:				
Project Number	1550-050-10-1013			
Grant Date	9/28/2010			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$ 4,140,000.00			
Additional Authorized Cost	(879,368.00)			
Revised Authorized Cost	<u>\$ 3,260,632.00</u>			
Percentage Increase Over Original Authorized Cost	-21%			
Percentage Completion	96%			
Original Target Completion Date	9/30/2014			
Revised Target Completion Date				

FORT LEE BOROUGH SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS
BUDGETARY BASIS
SCHOOL 4 ROOF REPLACEMENT
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2016

	<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	\$ 192,121.00	\$	\$ 192,121.00	\$ 192,121.00
Bond Proceeds and Transfers	288,182.00		288,182.00	288,182.00
Total Revenues	<u>480,303.00</u>	<u>-</u>	<u>480,303.00</u>	<u>480,303.00</u>
Expenditures and Other Financing Uses:				
Purchased Professional and Technical Services	45,433.00	2,291.26	47,724.26	48,326.00
Construction Services	407,016.00	24,960.86	431,976.86	431,977.00
Total Expenditures	<u>452,449.00</u>	<u>27,252.12</u>	<u>479,701.12</u>	<u>480,303.00</u>
Excess (Deficiency) of Revenues Over/(Under) Expenditures	<u>\$ 27,854.00</u>	<u>\$ (27,252.12)</u>	<u>\$ 601.88</u>	<u>\$ -</u>
Additional Project Information:				
Project Number	1550-050-10-1014			
Grant Date	9/28/2010			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$ 532,000.00			
Additional Authorized Cost	<u>(51,697.00)</u>			
Revised Authorized Cost	<u>\$ 480,303.00</u>			
Percentage Increase Over Original Authorized Cost	-31%			
Percentage Completion	100%			
Original Target Completion Date	9/30/2013			
Revised Target Completion Date				

FORT LEE BOROUGH SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS
BUDGETARY BASIS
LEWIS F. COLE MIDDLE SCHOOL ADDITIONS AND REHABILITATION
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2016

	<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	\$ 1,557,180.00	\$	\$ 1,557,180.00	\$ 1,557,180.00
Bond Proceeds and Transfers	11,448,085.00	<u> </u>	11,448,085.00	11,448,085.00
Total Revenues	<u>13,005,265.00</u>	<u> </u>	<u>13,005,265.00</u>	<u>13,005,265.00</u>
Expenditures and Other Financing Uses:				
Purchased Professional and Technical Services	1,341,573.00	210,538.71	1,552,111.71	1,584,253.00
Construction Services	9,024,746.00	1,778,001.35	10,802,747.35	11,108,010.00
Equipment Purchases	12,705.00	<u> </u>	12,705.00	313,002.00
Total Expenditures	<u>10,379,024.00</u>	<u>1,988,540.06</u>	<u>12,367,564.06</u>	<u>13,005,265.00</u>
Excess (Deficiency) of Revenues Over/(Under) Expenditures	<u>\$ 2,626,241.00</u>	<u>\$ (1,988,540.06)</u>	<u>\$ 637,700.94</u>	<u>\$ -</u>
Additional Project Information:				
Project Number	1550-050-10-1018			
Grant Date	9/28/2010			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$ 9,660,000.00			
Additional Authorized Cost	<u>3,345,265.00</u>			
Revised Authorized Cost	<u>\$ 13,005,265.00</u>			
Percentage Increase Over Original				
Authorized Cost	35%			
Percentage Completion	95%			
Original Target Completion Date	9/30/2014			
Revised Target Completion Date				

FORT LEE BOROUGH SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS
BUDGETARY BASIS
LEWIS F. COLE MIDDLE SCHOOL INTERIOR ALTERATIONS
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2016

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources:				
State sources - SCC Grant	\$ 424,971.00	\$ -	\$ 424,971.00	\$ 424,971.00
Bond Proceeds and Transfers	637,456.00	-	637,456.00	637,456.00
Total Revenues	1,062,427.00	-	1,062,427.00	1,062,427.00
Expenditures and Other Financing Uses:				
Purchased Professional and Technical Services	158,261.00	29,835.64	188,096.64	192,557.00
Construction Services	696,890.00	177,440.36	874,330.36	869,870.00
Total Expenditures	855,151.00	207,276.00	1,062,427.00	1,062,427.00
Excess (Deficiency) of Revenues Over/(Under) Expenditures	\$ 207,276.00	\$(207,276.00)	\$ -	\$ -
Additional Project Information:				
Project Number	1550-050-10-1019			
Grant Date	9/28/2010			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$ 1,600,000.00			
Additional Authorized Cost	(537,573.00)			
Revised Authorized Cost	\$ 1,062,427.00			
Percentage Increase Over Original Authorized Cost	-34%			
Percentage Completion	100%			
Original Target Completion Date	9/30/2014			
Revised Target Completion Date				

FORT LEE BOROUGH SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS
BUDGETARY BASIS
LEWIS F. COLE MIDDLE SCHOOL ADDITIONS
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2016

	<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	\$ 37,175,000.00	\$	37,175,000.00	37,175,000.00
Total Revenues	<u>37,175,000.00</u>	<u>-</u>	<u>37,175,000.00</u>	<u>37,175,000.00</u>
Expenditures and Other Financing Uses:				
Purchased Professional and Technical Services	327,824.00	1,283,567.42	1,611,391.42	3,729,691.00
Construction Services	19,798.96	1,900,584.62	1,920,383.58	33,445,309.00
Total Expenditures	<u>347,622.96</u>	<u>3,184,152.04</u>	<u>3,531,775.00</u>	<u>37,175,000.00</u>
Excess (Deficiency) of Revenues Over/(Under) Expenditures	<u>\$ 36,827,377.04</u>	<u>\$ (3,184,152.04)</u>	<u>\$ 33,643,225.00</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 Authorized Cost	\$ 37,175,000.00			
Additional Authorized Cost				
Revised Authorized Cost	<u>\$ 37,175,000.00</u>			
Percentage Increase Over Original Authorized Cost				
Percentage Completion	0%			
Percentage Completion	10%			
Original Target Completion Date	12/31/2016			
Revised Target Completion Date				

FORT LEE BOROUGH SCHOOL DISTRICT
 CAPITAL PROJECTS FUND
 SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS
 BUDGETARY BASIS
 SCHOOL 2 ADDITIONS
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2016

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources:				
Bond Proceeds and Transfers	\$ 10,970,000.00	\$ _____	\$ 10,970,000.00	\$ 10,970,000.00
Total Revenues	<u>10,970,000.00</u>	<u>_____</u>	<u>10,970,000.00</u>	<u>10,970,000.00</u>
Expenditures and Other Financing Uses:				
Purchased Professional and Technical Services	137,303.00	426,961.11	564,264.11	1,096,019.00
Construction Services	5,901.00	427,112.50	433,013.50	9,873,981.00
Total Expenditures	<u>143,204.00</u>	<u>854,073.61</u>	<u>997,277.61</u>	<u>10,970,000.00</u>
Excess (Deficiency) of Revenues Over/(Under) Expenditures	<u>\$ 10,826,796.00</u>	<u>\$(854,073.61)</u>	<u>\$ 9,972,722.39</u>	<u>\$ _____</u>
Additional Project Information:				
Project Number	1550-100-14-1000			
Grant Date	8/8/2014			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$ 10,970,000.00			
Additional Authorized Cost	_____			
Revised Authorized Cost	<u>\$ 10,970,000.00</u>			
Percentage Increase Over Original Authorized Cost				
	0%			
Percentage Completion				
	9%			
Original Target Completion Date				
	11/30/2015			
Revised Target Completion Date				

FORT LEE BOROUGH SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS
BUDGETARY BASIS
HIGH SCHOOL FIELD IMPROVEMENTS
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2016

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources:				
Bond Proceeds and Transfers	\$ 1,695,000.00	\$	1,695,000.00	1,695,000.00
Total Revenues	<u>1,695,000.00</u>	<u>-</u>	<u>1,695,000.00</u>	<u>1,695,000.00</u>
Expenditures and Other Financing Uses:				
Purchased Professional and Technical Services	75,621.00	11,353.29	86,974.29	155,000.00
Construction Services	<u>307,075.00</u>	<u>1,194,317.09</u>	<u>1,501,392.09</u>	<u>1,540,000.00</u>
Total Expenditures	<u>382,696.00</u>	<u>1,205,670.38</u>	<u>1,588,366.38</u>	<u>1,695,000.00</u>
Excess (Deficiency) of Revenues Over/(Under) Expenditures	<u>\$ 1,312,304.00</u>	<u>\$ (1,205,670.38)</u>	<u>\$ 106,633.62</u>	<u>\$ -</u>
Additional Project Information:				
Project Number				
Grant Date	8/8/2014			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$ 1,695,000.00			
Additional Authorized Cost				
Revised Authorized Cost	<u>\$ 1,695,000.00</u>			
Percentage Increase Over Original Authorized Cost	0%			
Percentage Completion	94%			
Original Target Completion Date	12/31/2016			
Revised Target Completion Date				

G. PROPRIETARY FUNDS

ENTERPRISE FUND

**FORT LEE BOROUGH SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2016**

	Business-Type Activities <u>Enterprise Fund</u> Food Service
<u>ASSETS</u>	
Current Assets:	
Cash and Cash Equivalents	\$ 142,784.93
Interfunds Receivable	127,993.16
Accounts Receivable:	
State Sources	2,915.92
Federal Sources	81,262.47
Inventories	12,831.13
Total Current Assets	<u>367,787.61</u>
Noncurrent Assets:	
Capital Assets:	
Equipment	449,143.06
Less Accumulated Depreciation	<u>(375,107.27)</u>
Total Capital Assets (Net of Accumulated Depreciation)	<u>74,035.79</u>
Total Assets	<u>\$ 441,823.40</u>
<u>LIABILITIES</u>	
Accounts Payable	\$ 70,085.90
Prepaid revenue	<u>16,611.81</u>
Total Liabilities	<u>\$ 86,697.71</u>
<u>NET POSITION</u>	
Net Investment in Capital Assets	\$ 74,035.79
Unrestricted	<u>281,089.90</u>
Total Net Position	<u>\$ 355,125.69</u>

**FORT LEE BOROUGH SCHOOL DISTRICT
COMBINING SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2016**

	Business-Type Activities Enterprise Fund <u>Food Service</u>
Operating Revenues:	
Charges for Services:	
Daily Sales - Reimbursable Programs	\$ 930,775.82
Daily Sales - Nonreimbursable Programs	<u>34,175.70</u>
Total Operating Revenues	<u>964,951.52</u>
Operating Expenses:	
Cost of Sales	632,283.39
Salaries	542,677.88
Other Purchased Services	46,592.31
Food Distribution Program - Net	45,437.23
Management Fee	128,616.90
Depreciation	<u>22,289.81</u>
Total Operating Expenses	<u>1,417,897.52</u>
Operating Loss	<u>(452,946.00)</u>
Nonoperating Revenues:	
State Sources:	
State School Lunch Program	14,010.26
Federal Sources:	
National School Lunch Program	326,131.47
National School Breakfast Program	35,547.99
HHFK Program	19,041.66
Food Distribution Program	<u>45,437.23</u>
Total Nonoperating Revenues	<u>440,168.61</u>
Change in Net Position	(12,777.39)
Total Net Position - Beginning	<u>367,903.08</u>
Total Net Position - Ending	<u>\$ 355,125.69</u>

**FORT LEE BOROUGH SCHOOL DISTRICT
COMBINING STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2016**

	<u>Business-Type Activities Enterprise Fund Food Service</u>
<u>Cash Flows from Operating Activities</u>	
Receipts from Customers	\$ 965,876.09
Payments to Vendors	<u>(1,402,473.64)</u>
Net Cash Used for Operating Activities	<u>(436,597.55)</u>
<u>Cash Flows from Noncapital Financing Activities</u>	
State and Federal Sources	265,041.28
Miscellaneous	45,437.23
Interfund Adjustment	<u>51,697.67</u>
Net Cash Provided by Noncapital Financing Activities	<u>362,176.18</u>
Net Increase in Cash and Cash Equivalents	(74,421.37)
Balances - Beginning of Year	<u>217,206.30</u>
Balances - End of Year	<u>\$ 142,784.93</u>
<u>Reconciliation of Operating Loss to Net Cash Used by Operating Activities</u>	
Operating Loss	\$ (452,946.00)
Adjustments to Reconcile Operating Loss to Cash Used by Operating Activities:	
Depreciation	22,289.81
Change in Assets and Liabilities:	
(Increase)/Decrease in Inventory	(4,289.74)
Increase/(Decrease) in Prepaid Revenue	924.57
Increase/(Decrease) in Accounts Payable	<u>(2,576.19)</u>
Total Adjustments	<u>16,348.45</u>
Net Cash Used by Operating Activities	<u>\$ (436,597.55)</u>

INTERNAL SERVICE FUND

H. FIDUCIARY FUNDS

**FORT LEE BOROUGH SCHOOL DISTRICT
COMBINING STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2016**

<u>ASSETS</u>	<u>Private Purpose Scholarship Fund</u>	<u>Unemployment Compensation Trust</u>	<u>Agency Fund</u>
Cash and Cash Equivalents	\$ 26,739.28	\$ 245,517.41	\$ 581,794.85
Miscellaneous Receivables			4,054.27
Interfunds Receivable		12,304.65	81,980.34
		<u>12,304.65</u>	<u>81,980.34</u>
Total Assets	<u>\$ 26,739.28</u>	<u>\$ 257,822.06</u>	<u>\$ 667,829.46</u>
<u>LIABILITIES</u>			
Payroll Deductions and Withholdings			\$ 529,828.23
Interfunds Payable			22,780.37
Due to Student Groups			115,220.86
Due to State of NJ - Unemployment		2,574.60	
Total Liabilities	<u>\$ -</u>	<u>\$ 2,574.60</u>	<u>\$ 667,829.46</u>
<u>NET POSITION</u>			
Reserved:			
Principal Portion	5,000.00		
Held in Trust for Unemployment Claims and Other Purposes		<u>\$ 255,247.46</u>	
Reserved for Scholarships	<u>21,739.28</u>		
	<u>\$ 26,739.28</u>		

**FORT LEE BOROUGH SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>Private Purpose Scholarship Fund</u>	<u>Unemployment Compensation Trust</u>
Additions:		
Contributions:		
Donations	\$ 1,981.00	\$
Plan Members		52,608.36
Total Additions	<u>1,981.00</u>	<u>52,608.36</u>
Deductions:		
Payments to Department of Labor		120,833.03
Scholarship Awarded	6,500.00	
Total Deductions	<u>6,500.00</u>	<u>120,833.03</u>
Change in Net Position	(4,519.00)	(68,224.67)
Total Net Position - Beginning	<u>31,258.28</u>	<u>323,472.13</u>
Total Net Position - Ending	<u>\$ 26,739.28</u>	<u>\$ 255,247.46</u>

**FORT LEE BOROUGH SCHOOL DISTRICT
STUDENT ACTIVITY AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

<u>School</u>	<u>Balance June 30, 2015</u>	<u>Cash Receipts</u>	<u>Cash Disbursed</u>	<u>Balance June 30, 2016</u>
School #1: Student Activity	\$ 5,344.89	\$ 8,265.15	\$ 8,016.61	\$ 5,593.43
School #2: Student Activity	2,370.23	13,634.48	10,534.99	5,469.72
School #3: Student Activity	682.67	5,675.47	3,996.29	2,361.85
School #4: Student Activity	3,715.24	24,290.89	14,806.22	13,199.91
Middle School: Student Activity	5,169.76	32,345.75	32,009.36	5,506.15
High School: Student Activity	44,628.66	97,039.33	74,144.07	67,523.92
Athletic Department: General	<u>11,355.00</u>	<u>51,825.13</u>	<u>47,614.25</u>	<u>15,565.88</u>
Total	<u>\$ 73,266.45</u>	<u>\$ 233,076.20</u>	<u>\$ 191,121.79</u>	<u>\$ 115,220.86</u>

**FORT LEE BOROUGH SCHOOL DISTRICT
PAYROLL AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

<u>ASSETS</u>	<u>Balance July 1, 2015</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2016</u>
Cash and Cash Equivalents	\$ 314,009.70	\$41,533,779.38	\$41,381,215.09	\$ 466,573.99
Interfunds Receivable		81,980.34		81,980.34
Account Receivable	<u>1,745.00</u>	<u>4,054.27</u>	<u>1,745.00</u>	<u>4,054.27</u>
Total Assets	<u>\$ 315,754.70</u>	<u>\$41,619,813.99</u>	<u>\$41,382,960.09</u>	<u>\$ 552,608.60</u>
<u>LIABILITIES</u>				
Payroll Deductions and Withholdings	\$ 283,847.08	\$ 19,616,321.52	\$ 19,370,340.37	\$ 529,828.23
Net Salaries and Wages	-	21,871,832.00	21,871,832.00	
Flex Spending Account	4,429.77	95,964.97	100,394.74	
Interfunds Payable	<u>27,477.85</u>	<u>35,695.50</u>	<u>40,392.98</u>	<u>22,780.37</u>
Total Liabilities	<u>\$ 315,754.70</u>	<u>\$41,619,813.99</u>	<u>\$41,382,960.09</u>	<u>\$ 552,608.60</u>

I. LONG-TERM DEBT

**FORT LEE BOROUGH SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities</u>		<u>Interest Rate</u>	<u>Balance June 30, 2015</u>	<u>Retired</u>	<u>Balance June 30, 2016</u>
			<u>Date</u>	<u>Amount</u>				
BCIA Improvement Bonds	8/7/2012	\$ 18,450,000.00				\$ 16,350,000.00	\$ 685,000.00	\$ 15,665,000.00
			11/1/2016	\$ 705,000.00	3.000%			
			11/1/2017	730,000.00	4.000%			
			11/1/2018	760,000.00	4.000%			
			11/1/2019	275,000.00	3.000%			
			11/1/2019	500,000.00	5.000%			
			11/1/2020	825,000.00	4.000%			
			11/1/2021	855,000.00	4.000%			
			11/1/2022	895,000.00	5.000%			
			11/1/2023	940,000.00	5.000%			
			11/1/2024	990,000.00	5.000%			
			11/1/2025	1,035,000.00	4.000%			
			11/1/2026	1,080,000.00	4.000%			
			11/1/2027	1,120,000.00	4.000%			
			11/1/2028	1,170,000.00	4.000%			
			11/1/2029	1,215,000.00	4.000%			
			11/1/2030	1,265,000.00	4.000%			
			11/1/2031	1,305,000.00	4.000%			
General Serial Bonds	4/7/2015	49,840,000.00				49,840,000.00		49,840,000.00
			3/15/2017	1,565,000.00	3.000%			
			3/15/2018	1,390,000.00	3.000%			
			3/15/2019	1,415,000.00	3.000%			
			3/15/2020	1,455,000.00	3.000%			
			3/15/2021	1,500,000.00	3.000%			
			3/15/2022	1,550,000.00	3.000%			
			3/15/2023	1,595,000.00	3.000%			
			3/15/2024	1,650,000.00	3.000%			
			3/15/2025	1,700,000.00	3.000%			
			3/15/2026	1,755,000.00	3.000%			
			3/15/2027	1,810,000.00	3.000%			
			3/15/2028	1,870,000.00	3.000%			
			3/15/2029	1,930,000.00	3.000%			
			3/15/2030	1,990,000.00	3.125%			
			3/15/2031	2,055,000.00	3.250%			
			3/15/2032	2,125,000.00	3.250%			
			3/15/2033	2,195,000.00	3.250%			
			3/15/2034	2,270,000.00	3.250%			
			3/15/2035	2,345,000.00	3.250%			
			3/15/2036	2,435,000.00	3.500%			
			3/15/2037	2,510,000.00	3.500%			
			3/15/2038	2,580,000.00	3.500%			
			3/15/2039	2,650,000.00	3.500%			
			3/15/2040	2,720,000.00	3.500%			
			3/15/2041	2,780,000.00	3.500%			
						<u>\$ 66,190,000.00</u>	<u>\$ 685,000.00</u>	<u>\$ 65,505,000.00</u>

**FORT LEE BOROUGH SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

<u>Purpose</u>	<u>Interest Rate</u>	<u>Amount of Original Issue</u>	<u>Balance June 30, 2015</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance June 30, 2016</u>
District Wireless System	2.57%	\$ 354,918.72	\$ 211,794.99	\$	\$ 68,817.04	\$ 142,977.95
12 Temporary Classroom Units	1.46%	1,967,725.00	1,967,725.00		420,312.83	1,547,412.17
Energy Savings Investment Plan	2.50%	5,571,444.00	5,571,444.00			5,571,444.00
Chrome Books	1.46%	550,000.00	<u> </u>	<u>550,000.00</u>	<u>139,609.85</u>	<u>410,390.15</u>
			<u>\$ 7,750,963.99</u>	<u>\$ 550,000.00</u>	<u>\$ 628,739.72</u>	<u>\$ 7,672,224.27</u>

**FORT LEE BOROUGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 2,848,660.80	\$	\$ 2,848,660.80	\$ 2,848,660.80	\$
State Sources:					
Debt Service Aid Type II					
Total Revenues	<u>2,848,660.80</u>		<u>2,848,660.80</u>	<u>2,848,660.80</u>	
EXPENDITURES:					
Regular Debt Service:					
Interest	2,165,869.00		2,165,869.00	2,165,868.52	0.48
Redemption of Principal	<u>685,000.00</u>		<u>685,000.00</u>	<u>685,000.00</u>	
Total Regular Debt Service	<u>2,850,869.00</u>		<u>2,850,869.00</u>	<u>2,850,868.52</u>	<u>0.48</u>
Total Expenditures	<u>2,850,869.00</u>		<u>2,850,869.00</u>	<u>2,850,868.52</u>	<u>0.48</u>
Excess (Deficiency) of Revenues Over/(Under) Expenditures	(2,208.20)		(2,208.20)	(2,207.72)	0.48
Other Financing Sources:					
Operating Transfers In:					
Interest Earned in Capital Projects Fund				<u>12,618.28</u>	<u>12,618.28</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures	(2,208.20)		(2,208.20)	10,410.56	12,618.76
Fund Balance, July 1	<u>64,154.38</u>		<u>64,154.38</u>	<u>64,154.38</u>	
Fund Balance, June 30	<u>\$ 61,946.18</u>	<u>\$ -</u>	<u>\$ 61,946.18</u>	<u>\$ 74,564.94</u>	<u>\$ 12,618.76</u>

STATISTICAL SECTION (UNAUDITED)

INTRODUCTION TO THE STATISTICAL SECTION

FINANCIAL TRENDS

**FORT LEE BOROUGH SCHOOL DISTRICT
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
Unaudited**

J-1

	Fiscal Year Ending June 30									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Governmental Activities:										
Invested in Capital Assets, Net of Related Debt	\$ 14,113,741.00	\$ 14,267,966.00	\$ 10,950,910.00	\$ 13,327,585.00	\$ 12,758,856.00	\$ 14,116,324.00	\$ (1,278,960.00)	\$ 3,994,842.00	\$ (36,171,048.00)	\$ (26,111,978.34)
Restricted	2,748,475.00	2,876,841.00	3,184,034.00	2,015,950.00	3,054,358.00	4,869,850.00	22,650,012.00	18,051,812.00	56,001,477.00	48,185,274.58
Unrestricted	(5,581,765.00)	(4,680,195.00)	(4,454,396.00)	(5,705,497.00)	(5,079,224.00)	(4,733,750.00)	(4,809,592.00)	(4,233,820.00)	(17,662,594.00)	(18,889,799.92)
Total Governmental Activities Net Position	\$ 11,280,451.00	\$ 12,464,612.00	\$ 9,680,548.00	\$ 9,638,038.00	\$ 10,733,990.00	\$ 14,252,424.00	\$ 16,561,460.00	\$ 17,812,834.00	\$ 2,167,835.00	\$ 3,183,496.32
Business-Type Activities:										
Invested in Capital Assets, Net of Related Debt	\$ 355,041.00	\$ 305,612.00	\$ 139,334.00	\$ 86,609.00	\$ 100,024.00	\$ 92,772.00	\$ 79,460.00	\$ 65,940.00	\$ 96,328.00	\$ 74,035.79
Unrestricted	538,598.00	310,523.00	197,002.00	228,977.00	295,328.00	449,260.00	574,732.00	360,493.00	271,531.00	281,089.90
Total Business-Type Activities Net Position	\$ 893,639.00	\$ 616,135.00	\$ 336,336.00	\$ 315,586.00	\$ 395,352.00	\$ 542,032.00	\$ 654,192.00	\$ 426,433.00	\$ 367,859.00	\$ 355,125.69
District-Wide:										
Invested in Capital Assets, Net of Related Debt	\$ 14,468,782.00	\$ 14,573,578.00	\$ 11,090,244.00	\$ 13,414,194.00	\$ 12,858,880.00	\$ 14,209,096.00	\$ (1,199,500.00)	\$ 4,060,782.00	\$ (36,074,720.00)	\$ (26,037,942.55)
Restricted	2,748,475.00	2,876,841.00	3,184,034.00	2,015,950.00	3,054,358.00	4,869,850.00	22,650,012.00	18,051,812.00	56,001,477.00	48,185,274.58
Unrestricted	(5,043,167.00)	(4,369,672.00)	(4,257,394.00)	(5,476,520.00)	(4,783,896.00)	(4,284,490.00)	(4,234,860.00)	(3,873,327.00)	(17,391,063.00)	(18,608,710.02)
Total District-Wide Net Position	\$ 12,174,090.00	\$ 13,080,747.00	\$ 10,016,884.00	\$ 9,953,624.00	\$ 11,129,342.00	\$ 14,794,456.00	\$ 17,215,652.00	\$ 18,239,267.00	\$ 2,535,694.00	\$ 3,538,622.01

Source: CAFR Exhibit A-1

**FORT LEE BOROUGH SCHOOL DISTRICT
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
Unaudited**

J-2
Sheet #2

	Fiscal Year Ending June 30, 2015									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Revenues and Other Changes in Net Position:										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	\$ 42,581,845.00	\$ 44,285,119.00	\$ 46,056,524.00	\$ 47,898,785.00	\$ 50,245,845.00	\$ 51,250,762.00	\$ 52,275,777.00	\$ 53,321,293.00	\$ 55,438,424.00	\$ 57,177,129.00
Taxes Levied for Debt Service							1,400,000.00	1,352,100.00	1,268,945.00	2,848,660.80
Federal and State Aid - Not Restricted	2,996,693.00	3,019,066.00	6,838,632.00	7,152,921.00	4,895,937.00	6,604,235.00	8,570,981.00	7,654,476.00	16,611,285.00	3,098,392.01
Restricted Grants and Contributions						663,113.00	1,693,536.00	2,193,768.00		
Cancellations Capital Outlay to Capital Reserve								1,397,566.00		
Tuition									43,650.00	
Investment Earnings	350,416.00	215,821.00	49,756.00	787.00	45.00	497.00	5,313.00	3,978.00	62,974.00	
Miscellaneous Income	1,972,043.00	106,688.00	313,173.00	266,322.00	543,187.00	483,649.00	296,094.00	567,332.00	361,823.00	204,628.23
Total Governmental Activities	<u>47,900,997.00</u>	<u>47,626,694.00</u>	<u>53,258,084.00</u>	<u>55,318,815.00</u>	<u>55,685,014.00</u>	<u>59,002,256.00</u>	<u>64,241,701.00</u>	<u>66,490,513.00</u>	<u>73,787,101.00</u>	<u>63,328,810.04</u>
Business-Type Activities:										
Investment Earnings	21,599.00	2,904.00	511.00	2,796.00		78.00	78.00	43.00	1,800.00	
Miscellaneous Income										
Total District-Wide	<u>\$ 47,922,596.00</u>	<u>\$ 47,629,598.00</u>	<u>\$ 53,258,595.00</u>	<u>\$ 55,321,611.00</u>	<u>\$ 55,685,014.00</u>	<u>\$ 59,002,334.00</u>	<u>\$ 64,241,779.00</u>	<u>\$ 66,490,556.00</u>	<u>\$ 73,788,901.00</u>	<u>\$ 63,328,810.04</u>
Change in Net Position:										
Governmental Activities	\$ 1,426,523.00	\$ 1,184,161.00	\$ (335,635.00)	\$ (42,510.00)	\$ 1,095,952.00	\$ 3,518,434.00	\$ 2,309,036.00	\$ 1,251,374.00	\$ (3,180,145.00)	\$ 1,015,661.32
Business-Type Activities	145,322.00	182,634.00	(406,779.00)	178,853.00	61,276.00	254,789.00	171,172.00	(227,759.00)	(58,574.00)	(12,777.39)
Total District	<u>\$ 1,571,845.00</u>	<u>\$ 1,366,795.00</u>	<u>\$ (742,414.00)</u>	<u>\$ 136,343.00</u>	<u>\$ 1,157,228.00</u>	<u>\$ 3,773,223.00</u>	<u>\$ 2,480,208.00</u>	<u>\$ 1,023,615.00</u>	<u>\$ (3,238,719.00)</u>	<u>\$ 1,002,883.93</u>

Source: CAFR Schedule A-2

FORT LEE BOROUGH SCHOOL DISTRICT
FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
 (Modified Accrual Basis of Accounting)
Unaudited

J-3

	Fiscal Year Ending June 30.									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Fund:										
Reserved	\$ 2,235,492.00	\$ 2,722,015.00	\$ 3,029,209.00	\$ 778,099.00	\$	\$	\$	\$	\$	\$
Unreserved	823,380.00	1,386,135.00	2,235,876.00	958,404.00						
Restricted					1,639,659.00	3,210,976.00	3,658,099.00	2,475,618.00	2,293,993.00	3,005,255.61
Committed					274,425.00	1,182,757.00				
Assigned					650,000.00	1,315,959.00	1,864,968.00	1,899,690.00	1,227,188.00	724,214.95
Unassigned					1,442,570.00	1,297,861.00	1,614,117.00	1,565,526.00	1,110,988.00	1,622,964.77
Total General Fund	<u>\$ 3,058,872.00</u>	<u>\$ 4,108,150.00</u>	<u>\$ 5,265,085.00</u>	<u>\$ 1,736,503.00</u>	<u>\$ 4,006,654.00</u>	<u>\$ 7,007,553.00</u>	<u>\$ 7,137,184.00</u>	<u>\$ 5,940,834.00</u>	<u>\$ 4,632,169.00</u>	<u>\$ 5,352,435.33</u>
All Other Governmental Funds										
Reserved	\$ 471,984.00	\$	\$	\$	\$	\$	\$	\$	\$	\$
Unreserved, reported in:										
Capital Projects Fund	40,999.00	154,826.00	154,826.00	1,237,851.00	490,274.00	(839,842.00)	17,050,315.00	13,597,666.00	52,416,142.00	44,381,239.08
Debt Service Fund							76,630.00	78,835.00	64,154.00	74,564.94
Total All Other Governmental Funds	<u>\$ 512,983.00</u>	<u>\$ 154,826.00</u>	<u>\$ 154,826.00</u>	<u>\$ 1,237,851.00</u>	<u>\$ 490,274.00</u>	<u>\$ (839,842.00)</u>	<u>\$ 17,126,945.00</u>	<u>\$ 13,676,504.00</u>	<u>\$ 52,480,296.00</u>	<u>\$ 44,455,804.02</u>

Source: CAFR Schedule B-1

FORT LEE BOROUGH SCHOOL DISTRICT
 CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
 LAST TEN FISCAL YEARS
 (Modified Accrual Basis of Accounting)
 Unaudited

J-4

	Fiscal Year Ending June 30,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Revenues:										
Tax Levy	\$42,581,845.00	\$44,285,119.00	\$ 46,056,524.00	\$47,898,785.00	\$50,245,845.00	\$ 51,250,762.00	\$ 53,675,777.00	\$54,673,393.00	\$ 56,707,369.00	\$ 60,025,789.80
Interest- Capital Reserves Funds	53,422.00	38,501.00	16,882.00	787.00	45.00	497.00	5,313.00	3,978.00	62,974.00	
Interest Earnings	296,994.00	177,320.00	32,873.00	2,946.00	37,589.00	4,894.00	4,720.00	1,918.00	3,777.00	
Transportation					38,105.00	8,628.00				
Tuition					85,973.00	19,500.00	34,750.00	30,000.00	43,650.00	
Miscellaneous	2,034,048.00	526,988.00	314,073.00	266,627.00	386,129.00	457,199.00	256,624.00	535,414.00	360,945.00	204,628.23
State Sources	8,493,651.00	8,856,381.00	6,987,844.00	8,227,542.00	5,001,235.00	7,271,822.00	10,361,082.00	9,931,937.00	10,846,091.00	9,707,245.60
Federal Sources	1,885,992.00	1,772,443.00	1,763,536.00	2,815,743.00	1,776,795.00	1,722,598.00	1,713,521.00	1,591,324.00	1,347,667.00	1,700,251.14
Total Revenues	55,345,952.00	55,656,752.00	55,171,732.00	59,212,430.00	57,571,716.00	60,735,900.00	66,051,787.00	66,767,984.00	69,372,473.00	71,637,914.77
Expenditures:										
Instruction:										
Regular	16,134,918.00	16,257,191.00	16,689,817.00	17,978,798.00	17,470,348.00	17,686,731.00	19,299,415.00	18,639,107.00	19,593,114.00	19,544,412.34
Special Education Instruction	1,924,589.00	1,828,329.00	1,816,700.00	2,392,416.00	3,205,818.00	3,799,173.00	4,314,565.00	4,191,760.00	3,986,239.00	4,173,969.58
Other Special Instruction	1,476,232.00	1,575,358.00	2,064,966.00	2,006,619.00	1,932,043.00	1,965,408.00	1,915,689.00	2,049,705.00	2,136,879.00	2,099,810.61
Other Instruction	781,949.00	804,182.00	779,313.00	746,698.00	797,260.00	782,915.00	821,867.00	1,070,951.00	1,067,469.00	1,034,701.13
Support Services:										
Tuition	4,358,617.00	4,246,167.00	4,650,182.00	4,178,690.00	3,149,926.00	3,315,783.00	3,472,301.00	3,496,240.00	3,792,977.00	4,023,438.75
Student and Instruction Related Services	4,924,259.00	5,279,599.00	5,923,101.00	6,836,783.00	6,599,857.00	6,807,393.00	7,514,047.00	7,390,300.00	7,588,933.00	8,199,510.33
School Administrative Services	2,175,858.00	2,279,410.00	2,279,477.00	2,409,955.00	2,576,616.00	2,167,907.00	2,013,900.00	2,295,528.00	2,324,603.00	1,186,577.92
Other Administrative Services	1,399,421.00	1,403,297.00	1,418,364.00	1,419,757.00	1,265,634.00	1,191,334.00	1,189,393.00	1,417,870.00	1,440,703.00	2,262,286.95
Central Services	677,180.00	703,875.00	654,668.00	663,011.00	713,536.00	741,121.00	725,705.00	889,545.00	856,281.00	934,014.69
Plant Operations and Maintenance	4,465,622.00	4,559,453.00	4,688,086.00	4,414,450.00	3,939,182.00	4,149,469.00	4,296,950.00	4,709,092.00	4,947,119.00	5,303,185.48
Pupil Transportation	1,499,037.00	1,503,774.00	1,732,005.00	1,528,574.00	1,308,313.00	1,451,533.00	1,464,678.00	1,573,249.00	1,633,541.00	1,794,303.48
Employee Benefits	13,148,368.00	13,544,958.00	11,134,661.00	14,016,326.00	12,989,113.00	12,959,691.00	14,744,871.00	15,084,362.00	15,686,156.00	16,535,479.82
Special Schools	79,426.00	78,734.00								
Capital Outlay	2,552,233.00	901,306.00	446,297.00	3,065,910.00	121,496.00	2,046,659.00	5,627,007.00	10,620,237.00	20,879,515.00	10,088,584.24
Debt Service:										
Principal							780,000.00	655,000.00	665,000.00	685,000.00
Interest and Other Charges							559,900.00	697,100.00	680,575.00	2,165,868.52
Transfer to Charter School								9,686.00	9,686.00	9,963.00
Total Expenditures	55,597,689.00	54,965,631.00	54,277,637.00	61,657,987.00	56,049,142.00	59,065,117.00	68,740,288.00	74,780,046.00	87,288,790.00	80,041,086.84
Excess (Deficiency) of Revenues Over/ (Under) Expenditures	(251,737.00)	691,121.00	894,095.00	(2,445,557.00)	1,522,574.00	1,670,783.00	(2,888,501.00)	(8,012,082.00)	(17,916,317.00)	(8,403,172.07)
Other Financing Sources										
Transfer In				2,484,000.00	747,577.00	334,958.00	3,952.00	157,034.00	61,946.00	12,818.28
Transfer Out				(2,484,000.00)	(747,577.00)	(334,958.00)	(3,952.00)	(157,034.00)	(61,946.00)	(12,818.28)
Bonds Proceeds							20,430,000.00		49,840,000.00	
Cancellations of Capital Outlay to Capital Reserve								1,397,566.00		
Capital Leases (Nonbudgeted)			262,840.00				354,919.00	1,987,725.00	5,571,444.00	550,000.00
Total Other Financing Sources			262,840.00				20,784,919.00	3,365,291.00	55,411,444.00	550,000.00
Net Change in Fund Balances	\$ (251,737.00)	\$ 691,121.00	\$ 1,156,935.00	\$ (2,445,557.00)	\$ 1,522,574.00	\$ 1,670,783.00	\$ 18,096,418.00	\$ (4,646,791.00)	\$ 37,495,127.00	\$ (7,853,172.07)

Source: CAFR Schedule B-2

**FORT LEE BOROUGH SCHOOL DISTRICT
GENERAL FUND OTHER LOCAL REVENUE BY SOURCE
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)
Unaudited**

J-5

	Fiscal Year Ending June 30,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Fund:										
Interest on Investments	\$ 296,994.00	\$ 177,320.00	\$ 32,873.00	\$ 2,946.00	\$ 37,589.00	\$ 4,894.00	\$ 4,720.00	\$ 1,918.00	\$ 3,777.00	\$ 4,056.96
Summer School Tuition and Fees	62,005.00	38,700.00			85,973.00	19,500.00	34,750.00	30,000.00	43,650.00	38,500.00
Prior Years' Refunds	74,409.00	18,322.00								
Rentals			98,667.00	94,500.00	140,550.00	174,175.00	95,000.00	5,500.00		
Donations			5,500.00	2,721.00	433.00	89,635.00	2,150.00	500.00	200.00	8,383.34
Transportation				37,584.00	38,105.00	8,628.00				
Cancellation of Prior Year Void Checks			7,554.00	7,194.00	2,443.00		1,737.00	5,305.00	5,319.00	
Contributions	2,757.00	13,574.00								
Miscellaneous- Restricted:										
Reimbursement of Custodial	45,500.00	433,600.00	194,611.00	110,565.00	97,409.00	84,620.00	82,086.00	203,911.00	264,722.00	
Athletic Receipts	5,310.00	3,712.00	587.00	1,356.00	4,463.00	4,650.00	6,198.00	5,021.00	3,823.00	3,135.00
Other		4,075.00			93,448.00		7,862.00	4,259.00	4,691.00	
Book Fines	7,416.00	9,030.00	5,268.00	5,023.00	2,839.00		2,061.00	1,282.00	1,108.00	
Restitution Non-Residents	4,080.00									
Miscellaneous- Unrestricted	3,791.00	3,209.00	1,886.00	4,433.00	39,935.00	97,547.00	46,020.00	309,636.00	78,383.00	137,934.65
Total Miscellaneous	<u>502,262.00</u>	<u>701,542.00</u>	<u>346,946.00</u>	<u>266,322.00</u>	<u>543,187.00</u>	<u>483,649.00</u>	<u>282,584.00</u>	<u>567,332.00</u>	<u>405,473.00</u>	<u>192,009.95</u>
Interest on Capital Reserve Funds	53,422.00	38,501.00	16,882.00	787.00	45.00	497.00	1,827.00	1,770.00	1,028.00	
Total General Fund	<u>\$ 555,684.00</u>	<u>\$ 740,043.00</u>	<u>\$ 363,828.00</u>	<u>\$ 267,109.00</u>	<u>\$ 543,232.00</u>	<u>\$ 484,146.00</u>	<u>\$ 284,411.00</u>	<u>\$ 569,102.00</u>	<u>\$ 406,501.00</u>	<u>\$ 192,009.95</u>

Source: District Records

REVENUE CAPACITY

FORT LEE BOROUGH SCHOOL DISTRICT
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS
Unaudited

J-5

<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>Vacant Land</u>	<u>Residential</u>	<u>Farm Req.</u>	<u>Ofarm</u>	<u>Commercial</u>	<u>Industrial</u>	<u>Apartment</u>	<u>Total</u> <u>Assessed</u> <u>Value</u>	<u>Less: Tax</u> <u>Exempt</u> <u>Property</u>	<u>Public</u> <u>Utilities*</u>	<u>Net</u> <u>Valuation</u> <u>Taxable</u>	<u>Estimated</u> <u>Actual</u> <u>(County</u> <u>Equalized)</u> <u>Value</u>	<u>Total</u> <u>Direct</u> <u>School Tax</u> <u>Rate</u>
2007	\$ 130,801,900	\$ 3,525,098,500	\$	\$	\$ 926,872,600	\$ 10,229,700	\$ 1,411,590,620	\$ 6,004,593,320	\$	\$ 8,540,038	\$ 6,013,133,358	\$ 6,354,548,620	0.722
2008	122,770,000	3,554,620,700			937,765,700	10,158,200	1,414,385,820	6,039,700,420		8,337,130	6,048,037,550	6,522,953,051	0.747
2009	124,914,300	3,585,523,400			938,590,300	9,419,200	1,415,253,320	6,073,700,520		8,723,969	6,082,424,489	6,551,544,738	0.773
2010	124,462,700	3,594,309,700			940,895,100	9,419,200	1,440,155,620	6,109,242,320		8,564,849	6,117,807,169	6,417,757,379	0.802
2011	127,344,500	3,599,114,200			939,857,600	9,419,200	1,437,682,320	6,113,417,820		9,180,439	6,122,598,259	6,269,720,961	0.829
2012	100,665,200	3,599,241,400			926,385,300	9,419,200	1,440,403,020	6,076,114,120		9,979,526	6,086,093,646	6,422,088,137	0.862
2013	89,754,600	3,590,670,300			935,193,700	9,419,200	1,444,617,220	6,069,655,020		7,980,343	6,077,635,363	6,409,219,554	0.892
2014	142,308,600	3,602,571,100			844,174,100	9,419,200	1,491,298,420	6,089,771,420		7,070,493	6,096,841,913	6,648,766,883	0.913
2015	134,175,700	3,608,370,300			842,175,900	10,535,200	1,553,522,520	6,148,779,620		7,128,641	6,155,908,261	6,681,878,554	0.948
2016	136,727,900	3,757,896,600			828,681,100	7,383,200	1,526,461,920	6,257,150,720		7,663,788	6,264,814,508	6,452,355,023	0.981

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

N/A - Not Available for Audit

**FORT LEE BOROUGH SCHOOL DISTRICT
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS
*Unaudited***

J-7

(Rate per \$100 of Assessed Value)

Fiscal Year Ended June 30,	Board of Education			Overlapping Rates		Total Direct and Overlapping Tax Rate
	Basic Rate	General Obligation Debt Service	Total Direct	Municipal Rate	County Rate	
2007	\$0.722	N/A	\$0.722	\$ 0.817	\$ 0.181	\$ 1.720
2008	0.747	N/A	0.747	0.888	0.196	1.831
2009	0.773	N/A	0.773	0.911	0.207	1.892
2010	0.802	N/A	0.802	0.933	0.212	1.948
2011	0.829	N/A	0.829	0.940	0.219	1.988
2012	0.862	N/A	0.862	0.964	0.226	2.052
2013	0.892	N/A	0.892	0.991	0.240	2.123
2014	0.913	N/A	0.913	1.001	0.247	2.161
2015	0.948	N/A	0.948	0.992	0.262	2.202
2016	0.981	N/A	0.981	1.009	0.264	2.254

Source: District Records and Municipal Tax Collector

N/A - Not Available

**FORT LEE BOROUGH SCHOOL DISTRICT
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND TEN YEARS AGO
*Unaudited***

J-8

	2016			2006		
<u>Top 10 Taxpayers</u>	<u>Taxable Assessed Value</u>	<u>% of Total District Net Assessed Value</u>		<u>Top 10 Taxpayers</u>	<u>Taxable Assessed Value</u>	<u>% of Total District Net Assessed Value</u>
1266 Apartment Corp.	\$ 278,000,000	4.44%		1266 Apartment Corp.	\$ 289,151,000	4.87%
1530 Owners Corp.	168,581,500	2.69%		1530 Owners Corp.	168,478,000	2.84%
Fort Lee Phase I Owners, LLC	95,368,800	1.52%		Executive Park LLC	99,000,000	1.67%
Southbridge Park, LLC	82,673,000	1.32%		Mediterranean Towers West Owners, Inc.	91,058,000	1.53%
Crest at Fort Lee, LLC	82,000,000	1.31%		Crest at Fort Lee, LLC	83,825,300	1.41%
2100 Linwood Avenue Owners Inc.	78,000,000	1.25%		Southbridge Park, LLC	82,673,000	1.39%
Mediterranean Towers West Owners, Inc.	72,000,000	1.15%		2100 Linwood Avenue Owners Inc.	78,500,000	1.32%
One Century City Apartment Corp.	64,703,000	1.03%		2000 Linwood Avenue Owners, Inc.	69,403,000	1.17%
Northbridge Park Co-Op, Inc.	63,267,000	1.01%		One Century City Apartment Corp.	64,703,000	1.09%
Fort Lee Office, LLC	55,275,000	0.88%		Northbridge Park Co-Op, Inc.	63,767,000	1.07%
	<u>\$1,039,868,300</u>	<u>16.60%</u>			<u>\$ 1,090,558,300</u>	<u>18.36%</u>
 Total Assessed Value		 \$ 6,264,814,508.00			 \$ 5,938,526,398.00	

Source: Municipal Tax Assessor

**FORT LEE BOROUGH SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
*Unaudited***

J-9

Fiscal Year Ended June 30,	School Taxes Levied Fiscal Year	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2007	\$ 42,581,845.00	\$ 42,581,845.00	100.00%	\$
2008	44,285,119.00	44,285,119.00	100.00%	
2009	46,977,655.00	46,977,655.00	100.00%	
2010	47,898,785.00	47,898,785.00	100.00%	
2011	50,245,845.00	50,245,845.00	100.00%	
2012	51,250,762.00	51,250,762.00	100.00%	
2013	53,675,777.00	53,675,777.00	100.00%	
2014	54,673,393.00	54,673,393.00	100.00%	
2015	56,707,369.00	56,707,369.00	100.00%	
2016	60,025,789.80	60,025,789.80	100.00%	

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

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

DEBT CAPACITY

**FORT LEE BOROUGH SCHOOL DISTRICT
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
*Unaudited***

J-10

Fiscal Year Ended <u>June 30,</u>	<u>Governmental Activities</u>		Total <u>District</u>	Percentage of Personal <u>Income</u>	<u>Per Capita</u>
	<u>General Obligation Bonds</u>	<u>Capital Leases</u>			
2007	\$	\$	\$	0.00%	\$63,103.00
2008				0.00%	67,544.00
2009				0.00%	67,331.00
2010				0.00%	63,874.00
2011		157,715.00	157,715.00	0.01%	63,885.00
2012		107,229.00	107,229.00	0.00%	67,248.00
2013	17,670,000.00	409,604.00	18,079,604.00	0.72%	69,281.00
2014	17,015,000.00	2,248,388.00	19,263,388.00	N/A	N/A
2015	66,190,000.00	7,750,964.00	73,940,964.00	N/A	N/A
2016	65,505,000.00	7,672,224.00	73,177,224.00	N/A	N/A

**FORT LEE BOROUGH SCHOOL DISTRICT
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
*Unaudited***

J-11

<u>Fiscal Year Ended June 30,</u>	<u>General Obligation Bonds</u>	<u>Deductions</u>	<u>Net General Bonded Debt Outstanding</u>	<u>Percentage of Actual Taxable Value (a) of Property</u>	<u>Per Capita (b)</u>
2007	\$	\$	\$		\$ 67,544
2008					67,331
2009					63,874
2010					63,885
2011					67,248
2012					69,281
2013	17,670,000		17,670,000	0.29%	69,495
2014	17,015,000		17,015,000	0.28%	N/A
2015	66,190,000		66,190,000	0.00%	N/A
2016	65,505,000		65,505,000		N/A

Notes:

- (a) See Exhibit J-6 for property tax data.
- (b) Population data can be found on Exhibit J-14.

**FORT LEE BOROUGH SCHOOL DISTRICT
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2015
Unaudited**

J-12

	<u>Debt Outstanding</u>	(a) <u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
<u>Governmental Unit</u>			
Debt Repaid with Property Taxes:			
Net Overlapping Debt of School District:			
Borough of Fort Lee	\$ 57,336,944.00	100%	\$ 57,336,944.00
County of Bergen - City's Share	3,451,126.00	3.967%	136,906.17
Bergen County Utility Authority - City Share	16,510,906.00	7.889%	1,302,545.37
Sub-Total Overlapping Debt			<u>58,776,395.54</u>
Fort Lee School District Direct Debt			<u>66,190,000.00</u>
Total Direct and Overlapping Bonded Debt			<u>\$ 124,966,395.54</u>

Sources: Assessed value data used to estimate applicable percentages provided by the Bergen County Board of Taxation; debt outstanding data provided by each governmental unit.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Fort Lee. This process recognizes that, when considering the District's ability to issue and repay long-term, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping payment.

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

FORT LEE BOROUGH SCHOOL DISTRICT
 LEGAL DEBT MARGIN INFORMATION
 LAST TEN FISCAL YEARS
Unaudited

Year	Equalized Valuation Basis									
2015	\$ 6,674,749,913									
2014	6,641,696,390									
2013	<u>6,401,239,211</u>									
	<u>\$ 19,717,685,514</u>									
Average Equalized Valuation of Taxable Property		<u>\$ 6,572,561,838</u>								
Debt limit (4% of Average Equalization Value)	\$ 262,902,474									
Net Bonded School Debt	<u>66,190,000</u>									
Legal debt margin	<u>\$ 196,712,474</u>									
	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
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	\$ 262,902,474
Total Net Debt Applicable to Limit								<u>17,670,000</u>	<u>17,015,000</u>	<u>66,190,000</u>
Legal Debt Margin	<u>\$ 207,969,494</u>	<u>\$ 227,749,168</u>	<u>\$ 239,922,048</u>	<u>\$ 251,121,316</u>	<u>\$ 259,326,993</u>	<u>\$ 256,555,056</u>	<u>\$ 172,693,511</u>	<u>\$ 222,161,696</u>	<u>\$ 222,816,696</u>	<u>\$ 196,712,474</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	0%	0%	0%	0%	0%	0%	0%	7.37%	7.09%	25.18%

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

DEMOGRAPHIC AND ECONOMIC INFORMATION

**FORT LEE BOROUGH SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
*Unaudited***

J-14

<u>Year</u>	<u>(a) Population</u>	<u>(b) Personal Income</u>	<u>(c) Bergen County Per Capita Personal Income</u>	<u>(d) Unemployment Rate</u>
2007	36,124	\$ 2,439,959,456	\$ 67,544	2.6%
2008	36,107	2,431,120,417	67,331	3.2%
2009	36,288	2,317,859,712	63,874	5.9%
2010	35,392	2,261,017,920	63,885	6.3%
2011	35,664	2,398,332,672	67,248	6.2%
2012	35,841	2,483,100,321	69,281	5.8%
2013	36,310	2,523,363,450	69,495	5.8%
2014	37,026	2,722,743,936	73,536	4.2%
2015	36,672	N/A	N/A	3.5%
2016	35,461	N/A	N/A	N/A

(a) Population information provided by the N.J. Department of Labor and Workplace Development.

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

(c) Per capita personal income by municipality estimated based upon the 2000 and 2010 Census published by the U.S. Bureau of Economic Analysis.

(d) Unemployment data provided by the N.J. Department of Labor and Workforce Development.

N/A - Not Available at Time of Audit

R - Revised

P - Projected

FORT LEE BOROUGH SCHOOL DISTRICT
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO
Unaudited

J-15

	2016		2007	
<u>Employer</u>	<u>Employees</u>	<u>Percentage of Total Municipal Employment</u>	<u>Employees</u>	<u>Percentage of Total Municipal Employment</u>
Not Available		0.00%		0.00%
		0.00%		0.00%
		0.00%		0.00%
		0.00%		0.00%
		0.00%		0.00%
		0.00%		0.00%
	0	0.00%	0	0.00%
	0	0.00%	0	0.00%

OPERATING INFORMATION

FORT LEE BOROUGH SCHOOL DISTRICT
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
Unaudited

J-16

<u>Function/Program</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Instruction:										
Regular	231.0	233.0	237.0	241.0	229.0	212.0	231.0	260.0	271.5	271.5
Special Education	26.0	27.0	27.0	29.0	37.0	64.0	82.0	63.0	61.5	61.5
Other Special Education	29.0	31.0	29.0	28.5	33.5	23.0	24.0	27.0	26.0	26.0
Other Instructional										
Support Services:										
Student and Instructional Related Services	65.0	64.0	66.0	67.0	71.5	78.5	95.0	82.0	79.0	79.0
General Administration	12.0	12.0	12.0	12.0	10.0	8.5	8.0	8.0	8.5	8.5
School Administrative Service	33.0	33.0	33.0	33.0	24.0	24.0	22.0	26.0	26.5	26.5
Business Administrative Services	6.0	6.0	6.0	6.0	13.0	14.0	15.0	17.0	17.0	17.0
Plant Operations and Maintenance	46.0	46.0	45.0	44.0	21.0	20.5	21.0	21.0	22.0	22.0
Total	<u>448.0</u>	<u>452.0</u>	<u>455.0</u>	<u>460.5</u>	<u>439.0</u>	<u>444.5</u>	<u>498.0</u>	<u>504.0</u>	<u>512.0</u>	<u>512.0</u>

Source: District Personnel Records

**FORT LEE BOROUGH SCHOOL DISTRICT
OPERATING STATISTICS
LAST TEN FISCAL YEARS
Unaudited**

J-17

Fiscal Year Ended June 30.	Enrollment	Operating Expenditures (a)	Cost per Pupil	Percentage Change	Teaching Staff	Per Pupil Ratio			Average Daily Enrollment (b)	Average Daily Attendance (c)	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle	Senior High School				
2007	3,546	\$ 54,064,325	\$15,247	0.55%	231.0	1:18	1:11	1:15	3,475.0	3,321.0	-0.20%	95.57%
2008	3,551	54,965,631	15,479	-1.52%	233.0	1:17	1:12	1:14	3,488.0	3,338.0	0.37%	95.70%
2009	3,545	54,277,637	15,311	1.08%	237.0	1:18	1:11	1:14	3,454.0	3,296.0	0.97%	95.43%
2010	3,621	58,592,077	16,181	-5.68%	241.0	1:18	1:11	1:14	3,543.0	3,406.0	-2.58%	96.13%
2011	3,671	55,927,646	15,235	5.85%	229.0	1:17	1:11	1:14	3,601.0	3,450.0	-1.64%	95.81%
2012	3,727	57,018,458	15,299	-0.42%	212.0	1:17	1:11	1:14	3,689.0	3,547.0	-2.44%	96.15%
2013	3,791	61,773,381	16,295	-6.51%	231.0	1:17	1:11	1:14	3,740.0	3,570.0	-1.38%	95.45%
2014	3,819	62,807,709	16,446	-0.93%	291.0	1:10	1:10	1:10	3,779.0	3,606.0	-1.04%	95.42%
2015	3,787	65,063,700	17,181	-4.47%	299.0	1:09	1:09	1:09	3,728.0	3,545.0	1.35%	95.09%
2016	3,857	67,101,634	17,397	-1.26%	295.0	N/A	N/A	N/A	3,705.0	3,549.0	0.62%	95.79%

Source: District Records

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

*Not supplied by School District.

N/A - Not Applicable

**FORT LEE BOROUGH SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS
Unaudited**

J-18

<u>FACILITY</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Elementary										
Elementary School #1										
Square Feet	57,938	57,938	57,938	57,938	57,938	57,938	57,938	57,938	50,470	57,938
Functional Capacity	447	447	447	447	447	447	447	447	590	447
Enrollment	498	517	529	529	634	644	678	708	666	708
Elementary School #2										
Square Feet	50,989	50,989	50,989	50,989	50,989	50,989	50,989	50,989	47,800	50,989
Functional Capacity	339	339	339	339	339	339	339	339	442	447
Enrollment	399	415	421	421	422	428	455	457	470	457
Elementary School #3										
Square Feet	41,974	41,974	41,974	41,974	41,974	41,974	41,974	41,974	46,260	41,974
Functional Capacity	392	392	392	392	392	392	392	392	450	392
Enrollment	464	490	497	497	513	533	530	536	534	536
Elementary School #4										
Square Feet	48,722	48,722	48,722	48,722	48,722	48,722	48,722	48,722	48,990	48,722
Functional Capacity	395	395	395	395	395	395	395	395	450	395
Enrollment	484	474	493	493	535	516	540	541	551	541
Middles School										
Lewis F. Cole Middle School										
Square Feet	78,455	78,455	78,455	78,455	78,455	78,455	78,455	78,455	79,060	48,722
Functional Capacity	295	295	295	295	295	295	295	295	487	395
Enrollment	513	528	477	477	526	556	574	558	534	541
High School										
Fort Lee High School										
Square Feet	142,789	142,789	142,789	142,789	142,789	142,789	142,789	142,789	148,050	142,789
Functional Capacity	552	552	552	552	552	552	552	552	1,000	552
Enrollment	1,096	1,041	1,039	1,039	979	995	959	978	983	978
Number of Schools at June 30, 2016										
Elementary	4									
Middle School	1									
High School	1									

Source: District Records, ASSA

FORT LEE BOROUGH SCHOOL DISTRICT
 GENERAL FUND
 SCHEDULE OF REQUIRED MAINTENANCE EXPENDITURES BY SCHOOL FACILITIES
 LAST TEN FISCAL YEARS
Unaudited

J-19

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

School Facilities	School #	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Fort Lee Hgh School	50	230,785	143,804	211,437	177,364	201,794	136,945	210,988	287,542	271,993	294,830
Lewis F. Cole Middle School	100	52,546	77,481	97,829	80,173	78,468	67,095	86,179	126,885	111,862	121,786
Elementary School #1	60	45,004	50,383	80,468	65,678	78,720	76,040	98,065	108,715	124,887	135,657
Elementary School #2	70	26,777	53,205	39,226	39,221	82,480	49,203	68,348	83,985	88,111	95,994
Elementary School #3	80	42,970	42,834	47,362	53,743	48,255	44,730	58,245	77,274	75,086	81,858
Elementary School #4	90	100,747	34,504	71,315	68,262	50,202	53,676	72,508	87,104	94,240	102,534
		<u>\$498,829.00</u>	<u>\$402,211.00</u>	<u>\$547,637.00</u>	<u>\$484,441.00</u>	<u>\$539,919.00</u>	<u>\$427,689.00</u>	<u>\$594,333.00</u>	<u>\$771,505.00</u>	<u>\$766,179.00</u>	<u>\$832,659.00</u>

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

**FORT LEE BOROUGH SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2016
Unaudited**

J-20

	<u>Coverage</u>	<u>Deductible</u>
School Package Property - School Alliance Insurance Fund		
Property - Blanket Building and Contents	\$88,698,980.00	\$1,000.00
Flood/Earthquake	10,000,000/25,000,000	\$25,000.00
Comprehensive General Liability		
General Aggregate	50,000.00	
Each Occurance	5,000,000.00	
Prod/Completed Oper.	50,000,000.00	
Fire Damage Legal Liability	2,500,000.00	
Personal Injury	5,000,000.00	
Medical Expense	5,000.00	
Employee Benefit each occurrence/aggregate	5,000,000.00	1,000.00
Automobile Liability CSL		
Combined Limit	5,000,000.00	1,000.00
Comprehensive Crime Coverage		
Employee Dishonesty	500,000.00	1,000.00
Robbery - Outside/Inside	50,000/50,000	1,000.00
Boiler and Machinery - School Alliance Insurance Fund		
Property Damage		
Board of Education Liability - National Union Fire Ins	100,000,000.00	1,000.00
Limit of Liability	5,000,000.00	5,000.00
School Board Legal Liability:		
Directors' and Officers' Policy		
Excess Liability - Fireman's Fund Insurance Co.		
Each Occurance/Aggregate	50,000,000/50,000,000	
Excess of	10,000,000.00	
Environmental Site Specific - ACE American Insurance Co.		
Each Occurance/Aggregate	1,000,000/25,000,000	10,000.00
Public Officials Bond		
Board Secretary/Business Administrator	200,000.00	
Treasurer of School Monies	320,000.00	
Assistant Board Secretary/Business Administrator	200,000.00	
Student Accident - Monument Life Insurance Co.		
Students	In 500,000	
Athletics	5,000,000	
Worker's Compensation:		
Employee Dishonesty Bond		

Source: District Records

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

SINGLE AUDIT SECTION

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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**

The Honorable President and Members
of the Board of Education
Fort Lee Board of Education
County of Bergen
Fort Lee, New Jersey 07024

We have audited, in accordance with the 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 audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Fort Lee Board of Education, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the Fort Lee Board of Education's basic financial statements, and have issued our report thereon dated October 21, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Fort Lee School District'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 Fort Lee School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or 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 Board of Education of the Fort Lee School District's financial statements are free from 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* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.


JOSEPH J. FACCONE
Licensed Public School Accountant #194


SAMUEL KLEIN AND COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

Newark, New Jersey
October 21, 2016

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**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND STATE PROGRAM;
REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE
OF EXPENDITURES OF FEDERAL AND STATE AWARDS REQUIRED BY UNIFORM
ADMINISTRATIVE REQUIREMENTS, COST PRINCIPLES, AND AUDIT REQUIREMENTS FOR
FEDERAL AWARDS (UNIFORM GUIDANCE) AND NEW JERSEY OMB CIRCULAR 15-08**

The Honorable President and Members
of the Board of Education
Fort Lee Board of Education
County of Bergen
Fort Lee, New Jersey 07024

Report on Compliance for Each Major Program

We have audited the Fort Lee Board of Education's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2016. The Fort Lee School District'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 federal and state statutes, regulations, and the terms and conditions of its federal and state awards applicable to its federal and state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Fort Lee School District's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *New Jersey State Aid/Grant Compliance Supplement*, and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey and New Jersey OMB's Circulars 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid (NJOMB 15-08)*. Those standards and the Uniform Guidance 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 program occurred. An audit includes examining, on a test basis, evidence about the Fort Lee School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal and State Program

In our opinion, the Fort Lee School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2016.

Report on Internal Control over Compliance

Management of the Fort Lee School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Fort Lee School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with the Uniform Guidance and NJOMB's 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Fort Lee School District's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal 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 program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal and state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and NJOMB's 15-08. Accordingly, this report is not suitable for any other purpose.

Report on Schedules of Expenditures of Federal Awards Required by the Uniform Guidance and New Jersey OMB's Circular 15-08

We have audited the financial statements of the Board of Education of the Fort Lee School District as of and for the year ended June 30, 2016, and have issued our report thereon dated October 21, 2016, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedules of expenditures of federal and state awards are presented for purposes of additional analysis as required by the Uniform Guidance and New Jersey OMB's Circular 15-08 and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedules of expenditures of federal and state awards is fairly stated in all material respects in relation to the financial statements as a whole.


JOSEPH J. FACCONI
Licensed Public School Accountant #194


SAMUEL KLEIN AND COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

Newark, New Jersey
October 21, 2016

FORT LEE BOROUGH SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Federal FAIN #	State Project #	Award Amount	Grant Period		Balance June 30, 2015	Carryover (Walkover) Amount	Cash Received	Total Budgetary Expenditures	Adjustments	Repayment of Prior Years Balances	Balance June 30, 2016		
					From	To							(Accounts Receivable)	Deferred Inflows	Due to Grants
U.S. Department of Agriculture Passed-Through															
State Department of Agriculture:															
Enterprise Fund															
National School Lunch Program	10.555	16161NJ304N1099	N/A	327,793.00	7/1/2014	6/30/2015	\$ (68,316.24)	\$ -	\$ 68,316.24	\$ -	\$ -	\$ -	\$ -	\$ -	
National School Lunch Program	10.555	16161NJ304N1099	N/A	326,131.47	7/1/2015	6/30/2016		257,264.89	326,131.47				(68,866.56)	-	
National Lunch PB Program	10.555	16161NJ304N1099	NA	4,021.68	7/1/2014	6/30/2015	(4,021.68)	4,021.68						-	
National Lunch PB Program	10.555	16161NJ304N1099	N/A	19,041.66	7/1/2015	6/30/2016		15,086.82	19,041.66				(3,954.84)	-	
National School Breakfast Program	10.553	16161NJ304N1099	N/A	28,517.00	7/1/2014	6/30/2015	(6,781.24)	6,781.24						-	
National School Breakfast Program	10.553	16161NJ304N1099	N/A	35,547.99	7/1/2015	6/30/2016		27,106.94	35,547.99				(8,441.05)	-	
Food Distribution Program	10.550	16161NJ304N1099	N/A	45,437.23	7/1/2015	6/30/2016		45,437.23	45,437.23					-	
Total Enterprise Fund							(79,121.16)	-	424,017.04	426,158.35	-	-	(81,262.47)	-	
U.S. Department of Education Passed-Through															
State Department of Education:															
Special Revenue Fund:															
Title I Part A	84.01A	S010A150030	NCLB-1550-15	478,484.00	7/1/2014	6/30/2015	(279,562.00)	279,562.00						-	
Title I Part A	84.01A	S010A150030	NCLB-1550-16	431,026.00	7/1/2015	6/30/2016		(279,562.00)	279,562.00	420,994.56	(4,030.00)		(425,024.50)	-	
Title II, Part A	84.367A	S367A150029	NCLB-1550-15	125,764.00	7/1/2014	6/30/2015	(111,674.00)	111,674.00						-	
Title II, Part A	84.367A	S367A150029	NCLB-1550-18	124,117.00	7/1/2015	6/30/2016		(111,674.00)	111,674.00	119,759.95			(119,759.95)	-	
Title II	84.365A	S365A150030	NCLB-1550-15	91,825.00	7/1/2014	6/30/2015	(49,999.00)	49,999.00						-	
Title II	84.365A	S365A150030	NCLB-1550-16	136,658.00	7/1/2015	6/30/2016		(49,999.00)	49,999.00	133,677.28	(36,055.36)		(169,732.64)	-	
Title III - Immigrant	84.365A	S365A150030	NCLB-1550-15	100,221.00	7/1/2014	6/30/2015	(104,614.00)	104,614.00						-	
Title III - Immigrant	84.365A	S365A150030	IDEA-1550-16	93,112.70	7/1/2015	6/30/2016		(104,614.00)	104,614.00	91,829.34			(91,829.34)	-	
I.D.E.A. Part B - Preschool	84.173	H173A150114	IDEA-1550-15	20,410.00	7/1/2014	6/30/2015	(17,175.00)	17,175.00						-	
I.D.E.A. Part B - Preschool	84.173	H173A150114	IDEA-1550-16	21,273.00	7/1/2015	6/30/2016		(17,175.00)	17,175.00	20,298.00			(20,298.00)	-	
I.D.E.A. Part B - Basic	84.027	H027A150100	IDEA-1550-15	833,356.00	7/1/2014	6/30/2015	(408,600.00)	408,600.00						-	
I.D.E.A. Part B - Basic	84.027	H027A150100	IDEA-1550-16	1,002,105.54	7/1/2015	6/30/2016		(408,600.00)	866,555.00	913,692.07			(455,937.07)	-	
Total Special Revenue Funds							(972,124.00)	-	1,429,879.00	1,700,251.14	(40,085.36)	-	(1,282,581.50)	-	
Total Federal Awards							\$ (1,051,245.16)	\$ -	\$ 1,853,896.04	\$ 2,126,409.48	\$ (40,085.36)	\$ -	\$ (1,363,843.97)	\$ -	

See accompanying notes to schedules of expenditures of awards and financial statements

FORT LEE BOROUGH SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

State Grants/Program Title	Grant or State Project Number	Award Amount	Grant Period		Balance June 30, 2015				Balance June 30, 2016				Memo			
			From	To	Deferred Revenues (Accounts Receivable)	Due to Grants	Carryover Amount	Cash Received	Budgetary Encumbrance	Repayment of Prior Years' Balances	Intergovernmental (Accounts Receivable)	Deferred Revenues Interfund Payable	Due to Grants	Budgetary Encumbrance	Cumulative Total Expenditures	
State Department of Education - General Fund:																
Security Aid	16-495-034-5120-064	91,765.00	07/01/15	06/30/16	\$	\$	\$	\$	91,765.00	\$	91,765.00	\$	\$	\$	\$	\$
Special Education Aid	16-495-034-5120-069	1,797,805.00	07/01/15	06/30/16					1,797,805.00		1,797,805.00				4,208.78	1,797,805.00
Transportation Aid	16-495-034-5120-014	79,344.00	07/01/15	09/30/16					79,344.00		79,344.00				3,638.10	79,344.00
Extraordinary Aid	15-495-034-5120-044	660,610.00	07/01/14	06/30/15	(660,610.00)				660,610.00							
Extraordinary Aid	16-495-034-5120-044	1,028,908.00	07/01/15	06/30/16					1,028,908.00			(1,028,908.00)				1,028,908.00
Non Public Transportation	15-495-034-5120-014	26,280.00	07/01/14	06/30/15	(26,280.00)				26,280.00							
Non Public Transportation	16-495-034-5120-014	25,707.00	07/01/15	06/30/16					25,707.00			(25,707.00)				25,707.00
PARCC Readiness Aid	16-495-034-5120-098	36,770.00	07/01/15	09/30/16					36,770.00						1,778.19	36,770.00
Pier Pupil Growth Aid	16-495-034-5120-067	36,770.00	07/01/15	09/30/16					36,770.00						1,778.19	36,770.00
Reimursed TPAF Social Security Contributions	15-495-034-5094-003	1,870,506.00	07/01/14	09/30/15	(1,870,506.00)				1,870,506.00							
Reimbursement TPAF Social Security Contributions	16-495-034-5094-003	2,043,426.92	07/01/15	06/30/16					1,863,736.00			(1,79,888.92)				2,043,426.92
Total General Fund					(805,229.00)				4,715,421.00		5,144,496.92		(1,234,304.92)		126,530.00	5,144,496.92
Special Revenue Fund																
Textbook Aid	15-100-034-5120-064	14,120.00	07/01/14	09/30/15												
Textbook Aid	16-100-034-5120-064	13,133.00	07/01/15	09/30/16												
Nursing Aid	15-100-034-5120-070	22,479.00	07/01/14	06/30/15										1,065.51		12,067.49
Nursing Aid	16-100-034-5120-070	20,790.00	07/01/15	06/30/16					20,790.00							20,790.00
Technology Aid	15-100-034-5120-373	7,564.00	07/01/14	06/30/15			238.00						238.00			
Technology Aid	16-100-034-5120-373	5,960.00	07/01/15	06/30/16					5,960.00							5,960.00
Security Aid	16-495-034-5120-064	5,775.00	07/01/15	06/30/16					5,775.00					594.50		5,775.00
Corrective Speech	15-100-034-5120-066	13,606.00	07/01/14	06/30/15			1,767.00					1,767.00				
Corrective Speech	16-100-034-5120-066	12,290.00	07/01/15	09/30/16					12,290.00						2,089.98	10,200.02
Exam & Classification	15-100-034-5120-066	10,086.00	07/01/14	06/30/15			6,122.00					6,122.00				
Exam & Classification	16-100-034-5120-066	20,442.00	07/01/15	09/30/16					20,442.00					6,135.24		14,306.76
Supplementary Inst.	15-100-034-5120-066	4,708.00	07/01/14	06/30/15			2,908.00									
Supplementary Inst.	16-100-034-5120-066	5,050.00	07/01/15	06/30/16					5,050.00					3,787.11		3,787.11
Compensatory Education	15-100-034-5120-067	31,353.00	07/01/14	06/30/15			7,973.00							7,973.00		
Compensatory Education	16-100-034-5120-067	36,718.00	07/01/15	06/30/16					36,718.00					1,015.54		35,702.46
English as a Second Language	15-100-034-5120-067	24,538.00	07/01/14	06/30/15			4,203.00									
English as a Second Language	16-100-034-5120-067	24,157.00	07/01/15	06/30/16					24,157.00					5,089.66		19,067.34
Total Special Revenue Fund							23,567.00		144,335.00		127,061.68		23,567.00	(0.00)	0.00	17,253.32
Capital Projects Fund																
High School Window Replacement	1550-060-10-1001	430,000.00	9/29/10	9/30/13	(21,200.00)				42,000.00				(369,857.90)			380,657.90
High School Interior Alterations	1550-060-10-1003	3,366,830.00	9/29/10	9/30/13	(325,477.28)				325,477.28							
School No. 1 Window Replacement	1550-060-10-1008	151,301.00	9/29/10	9/30/13	(23,759.91)				23,759.98			0.07	(0.00)			
School No. 3 Window Replacement	1550-060-10-1010	146,501.00	9/29/10	9/30/13	(22,255.70)				22,255.70							
School No. 4 HVAC Upgrade	1550-060-10-1013	1,304,253.00	9/29/10	9/30/14	(216,614.00)								(275,265.74)			56,651.74
School No. 4 Roof Replacement	1550-060-10-1014	182,121.00	9/29/10	9/30/13	(70,800.74)				81,501.56							10,900.84
Lewis F. Cole M.S. Addition & Rehabilitation	1550-100-10-1018	1,567,160.00	9/29/10	9/30/14	(934,306.00)				822,872.00				(549,533.02)			256,657.02
Lewis F. Cole M.S. Interior Alterations	1550-100-10-1019	424,971.00	9/29/10	9/30/14	(191,350.00)				200,615.84				(74,721.59)			83,967.42
Total Capital Projects Fund					(1,805,565.63)			1,316,482.36	782,294.92	0.07	(1,289,376.24)	0.00				782,294.92
State Department of Agriculture - Enterprise Fund																
National School Lunch Program (State Share)	15-100-010-3350-023	13,802.00	07/01/14	06/30/15	(3,360.00)				3,360.00							
National School Lunch Program (State Share)	16-100-010-3350-023	14,010.26	07/01/15	06/30/16					11,094.34				(2,915.92)			14,010.26
Total Enterprise Fund					(3,360.00)				14,454.34				(2,915.92)			14,010.26
Total State Financial Assistance Subject to OMB 15-08					\$ (2,614,154.63)	\$ 23,567.00	\$ -	\$ 6,192,692.72	\$ 6,067,883.76	\$ 23,567.07	\$ (2,506,599.09)	\$ 0.00	\$ 17,253.32	\$ -	\$ 129,530.00	\$ 6,067,883.76
On Behalf TPAF contributions not subject to OMB 15-08																
On Behalf TPAF - Post Retirement Medical	16-495-034-5094-001	2,412,373.00	07/01/15	06/30/16					2,412,373.00							2,412,373.00
On Behalf TPAF - Pension	16-495-034-5094-006	1,929,640.00	07/01/15	06/30/16					1,929,640.00							1,929,640.00
On Behalf TPAF - HCCI Premium	16-495-034-5094-007	96,132.00	07/01/15	06/30/16					96,132.00							96,132.00
Total On Behalf TPAF contributions not subject to OMB 15-08					\$ -	\$ -	\$ -	\$ 4,438,145.00	\$ 4,438,145.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,438,145.00

See accompanying notes to schedule of expenditures of awards and financial assistance

FORT LEE SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
YEAR ENDED JUNE 30, 2016

1. GENERAL

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

2. BASIS OF ACCOUNTING

The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. This basis of accounting is described in Note 1 to the Board's basic financial statements. The information in these schedules are presented in accordance with the requirements of 2 CFR 200-*Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and New Jersey OMB Circular 15-08, "Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid". Therefore, some amounts presented in these schedules may differ from amounts presented in or used in the preparation of the basic financial statements.

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 one or more deferred June state aid payments in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44.2. For GAAP purposes that payments are not recognized until the subsequent budget year due to the state deferral and recording of the one or more June state aid payments in the subsequent year. The special revenue fund and capital projects fund are 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.

3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (Continued)

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$(2,678.00) for the general fund and \$ - 0 - for the special revenue fund. See Note 2 (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 presented on the following page:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$	\$ 9,580,163.92	\$ 9,580,163.92
Special Revenue Fund	1,700,251.14	127,081.68	1,827,332.82
Food Service	<u>426,158.35</u>	<u>14,010.26</u>	<u>440,168.61</u>
Totals	<u>\$ 2,126,409.49</u>	<u>\$ 9,721,255.86</u>	<u>\$ 11,847,665.35</u>

4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

5. FEDERAL AND STATE LOANS OUTSTANDING

The District had no loans payable outstanding to federal or state entities at June 30, 2016.

6. OTHER

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions, respectively.

The amount reported as TPAF Post-Retirement Medical Benefit Contributions and Teacher's Pension Contributions represents the amounts paid directly by the State On-Behalf of the District for the year ended June 30, 2016. 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, 2016.

7. 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. The Schedule of State Financial Assistance provides a reconciliation of State financial assistance reported in the District's financial statements and the amount subject to State single audit and major program determination.

8. DE MINIMIS INDIRECT COST RATE

The District has elected to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

**FORT LEE SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Section I - Summary of Auditor's Results

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- 1) Material weakness(es) identified? Yes No
- 2) Significant deficiencies identified? Yes None Reported

Noncompliance material to basic financial statements noted? Yes No

Federal Awards

Internal control over major programs:

- 1) Material weakness(es) identified? Yes No
- 2) Significant deficiencies identified? Yes None Reported

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 2 CFR 200 section .516(a) of the Uniform Guidance? Yes No

Identification of major programs:

<u>CFDA Number(s)</u>	<u>FAIN Numbers</u>	<u>Name of Federal Program</u>
84.027	H027A150100	I.D.E.A. Part B - Basic

Dollar threshold used to distinguish between Type A and Type B Programs: \$750,000.00

Auditee qualified as low-risk auditee? Yes No

**FORT LEE SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Section I - Summary of Auditor's Results (Continued)

State Financial Assistance

Internal control over major programs:

- | | | | | |
|---|-------|-----|---|---------------|
| 1) Material weakness(es) identified | _____ | Yes | _____ <input checked="" type="checkbox"/> | No |
| 2) Significant deficiencies identified that are not considered to be material weaknesses? | _____ | Yes | _____ <input checked="" type="checkbox"/> | None Reported |

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 NJOMB Circular Letter 04-04 and 15-08?

_____ Yes No

Identification of major programs:

GMIS Number(s)

Name of State Program

16-495-034-5094-003
16-495-034-5120-089
16-495-034-5120-044

Reimbursed TPAF Social Security Contributions
Special Education Aid
Extraordinary Aid

Dollar threshold used to distinguish between Type A and Type B programs:

\$750,000.00

Auditee qualified as low-risk auditee?

Yes _____ No

Section II - Financial Statement Findings:

No financial statement findings that are required to be reported under *Government Auditing Standards*.

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

a) Federal Award Findings and Questioned Costs:

There were no findings or questioned costs for federal awards.

b) State Award Findings and Questioned Costs:

There were no findings or questioned costs for state financial assistance.

**FORT LEE SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FISCAL YEAR ENDED JUNE 30, 2016**

There were no prior years' findings.

