

**SCHOOL DISTRICT OF THE
BOROUGH OF FORT LEE
COUNTY OF BERGEN, NEW JERSEY
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2012**

**School District
of**

BOROUGH OF FORT LEE

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

**Comprehensive Annual Financial Report
Year Ended June 30, 2012**

Comprehensive Annual Financial Report

of the

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

Year Ended June 30, 2012

Prepared by

**Cheryl Balletto
Business Administrator/Board Secretary**

OUTLINE OF CAFR

INTRODUCTORY SECTION

Letter of Transmittal	1
Organizational Chart	5
Roster of Officials	6
Consultants and Advisors	7

FINANCIAL SECTION

Independent Auditor's Report	8
Required Supplementary Information - Part I Management's Discussion and Analysis	10

BASIC FINANCIAL STATEMENTS

A. District-wide Financial Statements:	
A-1 Statement of Net Assets	21
A-2 Statement of Activities	22
B. Fund Financial Statements:	
Governmental Funds:	
B-1 Balance Sheet	23
B-2 Statement of Revenues, Expenditures, and Changes in Fund Balance	24
B-3 Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	25
Proprietary Funds:	
B-4 Statement of Net Assets	26
B-5 Statement of Revenues, Expenses, and Changes in Fund Net Assets	27
B-6 Statement of Cash Flows	28
Fiduciary Funds:	
B-7 Statement of Fiduciary Net Assets	29
B-8 Statement of Changes in Fiduciary Net Assets	30
Notes to the Financial Statements	31

OUTLINE OF CAFR, (continued)

Required Supplemental Information - Part II

C. Budgetary Comparison Schedules:

C-1	Budgetary Comparison Schedule - General Fund	54
C-1b	Budgetary Comparison Schedule - Education Jobs Fund	59
C-2	Budgetary Comparison Schedule - Special Revenue Fund	60

Notes to the Required Supplementary Information

C-3	Budget to GAAP Reconciliation	61
-----	-------------------------------------	----

D. School Level Schedules:

Not Applicable

E. Special Revenue Fund:

E-1	Combining Schedule of Program Revenues and Expenditures - Budgetary Basis	62
E-1a	Combining Schedule of Program Revenues and Expenditures - Budgetary Basis	63
E-1b	Combining Schedule of Program Revenues and Expenditures - Budgetary Basis	64
E-1c	Not Applicable	
E-2	Not Applicable	

F. Capital Projects Fund:

F-1	Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budgetary Basis	65
F-1a-	Summary Schedule of Revenues, Expenditures, Project Balances and	
F-1s	Project Status - Budgetary Basis	66
F-2	Summary Statement of Project Expenditures	85

G. Proprietary Funds:

Enterprise Fund:

G-1	Combining Statement of Net Assets	87
G-2	Combining Statement of Revenues, Expenses and Changes in Fund Net Assets	88
G-3	Combining Statement of Cash Flows	89

Internal Service Fund:

N/A

OUTLINE OF CAFR, (continued)

H. Fiduciary Fund:

H-1	Combining Statement of Fiduciary Net Assets	90
H-2	Combining Statement of Changes in Fiduciary Net Assets	91
H-3	Student Activity Agency Fund - Schedule of Receipts and Disbursements	92
H-4	Payroll Agency Fund - Schedule of Receipts and Disbursements	93

I. Long Term Debt:

I-1	N/A/	
I-2	Schedule of Capital Leases Payable	94
I-3	N/A	

J. Statistical Section (Unaudited)

Financial Trends

J-1	Net Assets by Component	95
J-2	Changes in Net Assets	96
J-3	Fund Balances - Governmental Funds	98
J-4	Changes in Fund Balances - Governmental Funds	99
J-5	General Fund Other Local Revenue by Source	100

Revenue Capacity

J-6	Assessed Value and Estimated Actual Value of Taxable Property	101
J-7	Direct and Overlapping Property Tax Rates	102
J-8	Principal Property Taxpayers	103
J-9	Property Tax Levies and Collections	104

Debt Capacity

J-10	Ratios of Outstanding Debt by Type	105
J-11	Ratios of Net General Bonded Debt Outstanding	106
J-12	Ratios of Overlapping Governmental Activities Debt	107
J-13	Legal Debt Margin Information	108

Demographic and Economic Information

J-14	Demographic and Economic Statistics	109
J-15	Principal Employers	110

Operating Information

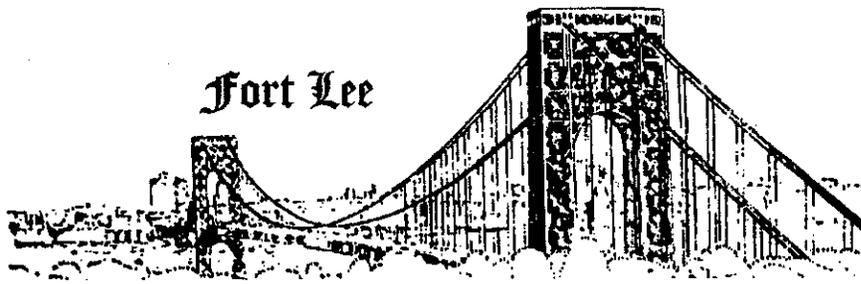
J-16	Full-time Equivalent District Employees by Function/Program	111
J-17	Operating Statistics	112
J-18	School Building Information	113
J-19	Schedule of Required Maintenance for School Facilities	114
J-20	Insurance Schedule	115

OUTLINE OF CAFR, (continued)

K. SINGLE AUDIT SECTION

K-1	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	116
K-2	Report on Compliance with Requirements Applicable to Each Major Federal and State Program and Internal Control Over Compliance in Accordance with OMB Circular A-133 and N.J. OMB Circular 04-04	118
K-3	Schedule of Expenditures of Federal Awards	120
K-4	Schedule of Expenditures of State Awards and Other Local Awards	122
K-5	Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance	124
K-6	Schedule of Findings and Questioned Costs	126
K-7	Summary Schedule of Prior Audit Findings	129

INTRODUCTORY SECTION



Fort Lee

Public Schools

Cheryl Balletto, CPA
Business Administrator/Board
Secretary

November 19, 2012

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, 2012. This CAFR includes the District's Basic Financial Statements prepared in accordance with Governmental Accounting Standards Board Statement 34. The District believes that this new financial reporting model will provide all users of this document with much more useful financial and statistical information than ever before. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the District. This report will provide the taxpayers of the Borough of Fort Lee School District with comprehensive financial data in a format enabling them to gain an understanding of the District's financial affairs.

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

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

- The Single Audit Section – The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984, as amended, the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*, and the State Treasury Letter 04-04 OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Information related to this single audit, including the independent auditor’s report on the internal control and compliance with applicable laws, regulations, contracts and grants, along with findings and questioned costs, is included in the single audit section of this report.

School District Organization

The Borough of Fort Lee School District is one of the 643 school districts in the State of New Jersey and one of 78 school districts in Bergen County. The School District provides education to 3727 students in grades kindergarten through twelve.

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

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

Reporting Entity

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

Economic Conditions and Outlook

The District completed the 2011-2012 fiscal year with an average daily enrollment of 3,689 students, which is six students less than the previous year’s enrollment. The following details the changes in the student average daily enrollment of the District over the last five years.

Average Daily Enrollment

Fiscal Year	Student Enrollment	Percent Change
2011-2012	3,689	2.44%
2010-2011	3,601	1.63%
2009-2010	3,543	2.00%
2008-2009	3,482	- 0.17%
2007-2008	3,488	0.37%

Future trends points towards an increase in enrollment.

The District's primary funding source is property tax revenue. As a result, the District, along with many other public school systems in the State, faces some difficult economic situations in the future. The proposed budget for the 2011-2012 was passed by the voters of Fort Lee. Overall tax revenue for the general fund still increased for the 2011-2012 school year by 2.00%, but the increase in projected expenditures from inflationary pressures, contractual agreements and enrollment growth has outpaced the additional revenue. The district's administration is closely monitoring the cost of operations and continues to look for innovative ways to 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 initiatives for the Fort Lee School District for the 2011-2012 school year included a continued focus on the Literacy Collaborative. The district passed a bond referendum in January 2012. The referendum includes a middle school addition, renovated science labs at the middle school and highschool and various capital infrastructure repairs. School #4 was designated as a reward school in the State of New Jersey.

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, 2012.

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

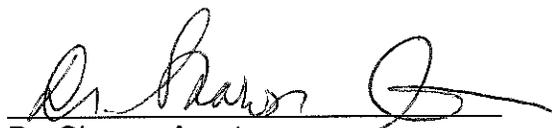
Risk Management: The Board carries various forms of insurance, including by not limited to general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds. A schedule of insurance coverage is found in Exhibit J-20.

Independent Audit: State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Ferraioli, Wielkocz, Cerullo & Cuva, P.A., was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit was also designed to meet the requirements of the Single Audit Act of 1984, as amended by the Single Audit Act Amendments of 1996, The Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA), USOMB Circular A-133, and New Jersey OMB Circular Letter 04-04. The auditors' report on the basic financial statements and specific required supplemental information is included in the financial section of this report. The auditors' reports related specifically to the single audit are included in the single audit section of this report.

Acknowledgements

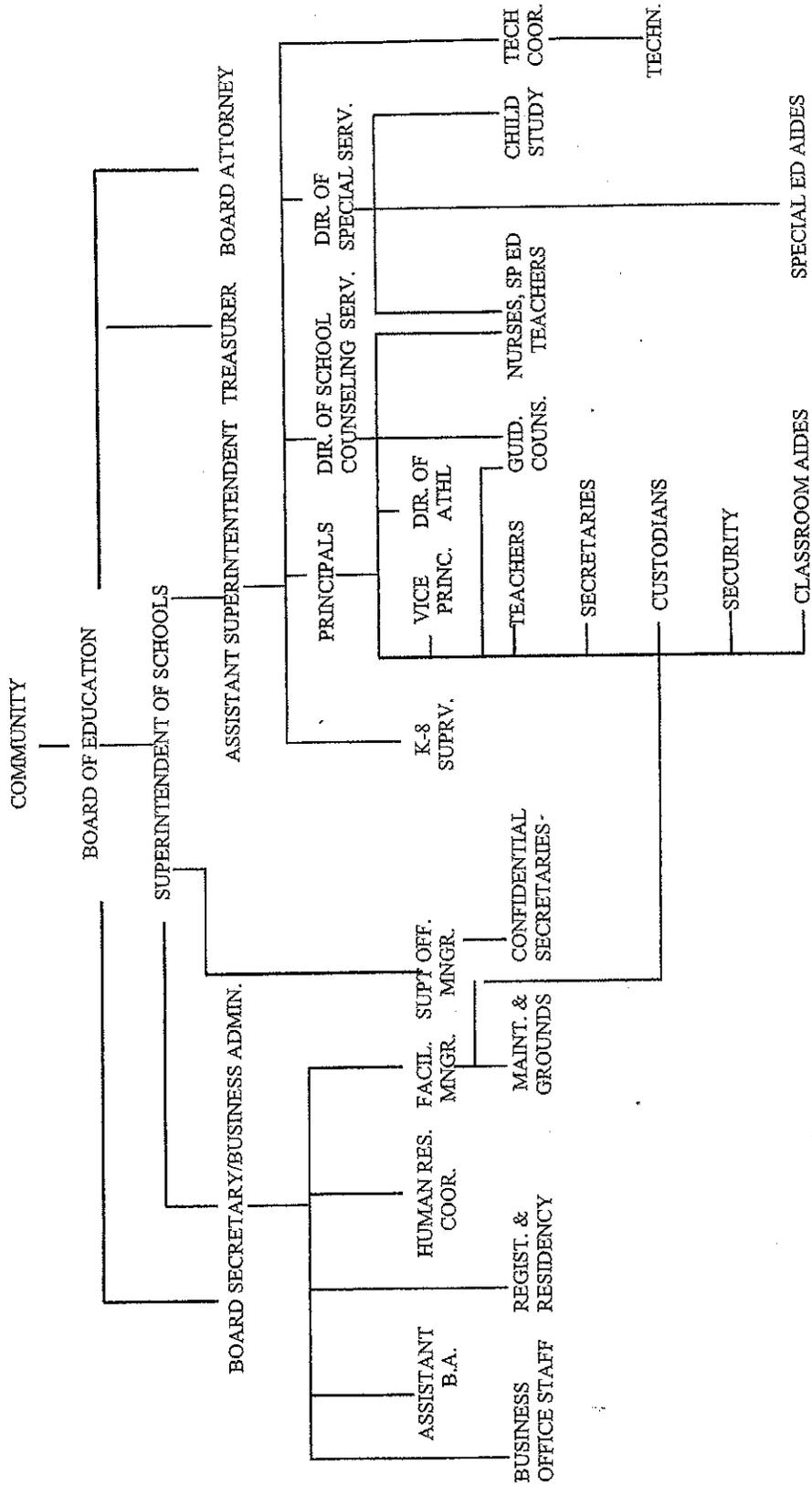
We would like to express our appreciation to the members of the Borough of Fort Lee School Board for their concern in providing fiscal accountability to the citizens and taxpayers of the School District and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of our financial and accounting staff.

Respectfully submitted


Dr. Sharon Amato
Interim Superintendent of Schools


Cheryl Balleto, CPA
Business Administrator/ Board Secretary

**ORGANIZATION OF PERSONNEL AND REPORTING RESPONSIBILITIES
FORT LEE PUBLIC SCHOOLS
2011-2012**



FORT LEE BOARD OF EDUCATION

ROSTER OF OFFICIALS

JUNE 30, 2012

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Arthur W. Levine, President	2013
Linda McCue, Vice President	2012
Carmelo Luppino, Jr.	2013
Peter J. Suh	2014
John Bang	2012
Helen Yoon	2014
Angela Napolitano	2012
Yusang Park (James)	2013
Joseph J. Surace	2014

Other Officials

Dr. Raymond Bandlow, Superintendent of Schools (7/1/11 - 10/30/11)
Steven Engravalle, Superintendent of Schools (11/1/11 - 6/30/12)

Steven Engravalle, Assistant Superintendent of Schools (7/1/11 - 10/30/11)
Dr. Sharon Amato - Assistant Superintendent of Schools (4/1/12 - 6/30/12)

Cheryl Balletto, Business Administrator/Board Secretary

Joseph Iannaconi, Treasurer of School Monies

Ana M. Flores, Assistant Business Administrator

Jack L. DeNichilo, Supervisor Buildings & Grounds

Matthew J. Giacobbe, Esq., Board Attorney

FORT LEE BOARD OF EDUCATION

CONSULTANTS & ADVISORS

JUNE 30, 2012

Attorney

Matthew J. Giacobbe, Esq.
Cleary, Giacobbe, Alfieri, Jacobs, LLC
169 Ramapo Valley Road
Upper Level 105
Oakland, NJ 07436

District Auditor

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

Official Depositories

TD Bank
1100 Lake Street
Ramsey, NJ 07446

FINANCIAL SECTION

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

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

Certified Public Accountants
401 Wanaque Avenue
Pompton Lakes, New Jersey 07442
973-835-7900
Fax 973-835-6631

Newton Office
100B Main Street
Newton, N.J. 07860
973-579-3212
Fax 973-579-7128

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund and the aggregate remaining fund information of the Board of Education of the Borough of Fort Lee School District, in the County of Bergen, State of New Jersey, as of and for the fiscal year ended June 30, 2012, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Borough of Fort Lee School District Board of Education's management. 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; 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 Division of Administration and 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, and each major fund, and the aggregate remaining fund information of the Board of Education of the Borough of Fort Lee School District, in the County of Bergen, State of New Jersey, as of June 30, 2012, and the respective changes in financial position and cash flows, where applicable, for the year then ended in conformity with accounting principles generally accepted in the United States of America.



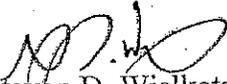
Honorable President and
Members of the Board of Education
Page 2.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 3, 2012 on our consideration of the Borough of Fort Lee Board of Education's internal control over financial reporting and 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 the internal control over financial reporting or on compliance. This report is an integral part of our audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management Discussion and Analysis and Budgetary Comparison Information on pages 10 through 20 and 54 through 61 are not a required part of the basic financial statements but are supplementary information required by the accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the Borough of Fort Lee Board of Education's basic financial statements. The accompanying introductory section and other supplementary information such as the combining and individual fund financial statements, long-term debt schedules and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements and long-term debt schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

The accompanying schedules of federal awards and state financial assistance are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and New Jersey OMB's Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.


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


FERRAIOLI, WIELKOTZ, CERULLO & CUVA, P.A.
Certified Public Accountants

December 3, 2012



**REQUIRED SUPPLEMENTARY
INFORMATION - PART I**

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

**MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
UNAUDITED**

As management of the Borough of Fort Lee School District (the "School District"), we offer readers of the School District's financial statements this narrative overview and analysis of the financial activities of the Borough of Fort Lee School District for the fiscal year ended June 30, 2012.

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

FINANCIAL HIGHLIGHTS

- In total, net assets increased \$3,665,114. Net assets of governmental activities increased \$3,518,434 while net assets of business-type activity increased by \$146,680.
- General revenues accounted for \$59,002,256 in revenue or 94 percent of all district revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$3,613,031 or 6 percent of total revenues of \$62,615,287.
- The School District had \$57,217,466 in expenses related to governmental activities; only \$1,733,644 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily grants, entitlements and property taxes) of \$59,002,256 were adequate to provide for these programs.

USING THIS ANNUAL REPORT

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

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

**MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
UNAUDITED (continued)**

USING THIS ANNUAL REPORT, (continued)

District-Wide Financial Statements

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

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

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

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

Fund Financial Statements

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

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

**MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
UNAUDITED (continued)**

USING THIS ANNUAL REPORT, (continued)

Governmental Funds

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

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

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

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

Proprietary Funds

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

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

Fiduciary Funds

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

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

**MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
UNAUDITED (continued)**

USING THIS ANNUAL REPORT, (continued)

Notes to the Financial Statements

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

Other Information

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

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

DISTRICT-WIDE FINANCIAL ANALYSIS

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

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

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

**MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
UNAUDITED (continued)**

DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)

The School District's net assets were \$14,844,456 at June 30, 2012 and \$11,129,342 at June 30, 2011. Restricted net assets are reported separately to show legal constraints that limit the School District's ability to use those net assets for day-to-day operations. Our analysis below focuses on the net assets for 2012 compared to 2011 (Table 1) and change in net assets (Table 2) of the School District.

Table 1

**Net Assets
June 30,**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Assets						
Current and Other Assets	7,587,394	5,327,208	510,515	391,149	8,097,909	5,718,357
Capital Assets	<u>14,223,553</u>	<u>12,916,571</u>	<u>92,772</u>	<u>100,024</u>	<u>14,316,325</u>	<u>13,016,595</u>
Total Assets	<u>21,810,947</u>	<u>18,243,779</u>	<u>603,287</u>	<u>491,173</u>	<u>22,414,234</u>	<u>18,734,952</u>
Liabilities						
Current Liabilities	1,423,506	835,903	61,255	95,821	1,484,761	931,724
Noncurrent Liabilities	<u>6,135,017</u>	<u>6,673,886</u>	—	—	<u>6,135,017</u>	<u>6,673,886</u>
Total Liabilities	<u>7,558,523</u>	<u>7,509,789</u>	<u>61,255</u>	<u>95,821</u>	<u>7,619,778</u>	<u>7,605,610</u>
Net Assets						
Invested in Capital Assets-						
Net of Related Debt	14,116,324	12,758,856	92,772	100,024	14,209,096	12,858,880
Restricted	4,862,082	3,054,358			4,862,082	3,054,358
Unrestricted	<u>(4,725,982)</u>	<u>(5,079,224)</u>	<u>499,260</u>	<u>295,328</u>	<u>(4,226,722)</u>	<u>(4,783,896)</u>
Total Net Assets	<u>14,252,424</u>	<u>10,733,990</u>	<u>592,032</u>	<u>395,352</u>	<u>14,844,456</u>	<u>11,129,342</u>

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

**MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
UNAUDITED (continued)**

DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)

Table 2 below shows the changes in net assets for fiscal year 2012 compared to 2011.

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

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Revenues						
Program Revenues:						
Charges for Services and						
Sales			1,437,357	1,343,774	1,437,357	1,343,774
Operating Grants and						
Contributions	1,733,644	1,886,702	442,030	357,872	2,175,674	2,244,574
General Revenues:						
Taxes:						
Property taxes	51,250,762	50,245,845			51,250,762	50,245,845
Federal and State Aid not						
Restricted	6,604,235	4,895,937			6,604,235	4,895,937
Capital Outlay	663,113				663,113	
Miscellaneous Income	483,649	543,187			483,649	543,187
Investment Income	<u>497</u>	<u>45</u>	<u> </u>	<u>2,796</u>	<u>497</u>	<u>2,841</u>
Total Revenues and Transfers	<u>60,735,900</u>	<u>57,571,716</u>	<u>1,879,387</u>	<u>1,704,442</u>	<u>62,615,287</u>	<u>59,276,158</u>

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

**MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
UNAUDITED (continued)**

DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Functions/Program Expenses						
Instruction:						
Regular	21,969,182	22,037,507			21,969,182	22,037,507
Special Education	4,820,815	4,146,536			4,820,815	4,146,536
Other Special Education	2,501,588	2,506,824			2,501,588	2,506,824
Other Instruction	955,886	954,758			955,886	954,758
Support Services:						
Tuition	3,315,783	3,149,926			3,315,783	3,149,926
Student & Instruction						
Related Services	8,165,565	8,138,886			8,165,565	8,138,886
General Administrative						
Services	1,304,146	1,428,638			1,304,146	1,428,638
School Administrative						
Services	2,744,677	3,327,080			2,744,677	3,327,080
Central Services and Admin.						
Info. Tech.	892,131	869,440			892,131	869,440
Plant Operations and						
Maintenance	4,536,978	4,334,191			4,536,978	4,334,191
Pupil Transportation	1,480,585	1,343,168			1,480,585	1,343,168
Unallocated Benefits	3,799,983	3,493,585			3,799,983	3,493,585
Food Service			1,732,707	1,624,676	1,732,707	1,624,676
Interest on Long-Term Debt	(1,800)	(1,730)			(1,800)	(1,730)
Unallocated Depreciation	731,457	746,955			731,457	746,955
Capital Outlay -						
Nondepreciable	<u>490</u>	<u> </u>	<u> </u>	<u> </u>	<u>490</u>	<u> </u>
Total Expenses	<u>57,217,466</u>	<u>56,475,764</u>	<u>1,732,707</u>	<u>1,624,676</u>	<u>58,950,173</u>	<u>58,100,440</u>
Increase or (Decrease) in						
Net Assets	<u>3,518,434</u>	<u>1,095,952</u>	<u>146,680</u>	<u>79,766</u>	<u>3,665,114</u>	<u>1,175,718</u>

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

**MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
UNAUDITED (continued)**

DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)

Governmental and Business-Type Activities

As reported in the Statement of Activities the cost of all of our governmental and business-type activities this year was \$58,950,173. However, the amount that our taxpayers ultimately financed for these activities through School District taxes was only \$51,250,762 because some of the cost was paid by those who benefitted from the programs \$1,437,357, by other governments and organizations who subsidized certain programs with grants and contributions \$9,443,022, investment income \$497, and by miscellaneous sources \$483,649.

The following schedules present a summary of governmental fund revenues and expenditures for the fiscal year ended June 30, 2012, and the amount and percentage of increases/(decreases) relative to the prior year.

<u>Revenue</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) from 2011</u>	<u>Percent of Increase/ (Decrease)</u>
Local Source	\$51,741,480	85.2%	\$947,794	1.87%
State Source	7,271,822	12.0	2,270,587	45.40%
Federal Source	<u>1,722,598</u>	<u>2.8</u>	<u>(54,197)</u>	(3.05)%
Total	<u>\$60,735,900</u>	<u>100.0%</u>	<u>\$3,164,184</u>	5.50%
<u>Expenditures</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) from 2011</u>	<u>Percent of Increase/ (Decrease)</u>
Current Expenditures:				
Instruction	\$24,234,227	41.0%	\$828,758	3.54%
Undistributed	32,784,231	55.5	262,054	.81%
Capital Outlay	<u>2,046,659</u>	<u>3.5</u>	<u>1,925,163</u>	<u>1,584.55%</u>
Total	<u>\$59,065,117</u>	<u>100.0%</u>	<u>\$3,015,975</u>	<u>5.38%</u>

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

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

**MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
UNAUDITED (continued)**

MAJOR GOVERNMENTAL FUNDS BUDGETING AND OPERATING HIGHLIGHTS

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

During the fiscal year ended June 30, 2012, the School District amended the special revenue fund by \$899,628 for increases in federal and state grants.

General Fund

The general fund actual revenue including transfers was \$58,778,115. That amount is \$5,920,788 above the final amended budget of \$52,857,327. The variance between the actual revenues and final budget was the result of non-budgeted on-behalf payments of \$4,288,366 for TPAF pension and Social Security reimbursements, \$359,302 for additional extraordinary state aid, \$599,152 for additional state aid, \$(26,486) for a reduction in federal aid, \$334,958 for other financing sources - transfer from capital projects, and \$365,496 for increases in other anticipated revenues.

The actual expenditures of the general fund were \$55,673,202 including transfers which is \$1,636,286 below the final amended budget of \$54,036,916. The variance between the actual and final budget was due to non-budget on-behalf payments of \$4,288,366 for TPAF pension and Social Security reimbursements, and \$2,652,080 of unexpended budgeted funds.

General fund had total revenues and other financing sources of \$58,778,115 and total expenditures and transfers of \$55,673,202 with an ending fund balance of \$7,122,116 on the budgetary basis of accounting.

Special Revenue Fund

The special revenue fund actual revenue was \$1,747,578. That amount is \$529,050 below the final amended budget of \$2,276,628. The variance between the actual revenues and the final budget was state and federal grant revenue that was anticipated to be spent by fiscal year end. The state and federal grant revenue will be received/realized in the next fiscal year.

The actual expenditures of the special revenue fund were \$1,747,578, which is \$529,050 below the final amended budget of \$2,276,628. The variance between the actual expenditures and the final budget was due to the anticipation of fully expending state and federal grant programs. Expenditures will be incurred in the next fiscal year.

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

**MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
UNAUDITED (continued)**

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal year 2012 the School District had \$39,447,833 invested in sites, buildings, equipment and construction in progress. Of this amount \$25,131,508 in depreciation has been taken over the years. We currently have a net book value of \$14,316,325. Total additions for the year were \$2,052,033, the majority of which was for various technology and office equipment, transportation equipment, food service equipment and improvements to the District's facilities. Table 3 shows fiscal year 2012 balances compared to 2011.

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

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Land and Construction in Progress	\$4,346,769	\$2,509,321			\$4,346,769	\$2,509,321
Site Improvements	647,205	691,328			647,205	691,328
Buildings and Building Improvements	8,685,627	9,177,014			8,685,627	9,177,014
Machinery and Equipment	<u>543,952</u>	<u>538,908</u>	<u>\$92,772</u>	<u>\$100,024</u>	<u>636,724</u>	<u>638,932</u>
	<u>\$14,223,553</u>	<u>\$12,916,571</u>	<u>\$92,772</u>	<u>\$100,024</u>	<u>\$14,316,325</u>	<u>\$13,016,595</u>

Debt Administration

At June 30, 2012, the District had \$6,135,017 of outstanding debt. Of this amount, \$6,027,788 is for compensated absences; and \$107,229 is for obligations under capital leases.

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

**MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
UNAUDITED (continued)**

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

The economy in the State of New Jersey is slowly improving. The current State of New Jersey revenue estimates are at the point that the legislature and governor have approved a State Aid funding bill for the 2012-2013 school year that is greater than the level of the 2011-2012 school year.

These factors were considered in preparing the Borough of Fort Lee School District's budgets for the 2012-2013 fiscal year.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Borough of Fort Lee School District's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to:

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

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

FORT LEE BOARD OF EDUCATION
Statement of Net Assets
June 30, 2012

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	2,054,644	433,451	2,488,095
Receivables, net	2,558,402	67,265	2,625,667
Inventory		9,799	9,799
Prepaid Rent	20,230		20,230
Prepaid Expenses	115,479		115,479
Restricted assets:			
Capital reserve account - cash	2,588,639		2,588,639
Emergency reserve account - cash	250,000		250,000
Capital Assets:			
Land and construction in progress	4,346,769		4,346,769
Other Capital assets, net :	9,876,784	92,772	9,969,556
Total Assets	<u>21,810,947</u>	<u>603,287</u>	<u>22,414,234</u>
LIABILITIES			
Accounts payable and accrued liabilities	1,242,005	46,306	1,288,311
Interfunds Payable	46,170	628	46,798
Payable to state government	112,934		112,934
Payable to local government	19,148		19,148
Prepaid revenue		14,321	14,321
Deferred revenue	3,249		3,249
Noncurrent liabilities:			
Due within one year	52,544		52,544
Due beyond one year	6,082,473		6,082,473
Total liabilities	<u>7,558,523</u>	<u>61,255</u>	<u>7,619,778</u>
NET ASSETS			
Invested in capital assets, net of related debt	14,116,324	92,772	14,209,096
Restricted for:			
Capital projects	1,748,797		1,748,797
Other purposes	3,113,285		3,113,285
Unrestricted (Deficit)	<u>(4,725,982)</u>	<u>449,260</u>	<u>(4,276,722)</u>
Total net assets	<u>14,252,424</u>	<u>542,032</u>	<u>14,794,456</u>

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

FORT LEE BOARD OF EDUCATION
Statement of Activities
Fiscal Year Ended June 30, 2012

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Indirect Expenses Allocation	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
Instruction:							
Regular	17,686,731	4,282,451		1,271,715	(20,697,467)		(20,697,467)
Special education	3,799,173	1,021,642			(4,820,815)		(4,820,815)
Other special instruction	1,965,408	536,180			(2,501,588)		(2,501,588)
Other instruction	782,915	172,971			(955,886)		(955,886)
Support services:							
Tuition	3,315,783				(3,315,783)		(3,315,783)
Student & instruction related services	6,807,393	1,358,172		461,929	(7,703,636)		(7,703,636)
School administrative services	2,167,907	576,770			(2,744,677)		(2,744,677)
General administrative services	1,191,334	112,812			(1,304,146)		(1,304,146)
Central services and administrative information technology	741,121	151,010			(892,131)		(892,131)
Plant operations and maintenance	4,157,199	379,779			(4,536,978)		(4,536,978)
Pupil transportation	1,401,047	79,538			(1,480,585)		(1,480,585)
Unallocated benefits	3,799,983				(3,799,983)		(3,799,983)
Capital outlay	490				(490)		(490)
Interest on long-term debt	(1,800)				1,800		1,800
Unallocated depreciation	731,457				(731,457)		(731,457)
Total governmental activities	48,546,141	8,671,325	-	1,733,644	(55,483,822)	-	(55,483,822)
Business-type activities:							
Food Service	1,211,683		912,665	442,030		143,012	143,012
Latchkey	521,024		524,692			3,668	3,668
Total business-type activities	1,732,707		1,437,357	442,030		146,680	146,680
Total primary government	50,278,848		1,437,357	2,175,674	(55,483,822)	146,680	(55,337,142)
General revenues:							
Taxes:							
Levied for general purposes					51,250,762		51,250,762
Federal and State aid not restricted					6,604,235		6,604,235
Federal and State aid - Capital Outlay					663,113		663,113
Investment Earnings					497		497
Miscellaneous Income					483,649		483,649
Total general revenues, special items, extraordinary items and transfers					59,002,256		59,002,256
Change in Net Assets					3,518,434	146,680	3,665,114
Net Assets—beginning					10,733,990	395,352	11,129,342
Net Assets—ending					14,252,424	542,032	14,794,456

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

FUND FINANCIAL STATEMENTS

FORT LEE BOARD OF EDUCATION
Balance Sheet
Governmental Funds
June 30, 2012

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
ASSETS				
Cash and cash equivalents				
Checking	3,522,348			3,522,348
Accounts Receivable -				
Interfunds	428,209			428,209
Intergovernmental - Federal		687,500		687,500
Intergovernmental - State	883,341		966,198	1,849,539
Other receivables	5,632			5,632
Prepaid Expenses	115,479			115,479
Prepaid Rent	20,230			20,230
Restricted cash and cash equivalents				
Capital reserve	2,588,639			2,588,639
Emergency reserve	250,000			250,000
Total assets	<u>7,813,878</u>	<u>687,500</u>	<u>966,198</u>	<u>9,467,576</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Deficit in cash			1,467,704	1,467,704
Accounts payable	738,275	161,089	338,336	1,237,700
Intergovernmental accounts payable - State		112,934		112,934
Intergovernmental accounts payable - Local	19,148			19,148
Accrued salaries & benefits	482			482
Interfund payables	46,170	412,478		458,648
Deferred revenue	2,250	999		3,249
Total liabilities	<u>806,325</u>	<u>687,500</u>	<u>1,806,040</u>	<u>3,299,865</u>
Fund Balances:				
Restricted for:				
Excess Surplus - current year	236,643			236,643
Excess Surplus - prior year - designated for subsequent year's expenditures	127,926			127,926
Capital reserve account	2,588,639			2,588,639
Emergency reserve account	250,000			250,000
Committed to:				
Year-end Encumbrances	1,182,757			1,182,757
Assigned to:				
Designated by the BOE for subsequent year's expenditures	1,315,959			1,315,959
Capital projects fund			(839,842)	(839,842)
Unassigned:				
General Fund	1,305,629			1,305,629
Total Fund balances	<u>7,007,553</u>	<u>-</u>	<u>(839,842)</u>	<u>6,167,711</u>
Total liabilities and fund balances	<u>7,813,878</u>	<u>687,500</u>	<u>966,198</u>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$39,029,186 and the accumulated depreciation is \$24,805,633	14,223,553
Accrued liability for interest on long-term debt is not due and payable in the current period and is not reported as a liability in the funds	(3,823)
Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds (see Note 7)	(6,135,017)
Net assets of governmental activities	<u>14,252,424</u>

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

FORT LEE BOARD OF EDUCATION
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Fiscal Year Ended June 30, 2012

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
REVENUES				
Local sources:				
Municipal tax levy	51,250,762			51,250,762
Interest Earned on Capital Reserve Funds	497			497
Miscellaneous	483,649	6,572		490,221
Total - Local Sources	51,734,908	6,572	-	51,741,480
State sources	6,494,449	114,260	663,113	7,271,822
Federal sources	109,786	1,612,812		1,722,598
Total revenues	58,339,143	1,733,644	663,113	60,735,900
EXPENDITURES				
Current:				
Regular instruction	16,415,016	1,271,715		17,686,731
Special education instruction	3,799,173			3,799,173
Other special instruction	1,965,408			1,965,408
School sponsored/other instructional	782,915			782,915
Support services and undistributed costs:				
Tuition	3,315,783			3,315,783
Attendance and social work services	222,456			222,456
Health services	662,070			662,070
Student & instruction related services	5,460,938	461,929		5,922,867
School administrative services	2,167,907			2,167,907
General administrative services	1,191,334			1,191,334
Central services & administrative information technology	741,121			741,121
Plant operations and maintenance	4,149,469			4,149,469
Pupil transportation	1,451,533			1,451,533
Unallocated benefits	8,671,325			8,671,325
On-behalf contributions	4,288,366			4,288,366
Capital outlay	388,388		1,658,271	2,046,659
Total expenditures	55,673,202	1,733,644	1,658,271	59,065,117
Excess (Deficiency) of revenues	2,665,941	-	(995,158)	1,670,783
OTHER FINANCING SOURCES (USES)				
Transfers in	334,958			334,958
Transfers out			(334,958)	(334,958)
Total other financing sources and uses	334,958	-	(334,958)	-
Net change in fund balances	3,000,899	-	(1,330,116)	1,670,783
Fund balance—July 1	4,006,654		490,274	4,496,928
Fund balance—June 30	7,007,553	-	(839,842)	6,167,711

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

FORT LEE BOARD OF EDUCATION
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
Fiscal Year Ended June 30, 2012

Total net change in fund balances - governmental funds (from B-2) 1,670,783

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	(731,457)	
	Asset retired prior to full depreciation	(7,730)	
	Depreciable Capital outlays	<u>2,046,169</u>	1,306,982

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

In the current year, these amounts consist of:

Capital Lease Obligations			50,486
---------------------------	--	--	--------

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 Capital Lease Obligations - Prior Year			5,623
General Capital Lease Obligations		<u>(3,823)</u>	1,800

In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).

Decrease in compensated absences payable			488,383
--	--	--	---------

Change in net assets of governmental activities 3,518,434

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

FORT LEE BOARD OF EDUCATION
Statement of Net Assets
Proprietary Funds
June 30, 2012

	Business-type Activities - Enterprise Fund		Totals
	Food Service Program	Latchkey Program	
ASSETS			
Current assets:			
Cash and cash equivalents	230,563	202,888	433,451
Accounts receivable:			-
State	808		808
Federal	20,390		20,390
Other	13	527	540
Interfund accounts receivable	45,466	61	45,527
Inventories	9,799		9,799
Total current assets	<u>307,039</u>	<u>203,476</u>	<u>510,515</u>
Noncurrent assets:			
Capital assets:			
Equipment	392,653	25,994	418,647
Less accumulated depreciation	(305,486)	(20,389)	(325,875)
Total capital assets (net of accumulated depreciation)	<u>87,167</u>	<u>5,605</u>	<u>92,772</u>
Total assets	<u>394,206</u>	<u>209,081</u>	<u>603,287</u>
LIABILITIES			
Current Liabilities:			
Accounts payable	33,942	12,364	46,306
Interfunds payable	628		628
Prepaid Revenue	14,321		14,321
Total Liabilities	<u>48,891</u>	<u>12,364</u>	<u>61,255</u>
NET ASSETS			
Invested in capital assets net of related debt	87,167	5,605	92,772
Unrestricted	258,148	191,112	449,260
Total net assets	<u>345,315</u>	<u>196,717</u>	<u>542,032</u>

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

FORT LEE BOARD OF EDUCATION
Statement of Revenues, Expenses, and Changes in Fund Net Assets
Proprietary Funds
Fiscal Year Ended June 30, 2012

	Business-type Activities - Enterprise Fund		
	Food Service Program	Latchkey Program	Totals
Operating revenues:			
Charges for services:			
Daily sales - reimbursable programs	565,677		565,677
Daily sales - non-reimbursable programs	280,507		280,507
Daily sales - non-reimbursable programs	66,481		66,481
Program Fees		524,692	524,692
Total operating revenues	<u>912,665</u>	<u>524,692</u>	<u>1,437,357</u>
Operating expenses:			
Cost of food	421,511	62,668	484,179
Salaries	389,746	360,009	749,755
Supplies and materials	49,083	7,547	56,630
Employee benefits	119,058		119,058
Depreciation	12,316	800	13,116
Repairs and other expenses	90,279		90,279
Purchased services	129,690		129,690
Rent		90,000	90,000
Total Operating Expenses	<u>1,211,683</u>	<u>521,024</u>	<u>1,732,707</u>
Operating income (loss)	<u>(299,018)</u>	<u>3,668</u>	<u>(295,350)</u>
Nonoperating revenues (expenses):			
State sources:			
School lunch program	13,869		13,869
Federal sources:			
School lunch program	322,888		322,888
School breakfast program	19,921		19,921
U.S.D.A. Commodities	85,352		85,352
Total nonoperating revenues (expenses)	<u>442,030</u>	<u>-</u>	<u>442,030</u>
Income (loss) before contributions & transfers	<u>143,012</u>	<u>3,668</u>	<u>146,680</u>
Total net assets—beginning	<u>202,303</u>	<u>193,049</u>	<u>395,352</u>
Total net assets—ending	<u>345,315</u>	<u>196,717</u>	<u>542,032</u>

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

FORT LEE BOARD OF EDUCATION
Statement of Cash Flows
Proprietary Funds
Fiscal Year Ended June 30, 2012

	Business-type Activities - Enterprise Fund		
	Food Service Program	Latchkey Program	Totals
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	820,192	527,735	1,347,927
Payments to suppliers	(1,049,667)	(544,887)	(1,594,554)
Net cash provided by (used for) operating activities	<u>(229,475)</u>	<u>(17,152)</u>	<u>(246,627)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
State Sources	16,082		16,082
Federal Sources	383,259		383,259
Net cash provided by (used for) non-capital financing activities	<u>399,341</u>	<u>-</u>	<u>399,341</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition of capital assets	(5,864)		(5,864)
Net cash used for capital and related financing activities	<u>(5,864)</u>	<u>-</u>	<u>(5,864)</u>
Net increase (decrease) in cash and cash equivalents	<u>164,002</u>	<u>(17,152)</u>	<u>146,850</u>
Balances—beginning of year	66,561	220,040	286,601
Balances—end of year	<u>230,563</u>	<u>202,888</u>	<u>433,451</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	(299,018)	3,668	(295,350)
Adjustments to reconcile operating income (loss) to net cash provided by			
Depreciation and net amortization	12,316	800	13,116
Food distribution program	85,352		85,352
(Increase) decrease in accounts receivable	710	894	1,604
(Increase) decrease in interfunds receivable	(15,865)	(61)	(15,926)
Increase (decrease) in interfunds payable	238	(32,137)	(31,899)
(Increase) decrease in inventories	(856)		(856)
Increase (decrease) in prepaid revenue	4,277		4,277
Increase (decrease) in accounts payable	(16,630)	9,684	(6,946)
Total adjustments	<u>69,542</u>	<u>(20,820)</u>	<u>48,722</u>
Net cash provided by (used for) operating activities	<u>(229,476)</u>	<u>(17,152)</u>	<u>(246,628)</u>

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

FORT LEE BOARD OF EDUCATION
Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2012

	<u>Private Purpose Scholarship Fund</u>	<u>Unemployment Compensation Trust Fund</u>	<u>Agency Funds</u>
ASSETS			
Cash and cash equivalents	33,979	539,006	393,376
Miscellaneous receivables			2,965
Interfund receivables		10,396	257
Total assets	<u>33,979</u>	<u>549,402</u>	<u>396,598</u>
LIABILITIES			
Accounts payable			304,514
Interfund payable			25,114
Payable to student groups			66,970
Due to State of NJ - Unemployment		89,996	
Total liabilities	<u>-</u>	<u>89,996</u>	<u>396,598</u>
NET ASSETS			
Reserved			
Principal portion	5,000		
Held in trust for unemployment claims and other purposes		459,406	
Reserved for scholarships	<u>28,979</u>		
	<u>33,979</u>		

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

FORT LEE BOARD OF EDUCATION
Statement of Changes in Fiduciary Net Assets
Fiduciary Funds
Fiscal Year Ended June 30, 2012

	Private Purpose Scholarship Fund	Unemployment Compensation Trust Fund
ADDITIONS		
Contributions:		
Donations	14,110	
Payroll withholdings		45,322
Total Contributions	14,110	45,322
DEDUCTIONS		
Quarterly contribution reports		327,784
Scholarships awarded	14,400	
Total deductions	14,400	327,784
OTHER CHANGES TO FIDUCIARY NET ASSETS		
Change in net assets	(290)	(282,462)
Net assets—beginning of the year	34,269	741,868
Net assets—end of the year	33,979	459,406

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

NOTES TO THE FINANCIAL STATEMENTS

**Borough of Fort Lee School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2012**

NOTE 1. DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY:

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

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

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

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

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

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The financial statements of the Board of Education of the Borough of Fort Lee School District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Board also applies Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, to its governmental and business-type activities provided they do not conflict with or contradict GASB pronouncements. The more significant of the board's accounting policies are described below.

A. Basis of Presentation:

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

**Borough of Fort Lee School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2012**

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

District-wide Financial Statements:

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

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

Fund Financial Statements:

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

GOVERNMENTAL FUNDS

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

**Borough of Fort Lee School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2012**

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

GOVERNMENTAL FUNDS, (continued)

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

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

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

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

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

PROPRIETARY FUNDS

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

**Borough of Fort Lee School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2012**

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

PROPRIETARY FUNDS, (continued)

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

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

FIDUCIARY FUNDS

Fiduciary Fund - Fiduciary Fund reporting focuses on net assets and changes in net assets. The Fiduciary Funds are used to account for assets held by the Board on behalf of individuals, private organizations, other governments and/or other funds. Fiduciary Funds include Unemployment Compensation Insurance, the Memorial Funds, Student Activities Fund and Payroll Agency Fund.

B. Measurement Focus:

District-wide Financial Statements

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

Fund Financial Statements

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

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

**Borough of Fort Lee School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2012**

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

C. Basis of Accounting:

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

Revenues - Exchange and Non-exchange Transactions

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

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

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

Expenses/Expenditures

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

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

**Borough of Fort Lee School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2012**

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

D. Budgets/Budgetary Control:

Annual appropriated budgets are adopted in the spring of the preceding year for the general, and special revenue funds. The budgets are submitted to the county superintendents office for approval. Budgets are prepared using the modified accrual basis of accounting, except for the special revenue fund as described later. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23-2(g)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year. The Board of Education did not make material supplemental budgetary appropriations during the fiscal year.

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds there are no substantial differences between the budgetary basis of accounting and accounting principles generally accepted in the United States of America with the exception of the legally mandated revenue recognition of the last state aid payment for budgetary purposes only and special revenue fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

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

E. Encumbrances:

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

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

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

**Borough of Fort Lee School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2012**

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

F. Cash, Cash Equivalents and Investments:

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

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

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

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

G. Tuition Revenues/Receivable:

Tuition charges were established by the Board of Education based on estimated costs. The charges are subject to adjustment when the final costs have been determined.

H. Inventories:

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

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

**Borough of Fort Lee School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2012**

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

I. Prepaid Items:

Payments made to vendors for services that will benefit periods beyond June 30, 2012, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of purchase and an expenditure/expense is reported in the year in which services are consumed.

J. Short-Term Interfund Receivables/Payables:

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

K. Capital Assets:

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

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

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

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

**Borough of Fort Lee School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2012**

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

L. Compensated Absences:

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

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

M. Deferred Revenue:

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

Deferred revenue in the special revenue fund represents cash that has been received but not yet earned. See Note 2(E) regarding the special revenue fund.

N. Accrued Liabilities and Long-term Obligations:

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

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

**Borough of Fort Lee School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2012**

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

O. Fund Balances:

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

- **Nonspendable** fund balance includes amounts that are not in a spendable form (inventory, for example) or are required to be maintained intact (the principal of an endowment fund, for example).
- **Restricted** fund balance includes amounts that can be spent only for the specific purposes stipulated by external resource providers (for example, grant providers), constitutionally, or through enabling legislation (that is, legislation that creates a new revenue source and restricts its use). Effectively, restrictions may be changed or lifted only with the consent of resource providers.
- **Committed** fund balance includes amounts that can be used only for the specific purposes determined by a formal action of the Board's highest level of decision-making authority. Commitments may be changed or lifted only by the government taking the same formal action that imposed the constraint originally.
- **Assigned** fund balance comprises amounts *intended* to be used by the Board for specific purposes. Intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority. In governmental funds other than the general fund, assigned fund balance represents the amount that is not restricted or committed. This indicates that resources in other governmental funds are, at a minimum, intended to be used for the purpose of that fund.
- **Unassigned** fund balance is the residual classification for the general fund and includes all amounts not contained in the other classifications. Unassigned amounts are technically available for any purpose. If another governmental fund has a fund balance deficit, then it will be reported as a negative amount in the unassigned classification in that fund. Positive unassigned amounts will be reported only in the general fund.

**Borough of Fort Lee School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2012**

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

P. Net Assets:

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

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

Q. Operating Revenues and Expenses:

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

R. Extraordinary and Special Items:

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

S. Allocation of Indirect Expenses:

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

T. Use of Estimates:

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

**Borough of Fort Lee School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2012**

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS

Cash

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The District's policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 18A:20-37 that are treated as cash equivalents. As of June 30, 2012, \$0- of the District's bank balance of \$7,892,849 was exposed to custodial credit risk.

Investments

Investment Rate Risk

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

Credit Risk

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

Concentration of Credit Risk

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

**Borough of Fort Lee School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2012**

NOTE 4. RECEIVABLES

Receivables at June 30, 2012, consisted of accounts receivable and intergovernmental. All receivables are considered collectible in full. A summary of the principal items of intergovernmental receivables follows:

	Governmental Fund Financial <u>Statements</u>	Enterprise <u>Fund</u>	District Wide Financial <u>Statements</u>
Interfunds	\$428,209	\$45,527	\$61,258
State Aid	1,849,539	808	1,850,347
Federal Aid	687,500	20,390	707,890
Other	<u>5,632</u>	<u>540</u>	<u>6,172</u>
Gross Receivables	2,970,880	67,265	2,625,667
Less: Allowance for Uncollectibles			
Total Receivables, Net	<u>\$2,970,880</u>	<u>\$67,265</u>	<u>\$2,625,667</u>

NOTE 5. INTERFUND BALANCE AND ACTIVITY

Balances due to/from other funds at June 30, 2012 consist of the following:

\$15,352	Due to the General Fund from the Fiduciary Funds for interest earnings and expense reimbursements.
412,230	Due to the General Fund from the Special Revenue Fund to cover deficit in cash.
628	Due to the General Fund from the Cafeteria Fund for expense reimbursement.
45,466	Due to the Cafeteria Fund from the General Fund for expense reimbursement and subsidiary reimbursements.
61	Due to the General Fund from the Latchkey Fund for interest earnings not turned over.
9,763	Due to the Unemployment Account from the Payroll Agency Funds for employee deductions
248	Due to the Fiduciary Funds from the Special Revenue Fund for expense reimbursement.
633	Due to the Unemployment Accounts Funds from the General Fund for interest earnings not turned over.
<u>9</u>	Due to the Student Activity Accounts from the General Fund for interest earnings not turned over.
<u>\$484,390</u>	

**Borough of Fort Lee School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2012**

NOTE 6. CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2012 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Governmental Activities				
Capital assets that are not being depreciated:				
Land	\$2,509,321	\$		\$2,509,321
Construction in progress	<u> </u>	<u>1,837,448</u>	<u> </u>	<u>1,837,448</u>
Total capital assets not being depreciated	<u>2,509,321</u>	<u>1,837,448</u>	<u> </u>	<u>4,346,769</u>
Site Improvements	1,793,3253	31,800		1,825,125
Building and improvements	29,729,680	38,969		29,768,649
Machinery and equipment	<u>3,012,879</u>	<u>137,952</u>	<u>(62,188)</u>	<u>3,088,643</u>
Totals at historical cost	<u>34,535,884</u>	<u>208,721</u>	<u>(62,188)</u>	<u>34,682,417</u>
Less accumulated depreciation for:				
Site Improvements	(1,101,997)	(75,923)		(1,177,920)
Buildings and improvements	(20,552,666)	(530,356)		(21,083,022)
Equipment	<u>(2,473,971)</u>	<u>(125,178)</u>	<u>54,458</u>	<u>(2,544,691)</u>
Total accumulated depreciation	<u>(24,128,634)</u>	<u>(731,457)</u>	<u>54,458</u>	<u>(24,805,633)</u>
Total capital assets being depreciated, net of accumulation	<u>10,407,250</u>	<u>(522,736)</u>	<u>(7,730)</u>	<u>9,876,784</u>
Governmental activities capital assets, net	<u>12,916,571</u>	<u>1,314,712</u>	<u>(7,730)</u>	<u>14,223,553</u>
Business-type activities:				
Equipment	412,783	5,864		418,647
Less accumulated depreciation for:				
Equipment	<u>(312,759)</u>	<u>(13,116)</u>	<u> </u>	<u>(325,875)</u>
Business-type activities capital assets, net	<u>\$100,024</u>	<u>(\$7,252)</u>	<u>\$ </u>	<u>\$92,772</u>

Depreciation expense was charged to governmental functions as follows:

Unallocated	(\$731,457)
Direct expense of various functions	<u>-0-</u>
Total depreciation expense	<u>(\$731,457)</u>

**Borough of Fort Lee School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2012**

NOTE 7. LONG-TERM OBLIGATION ACTIVITY

Changes in long-term obligations for the fiscal year ended June 30, 2012 were as follows:

	<u>Beginning Balance</u>	<u>Issued</u>	<u>Retired</u>	<u>Ending Balance</u>	<u>Amount Due Within One Year</u>
Governmental Activities:					
Other Liabilities:					
Obligations Under Capital Lease	\$157,715	\$	\$(50,486)	\$107,229	52,544
Compensated Absences Payable	<u>6,516,171</u>	<u>184,468</u>	<u>(672,871)</u>	<u>6,027,768</u>	<u> </u>
	<u>\$6,673,886</u>	<u>\$184,468</u>	<u>(\$723,357)</u>	<u>\$6,134,997</u>	<u>\$52,544</u>

A. Bonds Payable:

As of June 30, 2012, the District had no bonds payable.

B. Capital Leases Payable:

The District is leasing 54 passenger school buses under capital leases. All capital leases are for terms of five to seven years. The following is a schedule of the future minimum lease payments under these capital leases, and the present value of the net minimum lease payments at June 30, 2012:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$52,544	\$4,369	\$56,913
2014	<u>54,685</u>	<u>2,228</u>	<u>56,913</u>
	<u>\$107,229</u>	<u>\$6,597</u>	<u>\$113,826</u>

**Borough of Fort Lee School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2012**

NOTE 8. OPERATING LEASES

The District is leasing certain office equipment and office space under operating leases that expire from 2013 through 2018 and computer equipment that expire in 2014. Total operating lease payments made during the year ended June 30, 2012 were \$173,832. Future minimum lease payments are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2013	\$295,552
2014	295,620
2015	255,620
2016	201,977
2017	119,176
2018	6,376
	<u>\$1,174,321</u>

NOTE 9. PENSION PLANS

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

Teachers' Pension and Annuity Fund (TPAF) - The Teachers' Pension and Annuity Fund was established as of January 1, 1955, under the provisions of N.J.S.A. 18A:66 to provide retirement benefits, death, disability and medical benefits to certain qualified members. The Teachers' Pension and Annuity Fund is considered a cost-sharing multiple-employer plan with a special funding situation, as under current statute, all employer contributions are made by the State of New Jersey on behalf of the District and the system's other related non-contributing employers. Membership is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, and employees of the Department of Education who have titles that are unclassified, professional and certified.

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

**Borough of Fort Lee School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2012**

NOTE 10. PENSION PLANS, (continued)

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

During the year ended June 30, 2012 for TPAF, which is a cost sharing plan with special funding situations, annual pension cost equals annual required contribution. For PERS, which is a cost sharing multi-employer defined benefit pension plan, the annual pension cost differs from the annual required contribution due to the enactment of Chapter 114, P.L. 1997. TPAF employer contributions are made annually by the State of New Jersey to the pension system on behalf of the Board. PERS employer contributions are made annually by the Board to the pension system in accordance with Chapter 114, P.L. 1997.

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

<u>Year Ending</u>	
6/30/12	\$575,547
6/30/11	544,047
6/30/10	415,789

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

<u>Year Ending</u>	<u>Pension Contributions</u>	<u>Post- Retirement Medical Contributions</u>	<u>NCGI Premium</u>
6/30/12	\$711,290	\$1,583,324	\$76,331
6/30/11		1,629,104	76,700
6/30/10		1,499,621	79,846

**Borough of Fort Lee School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2012**

NOTE 9. PENSION PLANS, (continued)

During the year ended June 30, 2012, the State of New Jersey contributed \$2,370,945 to the TPAF for NCGI Premium contributions and post-retirement medical benefits on behalf of the Board. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$1,917,421 during the year ended June 30, 2012 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. These amounts have been included in the district-wide financial statements, and the fund-based statements as revenues and expenditures in accordance with GASB 24.

Defined Contribution Retirement Program

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

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

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

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

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

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

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

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

**Borough of Fort Lee School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2012**

NOTE 10. POST-EMPLOYMENT BENEFITS

Chapter 384 of Public Laws 1987 and Chapter 6 of Public Laws 1990 required Teachers' Pension and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2011, there were 93,323 retirees eligible for post-retirement medical benefits and the State contributed \$935.5 million on their behalf. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994 Chapter 62. Funding of post-retirement medical premiums changed from a prefunding basis to a pay-as-you-go basis beginning in fiscal year 1994.

The State is also responsible for the cost attributable to P.L. 1992 Chapter 126, which provides free health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. In fiscal year 2011, the State paid \$144 million toward Chapter 126 benefits for 15,709 eligible retired members.

NOTE 11. DEFERRED COMPENSATION

The Board offers its employees a choice of the following deferred compensation plans created in accordance with Internal Revenue Code Section 403(b). The plans, which are administered by the entities listed below, permits participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death or unforeseeable emergency. The plan administrators are as follows:

AXA Equitable
MetLife

VALIC
Financial Resources

NOTE 12. RISK MANAGEMENT

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

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

**Borough of Fort Lee School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2012**

NOTE 12. RISK MANAGEMENT, (continued)

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

New Jersey Unemployment Compensation Insurance - The District has elected to fund its New Jersey Unemployment Compensation Insurance under the “Benefit Reimbursement Method”. Under this plan, the District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The District is billed quarterly for amounts due to the State. The following is a summary of District contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the District’s expendable trust fund for the current and previous two years:

<u>Fiscal Year</u>	<u>Interest Earnings/ District Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2011-2012	\$	\$45,322	\$327,784	\$459,406
2010-2011	755,248	43,397	441,812	741,868
2009-2010	260,207	45,710	82,002	385,035

NOTE 13. CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the Borough of Fort Lee Board of Education by inclusion of \$960,000 in the 1999 budget for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget. There existed a balance of \$2,588,639 in the capital reserve account at June 30, 2012.

Funds placed in the capital reserve account are restricted to capital projects in the district’s approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A district may also appropriate additional amount when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6A:23A-14.1(g), the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

**Borough of Fort Lee School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2012**

NOTE 13. CAPITAL RESERVE ACCOUNT, (continued)

The activity of the capital reserve for the July 1, 2011 to June 30, 2012 fiscal year is as follows:

Beginning balance, July 1, 2011	\$1,003,184
Deposits:	
Board Resolution - June 18, 2012	1,250,000
Transfer from Capital Projects Fund	334,958
Interest Earnings	<u>497</u>
Ending balance, June 30, 2012	<u>\$2,588,639</u>

NOTE 14. EMERGENCY RESERVE ACCOUNT

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

The activity of the emergency reserve for the July 1, 2011 to June 30, 2012 fiscal year is as follows:

Beginning balance, July 1, 2011	\$508,549
Withdrawal:	
Budgeted Withdrawal	<u>(258,549)</u>
Ending balance, June 30, 2012	<u>\$250,000</u>

**Borough of Fort Lee School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2012**

NOTE 15. DEFICIT FUND BALANCES

The District has an accumulated deficit of \$839,842 in the Capital Projects Fund as of June 30, 2012. This deficit is the result of the District not utilizing temporary financing to fund expenditures for certain capital projects. As the District permanently finances these appropriations, the District will realize as revenues the proceeds of the financing. This deficit does not indicate that the District is facing financial difficulties and is a permitted practice under generally accepted accounting principles.

NOTE 16. FUND BALANCE APPROPRIATED

General Fund [Exhibit B-1] - Of the \$7,007,553 General Fund fund balance at June 30, 2012, \$1,182,757 is reserved for encumbrances; \$364,569 is reserved as excess surplus in accordance with N.J.S.A. 18A:7F-7; (\$127,926 of the total reserve for excess surplus has been appropriated and included as anticipated revenue for the year ending June 30, 2013); \$2,588,639 has been reserved in the Capital Reserve Account; \$250,000 has been reserved in the Emergency Reserve Account; \$1,315,959 has been appropriated and included as anticipated revenue for the year ending June 30, 2013; and \$1,305,629 is unreserved and undesignated.

NOTE 17. CALCULATION OF EXCESS SURPLUS

In accordance with N.J.S.A. 18A:7F-7, the designation for Reserved Fund Balance — Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2012 is \$364,569 of which \$236,643 is the result of current year operations.

NOTE 18. INVENTORY

Inventory in the Food Service Fund at June 30, 2012 consisted of the following:

Food	\$3,449
Supplies	<u>6,350</u>
	<u>\$9,799</u>

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

**Borough of Fort Lee School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2012**

NOTE 19. CONTINGENT LIABILITIES

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

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

NOTE 20: SUBSEQUENT EVENTS

On August 7, 2012, the District issued a Series 2012 County of Bergen Guaranteed School District Revenue Bonds through The Bergen County Improvement Authority. The proceeds of the bonds will be utilized to permanently finance HVAC upgrades and roof and window replacement at School No. 1; window replacement and masonry improvements at School No. 3; HVAC upgrades, masonry improvements, and roof replacement at School No. 4; renovation and expansion of Lewis F. Cole Middle School to provide interior alterations, renovations and reconfiguration, HVAC upgrades, roof replacement, additional/renovated educational space, science rooms and media center and site improvements; and improvement of the Fort Lee High School to provide interior alterations, HVAC upgrades, window replacement, masonry improvements and science room alterations (collectively, the "School Project"). \$20,430,000 was issued to finance the School Project. Due to positive market conditions, the District's aggregate principal due is \$18,450,000.

**REQUIRED SUPPLEMENTARY
INFORMATION - PART II**

BUDGETARY COMPARISON SCHEDULES

FORT LEE BOARD OF EDUCATION
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2012

Exhibit C-1

Page 1 of 5

	<u>Original Budget</u>	<u>Budget Transfers/ Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES:					
General Fund:					
Revenues from Local Sources:					
Local Tax Levy	51,250,762		51,250,762	51,250,762	
Interest Earned on Capital Reserve Funds	50		50	497	447
Unrestricted Miscellaneous Revenues	118,600		118,600	483,649	365,049
Total - Local Sources	<u>51,369,412</u>		<u>51,369,412</u>	<u>51,734,908</u>	<u>365,496</u>
Revenues from State Sources:					
Categorical Special Education Aid	951,643		951,643	1,517,602	565,959
Extraordinary Aid	400,000		400,000	759,302	359,302
Non-Public Transportation Aid				33,193	33,193
On-behalf TPAF Pension and Post Retirement				2,294,614	2,294,614
On-behalf TPAF NCGI Premium (non-budgeted)				76,331	76,331
Reimbursed TPAF Social Security Contributions (non-budgeted)				1,917,421	1,917,421
Total - State Sources	<u>1,351,643</u>		<u>1,351,643</u>	<u>6,598,463</u>	<u>5,246,820</u>
Revenues from Federal Sources:					
Education Jobs Fund	106,451	3,335	109,786	109,786	
Special Education Medicaid Initiative	26,486		26,486		(26,486)
Total - Federal Sources	<u>132,937</u>	<u>3,335</u>	<u>136,272</u>	<u>109,786</u>	<u>(26,486)</u>
TOTAL REVENUES	<u>52,853,992</u>	<u>3,335</u>	<u>52,857,327</u>	<u>58,443,157</u>	<u>5,585,830</u>
EXPENDITURES:					
Current Expense:					
Regular Programs - Instruction					
Preschool/Kindergarten - Salaries of Teachers	1,184,762	212,792	1,397,554	1,396,893	661
Grades 1-5 - Salaries of Teachers	5,886,676	253,019	6,139,695	6,120,992	18,703
Grades 6-8 - Salaries of Teachers	3,262,983	30,443	3,293,426	3,265,618	27,808
Grades 9-12 - Salaries of Teachers	4,993,963	(297,977)	4,695,986	4,668,905	27,081
Regular Programs - Home Instruction:					
Salaries of Teachers	60,000	29,200	89,200	89,164	36
Purchased Professional-Educational Services	27,000		27,000	12,045	14,955
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	185,528	(24,616)	160,912	147,313	13,599
Purchased Professional - Educational Services	2,000	1,500	3,500	1,400	2,100
Purchased Technical Services	34,500	(7,000)	27,500	26,930	570
Other Purchased Services (400-500 series)	182,737	1,207	183,944	168,700	15,244
General Supplies	625,867	(109,185)	516,682	447,706	68,976
Textbooks	244,360	9,198	253,558	57,238	196,320
Other Objects	38,780	(25,800)	12,980	12,112	868
TOTAL REGULAR PROGRAMS - INSTRUCTION	<u>16,729,156</u>	<u>72,781</u>	<u>16,801,937</u>	<u>16,415,016</u>	<u>386,921</u>
SPECIAL EDUCATION - INSTRUCTION					
Learning and/or Language Disabilities					
Salaries of Teachers	1,529,059	349,187	1,878,246	1,874,588	3,658
Other Salaries for Instruction	401,747	114,227	515,974	515,482	492
General Supplies	6,329	1,000	7,329	7,236	93
Total Learning and/or Language Disabilities	<u>1,937,135</u>	<u>464,414</u>	<u>2,401,549</u>	<u>2,397,306</u>	<u>4,243</u>
Resource Room/Resource Center:					
Salaries of Teachers	723,000	(224,900)	498,100	493,754	4,346
Other Salaries for Instruction	82,243	(41,324)	40,919	40,760	159
General Supplies	12,000	(1,700)	10,300	10,284	16
Total Resource Room/Resource Center	<u>817,243</u>	<u>(267,924)</u>	<u>549,319</u>	<u>544,798</u>	<u>4,521</u>
Autism					
Salaries of Teachers	117,350	105,258	222,608	218,368	4,240
Other Salaries for Instruction	141,729	65,677	207,406	206,932	474
General Supplies	4,009	12,600	16,609	11,627	4,982
Total Autism	<u>263,088</u>	<u>183,535</u>	<u>446,623</u>	<u>436,927</u>	<u>9,696</u>
Preschool Disabilities- Full-Time:					
Salaries of Teachers	175,450	41,788	217,238	212,373	4,865
Other Salaries for Instruction	142,826	38,712	181,538	180,559	979
General Supplies	2,742	25,500	28,242	27,210	1,032
Total Preschool Disabilities - Full-Time	<u>321,018</u>	<u>106,000</u>	<u>427,018</u>	<u>420,142</u>	<u>6,876</u>
TOTAL SPECIAL EDUCATION - INSTRUCTION	<u>3,338,484</u>	<u>486,025</u>	<u>3,824,509</u>	<u>3,799,173</u>	<u>25,336</u>
Basic Skills/Remedial - Instruction					
Salaries of Teachers	708,625	49,794	758,419	739,404	19,015
General Supplies	4,000	(4,000)			
Total Basic Skills/Remedial - Instruction	<u>712,625</u>	<u>45,794</u>	<u>758,419</u>	<u>739,404</u>	<u>19,015</u>

FORT LEE BOARD OF EDUCATION
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2012

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
Bilingual Education - Instruction					
Salaries of Teachers	1,127,483	97,453	1,224,936	1,224,834	102
Other Purchased Services (400-500 series)		100	100	73	27
General Supplies		1,500	1,500	1,097	403
Total Bilingual Education - Instruction	<u>1,127,483</u>	<u>99,053</u>	<u>1,226,536</u>	<u>1,226,004</u>	<u>532</u>
School-Sponsored Cocurricular Activities - Instruction					
Salaries	236,154	6,200	242,354	242,254	100
Purchased Services (300-500 series)	10,060		10,060	1,065	8,995
Supplies and Materials	46,641	(15,297)	31,344	25,067	6,277
Other Objects	30,780	(9,909)	20,871	19,967	904
Total School-Sponsored Cocurricular Activities - Instruction	<u>323,635</u>	<u>(19,006)</u>	<u>304,629</u>	<u>288,353</u>	<u>16,276</u>
School-Sponsored Athletics - Instruction					
Salaries	373,419	19,663	393,082	391,429	1,653
Purchased Services (300-500 series)	59,063	3,337	62,400	39,255	23,145
Supplies and Materials	48,900		48,900	44,169	4,731
Other Objects	27,750		27,750	19,709	8,041
Total School-Sponsored Athletics - Instruction	<u>509,132</u>	<u>23,000</u>	<u>532,132</u>	<u>494,562</u>	<u>37,570</u>
TOTAL INSTRUCTION	<u>22,740,515</u>	<u>707,647</u>	<u>23,448,162</u>	<u>22,962,512</u>	<u>485,650</u>
Undistributed Expenditures - Instruction:					
Tuition to Other LEAs Within the State - Regular					
Tuition to Other LEAs Within the State - Special	721,538	131,321	852,859	852,633	226
Tuition to County Voc. School Dist. - Regular	411,570	(6,630)	404,940	404,845	95
Tuition to County Voc. School Dist. - Special	136,280	(136,280)			
Tuition to CSSD & Regional Day Schools	363,300	126,370	489,670	489,464	206
Tuition to Private Schools for the Handicapped - Within State	1,717,483	(193,116)	1,524,367	1,518,841	5,526
Tuition to Priv. Scho. Disabled & Other LEAs - Spl, O/S State	46,400	3,750	50,150	50,000	150
Tuition - Other	30,750	(30,750)			
Total Undistributed Expenditures - Instruction:	<u>3,427,321</u>	<u>(105,335)</u>	<u>3,321,986</u>	<u>3,315,783</u>	<u>6,203</u>
Undistributed Expend. - Attend. & Social Work					
Salaries	111,754	(22,663)	89,091	86,786	2,305
Salaries of Family Support Teams	96,200		96,200	96,200	
Purchased Professional and Technical Services	35,000	2,200	37,200	37,150	50
Other Objects		2,400	2,400	2,320	80
Total Undistributed Expend. - Attend. & Social Work	<u>242,954</u>	<u>(18,063)</u>	<u>224,891</u>	<u>222,456</u>	<u>2,435</u>
Undist. Expend. - Health Services					
Salaries	613,647	(14,778)	598,869	597,587	1,282
Purchased Professional and Technical Services	41,360	10,000	51,360	50,660	700
Other Purchased Services (400-500 series)	100		100	100	
Supplies and Materials	12,980	1,557	14,537	13,823	714
Other Objects	957	(957)			
Total Undistributed Expenditures - Health Services	<u>669,044</u>	<u>(4,178)</u>	<u>664,866</u>	<u>662,070</u>	<u>2,796</u>
Undist. Expend. - Speech, OT, PT & Related Svcs.					
Salaries	383,700	180,487	564,187	557,992	6,195
Purchased Prof. Services-Educational Services	505,000	342,000	847,000	815,596	31,404
Supplies and Materials	8,221	2,000	10,221	10,042	179
Total Undist. Expend. - Speech, OT, PT, & Related Svcs	<u>896,921</u>	<u>524,487</u>	<u>1,421,408</u>	<u>1,383,630</u>	<u>37,778</u>
Undist. Expend. - Other Supp. Serv. Students-Extra Serv.					
Salaries	649,296	68,279	717,575	716,243	1,332
Purchased Prof. Services-Educational Services	99,255	(1,800)	97,455	93,190	4,265
Total Undist. Expend. - Other Supp. Serv. Students-Extra Svcs.	<u>748,551</u>	<u>66,479</u>	<u>815,030</u>	<u>809,433</u>	<u>5,597</u>
Undist. Expend. - Guidance					
Salaries of Other Professional Staff	991,374	(33,144)	958,230	957,667	563
Salaries of Secretarial and Clerical Assistants	95,372	56,372	151,744	151,744	
Purchased Prof. Services-Educational Services	126,762	(12,150)	114,612	91,807	22,805
Other Purchased Services (400-500 series)	1,500	(250)	1,250	1,250	
Supplies and Materials	17,144	(500)	16,644	4,585	12,059
Other Objects	500	500	1,000	224	776
Total Undist. Expend. - Guidance	<u>1,232,652</u>	<u>10,828</u>	<u>1,243,480</u>	<u>1,206,027</u>	<u>37,453</u>
Undist. Expend. - Other Supp. Child Study Teams					
Salaries of Other Professional Staff	1,074,433	(194,630)	879,803	864,771	15,032
Salaries of Secretarial and Clerical Assistants	140,247	(131)	140,116	140,115	1
Other Purchased Professional and Technical Services	6,000		6,000	5,898	102
Misc. Pur Services (400-500 Series)	4,600		4,600	1,520	3,080
Supplies and Materials	22,190	(2,000)	20,190	17,077	3,113
Total Undist. Expend. - Other Supp. Serv. Students-Special	<u>1,247,470</u>	<u>(196,761)</u>	<u>1,050,709</u>	<u>1,029,381</u>	<u>21,328</u>

FORT LEE BOARD OF EDUCATION
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2012

Exhibit C-1

Page 3 of 5

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Improvement of Instructional Services					
Salaries of Supervisors of Instruction	336,000	(201,700)	134,300	70,826	63,474
Salaries of Other Professional Staff	30,000	(11,550)	18,450	18,200	250
Purchased Prof-Ed Services	75,000	99,000	174,000	34,055	139,945
Supplies and Materials	19,000	11,000	30,000	13,410	16,590
Other Objects	4,350		4,350	498	3,852
Total Undist. Expend. - Improvement of Inst. Services	464,350	(103,250)	361,100	136,989	224,111
Undist. Expend. - Educational Media Serv./Sch. Library					
Salaries	399,200	75,691	474,891	474,746	145
Salaries of Technology Coordinators	157,112	(379)	156,733	156,732	1
Purchased Professional and Technical Services	33,000	1,600	34,600	15,091	19,509
Supplies and Materials	82,444	3,600	86,044	84,357	1,687
Total Undist. Expend. - Educational Media Serv./Sch. Library	671,756	80,512	752,268	730,926	21,342
Undist. Expend. - Instructional Staff Training Serv.					
Salaries-Other Prof. Staff	54,600	70,400	125,000	125,000	
Other Purchased Services (400-500 series)		42,650	42,650	39,552	3,098
Total Undist. Expend. - Instructional Staff Training Serv.	54,600	113,050	167,650	164,552	3,098
Undist. Expend. - Supp. Serv. - General Administration					
Salaries	559,925	(144,096)	415,829	413,290	2,539
Legal Services	75,000		75,000	65,117	9,883
Audit Fees	73,750	1,250	75,000	38,250	36,750
Architectural/Engineering Services	85,000	(33,000)	52,000	51,932	68
Other Purchased Professional Services	74,390	(47,500)	26,890	26,465	425
Purchased Technical Services	18,000	(5,000)	13,000		13,000
Communications/Telephone	192,021	9,865	201,886	170,585	31,301
BOE Other Purchased Services	3,500	(1,000)	2,500	351	2,149
Other Purch Services (400-500 Series)	181,722	95,700	277,422	235,911	41,511
General Supplies	24,360	56,499	80,859	80,201	658
BOE In-House Training/Meeting Supplies	750		750	99	651
Misc. Expenditures	15,145	70,300	85,445	84,873	572
BOE Membership Dues and Fees	30,000		30,000	24,260	5,740
Total Undist. Expend. - Supp. Serv. - General Administration	1,333,563	3,018	1,336,581	1,191,334	145,247
Undist. Expend. - Support Serv. - School Administration					
Salaries of Principals/Assistant Principals	1,363,384	(48,992)	1,314,392	1,311,576	2,816
Salaries of Other Professional Staff	407,066	(79,784)	327,282	322,210	5,072
Salaries of Secretarial and Clerical Assistants	494,635	(8,462)	486,173	479,229	6,944
Other Purchased Services (400-500 series)	6,400	400	6,800	6,497	303
Supplies and Materials	38,501	3,119	41,620	35,151	6,469
Other Objects	19,069	(3,100)	15,969	13,244	2,725
Total Undist. Expend. - Support Serv. - School Administration	2,329,055	(136,819)	2,192,236	2,167,907	24,329
Undist. Expend. - Support Serv. - Central Services					
Salaries	505,138	(8,748)	496,390	496,389	1
Purchased Professional Services		25,500	25,500	25,113	387
Purchased Technical Services	39,658		39,658	38,112	1,546
Misc. Pur Services (400-500 Series)	12,350		12,350	10,167	2,183
Supplies and Materials	21,715	5,300	27,015	26,046	969
Misc. Expenditures	6,700	1,500	8,200	7,793	407
Total Undist. Expend. - Support Serv. - Central Services	585,561	23,552	609,113	603,620	5,493
Undist. Expend. - Admin Info. Technology					
Information Technology					
Salaries	55,783	1,065	56,848	56,838	10
Purchased Technical Services	38,350	3,235	41,585	40,707	878
Other Purchased Services (400-500 series)	2,900	2,000	4,900	1,139	3,761
Supplies and Materials	45,612	(4,400)	41,212	38,817	2,395
Total Undist. Expend. - Support Serv. - Administrative Information Technology	142,645	1,900	144,545	137,501	7,044
Undist. Expend. - Required Maint. for School Facilities (261)					
Salaries	161,850	19,850	181,700	178,541	3,159
Cleaning, Repair and Maintenance Services	240,937	95,500	336,437	331,197	5,240
General Supplies	29,000	1,200	30,200	30,181	19
Undist. Expend. - Required Maint. for School Facilities	431,787	116,550	548,337	539,919	8,418

FORT LEE BOARD OF EDUCATION
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2012

Exhibit C-1

Page 4 of 5

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Oth. Oper. & Maint. of Plant (262)					
Salaries	1,089,455	125,463	1,214,918	1,212,790	2,128
Purchased Prof. And Tech. Services	693,000	178,104	871,104	868,652	2,452
Cleaning, Repair and Maintenance Services	69,137	(15,000)	54,137	53,696	441
Rental of Land & Bldg. Oth. Than Lease Pur Agrmt.	220,000	(42,347)	177,653	177,114	539
Other Purchased Property Services	84,700		84,700	67,330	17,370
Insurance	134,746		134,746	130,213	4,533
General Supplies	131,000	46,821	177,821	171,325	6,496
Energy (Natural Gas)	437,032	(50,000)	387,032	260,442	126,590
Energy (Energy and Electricity)	633,000	(54,500)	578,500	429,205	149,295
Energy (Gasoline)	20,000	22,000	42,000	20,392	21,608
Other Objects	4,005	6,000	10,005	8,911	1,094
Total Undist. Expend. - Other Oper. & Maint. Of Plant	3,516,075	216,541	3,732,616	3,400,070	332,546
Undist. Expend. - Care & Upkeep of Grounds (263)					
Salaries		17,000	17,000		17,000
Purchased Professional and Technical Services	124,000	(57,273)	66,727	66,727	
Cleaning, Repair and Maintenance Services		17,000	17,000	16,597	403
General Supplies	8,000		8,000	2,291	5,709
Total Undist. Expend. - Care & Upkeep of Grounds	132,000	(23,273)	108,727	85,615	23,112
Undist. Expend. - Security					
Purchased Professional and Technical Services	89,167	32,492	121,659	118,561	3,098
Cleaning, Repair and Maintenance Services	3,000	2,000	5,000	4,975	25
General Supplies	5,000		5,000	329	4,671
Total Undist. Expend. - Security	97,167	34,492	131,659	123,865	7,794
Undist. Expend. - Student Transportation Services (270)					
Salaries for Pupil Trans (Bet. Home & Sch.) - Sp Ed	302,767	25,000	327,767	291,389	36,378
Lease Purchase Payments - School Buses	56,913		56,913	56,913	
Contract Services (Between Home & School)-Vendors	165,570	(22,500)	143,070	126,721	16,349
Contract Services (Other than Between Home & School)-Vendors	98,470		98,470	80,352	18,118
Contract Services (Sp. Ed. Students)-Vendors	806,691	(79,000)	727,691	680,633	47,058
Contract Services - Aid in lieu Pymts - Non Public Schools	196,000	(35,000)	161,000	148,119	12,881
Misc. Purchased Services - Transportation	12,000		12,000		12,000
General Supplies	48,800	30,000	78,800	66,798	12,002
Other Objects	400	500	900	608	292
Total Undist. Expend. - Student Transportation Services	1,687,611	(81,000)	1,606,611	1,451,533	155,078
UNALLOCATED BENEFITS					
Social Security Contributions	617,178	(50,000)	567,178	557,208	9,970
Other Retirement Contributions-PERS	605,521	(29,974)	575,547	575,547	
Unemployment Compensation	1,198,400	(1,198,332)	68		68
Workmen's Compensation	161,000	49,000	210,000	209,089	911
Health Benefits	7,003,017	(216,076)	6,786,941	6,740,010	46,931
Tuition Reimbursements	86,600	1	86,601	86,600	1
Other Employee Benefits	1,298,193	(695,985)	602,208	502,871	99,337
TOTAL UNALLOCATED BENEFITS	10,969,909	(2,141,366)	8,828,543	8,671,325	157,218
On-behalf TPAF pension Contributions (non-budgeted)				2,294,614	(2,294,614)
On-behalf TPAF NCGI Premium (non-budgeted)				76,331	(76,331)
Reimbursed TPAF Social Security Contributions (non-budgeted)				1,917,421	(1,917,421)
TOTAL ON-BEHALF CONTRIBUTIONS				4,288,366	(4,288,366)
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS	10,969,909	(2,141,366)	8,828,543	12,959,691	(4,131,148)
TOTAL UNDISTRIBUTED EXPENDITURES	30,880,992	(1,618,636)	29,262,356	32,322,302	(3,059,946)
TOTAL GENERAL CURRENT EXPENSE	53,621,507	(910,989)	52,710,518	55,284,814	(2,574,296)

FORT LEE BOARD OF EDUCATION
 Budgetary Comparison Schedule
 General Fund
 Fiscal Year Ended June 30, 2012

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
CAPITAL OUTLAY					
Equipment					
Special Education - Instruction:					
Preschool Disabilities - Full Time	27,009	13,945	40,954	40,954	
Total Equipment	<u>27,009</u>	<u>13,945</u>	<u>40,954</u>	<u>40,954</u>	
Undist. Expenditures:					
Undistributed Expenditures - Instruction		98,767	98,767	94,599	4,168
Undistributed Expenditures - Req. Maint. Schl Facilities		6,850	6,850	6,850	
Total Undist. Expend.		<u>105,617</u>	<u>105,617</u>	<u>101,449</u>	<u>4,168</u>
Facilities Acquisition and Construction Services					
Other Purchased Prof. and Tech. Services		148,595	148,595	115,927	32,668
Construction Services		1,028,832	1,028,832	127,658	901,174
Principal- Lease Purchase	386,000	(386,000)			
Other Objects	2,400		2,400	2,400	
Total Facilities Acquisition and Construction Services	<u>388,400</u>	<u>791,427</u>	<u>1,179,827</u>	<u>245,985</u>	<u>933,842</u>
TOTAL CAPITAL OUTLAY	<u>415,409</u>	<u>910,989</u>	<u>1,326,398</u>	<u>388,388</u>	<u>938,010</u>
TOTAL EXPENDITURES	<u>54,036,916</u>		<u>54,036,916</u>	<u>55,673,202</u>	<u>(1,636,286)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,182,924)</u>	<u>3,335</u>	<u>(1,179,589)</u>	<u>2,769,955</u>	<u>3,949,544</u>
Other Financing Sources/(Uses):					
Operating Transfers In:					
Capital Projects - Transfer to Capital Reserve				334,958	(334,958)
Total Other Financing Sources/(Uses):				<u>334,958</u>	<u>(334,958)</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)	<u>(1,182,924)</u>	<u>3,335</u>	<u>(1,179,589)</u>	<u>3,104,913</u>	<u>3,614,586</u>
Fund Balance, July 1	4,017,203		4,017,203	4,017,203	
Fund Balance, June 30	<u>2,834,279</u>	<u>3,335</u>	<u>2,837,614</u>	<u>7,122,116</u>	<u>3,614,586</u>
Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures					
Adjustment for Prior Year Encumbrances	(274,425)		(274,425)	(274,425)	
Increase in Capital Reserve:					
Principal				1,250,000	(1,250,000)
Interest Deposit to Capital Reserve	50		50	497	(447)
Withdrawal from Emergency Reserve	(258,549)		(258,549)	(258,549)	
Budgeted Fund Balance	<u>(650,000)</u>	<u>3,335</u>	<u>(646,665)</u>	<u>2,387,390</u>	<u>4,865,033</u>
	<u>(1,182,924)</u>	<u>3,335</u>	<u>(1,179,589)</u>	<u>3,104,913</u>	<u>3,614,586</u>
Recapitulation:					
Restricted Fund Balance:					
Excess Surplus - Current Year				236,643	
Legally Restricted - Excess Surplus - Designated for Subsequent Year's Expenditures				127,926	
Capital Reserve				2,588,639	
Emergency Reserve				250,000	
Committed Fund Balance:					
Year-end Encumbrances				1,182,757	
Assigned Fund Balance:					
Designated for Subsequent Year's Expenditures				1,315,959	
Unassigned Fund Balance				<u>1,420,192</u>	
Total Fund Balance per Governmental Funds (Budgetary)				<u>7,122,116</u>	
Recapitulation to Governmental Fund Statement (GAAP):					
Less: Last State Aid Payment not Recognized GAAP Basis				114,563	
Total Fund Balance per Governmental Funds (GAAP)				<u>7,007,553</u>	

FORT LEE BOARD OF EDUCATION
Education Jobs Fund - Budget and Actual
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2012

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Federal Sources:					
Education Jobs Fund	106,451	3,335	109,786	109,786	-
Total Federal Sources					-
Total Revenues	106,451	3,335	109,786	109,786	-
EXPENDITURES:					
Education Jobs Fund					
Unallocated Benefits					
Health Benefits	106,451	3,335	109,786	109,786	-
Total Unallocated Benefits	106,451	3,335	109,786	109,786	-
Total Expenditures	106,451	3,335	109,786	109,786	-

FORT LEE BOARD OF EDUCATION
Budgetary Comparison Schedule
Special Revenue Fund
Fiscal Year Ended June 30, 2012

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources		6,572	6,572	6,572	-
State Sources	126,000	101,194	227,194	114,260	(112,934)
Federal Sources	1,251,000	791,862	2,042,862	1,626,746	(416,116)
Total Revenues	1,377,000	899,628	2,276,628	1,747,578	(529,050)
EXPENDITURES:					
Instruction:					
Salaries of Teachers	406,600	194,583	601,183	461,183	140,000
Purchased Professional and Technical Services		131,810	131,810	75,368	56,442
Other Purchased Services (400-500 series)	504,164	169,734	673,898	649,410	24,488
General Supplies	206,157	(14,645)	191,512	88,348	103,164
Textbooks	11,000	340	11,340	11,340	-
Total instruction	1,127,921	481,822	1,609,743	1,285,649	324,094
Support services:					
Salaries of Program Directors		87,298	87,298	77,298	10,000
Salaries of Secretarial and Clerical Assistants		-	-	-	-
Personal Services - Employee Benefits	100,900	72,524	173,424	155,010	18,414
Purchased Professional - Educational Services	147,179	219,716	366,895	191,476	175,419
Other Purchased Professional Services		14,700	14,700	14,700	-
Travel		460	460	460	-
Supplies & Materials	1,000	23,108	24,108	22,985	1,123
Total support services	249,079	417,806	666,885	461,929	204,956
Total Expenditures	1,377,000	899,628	2,276,628	1,747,578	529,050
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	-	-	-	-	-

FORT LEE BOARD OF EDUCATION
Required Supplementary Information
Budgetary Comparison Schedule
Note to Required Supplementary Information
Fiscal Year Ended June 30, 2012

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

		General Fund	Special Revenue Fund
Sources/inflows of resources			
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	[C-1]&[C-2]	58,443,157	1,747,578
Difference - budget to GAAP:			
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.			(13,934)
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.		10,549	
The last state aid payment is recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the state recognizes the related expense (GASB 33).		(114,563)	
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2]	58,339,143	1,733,644
Uses/outflows of resources			
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1]&[C-2]	55,673,202	1,747,578
Differences - budget to GAAP			
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for <i>financial reporting</i> purposes.			(13,934)
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	[B-2]	55,673,202	1,733,644

SPECIAL REVENUE FUND

FORT LEE BOARD OF EDUCATION
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
Fiscal Year Ended June 30, 2012

	Total Brought Forward (Ex. E-1a)	National Academy of Finance	Vanguard Charitable Endowment Program	NCLB Title I	NCLB Title III	NCLB Title III Immigrant	NCLB Title II, A Training	Totals 2012
REVENUES								
Local Sources	-	247	6,325	-	-	-	-	6,572
State Sources	114,260	-	-	490,413	76,565	-	166,126	1,142,260
Federal Sources	806,735	-	-	-	-	86,907	-	1,626,746
Total Revenues	920,995	247	6,325	490,413	76,565	86,907	166,126	1,747,578
EXPENDITURES:								
Instruction:								
Salaries of Teachers	83,374	-	-	296,609	51,000	30,200	-	461,183
Purchased Professional and Technical Services	42,836	-	6,300	26,232	-	-	-	75,368
Other Purchased Services (400-500 series)	649,410	-	-	-	-	-	-	649,410
General Supplies	22,491	-	25	22,817	665	41,354	996	88,348
Textbooks	11,340	-	-	-	-	-	-	11,340
Total Instruction	809,451	-	6,325	345,658	51,665	71,554	996	1,285,649
Support services:								
Salaries of Program Directors	-	-	-	6,598	-	-	70,700	77,298
Salaries of Secretarial and Clerical Assistants	-	-	-	102,819	10,200	15,353	20,260	155,010
Personal Services - Employee Benefits	6,378	-	-	12,600	-	-	73,710	191,476
Purchased Professional - Educational Services	105,166	-	-	-	14,700	-	-	14,700
Other Purchased Professional Services	-	-	-	-	-	-	460	460
Travel	-	247	-	22,738	-	-	-	22,985
Supplies & Materials	-	-	-	-	-	-	-	-
Total support services	111,544	247	-	144,755	24,900	15,353	165,130	461,229
Total Expenditures	920,995	247	6,325	490,413	76,565	86,907	166,126	1,747,578
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	-	-	-	-	-	-	-	-

FORT LEE BOARD OF EDUCATION
 Special Revenue Fund
 Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
 Fiscal Year Ended June 30, 2012

	Total Brought Forward (Ex. E-1b)	IDEA Part - B	IDEA Part - B Preschool	Chapter 193 Supplemental Instruction	Chapter 193 Exam & Classification	Chapter 193 Corrective Speech	Nonpublic Nursing	Total Carried Forward
REVENUES								
Local Sources	77,479	783,388	23,347	1,964	7,245	11,374	16,198	114,260
State Sources	-	-	-	-	-	-	-	806,735
Federal Sources	-	-	-	-	-	-	-	-
Total Revenues	77,479	783,388	23,347	1,964	7,245	11,374	16,198	920,995
EXPENDITURES:								
Instruction:								
Salaries of Teachers	-	83,374	-	-	-	-	-	83,374
Purchased Professional and Technical Services	-	42,836	-	-	-	-	-	42,836
Other Purchased Services (400-500 series)	-	626,063	23,347	-	-	-	-	649,410
General Supplies	-	22,491	-	-	-	-	-	22,491
Textbooks	11,340	-	-	-	-	-	-	11,340
Total Instruction	11,340	774,764	23,347	-	-	-	-	809,451
Support services:								
Salaries of Program Directors	-	-	-	-	-	-	-	-
Salaries of Secretarial and Clerical Assistants	-	6,378	-	-	-	-	-	6,378
Personal Services - Employee Benefits	66,139	2,246	-	1,964	7,245	11,374	16,198	105,166
Purchased Professional - Educational Services	-	-	-	-	-	-	-	-
Other Purchased Professional Services	-	-	-	-	-	-	-	-
Travel	-	-	-	-	-	-	-	-
Supplies & Materials	-	-	-	-	-	-	-	-
Total support services	66,139	8,624	1,964	1,964	7,245	11,374	16,198	111,544
Total Expenditures	77,479	783,388	23,347	1,964	7,245	11,374	16,198	920,995
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	-	-	-	-	-	-	-	-

FORT LEE BOARD OF EDUCATION

Special Revenue Fund

Combining Schedule of Program Revenues and Expenditures - Budgetary Basis

Fiscal Year Ended June 30, 2012

	Chapter 194 Nonpublic Textbook	Chapter 192 Compensatory Education	Chapter 192 ESL	Total Carried Forward
REVENUES				
Local Sources				
State Sources	11,340	51,312	14,827	77,479
Federal Sources				
Total Revenues	11,340	51,312	14,827	77,479
EXPENDITURES:				
Instruction:				
Salaries of Teachers				
Purchased Professional and Technical Services				
Other Purchased Services (400-500 series)				
General Supplies				
Textbooks	11,340			11,340
Total instruction	11,340			11,340
Support services:				
Salaries of Program Directors				
Salaries of Secretarial and Clerical Assistants				
Personal Services - Employee Benefits		51,312	14,827	66,139
Purchased Professional - Educational Services				
Other Purchased Professional Services				
Travel				
Supplies & Materials				
Total support services		51,312	14,827	66,139
Total Expenditures	11,340	51,312	14,827	77,479
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)				

CAPITAL PROJECTS FUND

FORT LEE BOARD OF EDUCATION
Capital Projects Fund
Summary Schedule of Revenues, Expenditures, and Changes
in Fund Balance-Budgetary Basis
Fiscal Year Ended June 30, 2012

Revenues and Other Financing Sources	
State Sources - SCC Grant	9,053,595
Bond proceeds and transfers	-
Transfers from Capital Reserve	-
Transfers from Capital Outlay	-
Transfers from Emergency Reserve	-
	<u>9,053,595</u>
Expenditures and Other Financing Uses	
Purchased professional and technical services	311,743
Land and improvements	-
Construction services	1,346,528
Equipment purchases	-
	<u>1,658,271</u>
Total expenditures	<u>1,658,271</u>
Excess (deficiency) of revenues over (under) expenditures	7,395,324
Other Finance Sources (Uses)	
Transfers out	<u>(334,958)</u>
Total other financing sources (uses)	<u>(334,958)</u>
Net change in fund balance	7,060,366
Fund balance - beginning	<u>1,212,290</u>
Fund balance - ending	<u><u>8,272,656</u></u>
Recapitulation:	
Unrestricted Fund Balance	8,272,656
Reconciliation to Governmental Funds Statements (GAAP):	
SDA Grant Receivable not Recognized on GAAP Basis	<u>(9,112,498)</u>
Fund Balance per Governmental Funds	<u><u>(839,842)</u></u>

FORT LEE BOARD OF EDUCATION
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balances and Project Status-Budgetary Basis
Fort Lee Public School No. 1 Façade Restoration
Fiscal Year Ended June 30, 2012

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

FORT LEE BOARD OF EDUCATION
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balances and Project Status-Budgetary Basis
Other Improvements
Fiscal Year Ended June 30, 2012

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

FORT LEE BOARD OF EDUCATION
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balances and Project Status-Budgetary Basis
High School Roof Replacement
Fiscal Year Ended June 30, 2012

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SCC Grant	1,656,000	(722,016)	933,984	933,984
Bond proceeds and transfers			-	-
Transfers from Capital Reserve	702,423		702,423	702,423
Transfers from Capital Outlay	834,000		834,000	834,000
Transfers from Emergency Reserve	200,000		200,000	200,000
	<u>3,392,423</u>	<u>(722,016)</u>	<u>2,670,407</u>	<u>2,670,407</u>
Expenditures and Other Financing Uses				
Purchased professional and technical services	192,795		192,795	372,600
Land and improvements			-	-
Construction services	1,394,587	490	1,395,077	2,297,807
Equipment purchases			-	-
	<u>1,587,382</u>	<u>490</u>	<u>1,587,872</u>	<u>2,670,407</u>
Other Finance Sources (Uses)				
Transfers out	<u>(747,577)</u>	<u>(334,958)</u>	<u>(1,082,535)</u>	
Total other financing sources (uses)	<u>(747,577)</u>	<u>(334,958)</u>	<u>(1,082,535)</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,057,464</u>	<u>(1,057,464)</u>	<u>-</u>	<u>-</u>
Additional project information:				
Project number	1550-050-09-1001			
Grant Date	9/2/2009			
Bond authorization date	N/A			
Bonds authorized	N/A			
Bonds issued	N/A			
Original authorization cost	4,140,000			
Additional authorized cost	(1,469,593)			
Revised authorized cost	2,670,407			
Percentage increase over original authorized cost	-35%			
Percentage completion	59%			
Original target completion date	10/30/2010			
Revised target completion date				

FORT LEE BOARD OF EDUCATION
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balances and Project Status-Budgetary Basis
High School Window Replacement
Fiscal Year Ended June 30, 2012

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SCC Grant		420,000	420,000	420,000
Bond proceeds and transfers			-	630,000
Transfers from Capital Reserve			-	-
Transfers from Capital Outlay			-	-
Transfers from Emergency Reserve			-	-
	<u>-</u>	<u>420,000</u>	<u>420,000</u>	<u>1,050,000</u>
Expenditures and Other Financing Uses				
Purchased professional and technical services			-	196,900
Land and improvements			-	-
Construction services			-	853,100
Equipment purchases			-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,050,000</u>
Other Finance Sources (Uses)				
Transfers out			-	
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>420,000</u>	<u>420,000</u>	<u>-</u>
Additional project information:				
Project number	1550-050-10-1001			
Grant Date	9/28/2010			
Bond authorization date	N/A			
Bonds authorized	N/A			
Bonds issued	N/A			
Original authorization cost	1,050,000			
Additional authorized cost				
Revised authorized cost	1,050,000			
Percentage increase over original authorized cost	0%			
Percentage completion	0%			
Original target completion date	9/30/2013			
Revised target completion date				

FORT LEE BOARD OF EDUCATION
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balances and Project Status-Budgetary Basis
High School Masonry Repairs
Fiscal Year Ended June 30, 2012

	<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		318,431	318,431	318,431
Bond proceeds and transfers			-	477,646
Transfers from Capital Reserve			-	-
Transfers from Capital Outlay			-	-
Transfers from Emergency Reserve			-	-
	<u>-</u>	<u>318,431</u>	<u>318,431</u>	<u>796,077</u>
Expenditures and Other Financing Uses				
Purchased professional and technical services		16,845	16,845	156,477
Land and improvements			-	-
Construction services		31,825	31,825	639,600
Equipment purchases			-	-
	<u>-</u>	<u>48,670</u>	<u>48,670</u>	<u>796,077</u>
Other Finance Sources (Uses)				
Transfers out			-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>269,761</u>	<u>269,761</u>	<u>-</u>

Additional project information:

Project number	1550-050-10-1002
Grant Date	9/28/2010
Bond authorization date	N/A
Bonds authorized	N/A
Bonds issued	N/A
Original authorization cost	796,077
Additional authorized cost	
Revised authorized cost	796,077
Percentage increase over original authorized cost	0%
Percentage completion	6%
Original target completion date	9/1/2012
Revised target completion date	

FORT LEE BOARD OF EDUCATION
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balances and Project Status-Budgetary Basis
High School Interior Alterations
Fiscal Year Ended June 30, 2012

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

Additional project information:

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

FORT LEE BOARD OF EDUCATION
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balances and Project Status-Budgetary Basis
High School HVAC Upgrades
Fiscal Year Ended June 30, 2012

	<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		348,000	348,000	348,000
Bond proceeds and transfers			-	522,000
Transfers from Capital Reserve			-	-
Transfers from Capital Outlay			-	-
Transfers from Emergency Reserve			-	-
	-	348,000	348,000	870,000
Expenditures and Other Financing Uses				
Purchased professional and technical services		28,065	28,065	161,200
Land and improvements			-	-
Construction services		11,511	11,511	708,800
Equipment purchases			-	-
	-	39,576	39,576	870,000
Other Finance Sources (Uses)				
Transfers out			-	-
Total other financing sources (uses)	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	-	308,424	308,424	-

Additional project information:

Project number	1550-050-10-1005
Grant Date	9/28/2010
Bond authorization date	N/A
Bonds authorized	N/A
Bonds issued	N/A
Original authorization cost	870,000
Additional authorized cost	
Revised authorized cost	870,000
Percentage increase over original authorized cost	0%
Percentage completion	5%
Original target completion date	12/31/2012
Revised target completion date	

FORT LEE BOARD OF EDUCATION
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balances and Project Status-Budgetary Basis
School No. 1 HVAC Upgrades
Fiscal Year Ended June 30, 2012

	<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		531,900	531,900	531,900
Bond proceeds and transfers			-	797,850
Transfers from Capital Reserve			-	-
Transfers from Capital Outlay			-	-
Transfers from Emergency Reserve			-	-
	<u>-</u>	<u>531,900</u>	<u>531,900</u>	<u>1,329,750</u>
Expenditures and Other Financing Uses				
Purchased professional and technical services		54,262	54,262	252,450
Land and improvements			-	-
Construction services		82,477	82,477	1,077,300
Equipment purchases			-	-
	<u>-</u>	<u>136,739</u>	<u>136,739</u>	<u>1,329,750</u>
Other Finance Sources (Uses)				
Transfers out			-	
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>395,161</u>	<u>395,161</u>	<u>-</u>

Additional project information:

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

FORT LEE BOARD OF EDUCATION
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balances and Project Status-Budgetary Basis
School No. 1 Roof Replacement
Fiscal Year Ended June 30, 2012

	<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		466,100	466,100	466,100
Bond proceeds and transfers			-	699,150
Transfers from Capital Reserve			-	-
Transfers from Capital Outlay			-	-
Transfers from Emergency Reserve			-	-
	-	466,100	466,100	1,165,250
Expenditures and Other Financing Uses				
Purchased professional and technical services		58,643	58,643	226,250
Land and improvements			-	-
Construction services		54,586	54,586	939,000
Equipment purchases			-	-
	-	113,229	113,229	1,165,250
Other Finance Sources (Uses)				
Transfers out			-	-
Total other financing sources (uses)	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	-	352,871	352,871	-
Additional project information:				
Project number	1550-060-10-1007			
Grant Date	9/28/2010			
Bond authorization date	N/A			
Bonds authorized	N/A			
Bonds issued	N/A			
Original authorization cost	1,165,250			
Additional authorized cost				
Revised authorized cost	1,165,250			
Percentage increase over original authorized cost	0%			
Percentage completion	10%			
Original target completion date	9/30/2012			
Revised target completion date				

FORT LEE BOARD OF EDUCATION
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balances and Project Status-Budgetary Basis
School No. 1 Window Replacement
Fiscal Year Ended June 30, 2012

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SCC Grant		278,000	278,000	278,000
Bond proceeds and transfers			-	417,000
Transfers from Capital Reserve			-	-
Transfers from Capital Outlay			-	-
Transfers from Emergency Reserve			-	-
	-	278,000	278,000	695,000
Expenditures and Other Financing Uses				
Purchased professional and technical services			-	140,500
Land and improvements			-	-
Construction services			-	554,500
Equipment purchases			-	-
	-	-	-	695,000
Other Finance Sources (Uses)				
Transfers out			-	
	-	-	-	-
Total other financing sources (uses)				
	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	-	278,000	278,000	-
Additional project information:				
Project number	1550-060-10-1008			
Grant Date	9/28/2010			
Bond authorization date	N/A			
Bonds authorized	N/A			
Bonds issued	N/A			
Original authorization cost	695,000			
Additional authorized cost				
Revised authorized cost	695,000			
Percentage increase over original authorized cost	0%			
Percentage completion	0%			
Original target completion date	9/30/2013			
Revised target completion date				

FORT LEE BOARD OF EDUCATION
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balances and Project Status-Budgetary Basis
School No. 3 Window Replacement
Fiscal Year Ended June 30, 2012

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

Additional project information:

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

FORT LEE BOARD OF EDUCATION
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balances and Project Status-Budgetary Basis
School No. 3 Masonry Repairs
Fiscal Year Ended June 30, 2012

	<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		153,200	153,200	153,200
Bond proceeds and transfers			-	229,800
Transfers from Capital Reserve			-	-
Transfers from Capital Outlay			-	-
Transfers from Emergency Reserve			-	-
	<u>-</u>	<u>153,200</u>	<u>153,200</u>	<u>383,000</u>
Expenditures and Other Financing Uses				
Purchased professional and technical services		14,281	14,281	83,600
Land and improvements			-	-
Construction services		9,500	9,500	299,400
Equipment purchases			-	-
	<u>-</u>	<u>23,781</u>	<u>23,781</u>	<u>383,000</u>
Other Finance Sources (Uses)				
Transfers out			-	
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>129,419</u>	<u>129,419</u>	<u>-</u>
Additional project information:				
Project number	1550-080-10-1011			
Grant Date	9/28/2010			
Bond authorization date	N/A			
Bonds authorized	N/A			
Bonds issued	N/A			
Original authorization cost	383,000			
Additional authorized cost				
Revised authorized cost	383,000			
Percentage increase over original authorized cost	0%			
Percentage completion	6%			
Original target completion date	9/1/2012			
Revised target completion date				

FORT LEE BOARD OF EDUCATION
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balances and Project Status-Budgetary Basis
School No. 4 Masonry Repairs
Fiscal Year Ended June 30, 2012

	<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		172,000	172,000	172,000
Bond proceeds and transfers			-	258,000
Transfers from Capital Reserve			-	-
Transfers from Capital Outlay			-	-
Transfers from Emergency Reserve			-	-
	-----	-----	-----	-----
	-	172,000	172,000	430,000
Expenditures and Other Financing Uses				
Purchased professional and technical services		11,706	11,706	89,800
Land and improvements			-	-
Construction services		10,925	10,925	340,200
Equipment purchases			-	-
	-----	-----	-----	-----
	-	22,631	22,631	430,000
Other Finance Sources (Uses)				
Transfers out			-	-
	-----	-----	-----	-----
Total other financing sources (uses)	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures				
	-----	-----	-----	-----
	-	149,369	149,369	-
Additional project information:				
Project number	1550-090-10-1012			
Grant Date	9/28/2010			
Bond authorization date	N/A			
Bonds authorized	N/A			
Bonds issued	N/A			
Original authorization cost	430,000			
Additional authorized cost				
Revised authorized cost	430,000			
Percentage increase over original authorized cost	0%			
Percentage completion	5%			
Original target completion date	9/1/2012			
Revised target completion date				

FORT LEE BOARD OF EDUCATION
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balances and Project Status-Budgetary Basis
School No. 4 HVAC Upgrades
Fiscal Year Ended June 30, 2012

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

FORT LEE BOARD OF EDUCATION
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balances and Project Status-Budgetary Basis
School No. 4 Roof Replacement
Fiscal Year Ended June 30, 2012

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SCC Grant		198,000	198,000	198,000
Bond proceeds and transfers			-	297,000
Transfers from Capital Reserve			-	-
Transfers from Capital Outlay			-	-
Transfers from Emergency Reserve			-	-
	-	198,000	198,000	495,000
Expenditures and Other Financing Uses				
Purchased professional and technical services			-	103,700
Land and improvements			-	-
Construction services			-	391,300
Equipment purchases			-	-
	-	-	-	495,000
Other Finance Sources (Uses)				
Transfers out			-	
Total other financing sources (uses)	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	-	198,000	198,000	-
Additional project information:				
Project number	1550-090-10-1014			
Grant Date	9/28/2010			
Bond authorization date	N/A			
Bonds authorized	N/A			
Bonds issued	N/A			
Original authorization cost	495,000			
Additional authorized cost				
Revised authorized cost	495,000			
Percentage increase over original authorized cost	0%			
Percentage completion	0%			
Original target completion date	9/30/2014			
Revised target completion date				

FORT LEE BOARD OF EDUCATION
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balances and Project Status-Budgetary Basis
Lewis F. Cole M.S. Roof Replacement
Fiscal Year Ended June 30, 2012

	<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		780,000	780,000	780,000
Bond proceeds and transfers			-	1,170,000
Transfers from Capital Reserve			-	-
Transfers from Capital Outlay			-	-
Transfers from Emergency Reserve			-	-
	-	780,000	780,000	1,950,000
Expenditures and Other Financing Uses				
Purchased professional and technical services		84,717	84,717	385,000
Land and improvements			-	-
Construction services		910,851	910,851	1,565,000
Equipment purchases			-	-
	-	995,568	995,568	1,950,000
Other Finance Sources (Uses)				
Transfers out			-	
	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures				
	-	(215,568)	(215,568)	-
Additional project information:				
Project number	1550-100-10-1015			
Grant Date	9/28/2010			
Bond authorization date	N/A			
Bonds authorized	N/A			
Bonds issued	N/A			
Original authorization cost	1,950,000			
Additional authorized cost				
Revised authorized cost	1,950,000			
Percentage increase over original authorized cost	0%			
Percentage completion	51%			
Original target completion date	9/30/2012			
Revised target completion date				

FORT LEE BOARD OF EDUCATION
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balances and Project Status-Budgetary Basis
Lewis F. Cole M.S. Boiler Replacement
Fiscal Year Ended June 30, 2012

	<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		452,000	452,000	452,000
Bond proceeds and transfers			-	678,000
Transfers from Capital Reserve			-	-
Transfers from Capital Outlay			-	-
Transfers from Emergency Reserve			-	-
	<u>-</u>	<u>452,000</u>	<u>452,000</u>	<u>1,130,000</u>
Expenditures and Other Financing Uses				
Purchased professional and technical services		43,224	43,224	222,800
Land and improvements			-	-
Construction services		234,363	234,363	907,200
Equipment purchases			-	-
	<u>-</u>	<u>277,587</u>	<u>277,587</u>	<u>1,130,000</u>
Other Finance Sources (Uses)				
Transfers out			-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>174,413</u>	<u>174,413</u>	<u>-</u>

Additional project information:

Project number	1550-100-10-1016
Grant Date	9/28/2010
Bond authorization date	N/A
Bonds authorized	N/A
Bonds issued	N/A
Original authorization cost	1,130,000
Additional authorized cost	
Revised authorized cost	1,130,000
Percentage increase over original authorized cost	0%
Percentage completion	25%
Original target completion date	9/30/2012
Revised target completion date	

FORT LEE BOARD OF EDUCATION
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balances and Project Status-Budgetary Basis
Lewis F. Cole M.S. Addition and Rehabilitation
Fiscal Year Ended June 30, 2012

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SCC Grant		1,557,180	1,557,180	1,557,180
Bond proceeds and transfers			-	8,102,820
Transfers from Capital Reserve			-	-
Transfers from Capital Outlay			-	-
Transfers from Emergency Reserve			-	-
	-	1,557,180	1,557,180	9,660,000
Expenditures and Other Financing Uses				
Purchased professional and technical services			-	1,881,367
Land and improvements			-	557,000
Construction services			-	7,221,633
Equipment purchases			-	-
	-	-	-	9,660,000
Other Finance Sources (Uses)				
Transfers out			-	
Total other financing sources (uses)	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	-	1,557,180	1,557,180	-

Additional project information:

Project number	1550-100-10-1018
Grant Date	9/28/2010
Bond authorization date	N/A
Bonds authorized	N/A
Bonds issued	N/A
Original authorization cost	9,660,000
Additional authorized cost	
Revised authorized cost	9,660,000
Percentage increase over original authorized cost	0%
Percentage completion	0%
Original target completion date	9/30/2014
Revised target completion date	

FORT LEE BOARD OF EDUCATION
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balances and Project Status-Budgetary Basis
Lewis F. Cole M.S. Interior Alterations
Fiscal Year Ended June 30, 2012

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

Additional project information:

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

FORT LEE BOARD OF EDUCATION
Capital Projects Fund
Summary Statement of Project Expenditures
 Fiscal Year Ended June 30, 2012

Project Title/Issue	Date	Appropriations	Expenditures to Date		Unexpended Project Funds Transferred Out	Unexpended Balance June 30, 2012
			Prior Years	Current Year		
Public School No. 1 - Façade restoration	2003-2004	573,811	440,824			132,987
Lewis F. Cole Middle School - Masonry restoration	2003-2004	529,952	508,113			21,839
High School Roof Replacement	2009-2010	3,392,423	2,334,959		1,057,464	-
High School Window Replacement	2011-2012	1,050,000				1,050,000
High School Masonry Repairs	2011-2012	796,077		48,670		747,407
High School Interior Alterations	2011-2012	3,980,000				3,980,000
High School HVAC Upgrades	2011-2012	870,000		39,576		830,424
School No. 1 HVAC Upgrades	2011-2012	1,329,750		136,739		1,193,011
School No. 1 Roof Replacement	2011-2012	1,165,250		113,229		1,052,021
School No. 1 Window Replacement	2011-2012	695,000				695,000
School No. 3 Window Replacement	2011-2012	532,000				532,000
School No. 3 Masonry Repairs	2011-2012	383,000		23,781		359,219
School No. 4 Masonry Repairs	2011-2012	430,000		22,631		407,369
School No. 4 HVAC Upgrades	2011-2012	4,140,000				4,140,000
School No. 4 Roof Replacement	2011-2012	495,000				495,000

FORT LEE BOARD OF EDUCATION
Capital Projects Fund
Summary Statement of Project Expenditures
Fiscal Year Ended June 30, 2012

		Expenditures to Date		Unexpended Project Funds Transferred	Unexpended Balance	
		Prior	Current			
Lewis F. Cole M.S. Roof Replacement	2011-2012	1,950,000	995,568		954,432	
Lewis F. Cole M.S. Boiler Replacement	2011-2012	1,130,000	277,587		852,413	
Lewis F. Cole M.S. Addition and Rehabilitation	2011-2012	9,660,000			9,660,000	
Lewis F. Cole M.S. Interior Alterations	2011-2012	1,600,000			1,600,000	
		<u>34,702,263</u>	<u>1,657,781</u>	<u>1,057,464</u>	<u>28,703,122</u>	
Analysis						
		<u>Project Balance - June 30, 2012</u>				28,703,122
		<u>Unfunded Authorizations</u>				20,430,466
		<u>Fund Balance (Deficit) - June 30, 2012</u>				<u>8,272,656</u>

PROPRIETARY FUNDS

FORT LEE BOARD OF EDUCATION
Combining Statement of Net Assets
Enterprise Funds
June 30, 2012

	<u>Food Service Program</u>	<u>Latchkey Program</u>	<u>Totals</u>
ASSETS			
Current assets:			
Cash and cash equivalents	230,563	202,888	433,451
Accounts receivable:			
State	808		808
Federal	20,390		20,390
Other	13	527	540
Interfund accounts receivable	45,466	61	45,527
Inventories	9,799		9,799
Total current assets	<u>307,039</u>	<u>203,476</u>	<u>510,515</u>
Noncurrent assets:			
Capital assets:			
Equipment	392,653	25,994	418,647
Less accumulated depreciation	<u>(305,486)</u>	<u>(20,389)</u>	<u>(325,875)</u>
Total capital assets (net of accumulated depreciation)	<u>87,167</u>	<u>5,605</u>	<u>92,772</u>
Total assets	<u>394,206</u>	<u>209,081</u>	<u>603,287</u>
LIABILITIES			
Current Liabilities:			
Accounts Payable	33,942	12,364	46,306
Interfunds payable	628		628
Prepaid Revenue	14,321		14,321
Total Liabilities	<u>48,891</u>	<u>12,364</u>	<u>61,255</u>
NET ASSETS			
Invested in capital assets net of related debt	87,167	5,605	92,772
Unrestricted	258,148	191,112	449,260
Total net assets	<u>345,315</u>	<u>196,717</u>	<u>542,032</u>

FORT LEE BOARD OF EDUCATION
Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets
Enterprise Funds
Fiscal Year Ended June 30, 2012

	<u>Food Service Program</u>	<u>Latchkey Program</u>	<u>Totals</u>
Operating revenues:			
Charges for services:			
Daily sales - reimbursable programs	565,677		565,677
Daily sales - non-reimbursable programs	280,507		280,507
Daily sales - other	66,481		66,481
Program Fees		524,692	524,692
Total operating revenues	<u>912,665</u>	<u>524,692</u>	<u>1,437,357</u>
Operating expenses:			
Cost of food	421,511	62,668	484,179
Salaries	389,746	360,009	749,755
Supplies and materials	49,083	7,547	56,630
Employee benefits	119,058		119,058
Depreciation	12,316	800	13,116
Repairs and other expenses	90,279		90,279
Purchased services	129,690		129,690
Rent		90,000	90,000
Total Operating Expenses	<u>1,211,683</u>	<u>521,024</u>	<u>1,732,707</u>
Operating income (loss)	<u>(299,018)</u>	<u>3,668</u>	<u>(295,350)</u>
Nonoperating revenues (expenses):			
State sources:			
School lunch program	13,869		13,869
Federal sources:			
School lunch program	322,888		322,888
School breakfast program	19,921		19,921
U.S.D.A. Commodities	85,352		85,352
Total nonoperating revenues (expenses)	<u>442,030</u>	<u>-</u>	<u>442,030</u>
Income (loss) before contributions & transfers	<u>143,012</u>	<u>3,668</u>	<u>146,680</u>
Total net assets—beginning	<u>202,303</u>	<u>193,049</u>	<u>395,352</u>
Total net assets—ending	<u>345,315</u>	<u>196,717</u>	<u>542,032</u>

FORT LEE BOARD OF EDUCATION
Combining Statement of Cash Flows
Enterprise Funds
Fiscal Year Ended June 30, 2012

	Food Service Program	Latchkey Program	Totals
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	820,192	527,735	1,347,927
Payments to suppliers	(1,049,667)	(544,887)	(1,594,554)
Net cash provided by (used for) operating activities	<u>(229,475)</u>	<u>(17,152)</u>	<u>(246,627)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
State Sources	16,082		16,082
Federal Sources	383,259		383,259
Net cash provided by (used for) non-capital financing activities	<u>399,341</u>	<u>-</u>	<u>399,341</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition of capital assets	(5,864)		(5,864)
Net cash used for capital and related financing activities	<u>(5,864)</u>	<u>-</u>	<u>(5,864)</u>
Net increase (decrease) in cash and cash equivalents	<u>164,002</u>	<u>(17,152)</u>	<u>146,850</u>
Balances—beginning of year	66,561	220,040	286,601
Balances—end of year	<u>230,563</u>	<u>202,888</u>	<u>433,451</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	(299,018)	3,668	(295,350)
Adjustments to reconcile operating income (loss) to net cash provided by			
Depreciation and net amortization	12,316	800	13,116
Food distribution program	85,352		85,352
(Increase) decrease in accounts receivable	710	894	1,604
(Increase) decrease in interfunds receivable	(15,865)	(61)	(15,926)
Increase (decrease) in interfunds payable	238	(32,137)	(31,899)
(Increase) decrease in inventories	(856)		(856)
Increase (decrease) in prepaid revenue	4,277		4,277
Increase (decrease) in accounts payable	(16,630)	9,684	(6,946)
Total adjustments	<u>69,542</u>	<u>(20,820)</u>	<u>48,722</u>
Net cash provided by (used for) operating activities	<u>(229,476)</u>	<u>(17,152)</u>	<u>(246,628)</u>

FIDUCIARY FUND

FORT LEE BOARD OF EDUCATION
Combining Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2012

	Private Purpose Scholarship Fund	Unemployment Compensation Trust Fund	Agency Funds
ASSETS			
Cash and cash equivalents	33,979	539,006	393,376
Miscellaneous receivables			2,965
Interfund receivables		10,396	257
Total assets	33,979	549,402	396,598
LIABILITIES			
Accounts payable			304,514
Interfunds payable			25,114
Payable to student groups			66,970
Due to State of NJ - Unemployment		89,996	
Total liabilities	-	89,996	<u>396,598</u>
NET ASSETS			
Reserved			
Principal portion	5,000		
Held in trust for unemployment claims and other purposes		<u>459,406</u>	
Reserved for scholarships	28,979		
	<u>33,979</u>		

FORT LEE BOARD OF EDUCATION
Combining Statement of Changes in Fiduciary Net Assets
Fiduciary Funds
Fiscal Year Ended June 30, 2012

	<u>Private Purpose Scholarship Fund</u>	<u>Unemployment Compensation Trust Fund</u>
ADDITIONS		
Contributions:		
Donations	14,110	
Payroll withholdings		45,322
Total Contributions	<u>14,110</u>	<u>45,322</u>
DEDUCTIONS		
Quarterly contribution reports		327,784
Scholarships awarded	14,400	
Total deductions	<u>14,400</u>	<u>327,784</u>
OTHER CHANGES TO FIDUCIARY NET ASSETS		
Change in net assets	(290)	(282,462)
Net assets—beginning of the year	<u>34,269</u>	<u>741,868</u>
Net assets—end of the year	<u><u>33,979</u></u>	<u><u>459,406</u></u>

FORT LEE BOARD OF EDUCATION
Student Activity Agency Fund
Schedule of Receipts and Disbursements
Fiscal Year Ended June 30, 2012

	Balance July 1, 2011	Cash Receipts	Cash Disbursed	Accounts Receivable June 30, 2012	Interfunds Receivable June 30, 2012	Interfunds Payable June 30, 2012	Accounts Payable June 30, 2012	Balance June 30, 2012
Elementary Schools:								
Activity Account - School One	5,943	19,423	18,894	-	-	-	-	6,472
Activity Account - School Two	1,574	2,774	2,753	-	-	-	-	1,595
Activity Account - School Three	1,956	9,884	9,557	-	-	-	-	2,283
Activity Account - School Four	1,643	12,670	12,335	-	-	-	-	1,978
Total Elementary Schools	11,116	44,751	43,539	-	-	-	-	12,328
Middle School:								
General Organization	6,941	30,260	29,718	300	-	-	-	7,783
Total Middle Schools	6,941	30,260	29,718	300	-	-	-	7,783
High School:								
General Organization	36,519	132,174	76,448	1,125	256	-	46,767	46,859
Total High Schools	36,519	132,174	76,448	1,125	256	-	46,767	46,859
Athletic Departments:								
General	-	45,000	34,439	-	10,561	-	-	-
Total Athletic Department	-	45,000	34,439	-	10,561	-	-	-
Total All Schools	54,576	252,185	184,144	1,425	256	10,561	46,767	66,970

FORT LEE BOARD OF EDUCATION
Payroll Agency Fund
Schedule of Receipts and Disbursements
Fiscal Year Ended June 30, 2012

	Balance July 1, 2011	Cash Receipts	Cash Disbursed	Accounts Receivable June 30, 2012	Accounts Payable June 30, 2012	Balance June 30, 2012
Net payroll	2,189	20,996,181	20,998,370	-	-	-
Payroll deductions and withholdings	245,256	15,306,236	15,299,158	1,540	253,874	-
Flexible Spending Account		9,471	5,598		3,873	-
Interfunds payable	18,357	14,553	18,357	-	-	14,553
	<u>\$ 265,802</u>	<u>36,326,441</u>	<u>36,321,483</u>	<u>1,540</u>	<u>257,747</u>	<u>14,553</u>

LONG-TERM DEBT

FORT LEE BOARD OF EDUCATION
General Long-Term Debt Account Group
Schedule of Capital Leases
Fiscal Year Ended June 30, 2012

<u>Issue</u>	<u>Date of Lease</u>	<u>Amount of Lease</u>	<u>Principal Payment</u>		<u>Interest Rate</u>	<u>Balance, June 30, 2011</u>	<u>Retired</u>	<u>Balance, June 30, 2012</u>
			<u>Date</u>	<u>Amount</u>				
District Buses	May 22, 2009	262,840	8/15/12	52,544	3.60 %	157,715	50,486	107,229
			8/15/13	54,685	3.60 %			
						\$ 157,715	50,486	107,229

STATISTICAL SECTION

STATISTICAL SECTION (UNAUDITED) - INTRODUCTION

J SERIES

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

STATISTICAL SECTION (UNAUDITED)

Introduction to the Statistical Section

Financial Trends

- J-1 Net Assets by Component
- J-2 Changes in Net Assets
- J-3 Fund Balances - Governmental Funds
- J-4 Changes in Fund Balances - Governmental Funds
- J-5 General Fund Other Local Revenue by Source

Revenue Capacity

- J-6 Assessed Value and Estimated Actual Value of Taxable Property
- J-7 Direct and Overlapping Property Tax Rates
- J-8 Principal Property Taxpayers
- J-9 Property Tax Levies and Collections

Debt Capacity

- J-10 Ratios of Outstanding Debt by Type
- J-11 Ratios of General Bonded Debt Outstanding
- J-12 Direct and Overlapping Governmental Activities Debt
- J-13 Legal Debt Margin Information

Demographic and Economic Information

- J-14 Demographic and Economic Statistics
- J-15 Principal Employers

Operating Information

- J-16 Full-time Equivalent District Employees by Function/Program
- J-17 Operating Statistics
- J-18 School Building Information*
- J-19 Schedule of Allowable Maintenance Expenditures by School Facility
- J-20 Insurance Schedule

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

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Governmental activities										
Invested in capital assets, net of related debt	\$ 12,301,903	\$ 12,775,137	\$ 12,653,392	\$ 12,708,878	\$ 14,113,741	\$ 14,267,966	\$ 10,950,910	\$ 13,327,585	\$ 12,758,856	\$ 14,116,324
Restricted	2,474,349	3,625,152	3,252,291	3,061,302	2,748,475	2,876,841	3,184,034	2,015,950	3,054,358	4,862,082
Unrestricted	(4,738,913)	(5,735,703)	(5,580,357)	(5,916,252)	(5,581,765)	(4,680,195)	(4,454,396)	(5,705,497)	(5,079,224)	(4,725,982)
Total governmental activities net assets	\$ 10,037,339	\$ 10,664,586	\$ 10,325,326	\$ 9,853,928	\$ 11,280,451	\$ 12,464,612	\$ 9,680,548	\$ 9,638,038	\$ 10,733,990	\$ 14,252,424
Business-type activities										
Invested in capital assets, net of related debt	\$ 181,801	\$ 169,101	\$ 171,571	\$ 153,302	\$ 355,041	\$ 305,612	\$ 139,334	\$ 86,609	\$ 100,024	\$ 92,772
Restricted	226,928	403,374	497,831	657,171	538,598	310,523	197,002	228,977	295,328	449,260
Unrestricted	\$ 408,729	\$ 572,475	\$ 669,402	\$ 810,473	\$ 895,639	\$ 616,135	\$ 336,336	\$ 315,586	\$ 395,352	\$ 542,032
Total business-type activities net assets	\$ 617,458	\$ 1,144,950	\$ 1,278,804	\$ 1,620,945	\$ 1,789,278	\$ 932,270	\$ 672,672	\$ 610,172	\$ 590,704	\$ 1,083,364
District-wide										
Invested in capital assets, net of related debt	\$ 12,483,704	\$ 12,944,238	\$ 12,824,963	\$ 12,862,180	\$ 14,468,782	\$ 14,573,578	\$ 11,090,244	\$ 13,414,194	\$ 12,858,880	\$ 14,209,096
Restricted	2,474,349	3,625,152	3,252,291	3,061,302	2,748,475	2,876,841	3,184,034	2,015,950	3,054,358	4,862,082
Unrestricted	(4,511,985)	(5,332,329)	(5,082,526)	(5,259,081)	(5,043,167)	(4,369,672)	(4,257,394)	(5,476,520)	(4,783,896)	(4,276,722)
Total district net assets	\$ 10,446,068	\$ 11,237,061	\$ 10,994,728	\$ 10,664,401	\$ 12,174,090	\$ 13,080,747	\$ 10,016,884	\$ 9,953,624	\$ 11,129,342	\$ 14,794,436

Source: CAFR Exhibit A-1

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

	Fiscal Year Ending June 30,									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Business-type activities:										
Charges for services										
Food service	796,944	746,730	794,625	801,466	787,003	797,208	803,602	817,317	833,569	912,665
Latchkey program	281,335	303,819	276,670	330,155	356,194	434,959	299,471	469,037	510,205	524,692
Operating grants and contributions	178,304	175,375	196,646	209,220	196,426	234,641	255,548	332,755	357,872	442,030
Total business type activities program revenues	1,256,583	1,225,924	1,267,941	1,340,841	1,339,623	1,466,808	1,358,621	1,619,109	1,701,646	1,879,387
Total district program revenues	\$ 3,012,232	\$ 3,765,177	\$ 6,410,495	\$ 7,039,572	\$ 8,784,578	\$ 9,115,266	\$ 3,272,269	\$ 5,512,724	\$ 3,588,348	\$ 3,613,031
Net (Expense)/Revenue										
Governmental activities	\$ (40,629,033)	\$ (42,277,596)	\$ (41,469,336)	\$ (43,184,691)	\$ (46,474,474)	\$ (46,442,533)	\$ (53,593,719)	\$ (55,361,325)	\$ (54,589,062)	\$ (55,483,822)
Business-type activities	54,893	163,124	91,819	124,941	52,545	(299,103)	(84,431)	(21,261)	76,970	146,680
Total district-wide net expense	\$ (40,574,140)	\$ (42,114,472)	\$ (41,377,517)	\$ (43,059,750)	\$ (46,421,929)	\$ (46,741,636)	\$ (53,678,150)	\$ (55,382,586)	\$ (54,512,092)	\$ (55,337,142)
General Revenues and Other Changes in Net Assets										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 34,902,529	\$ 37,482,022	\$ 38,002,413	\$ 39,182,171	\$ 42,581,845	\$ 44,285,119	\$ 46,056,524	\$ 47,898,785	\$ 50,245,845	\$ 51,250,762
Unrestricted grants and contributions	4,634,015	5,242,596	2,938,774	2,848,004	2,996,693	3,019,066	6,838,632	7,152,921	4,895,937	6,604,235
Restricted grants and contributions										663,113
Investment earnings	54,020	46,714	84,428	217,401	350,416	215,821	49,755	787	45	497
Miscellaneous income	47,971	133,511	104,461	465,717	1,972,043	106,688	313,173	266,322	543,187	483,649
Total governmental activities	39,638,535	42,904,843	41,130,076	42,713,293	47,900,997	47,626,694	53,258,084	55,318,815	55,685,014	59,002,256
Business-type activities:										
Investment earnings	1,460	622	5,108	16,130	30,621	21,599	2,904	511	2,796	-
Total business-type activities	1,460	622	5,108	16,130	30,621	21,599	2,904	511	2,796	-
Total district-wide	\$ 39,639,995	\$ 42,905,465	\$ 41,135,184	\$ 42,729,423	\$ 47,931,618	\$ 47,648,293	\$ 53,260,988	\$ 55,319,326	\$ 55,687,810	\$ 59,002,256
Change in net assets										
Governmental activities	\$ (990,498)	\$ 627,247	\$ (339,260)	\$ (471,398)	\$ 1,426,523	\$ 1,184,161	\$ (335,635)	\$ (42,510)	\$ 1,095,952	\$ 3,518,434
Business-type activities	56,353	163,746	96,927	141,071	83,166	(277,504)	(81,527)	(20,750)	79,766	146,680
Total district	\$ (934,145)	\$ 790,993	\$ (242,333)	\$ (330,327)	\$ 1,509,689	\$ 906,657	\$ (417,162)	\$ (63,260)	\$ 1,175,718	\$ 3,665,114

Source: CAFR Exhibit A-2

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

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

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General Fund										
Reserved	\$ 2,474,349	\$ 2,565,628	\$ 2,339,224	\$ 2,304,512	\$ 2,235,492	\$ 2,722,015	\$ 3,029,209	\$ 778,099		
Unreserved	2,107,822	1,591,701	984,615	762,290	823,380	1,386,135	2,235,876	958,404	1,639,659	3,203,208
Restricted									274,425	1,182,757
Committed									650,000	1,315,959
Assigned									1,442,570	1,305,629
Unassigned										
Total general fund	\$ 4,582,171	\$ 4,157,329	\$ 3,323,839	\$ 3,066,802	\$ 3,058,872	\$ 4,108,150	\$ 5,265,085	\$ 1,736,503	\$ 4,006,654	\$ 7,007,553
All Other Governmental Funds										
Reserved		\$ 163,671	\$ -	\$ -	\$ 471,984	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Capital projects fund		895,853	913,067	756,790	40,999	154,826	154,826	1,237,851	490,274	(839,842)
Total all other governmental funds	\$ -	\$ 1,059,524	\$ 913,067	\$ 756,790	\$ 512,983	\$ 154,826	\$ 154,826	\$ 1,237,851	\$ 490,274	\$ (839,842)

Source: CAFR Exhibit B-1

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

	Fiscal Year Ending June 30,									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Revenues										
Tax levy	\$ 34,902,529	\$ 37,482,022	\$ 38,002,413	\$ 39,182,171	\$ 42,581,845	\$ 44,285,119	\$ 46,056,524	\$ 47,898,785	\$ 50,245,845	\$ 51,250,762
Interest- capital reserve funds	28,322	19,129	20,939	40,931	53,422	38,501	16,882	787	45	497
Interest earnings	25,698	27,585	63,489	176,470	296,994	177,320	32,873	2,946	37,589	4,894
Transportation									38,105	8,628
Tuition									85,973	19,500
Miscellaneous	245,906	223,936	212,836	521,871	2,034,048	526,988	314,073	266,627	386,129	457,199
State sources	5,059,398	6,406,417	6,335,676	6,710,136	8,493,651	8,856,381	6,987,844	8,227,542	5,001,235	7,271,822
Federal sources	1,228,946	1,285,007	1,637,277	1,780,445	1,885,992	1,772,443	1,763,536	2,815,743	1,776,795	1,722,598
Total revenue	41,490,799	45,444,096	46,272,630	48,412,024	55,345,952	55,656,752	55,171,732	59,212,430	57,571,716	60,733,900
Expenditures										
Instruction										
Regular instruction	14,975,128	15,516,899	16,212,266	15,539,586	16,134,918	16,257,191	16,689,817	17,978,798	17,470,348	17,686,731
Special education instruction	1,709,072	1,818,632	1,899,926	1,931,599	1,924,589	1,828,329	1,816,700	2,392,416	3,205,818	3,799,173
Other special instruction	1,349,580	1,456,408	1,529,394	1,336,521	1,476,232	1,575,356	2,064,966	2,006,619	1,932,043	1,965,408
Other instruction	601,660	626,094	637,733	655,165	781,949	804,182	779,313	746,698	797,260	782,915
Support Services:										
Tuition	2,503,102	2,533,941	3,292,727	3,677,911	4,358,617	4,246,167	4,650,182	4,178,690	3,149,926	3,315,783
Student and instruction related services	4,222,870	4,258,623	4,067,850	4,478,163	4,924,259	5,279,599	5,923,101	6,836,783	6,599,857	6,807,393
School administrative services	2,859,733	3,474,017	2,042,197	2,215,551	2,175,858	2,279,410	2,279,477	2,409,955	2,576,616	2,167,907
General administrative services			1,169,399	1,237,152	1,399,421	1,403,297	1,418,364	1,419,757	1,265,634	1,191,334
Central services and administrative information technology services			668,967	611,462	677,160	703,875	654,668	663,011	713,536	741,121
Business and other support services	441,795	488,710								
Plant operations and maintenance	3,677,514	3,899,373	4,356,079	4,291,011	4,465,622	4,559,453	4,688,086	4,414,450	3,939,182	4,149,469
Pupil transportation	1,062,401	1,085,553	993,869	1,124,950	1,499,037	1,503,774	1,732,005	1,528,574	1,308,313	1,451,533
Employee benefits	7,543,980	8,444,758	9,596,971	10,508,684	13,148,368	13,544,958	11,134,661	14,016,326	12,969,113	12,959,691
Special schools	102,936	111,326	120,532	69,289	79,426	78,734				
Capital outlay	414,289	1,086,800	664,667	1,148,294	2,552,233	901,306	446,297	3,065,910	121,496	2,046,659
Transfer to charter school	18,913	8,280								
Total expenditures	41,482,973	44,809,414	47,252,577	48,825,338	55,597,689	54,965,631	54,277,637	61,657,987	56,049,142	59,065,117
Excess (Deficiency) of revenues over (under) expenditures	7,826	634,682	(979,947)	(413,314)	(251,737)	691,121	894,095	(2,445,557)	1,522,574	1,670,783
Other Financing sources (uses)										
Capital leases (non-budgeted)							262,840			
Transfers in		1,531,916						2,484,000	747,577	334,958
Transfers out		(1,531,916)						(2,484,000)	(747,577)	(334,958)
Total other financing sources (uses)							262,840			
Net change in fund balances	\$ 7,826	\$ 634,682	\$ (979,947)	\$ (413,314)	\$ (251,737)	\$ 691,121	\$ 1,156,935	\$ (2,445,557)	\$ 1,522,574	\$ 1,670,783
Debt service as a percentage of noncapital expenditures	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

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

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General Fund:										
Interest on investments	\$ 25,698	\$ 27,585	\$ 63,489	\$ 176,470	\$ 296,994	\$ 177,320	\$ 32,873	\$ 2,946	\$ 37,589	\$ 4,894
Summer school tuition and fees	101,320	90,425	108,375	54,800	62,005	38,700			85,973	19,500
Prior years' refunds	13,266	35,873	79,321	34,709	74,409	18,322				
Rentals	100,207	2,953	1,000				98,667	94,500	140,550	174,175
Donations							5,500	2,721	433	89,635
Transportation								37,584	38,105	8,628
Cancellation of prior year void checks							7,554	7,194	2,443	
Contributions	4,370	6,373	3,757	1,926	2,757	13,574				
Miscellaneous-restricted										
Reimbursement of custodial				13,000	45,500	433,600	194,611	110,565	97,409	84,620
Athletic receipts	7,779	5,550	7,509	7,821	5,310	3,712	587	1,356	4,463	4,650
Other				4,080		4,075			93,448	
Book fines	9,106	8,603	5,902	9,299	7,416	9,030	5,268	5,023	2,839	
Restitution non-residents	9,477		3,148	240	4,080					
Miscellaneous-unrestricted	381	74,179	3,824	12,142	3,791	3,209	1,886	4,433	39,935	97,547
Total Miscellaneous	\$ 271,604	\$ 251,521	\$ 276,325	\$ 314,487	\$ 502,262	\$ 701,542	\$ 346,946	\$ 266,322	\$ 543,187	\$ 483,649
Interest on capital reserve funds	28,322	19,129	20,939	40,931	53,422	38,501	16,882	787	45	497
Tuition										
Total General Fund	\$ 299,926	\$ 270,650	\$ 297,264	\$ 355,418	\$ 555,684	\$ 740,043	\$ 363,828	\$ 267,109	\$ 543,232	\$ 484,146

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

Fiscal Year Ended Dec. 31,	Residential		Commercial/Industrial	Apartment	Total Assessed Value	Public Utilities ^a	Net Valuation Taxable	Memo Only Tax Exempt Property	Estimated Actual (County Equalized Value)	Total Direct School Tax Rate ^b
	Vacant Land	Residential								
2003	N/A	N/A	N/A	N/A	N/A	N/A	\$ 3,082,319,704		N/A	1.17
2004	N/A	N/A	N/A	N/A	N/A	N/A	\$ 5,861,219,604		\$ 4,521,020,614	0.64
2005	\$ 42,856,900	\$ 3,167,290,200	\$ 988,600,000	\$ 1,600,766,520	\$ 5,799,513,620	\$ 9,550,396	\$ 5,809,064,016	\$ 335,518,700	\$ 5,405,151,721	0.66
2006	\$ 47,450,100	\$ 3,503,231,100	\$ 961,978,900	\$ 1,417,207,720	\$ 5,929,867,820	\$ 8,658,578	\$ 5,938,526,398	\$ 351,037,400	\$ 5,822,717,382	0.69
2007	\$ 130,801,900	\$ 3,525,098,500	\$ 937,102,300	\$ 1,411,590,620	\$ 6,004,593,320	\$ 8,540,038	\$ 6,013,133,358	\$ 358,234,700	\$ 6,085,431,283	0.72
2008	\$ 122,770,000	\$ 3,554,620,700	\$ 947,923,900	\$ 1,414,385,820	\$ 6,039,700,420	\$ 8,337,130	\$ 6,048,037,550	\$ 363,433,300	\$ 6,522,953,051	0.75
2009	\$ 124,914,300	\$ 3,585,523,400	\$ 948,009,500	\$ 1,415,253,320	\$ 6,073,700,520	\$ 8,723,969	\$ 6,082,424,489	\$ 360,587,400	\$ 6,588,899,981	0.77
2010	\$ 124,462,700	\$ 3,594,309,700	\$ 950,314,300	\$ 1,440,155,620	\$ 6,109,242,320	\$ 8,564,849	\$ 6,117,807,169	\$ 329,971,800	\$ 6,417,757,379	0.80
2011	\$ 127,344,500	\$ 2,599,114,200	\$ 949,276,800	\$ 1,437,682,320	\$ 5,113,417,820	\$ 9,180,439	\$ 5,122,598,259	\$ 328,933,300	\$ 6,588,899,981	0.77
2012	\$ 100,665,200	\$ 3,599,241,400	\$ 935,804,500	\$ 1,440,403,020	\$ 6,076,114,120	\$ 10,219,689	\$ 6,086,333,809	\$ 329,372,300	\$ 6,076,114,120	0.86

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

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

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

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

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

b- Tax rates are per \$100.

Exhibit J-7

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

Fiscal Year Ended June 30,	Fort Lee Board of Education General Obligation		Overlapping Rates		Total Direct and Overlapping Tax Rate
	Basic Rate ^a	Debt Service ^b	Borough of Fort Lee	County of Bergen	
2003	1.17		1.21	0.27	2.65
2004	0.64		0.69	0.15	1.48
2005	0.66		0.74	0.19	1.59
2006	0.69		0.79	0.18	1.66
2007	0.72		0.82	0.18	1.72
2008	0.75		0.89	0.20	1.84
2009	0.77		0.91	0.21	1.892
2010	0.80		0.93	0.21	1.94
2011	0.83		0.94	0.22	1.989
2012	0.86		0.96	0.23	2.05

Source: Municipal Tax Collector

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

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

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

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

Taxpayer	2011			2002		
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
1266 Apartment corp.	\$ 289,151,000	1	4.72%	\$ 137,400,000		4.46%
1530 Owners Corp.	\$ 168,478,000	2	2.75%	\$ 91,000,000		2.95%
Fort Lee EP, LLC	\$ 99,000,000	3	1.62%			
Mediterranean Towers West Owners, Inc.	\$ 91,058,000	4	1.49%	\$ 44,000,000		1.43%
CCA Crest at Fort Lee, LLC	\$ 83,825,300	5	1.37%			
Southbridge Park, Inc.	\$ 82,673,000	6	1.35%	\$ 49,000,000		1.59%
2100 Linwood Ave. Owners Inc.	\$ 78,000,000	7	1.27%	\$ 38,858,000		1.26%
2000 Linwood Avenue Owners, Inc.	\$ 69,403,000	8	1.13%	\$ 38,858,000		1.26%
One Century City Apartment Corp.	\$ 64,703,000	9	1.06%	\$ 42,200,000		1.37%
Northbridge Park Co-op Inc	\$ 63,267,000	10	1.03%			
Executive Park, LLC				\$ 48,750,000		1.58%
Kelby Associates c/o Parker Corp.				\$ 29,500,000		0.96%
1170 Apt. Corp.				\$ 33,700,000		1.09%
Total	\$ 1,089,558,300		17.80%	\$ 553,266,000		17.95%

Net Assessed Valuation: \$ 3,082,319,704

Net Assessed Valuation: \$ 6,122,598,259

Source: Municipal Tax Assessor.

Exhibit J-9

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

Fiscal Year Ended June 30,	District Taxes Levied for the Fiscal Year	Collected within the Fiscal Year		Collections in Subsequent Years
		Amount	Percentage of Levy ^a	
2003	\$34,902,529	\$34,902,529	100.00%	\$ -
2004	\$37,482,022	\$37,482,022	100.00%	\$ -
2005	\$38,002,413	\$38,002,413	100.00%	\$ -
2006	\$39,182,171	\$39,182,171	100.00%	\$ -
2007	\$42,581,845	\$42,581,845	100.00%	\$ -
2008	\$44,285,119	\$44,285,119	100.00%	\$ -
2009	\$46,977,655	\$46,977,655	100.00%	\$ -
2010	\$47,898,785	\$47,898,785	100.00%	\$ -
2011	\$50,245,845	\$50,245,845	100.00%	\$ -
2012	\$51,250,762	\$51,250,762	100.00%	\$ -

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

Notes: a- School taxes are collected by the Municipal Tax Collector. Under New Jersey State Statute, a municipality is required to remit to the school district the entire property tax balance, in the amount voted upon or certified prior to the end of the school year.

Exhibit J-10

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

Fiscal Year Ended June 30,	Governmental Activities			Total District	Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds/Loans ^b	Capital Leases				
2003	-	-	-	0.00%	\$ 51,132	
2004	-	-	-	0.00%	\$ 54,462	
2005	-	-	-	0.00%	\$ 56,706	
2006	-	-	-	0.00%	\$ 62,714	
2007	-	-	-	0.00%	\$ 67,394	
2008	-	-	-	0.00%	\$ 68,227	
2009	-	-	-	0.00%	\$ 63,198	
2010	-	-	-	0.00%	\$ 65,486	
2011	-	157,715	157,715	Not Available	Not Available	
2012	-	107,229	107,229	Not Available	Not Available	

Source: District records

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

District has no school debt.

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

Exhibit J-11

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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Bonds/Loans	Deductions	Net General Bonded Debt Outstanding		
2003	\$ -	-	-	0.00%	\$ 51,132
2004	\$ -	-	-	0.00%	\$ 54,462
2005	\$ -	-	-	0.00%	\$ 56,706
2006	\$ -	-	-	0.00%	\$ 62,714
2007	\$ -	-	-	0.00%	\$ 67,394
2008	\$ -	-	-	0.00%	\$ 68,227
2009	\$ -	-	-	0.00%	\$ 63,198
2010	\$ -	-	-	0.00%	\$ 65,486
2011	\$ -	-	-	0.00%	Not Available
2012	\$ -	-	-	0.00%	Not Available

Source: District Records

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

District has no school debt.

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

Fort Lee Board of Education
Ratios of Overlapping Governmental Activities Debt
As of June 30, 2012

<u>Governmental Unit</u>	Estimated Percentage Applicable ^a	Debt Outstanding	Estimated Share of Overlapping Debt
Direct Debt of School District as of June 30, 2012			\$ -
Net overlapping debt of School District:			
Borough of Fort Lee	100.000%	\$ 66,429,166	
County of Bergen - City's Share	3.837%	\$ 26,801,277	
Bergen County Utility Authority-City's Share	3.326%	\$ 7,728,505	
Subtotal, overlapping debt			<u>\$ 100,958,948</u>
Total direct and overlapping debt			<u>\$ 100,958,948</u>

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

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

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

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

Legal Debt Margin Calculation for Fiscal Year 2011

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Debt limit	\$ 136,885,371	\$ 155,356,517	\$ 160,089,676	\$ 207,969,494	\$ 227,749,168	\$ 239,922,048	\$ 251,121,316	\$ 259,326,993	\$ 259,555,056	\$ 259,931,121
Total net debt applicable to limit										
Legal debt margin	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Total net debt applicable to the limit as a percentage of debt limit										

	2011	2010	2009
Equalized valuation basis	6,542,820,769	6,409,192,530	6,542,820,769
[A] \$	19,494,834,068		
[A/3] \$	6,498,278,023		
[B] \$	259,931,121 ^a		
[C] \$	-		
[B-C] \$	259,931,121		

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

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

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

Year	Population ^{a(1)}	Personal Income (thousands of dollars) ^b	Per Capita Personal Income ^{c(2)}	Unemployment Rate ^d
2003	36,798	\$ 1,881,555,336	51,132	5.30%
2004	36,779	\$ 2,003,057,898	54,462	4.30%
2005	36,546	\$ 2,072,377,476	56,706	2.80%
2006	36,214	\$ 2,271,124,796	62,714	3.00%
2007	36,124	\$ 2,434,540,856	67,394	2.60%
2008	36,107	\$ 2,463,472,289	68,227	3.20%
2009	36,288	\$ 2,293,329,024	63,198	5.90%
2010	35,387	\$ 2,317,353,082	65,486	6.30%
2011	35,579	Not Available	N/A	6.20%
2012	N/A	Not Available	N/A	N/A

Source:

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

Notes:

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

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

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

<u>Function/Program</u>	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Instruction										
Regular	249.0	247.0	244.0	N/A	231.0	233.0	237	241	229	212
Special education	N/A	N/A	N/A	N/A	26.0	27.0	27.0	29.0	37.0	64.0
Other instruction	33.0	33.0	33.0	N/A	29.0	31.0	29.0	28.5	33.5	23.0
Support Services:										
Student & instruction related services	22.0	25.0	24.0	N/A	65.0	64.0	66.0	67.0	71.5	78.5
General administrative services	26.0	26.0	26.0	N/A	12.0	12.0	12.0	12.0	10.0	8.5
School administrative services	54.0	57.0	55.0	N/A	33.0	33.0	33.0	33.0	24.0	24.0
Business administrative services	3.5	3.5	7.0	N/A	6.0	6.0	6.0	6.0	13.0	14.0
Plant operations and maintenance	45.5	43.5	48.0	N/A	46.0	46.0	45.0	44.0	21.0	20.5
Total	433.0	435.0	437.0	0.0	448.0	452.0	455.0	460.5	439.0	444.5

Source: District Personnel Records

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

Fort Lee Board of Education
Operating Statistics
Last Ten Fiscal Years

Fiscal Year	Pupil/Teacher Ratio											
	Fiscal Enrollment	Operating Expenditures ^a	Cost Per Pupil	Percentage Change	Teaching Staff ^b	Elementary	Middle School	High School	Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
2003	3,522	41,380,037	11,749	8.87%	249	1:17	1:14	1:12	3,389	3,251	(3.58)	95.93%
2004	3,536	43,722,614	12,365	5.24%	247	1:17	1:14	1:12	3,413	3,270	0.71	95.81%
2005	3,473	46,876,615	13,497	9.16%	244	1:15	1:14	1:14	3,427	3,256	0.41	95.01%
2006	3,513	47,677,044	13,572	0.55%	N/A	N/A	N/A	N/A	3,482	3,307	1.60	94.97%
2007	3,546	54,064,325	15,247	12.34%	231	1:18	1:11	1:15	3,475	3,321	(0.20)	95.57%
2008	3,551	54,965,631	15,479	1.52%	233	1:17	1:12	1:14	3,488	3,338	0.37	95.70%
2009	3,545	54,277,637	15,311	0.42%	237	1:18	1:11	1:14	3,454	3,296	(0.1)	95.43%
2010	3,621	58,592,077	16,181	4.54%	241	1:18	1:11	1:14	3,543	3,406	0.04	96.13%
2011	3,671	55,927,646	15,235	-0.50%	229	1:17	1:11	1:14	3,601	3,450	0.01	95.81%
2012	3,727	57,018,458	15,299	-5.45%	212	1:17	1:11	1:14	3,689	3,547	0.02	96.15%

Sources: District records, ASSA and Schedules J-12, J-14

Note: Enrollment based on annual October district count.

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

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

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

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

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

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
District Buildings										
Elementary										
School 1										
Square Feet	57,938	57,938	57,938	57,938	57,938	57,938	57,938	57,938	57,938	57,938
Capacity (students)	447	447	447	447	447	447	447	447	447	447
Enrollment	N/A	N/A	527	491	498	517	529	529	634	644
School 2										
Square Feet	50,989	50,989	50,989	50,989	50,989	50,989	50,989	50,989	50,989	50,989
Capacity (students)	339	339	339	339	339	339	339	339	339	339
Enrollment	N/A	N/A	364	397	399	415	421	421	422	428
School 3										
Square Feet	41,974	41,974	41,974	41,974	41,974	41,974	41,974	41,974	41,974	41,974
Capacity (students)	392	392	392	392	392	392	392	392	392	392
Enrollment	N/A	N/A	459	464	464	490	497	497	513	533
School 4										
Square Feet	48,722	48,722	48,722	48,722	48,722	48,722	48,722	48,722	48,722	48,722
Capacity (students)	395	395	395	395	395	395	395	395	395	395
Enrollment	N/A	N/A	446	484	484	474	493	493	535	516
Middle School										
Lewis F. Cole Middle School										
Square Feet	78,455	78,455	78,455	78,455	78,455	78,455	78,455	78,455	78,455	78,455
Capacity (students)	295	295	295	295	295	295	295	295	295	295
Enrollment	N/A	N/A	560	509	513	528	477	477	526	556
High School										
Fort Lee High School										
Square Feet	142,789	142,789	142,789	142,789	142,789	142,789	142,789	142,789	142,789	142,789
Capacity (students)	552	552	552	552	552	552	552	552	552	552
Enrollment	N/A	N/A	1,064	1,089	1,096	1,041	1,039	1,039	979	995

Number of Schools at June 30, 2012

Elementary	4
Middle School	1
High School	1

Source: District records, ASSA

Note: Year of original construction is shown in parentheses. Increases in square footage and capacity are the result of additions. Enrollment is based on the annual October district count.

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

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

* School Facilities	School #	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Fort Lee High School	50	201,794	136,945	210,988	287,542	271,993	294,830	257,401	267,377	228,405	236,820
Lewis F. Cole Middle School	100	78,468	67,095	86,179	126,885	111,862	121,786	114,399	103,980	101,513	92,096
Elementary School #1	60	78,720	76,040	98,065	108,715	124,887	135,657	100,099	89,125	88,824	105,252
Elementary School #2	70	82,480	49,203	68,348	83,985	88,111	95,994	85,801	74,271	76,135	78,941
Elementary School #3	80	48,255	44,730	58,245	77,274	75,086	81,858	71,498	89,126	63,446	65,783
Elementary School #4	90	50,202	53,676	72,508	87,104	94,240	102,534	85,802	118,835	76,134	78,940
Grand Total		\$ 539,919	\$ 427,689	\$ 594,333	\$ 771,505	\$ 766,179	\$ 832,659	\$ 715,000	\$ 742,714	\$ 634,457	\$ 657,832

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

**Fort Lee Board of Education
Insurance Schedule
For the Fiscal Year Ended June 30, 2012
Unaudited**

Company	Type of Coverage	Coverage	Deductible
School Package Policy - School Alliance Insurance Fund			
	Property - Blanket Building and Contents	\$ 88,698,980	\$ 1,000
	Flood/Earthquake	10,000,000/25,000,000	25,000
	Commercial General Liability:		
	General Aggregate	50,000,000	
	Each Occurrence	5,000,000	
	Prod/Completed Oper.	50,000,000	
	Fire Damage Legal Liability	2,500,000	
	Personal Injury	5,000,000	
	Medical Expense	5,000	
	Employee Benefit each occurrence/aggregate	5,000,000	1,000
	Automobile Liability CSL		
	Combined Single Limit	5,000,000	1,000
	Comprehensive Crime Coverage:		
	Employee Dishonesty	500,000	1,000
	Robbery - Outside/Inside	50,000/50,000	1,000
Boiler and Machinery - School Alliance Insurance Fund			
	Property Damage	100,000,000	1,000
Board of Education Liability - National Union Fire Ins			
	Limit of Liability	5,000,000	
Excess Liability - Fireman's Fund Insurance Co.			
	Each Occurrence/Aggregate	50,000,000/50,000,000	
	Excess of	10,000,000	
Environmental Site Specific - ACE American Insurance Co.			
	Each Occurrence/Aggregate	1,000,000/25,000,000	10,000
Public Officials Bonds - Hartford Fire Insurance Co.			
	Board Secretary/Business Administrator	200,000	
	Treasurer of School Monies	300,000	
	Assistant Board Secretary/Business Administrator	200,000	
Student Accident - Monumental Life Insurance Co.			
	Students	5,000,000	
	Athletics	5,000,000	

Source: District Records.

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

SINGLE AUDIT SECTION

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

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

Certified Public Accountants
401 Wanaque Avenue
Pompton Lakes, New Jersey 07442
973-835-7900
Fax 973-835-6631

Newton Office
100B Main Street
Newton, N.J. 07860
973-579-3212
Fax 973-579-7128

K-1
Page 1 of 2

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

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

We have audited the financial statements of the governmental activities, the business-type activities and each major fund of the Board of Education of the Borough of Fort Lee School District in the County of Bergen as of and for the fiscal year ended June 30, 2012 which collectively comprise the basic financial statements of the Board of Education of the Borough of Fort Lee School District in the County of Bergen, and have issued our report thereon dated December 3, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; audit requirements as prescribed by the Division of Administration and Finance, Department of Education, State of New Jersey; and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

Management of the Board of Education of the Borough of Fort Lee School District is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Borough of Fort Lee School District Board of Education's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Borough of Fort Lee School District Board of Education's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Borough of Fort Lee School District Board of Education's internal control over financial reporting.

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.



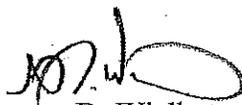
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

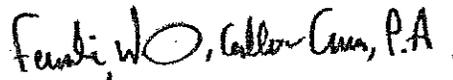
As part of obtaining reasonable assurance about whether the Borough of Fort Lee School District Board of Education's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance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

We noted certain matters that we reported to the Board of Education of the Borough of Fort Lee School District in a separate report entitled, *Auditor's Management Report on Administrative Findings - Financial, Compliance and Performance* dated December 3, 2012.

This report is intended solely for the information of management, the Borough of Fort Lee Board of Education, New Jersey State Department of Education and other state and federal awarding agencies and is not intended to be, and should not be, used by anyone other than these specified parties.



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



FERRAIOLI, WIELKOTZ, CERULLO & CUVA, P.A.
Certified Public Accountants

December 3, 2012

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

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

Certified Public Accountants
401 Wanaque Avenue
Pompton Lakes, New Jersey 07442
973-835-7900
Fax 973-835-6631

Newton Office
100B Main Street
Newton, N.J. 07860
973-579-3212
Fax 973-579-7128

K-2
Page 1 of 2

REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR FEDERAL AND STATE PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133 AND N.J. OMB CIRCULAR 04-04

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

Compliance

We have audited the compliance of the Board of Education of the Borough of Fort Lee School District in the County of Bergen with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* and the *New Jersey State Office of Management and Budget's State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2012. Borough of Fort Lee School District Board of Education's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal and state programs is the responsibility of the Borough of Fort Lee School District Board of Education's management. Our responsibility is to express an opinion on the Borough of Fort Lee School District Board of Education's compliance based on our audit.

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; the audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey; OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations"; and the provisions the New Jersey State Treasury Circular Letter 04-04 "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid." Those standards, and OMB Circular A-133 and N.J. OMB Circular 04-04, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal and state program occurred. An audit includes examining, on a test basis, evidence about the Borough of Fort Lee School District Board of Education'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. Our audit does not provide a legal determination on the Borough of Fort Lee School District Board of Education's compliance with those requirements.



In our opinion, the Borough of Fort Lee School District Board of Education complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal and state programs for the fiscal year ended June 30, 2012.

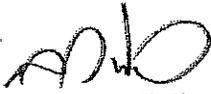
Internal Control Over Compliance

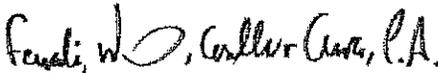
The management of the Borough of Fort Lee School District Board of Education is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal and state programs. In planning and performing our audit, we considered the Borough of Fort Lee School District Board of Education's internal control over compliance with requirements that could have a direct and material effect on a major federal or state program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, 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 Borough of Fort Lee School District Board of Education's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or 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 or state program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of the 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 significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information of the management, the Borough of Fort Lee Board of Education, the New Jersey State Department of Education, other state and federal awarding agencies and pass-through entities and is not intended to be, and should not be, used by anyone other than these specified parties.


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


FERRAIOLI, WIELKOTZ, CERULLO & CUVA, P.A.
Certified Public Accountants

December 3, 2012



BOROUGH OF FORT LEE SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards

For the Fiscal Year ended June 30, 2012

Federal Grantor/Pass-through Grantor/ Program Title	Federal CFDA Number	Grant or State Project Number	Award Amount	Grant Period		Balance at June 30, 2011	Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years Balances	Balance at June 30, 2012 (Accounts Receivable)	Due to Grantor at	MEMO Cumulative Total Expenditures
				From	To									
General Fund: Education Jobs Fund	84-410A		109,786	7/1/2011	6/30/2012			109,786	109,786					109,786
Total General Fund								109,786	109,786					109,786
US Department of Education														
Passed Through State Dept of Education: Special Revenue Fund														
Title I, Part A, Improving Basic Programs	84-010	NCLB431012	627,550	9/1/11	8/31/12	(373,202)	(373,202)	665,023	490,413		(198,592)			490,413
Title I, Part A, Improving Basic Programs	84-010	NCLB431011	517,131	9/1/10	8/31/11	(26,496)	373,202	26,496						625,319
ARRA - Title I Part A	84-389	NCLB431011	355,519	9/1/09	8/31/11	(399,698)		691,519	490,413		(198,592)			355,519
														1,471,251
Title II, Part A, Teacher/Principal Training and Recruiting	84-367	NCLB431012	144,596	9/1/11	8/31/12	(24,330)	(24,330)	99,878	166,126		(90,578)			166,126
Title II, Part A, Teacher/Principal Training and Recruiting	84-367	NCLB431011	155,240	9/1/10	8/31/11	(24,330)	24,330	99,878	166,126		(90,578)			111,025
														277,151
Title III	84-365	NCLB431012	80,038	9/1/11	8/31/12	(52,444)	(52,444)	90,621	76,565		(38,388)			76,565
Title III	84-365	NCLB431011	85,421	9/1/10	8/31/11	(52,444)	52,444	43,830	86,907		(43,077)			108,165
Title III, Immigrant	84-365	NCLB431012	92,043	9/1/09	8/31/10	(52,444)		134,451	163,472		(81,465)			86,907
														271,637
IDEA, Part B-Basic	84-027	IDEA431012	808,128	9/1/11	8/31/12	(765,965)	(765,965)	1,220,176	783,388	2	(329,175)			783,388
IDEA, Part B-Basic	84-027	IDEA431011	781,391	9/1/10	8/31/11	(765,965)	765,965	38,731	23,347		(1,252)			706,381
IDEA, Part B-Preschool	84-173	IDEA431012	22,095	9/1/11	8/31/12	(16,636)	(16,636)	118,175	16,636	(3)				23,347
IDEA, Part B-Preschool	84-173	IDEA431011	21,565	9/1/10	8/31/11	(16,636)	16,636	673	806,735		(330,427)			16,636
ARRA - IDEA, Part B-Basic	84-391	IDEA431011	811,372	9/1/09	8/31/11	(118,172)	(118,172)	1,377,755	806,735	(1)	(330,427)			782,504
ARRA - IDEA, Part B-Preschool	84-392	IDEA431011	29,320	9/1/09	8/31/11	(673)	(673)	25,000			(372)			27,487
														2,339,743
Planning for the Next Pandemic Program	93-069		25,372	9/1/10	8/31/11	(25,372)	(25,372)	2,328,603	1,626,746	(1)	(701,434)			25,372
Total Special Revenue Fund						(1,403,290)	(1,403,290)							4,385,154

BOROUGH OF FORT LEE SCHOOL DISTRICT

Schedule of Expenditures of Federal Awards

For the Fiscal Year ended June 30, 2012

Federal Grantor/Pass-through Grantor/ Program Title	Federal CFDA Number	Grant or State Project Number	Award Amount	Grant Period		Balance at June 30, 2011	Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	Balance at June 30, 2012		MEMO Cumulative Total Expenditures
				From	To							(Accounts Receivable)	Deferred Revenue	
US Department of Agriculture														
Passed Through State Dept of Education:														
Enterprise Fund														
Food Distribution Program	10.550	N/A	85,352	7/1/11	6/30/12			85,352	85,352					85,352
National School Breakfast Program	10.553	N/A	19,921	7/1/11	6/30/12			18,539	19,921			(1,382)		19,921
National School Breakfast Program	10.553	N/A	14,315	7/1/10	6/30/11	(3,729)		3,729						14,315
National School Lunch Program	10.555	N/A	322,888	7/1/11	6/30/12			303,880	322,888			(19,008)		322,888
National School Lunch Program	10.555	N/A	266,836	7/1/10	6/30/11	(57,111)		57,111						266,836
Total Enterprise Fund						(60,840)		468,611	428,161			(20,390)		709,312
Total Federal Financial Assistance						\$ (1,464,130)		2,907,000	2,164,693	(1)		(721,824)		5,204,252

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

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

Year ended June 30, 2012

State Grantor/Program Titles	Project Number	Award Amount	Grant Period		Deferred Revenue (Accs Receivable)	Due to Grantor	Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	(Accounts Receivable)	Balance at June 30, 2012		Memo
			From	To									Deferred Revenue/ Interfund Payable	Due to Grantor at	
State Department of Education:															
General Fund															
Special Education Aid	12-495-034-5120-089	\$ 1,517,602	7/1/2011	6/30/2012			1,403,039	1,517,602				(759,302)			
Extraordinary Aid	12-495-034-5120-044	759,302	7/1/2011	6/30/2012				759,302							
Extraordinary Aid	11-495-034-5120-044	616,799	7/1/2010	6/30/2011	(616,799)		616,799								
Non Public Transportation	12-495-034-5120-014	33,193	7/1/2011	6/30/2012				33,193							
Non Public Transportation	11-495-034-5120-014	31,640	7/1/2010	6/30/2011	(31,640)		31,640								
Reimbursed TPAF Social Security	12-495-034-5095-051	1,917,421	7/1/2011	6/30/2012			1,826,574	1,917,421				(90,847)			
Reimbursed TPAF Social Security	11-495-034-5095-051	1,928,158	7/1/2010	6/30/2011	(90,745)		90,745								
On Behalf TPAF NCCG Premium	12-495-034-5095-001	76,331	7/1/2011	6/30/2012			76,331	76,331							
On Behalf TPAF Pension - Post Retirement	12-495-034-5095-001	1,583,324	7/1/2011	6/30/2012			2,294,614	2,294,614							
Total General Fund					(759,184)		6,339,742	6,598,463				(883,342)			
NJ NonPublic Aid:															
Textbook Aid	12-100-034-5120-064	11,340	7/1/2011	6/30/2012			11,340	11,340							
Textbook Aid	11-100-034-5120-064	12,846	7/1/2010	6/30/2011		717				717					
Nursing Services	12-100-034-5120-070	16,198	7/1/2011	6/30/2012			16,198	16,198							
Handicapped Services:															
Exam & Classification	12-100-034-5120-066	12,080	7/1/2011	6/30/2012			12,080	7,245					4,835		7,245
Exam & Classification	11-100-034-5120-066	14,189	7/1/2010	6/30/2011		2,870				2,870					11,319
Corrective Speech	12-100-034-5120-066	31,594	7/1/2011	6/30/2012			31,594	11,374					20,220		11,374
Corrective Speech	11-100-034-5120-066	20,027	7/1/2010	6/30/2011		5,789				5,789					14,238
Supplementary Inst.	12-100-034-5120-066	9,120	7/1/2011	6/30/2012			9,120	1,964					7,156		1,964
Supplementary Inst.	11-100-034-5120-066	8,477	7/1/2010	6/30/2011		2,501				2,501					5,976
Auxiliary Services:															
Compensatory Education	12-100-034-5120-067	119,191	7/1/2011	6/30/2012			119,191	51,312					67,879		51,312
Compensatory Education	11-100-034-5120-067	71,503	7/1/2010	6/30/2011		7,536				7,536					63,967
English as a Second Language	12-100-034-5120-067	27,671	7/1/2011	6/30/2012			27,671	14,827					12,844		14,827
English as a Second Language	11-100-034-5120-067	18,613	7/1/2010	6/30/2011		4,525				4,525					14,088
Total State Sources						23,938	227,194	114,250		23,938			112,934		247,877
Local Sources:															
Exxon - Donation	N/A	500	7/1/2009	6/30/2010	249								249		251
Exxon - Donation	N/A	750	7/1/2010	6/30/2011	750								750		10,000
Vanguard Charitable Endowment Program	N/A	10,000	7/1/2010	6/30/2011	6,325			6,325							582
National Academy of Finance	N/A	582	7/1/2009	6/30/2010	248			248							10,833
Total Local Sources					7,572			6,573					999		10,833
Total Special Revenue					7,572	23,938	227,194	120,833		23,938			112,934		258,810

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

Year ended June 30, 2012

State Grantor/Program/Titles	Project Number	Award Amount	Grant Period		Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	Balance at June 30, 2012			Memo			
			From	To						Due to Grantor	Deferred Revenue/ Interfund Payable	(Accounts Receivable)		Due to Grantor at	Budgetary Receivable	Cumulative Total Expenditures
Capital Projects Fund																
Section 13 Grant:																
Lewis F. Cole M.S. Masonry Restoration	1550-100-04-0AOT	151,848								(150,325)			*	151,848		
Fort Lee Public School #1 Facade Restoration	1550-080-04-1400	152,760								(152,760)			*	152,760		
High School Roof Replacement	1550-050-09-1001	1,656,000				186,699	490			(152,760)			*	933,984		
High School Window Replacement	1550-050-10-1001	420,000											*			
High School Masonry Repairs	1550-050-10-1002	318,431					19,468			(19,468)			*	19,468		
High School Interior Alterations	1550-050-10-1003	1,592,000											*			
High School HVAC Upgrades	1550-050-10-1005	348,000								(15,831)			*	15,830		
School No. 1 HVAC Upgrades	1550-060-10-1006	531,900								(34,695)			*	54,695		
School No. 1 Roof Replacement	1550-060-10-1007	466,100					45,292			(45,292)			*	45,292		
School No. 1 Window Replacement	1550-060-10-1008	278,000											*			
School No. 3 Window Replacement	1550-080-10-1010	212,800								(9,513)			*	9,513		
School No. 3 Masonry Repairs	1550-080-10-1011	153,200								(9,052)			*	9,052		
School No. 4 Masonry Repairs	1550-090-10-1012	172,000											*			
School No. 4 HVAC Upgrades	1550-090-10-1013	1,656,000											*			
School No. 4 Roof Replacement	1550-090-10-1014	198,000											*			
Lewis F. Cole M.S. Roof Replacement	1550-100-10-1015	780,000					398,227			(398,227)			*	398,227		
Lewis F. Cole M.S. Boiler Replacement	1550-100-10-1016	452,000					111,035			(111,035)			*	111,035		
Lewis F. Cole M.S. Addition & Rehabilitation	1550-100-10-1018	1,557,180											*			
Lewis F. Cole M.S. Interior Alterations	1550-100-10-1019	640,000											*			
Total Capital Projects Fund						186,699	663,113	490		(966,198)			*	1,901,704		
Enterprise Fund																
State Department of Agriculture																
National School Lunch Program (State Share)	12-100-010-33360-067	13,869	7/1/2011	6/30/2012			13,869			(808)			*	13,869		
National School Lunch Program (State Share)	11-100-010-33360-067	13,090	7/1/2010	6/30/2011		3,021							*	13,090		
Total Enterprise Fund						16,082	13,869			(808)			*	26,959		
Total State Financial Assistance					23,938	6,769,717	7,396,278	490	23,938	(1,850,348)	999	112,934	*	11,271,686		

See accompanying notes to the Schedules of Expenditures of Federal and State Awards Adjustment to National Academy of Finance not included in prior year report. Expenses were shown on E schedules but not on single audit schedules.

NOTE 1. GENERAL

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

NOTE 2. BASIS OF ACCOUNTING

The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Notes 2(C) and 2(D) to the Board's basic financial statements. The information in these schedules is presented in accordance with the requirements of OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations." Therefore, some amounts presented in this schedule may differ in amounts presented in or used in the preparation of the basic financial statements.

NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

The basic financial statements present the general fund and special revenue fund on a GAAP basis. Budgetary comparison statements or schedules (RSI) are presented for the general fund and special revenue fund to demonstrate finance-related legal compliance in which certain revenue is permitted by law or grant agreement to be recognized in the audit year, whereas for GAAP reporting, revenue is not recognized until the subsequent year or when expenditures have been made.

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$(104,014) for the general fund and \$(13,934) for the special revenue fund. See the Notes to Required Supplementary Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as follows:

	<u>Federal</u>	<u>State</u>	<u>Local</u>	<u>Total</u>
General Fund	\$109,786	\$6,494,449	\$	\$6,604,235
Special Revenue Fund	1,612,812	114,260	6,572	1,733,644
Capital Projects Fund		663,113		663,113
Food Service Fund	<u>428,161</u>	<u>13,869</u>	<u> </u>	<u>442,030</u>
Total Financial Awards	<u>\$2,150,759</u>	<u>\$7,285,691</u>	<u>\$6,572</u>	<u>\$9,443,022</u>

NOTE 4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5. OTHER

Revenues and expenditures reported under the U.S.D.A. Food Distribution Program represent current year value received and current year distributions respectively. TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2012. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the District for the year ended June 30, 2012.

**BOROUGH OF FORT LEE SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: unqualified

Internal control over financial reporting:

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

Noncompliance material to basic financial statements noted? _____ yes X no

Federal Awards

Internal Control over major programs:

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

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

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

Identification of major programs:

<u>CFDA Number(s)</u>		<u>Name of Federal Program or Cluster</u>
<u>84.027/84.173</u>	(A)	<u>IDEA, Part B-Basic/IDEA, Part B- Preschool</u>
<u>84.010</u>	(A)	<u>Title I, Part A</u>
<u>10.553/10.555</u>	(A)	<u>National School Lunch Program/National School Breakfast Program</u>

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

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

Auditee qualified as low-risk auditee? X yes _____ no

**BOROUGH OF FORT LEE SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(continued)**

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

State Awards

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

Auditee qualified as low-risk auditee? X yes no

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

Internal Control over major programs:

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

Any audit findings disclosed that are required to be reported in accordance with NJ OMB Circular Letter 04-04? yes X no

Identification of major programs:

<u>GMIS Number(s)</u>	<u>Name of State Program</u>
495-034-5120-089	(A) Special Education Categorical Aid
495-034-5095-002	(A) Reimbursed TPAF Social Security Contribution
100-034-5120-473	Extraordinary Aid
1550-100-10-1015	(A) SDA Grant - Capital Projects
100-010-3360-067	(B) National School Lunch Program

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

**BOROUGH OF FORT LEE SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(continued)**

Section II - Financial Statement Findings

None

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

None

BOROUGH OF FORT LEE SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

Status of Prior Year Findings

Finding 11-1

Condition:

Non-TPAF member salaries were erroneously included in the wages claimed for reimbursement.

Current Status:

Corrective action was taken.