

**Comprehensive Annual
Financial Report**

of the

**Borough of Alpine School District
County of Bergen**

Alpine, New Jersey

For the Fiscal Year Ended June 30, 2012

Prepared by

**Borough of Alpine School District
Finance Department**



TABLE OF CONTENTS

INTRODUCTORY SECTION	Page
Letter of Transmittal	1-5
Roster of Officials	6
Consultants and Advisors	7
FINANCIAL SECTION	
Independent Auditor's Report	8-10
REQUIRED SUPPLEMENTARY INFORMATION - Part I	11
Management's Discussion and Analysis – Unaudited	12-23
BASIC FINANCIAL STATEMENTS	24
A. District-Wide Financial Statements	25
A-1 Statement of Net Assets	26
A-2 Statement of Activities	27
B. Major Fund Financial Statements	28
Governmental Funds:	
B-1 Balance Sheet	29
B-2 Statement of Revenues, Expenditures, and Changes in Fund Balance	30
B-3 Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	31
Other Funds:	32
Proprietary Funds:	
B-4 Statement of Net Assets	33
B-5 Statement of Revenues, Expenses, and Changes in Net Assets	34
B-6 Statement of Cash Flows	35
Fiduciary Funds:	
B-7 Statement of Fiduciary Net Assets	36
B-8 Statement of Changes in Fiduciary Net Assets	37
Notes to the Financial Statements	38-63

TABLE OF CONTENTS (Continued)

	Page
REQUIRED SUPPLEMENTARY INFORMATION - Part II	64
C. Budgetary Comparison Schedules:	65
C-1 General Fund	66-74
C-2 Special Revenue Fund	75
C-3 Budget to GAAP Reconciliation	76
OTHER SUPPLEMENTARY INFORMATION	77
D. School Based Budget Schedules	N/A
E. Special Revenue Fund:	78
E-1 Combining Schedule of Program Revenues and Expenditures - Budgetary Basis	79
E-2 Preschool Education Aid Schedule of Expenditures - Budgetary Basis	N/A
F. Capital Projects Fund	80
F-1 Summary Schedule of Project Expenditures - Budgetary Basis	81
F-2 Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budgetary Basis	82
F-2a Summary Schedule of Revenues, Expenditures, and Project Balance and Project Status – Budgetary Basis – Replace Classroom Unit Ventilators/Perimeter Casework	83
F-2b Summary Schedule of Revenues, Expenditures, and Project Balance and Project Status – Budgetary Basis - Elementary School Additions and Renovations Project	84
G. Proprietary Funds	85
Enterprise Fund:	
G-1 Combining Statement of Net Assets	86
G-2 Combining Statement of Revenues, Expenses and Changes in Fund Net Assets	87
G-3 Combining Statement of Cash Flows	88
H. Fiduciary Fund	89
H-1 Combining Statement of Fiduciary Net Assets	90
H-2 Combining Statement of Changes in Fiduciary Net Assets	91
H-3 Schedule of Receipts and Disbursements - Student Activity Agency Fund	92
H-4 Schedule of Receipts and Disbursements - Payroll Agency Funds	93
I. Long-Term Debt	N/A
I-1 Schedule of Serial Bonds	N/A
I-2 Schedule of Obligations Under Capital Leases	N/A
I-3 Debt Service Fund – Budgetary Comparison Schedule	N/A

TABLE OF CONTENTS (Continued)

	Page
STATISTICAL SECTION (UNAUDITED)	
J-1 Net Assets by Component-Last Eight Fiscal Years	94
J-2 Changes in Net Assets-Last Seven Fiscal Years	95
J-3 Fund Balances - Governmental Funds-Last Eight Fiscal Years	96
J-4 Changes in Governmental Fund Balances - Governmental Funds- Last Seven Fiscal Years	97
J-5 General Fund Other Local Revenue by Source-Last Ten Fiscal Years	98
J-6 Assessed Value and Actual Value of Taxable Property-Last Ten Years	99
J-7 Direct and Overlapping Property Tax Rates-Last Ten Years	100
J-8 Principal Property Taxpayers-Current Year and Nine Years Ago	101
J-9 Property Tax Levies and Collections-Last Ten Fiscal Years	102
J-10 Ratios of Outstanding Debt By Type-Last Ten Fiscal Years	103
J-11 Ratios of Net Bonded Debt Outstanding-Last Ten Fiscal Years	104
J-12 Ratios of Overlapping Governmental Activities Debt as of December 31, 2011	105
J-13 Legal Debt Margin Information-Last Ten Fiscal Years	106
J-14 Demographic and Economic Statistics-Last Ten Fiscal Years	107
J-15 Principal Employers-Current Year and Nine Years Ago	108
J-16 Full-Time Equivalent District Employees by Function/Program	109
J-17 Operating Statistics-Last Ten Fiscal Years	110
J-18 School Building Information-Last Nine Fiscal Years	111
J-19 Schedule of Required Maintenance Expenditures for School Facilities	112
J-20 Insurance Schedule	113
 SINGLE AUDIT SECTION	
K-1 Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Basic Financial Statements Performed in Accordance with Government Auditing Standards	114-115
K-2 Independent Auditor's Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133 and New Jersey OMB Circular Letter 04-04	N/A
K-3 Schedule of Expenditures of Federal Awards, Schedule A	116
K-4 Schedule of Expenditures of State Financial Assistance, Schedule B	117
K-5 Notes to the Schedules of Federal Awards and State Financial Assistance	118-119
K-6 Schedule of Findings and Questioned Costs	120
K-7 Summary Schedule of Prior Audit Findings	121



INTRODUCTORY SECTION

*ALPINE SCHOOL DISTRICT
500 HILLSIDE AVENUE
ALPINE, NEW JERSEY 07620*

*Walter Roura
President
Board of Education*

*Donna Alonso
Business Administrator/
Board Secretary*

Date: October 12, 2012

Honorable President and
Members of the Board of Education
Alpine School District
County of Bergen, New Jersey

Dear Board Members:

The comprehensive annual financial report of the Alpine School District for the fiscal year ended June 30, 2012 is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the Business Office of the Board of Education. To the best of my 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 various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the basic financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984 and the U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments and Non-Profit Organizations", and the State Treasury Circular Letter OMB 04-04, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments". Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

3) REPORTING ENTITY AND ITS SERVICES: Alpine School District is an independent reporting entity within the criteria adopted by the GASB as established by NCGA Statement No. 3. All funds and account groups of the District are included in this report. The Alpine Board of Education and its school constitute the District’s reporting entity.

The District provided a full range of educational services appropriate to regular students grade levels K through 8. The District completed the 2011-2012 fiscal year with an enrollment of 153 regular students. The following details the changes in the student enrollment of the District over the last ten years.

Average Daily Enrollment		
Fiscal Year	Student Enrollment	Percent Change
2002-03	139.0	-1.42%
2003-04	146.0	+5.03%
2004-05	126.0	-13.7%
2005-06	136.0	+7.93%
2006-07	135.0	-0.73%
2007-08	135.0	0.00%
2008-09	140.0	+3.70%
2009-10	142.0	1.43%
2010-11	153.0	+7.75%
2011-12	144.0	-5.88%

In addition, the district sent approximately 61 students to Tenafly High School, a relationship that has endured for over 50 years.

2) ECONOMIC CONDITION AND OUTLOOK: The Borough of Alpine is experiencing similar effects of the recession as the rest of the state. This is evidenced through numerous houses for sale and in foreclosure; as well as lack of any additional development. It is anyone’s guess as to when things will begin to turn around.

3) MAJOR INITIATIVES: In the 2011 – 2012 school year, the New Jersey Core Curriculum Content Standards were revised based upon a three-year implementation calendar that was established by the Department of Education. As required by NJCCCS’s implementation calendar the revised curriculum was developed and approved by the Board of Education for Mathematics (grades 3-5), Language Arts (grades K-8), Social Studies (grades K-8), World Languages- French and Spanish (grades K-8), Art (grades K-8), Music (grades K-8), Technology (grades K-8) and Physical Education/Health (grades K-8) for implementation in September 2012. In preparation for implementing the revised curriculum, teachers reviewed texts and supplementary materials.

The enrichment programs in the district continued their annual evolution. In grades K-2, the reading specialist presented a literature-based whole class enrichment program. It focused upon traditional fairytales and culminated with an original adaptation and performance of “The Wizard of Oz”. In grades 3-4 science, technology, engineering and mathematics (STEM) took center stage with rocket design projects. Grades 5-8 elected from a menu of courses. Fifth thru Eighth graders explored airplane design, Latin Dance, Experimental Film or Mosaics. Teachers continued with their “learning communities” that addressed student performance in the area of writing. This cycle included implementing writing rubric's for long response answers for students in grades 4-8. The success of this PLC is supported by our NJ ASK scores. Our K-8 enrichment was further supported by out of district experiences at the Meadowlands Environmental Center, Tenafly Nature Center, Buehler Challenger & Science Center and the Sterling Mines. Younger students also participated in “Teddy Tennis” and “Movement Madness” to enhance their motor skills and spatial awareness.

The character education program continued into 2011-2012 in order to support a positive school climate. A key characteristic was focused upon monthly and resulted in interdisciplinary lessons that emphasized how that characteristic could be implemented daily. The positive behavior of elementary students was reinforced by awards for random acts of kindness, while the middle school students were able to accrue merit points that resulted in a special trip.

4) INTERNAL ACCOUNTING CONTROLS: Management of the District is responsible for establishing and maintaining an internal control structure 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 generally accepted accounting principles (GAAP). The internal control structure 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 evaluation of costs and benefits requires estimates and judgments by management.

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

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

5) BUDGETARY CONTROLS: 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, and the special revenue fund. The district has no debt service fund.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled 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.

6) ACCOUNTING SYSTEM AND REPORTS: The District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds. These funds are explained in "Notes to the Financial Statements" Note 1.

7) FINANCIAL INFORMATION AT FISCAL YEAR-END: As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management.

8) DEBT ADMINISTRATION: At June 30, 2012 the district had no outstanding debt. The Board, after a defeated referendum in December of 1992, made a commitment to fund capital projects on an annual basis taking care of the most urgent repairs first. This commitment may need to be revisited during the 2012-2013 school year as recent legislation has severely restricted the district's ability to fund capital projects on an annual basis.

9) CASH MANAGEMENT: The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements", Note 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 and was revised in 2009 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law 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. Each year the Board designates its official depository at its reorganization meeting.

10) RISK MANAGEMENT: The Board carries various forms of insurance, including but not limited to general liability, hazard and theft insurance on property and contents, and fidelity bonds. The Board participates in the North East Bergen County School Board Insurance Group (NESBIG).

The insurance pool is self-insured for Workers' Compensation claims. It is the model for insurance pools in New Jersey and the pool is audited annually by an independent auditing firm. Its funds are conservatively invested.

11) OTHER INFORMATION:

Independent Audit – State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Suplee, Clooney and Company, CPAs, was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act of 1984 and the related OMB Circular A-133 and State Treasury Circular Letter OMB 04-04. The auditor's report on the basic financial statements and combining of individual fund statements and schedules is included in the financial section of this report. The auditor's report related specifically to the single audit is included in the single audit section of this report.

12) ACKNOWLEDGMENTS:

We would like to express appreciation to the members of the Alpine Board of Education for their commitment to provide fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the maintenance of the school district's financial operation.

Respectfully submitted,



Donna Alonso
Board Secretary/Business Administrator



Dr. Kathleen Semergieff
Chief School Administrator

**ALPINE BOARD OF EDUCATION
ALPINE, NEW JERSEY**

**ROSTER OF OFFICIALS
JUNE 30, 2012**

<u>Members of the Board of Education</u>	Term Expires
Walter Roura, President	2013
Philip Simotas, Vice President	2014
Srinivas Dhulipala	2014
Richard Serko	2012
Sharon Kurtz	2013

Other Officials:

Dr. Kathleen Semergieff - Chief School Administrator

Donna Alonso - School Business Admin./Board Secretary

Marilyn Hayward - Treasurer

**BOROUGH OF ALPINE SCHOOL DISTRICT
CONSULTANTS AND ADVISORS
JUNE 30, 2012**

Architect

Lan Associates
445 Godwin Avenue
Midland Park, NJ 07432

Audit Firm

Suplee, Clooney & Company
308 East Broad Street
Westfield, NJ 07090

Attorney

Fogarty and Hara
16-00 Route 208 South
Fair Lawn, NJ 07410

Official Depository

Capital One Bank
500 Hillside Ave.
Alpine, NJ 07620

FINANCIAL SECTION



SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

308 East Broad Street, Westfield, New Jersey 07090-2122

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INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Education
Borough of Alpine School District
County of Bergen
Alpine, New Jersey 07620

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Borough of Alpine School District, County of Bergen, New Jersey as of and for the 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 District's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and audit requirements prescribed by the Division of 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 basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic 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 opinions.

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

SUPLEE, CLOONEY & COMPANY

In accordance with Government Auditing Standards, we have also issued our report dated October 12, 2012 on our consideration of the Borough of Alpine School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, 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. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and Budgetary Comparison Information in Exhibits C-1 through C-3 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the Borough of Alpine School District's financial statements that collectively comprise the basic financial statements. The accompanying supplementary information schedules such as the combining and individual fund financial statements and the Schedules of Expenditures of Federal and State Awards, as listed in the table of contents, as required by the State of New Jersey, Department of Education, Division of Finance are presented for purposes of additional analysis and are not a required part of the basic financial statements of the Borough of Alpine School District, County of Bergen, New Jersey. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America.

SUPLEE, CLOONEY & COMPANY

In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole. The accompanying other information, such as the introductory and statistical sections, is presented for the purposes of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.


CERTIFIED PUBLIC ACCOUNTANTS

October 12, 2012


PUBLIC SCHOOL ACCOUNTANT NO. 948

REQUIRED SUPPLEMENTARY INFORMATION – Part I

**MANAGEMENT'S DISCUSSION AND ANALYSIS
(UNAUDITED)**

BOROUGH OF ALPINE SCHOOL DISTRICT
ALPINE, NEW JERSEY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
UNAUDITED

The discussion and analysis of Alpine Board of Education District's financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2012. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the basic financial statements and notes to enhance their understanding of the District's financial performance.

Financial Highlights

Key financial highlights for 2012 are as follows:

- In total, for the 2011-2012 school year net assets increased \$379,337.98, which represents a 15.86 percent increase from 2010-2011. "Net assets" is comprised of capital assets (such as building and improvements), restricted funds for capital improvements and unrestricted balances less current and long term liabilities.
- General revenues accounted for \$5,493,853.49 in revenue, or 90 percent of all revenues. Program specific revenues in the form of charges for services, operating grants including on-behalf State FICA and TPAF post retirement medical contributions accounted for \$608,626.66 in revenue or the remaining 10 percent of total revenues.
- The School District had \$5,723,142.17 in expenses; only \$608,626.66 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily tax levy and unrestricted state aid) of \$5,114,515.51 were used to provide for these programs.
- Business-type activities had \$4,094.35 in revenues and \$2,500.00 in expenses. Business-type net assets increased \$1,594.35.

BOROUGH OF ALPINE SCHOOL DISTRICT
ALPINE, NEW JERSEY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
UNAUDITED

Using this Comprehensive Annual Financial Report (CAFR)

This annual report consists of a series of financial statements and explanatory notes. The report is organized so that the reader can first understand the Borough of Alpine School District as a financial whole. The financial operations of each individual fund are also described in detail later in the report.

The Statement of Net Assets and Statement of Activities: The purpose of the Statement of Net Assets and Statement of Activities is to combine financial data of all individual fund operations to present information about the activities of the School District as a whole. Activities are broken down into two broad categories: Governmental Activities and Business-Type Activities. The most significant activity for the Borough of Alpine School District occurs in the category of Governmental Activities.

Reporting the School District as a Whole

State of Net Assets and the Statement of Activities

While the CAFR report contains detail of all individual funds used by the School District to provide programs and activities, the most significant statements are the Statement of Net Assets and Activities. These statements include all assets, liabilities and activities using the accrual basis of accounting. The accrual basis of accounting reflects recognition of revenues and expenditures when earned rather than received.

The Statements of Assets and Activities report the School District's net assets and changes in those assets. This change in net assets is important because it tells the reader whether the financial position of the School District has improved or diminished. The causes of this change may be attributable to non-financial factors such as: The School District's property tax base, changes in current State law, facility conditions, mandated educational programs and other factors.

In the Statement of Net Assets and the Statement of Activities, the School District's operating activities are divided into two distinct types:

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

**BOROUGH OF ALPINE SCHOOL DISTRICT
ALPINE, NEW JERSEY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
UNAUDITED**

Reporting the School District's Most Significant Funds

Fund Financial Statements

Fund financial statements provide detailed information about the District's funds. The District uses many funds to account for a multitude of financial transactions. The District's governmental funds are the General Fund, Special Revenue Fund and the Capital Projects Fund. The District's Enterprise Fund is the Food Service Fund.

Governmental Funds

The School District's activities are reported in governmental funds, which focus on how money flows through those funds and the balances left at year-end. These funds are reported using an accounting method referred to as the modified accrual basis of accounting, which recognizes revenue and expenditures when they become both measurable and available. The governmental fund statements provide a detailed short-term view of the School District's general government operations and the basic services it provides. Governmental fund information helps the reader determine the availability of financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds is reconciled in the financial statements.

Enterprise Fund

The enterprise fund uses the same basis of accounting as business-type activities. These statements closely resemble financial statements of a private sector business entity.

The School District as a Whole

Recall that the Statement of Net Assets provides the perspective of the School District as a whole. The District's financial position is the product of numerous financial transactions including the net results of activities, the issuance and repayment of debt, the acquisition and disposal of capital assets, and the depreciation of capital assets.

**BOROUGH OF ALPINE SCHOOL DISTRICT
ALPINE, NEW JERSEY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
UNAUDITED**

Table 1 provides a summary of the School District's net assets for 2012 and 2011.

Table 1 - Net Assets

The District's combined net assets were \$2,771,393.15 on June 30, 2012. This was an increase of 15.86 percent from the prior year.

Assets	2012	2011
Current and Other Assets	\$ 989,316.42	\$ 604,805.92
Capital Assets	1,836,199.72	1,855,270.27
Total Assets	\$ 2,825,516.14	\$ 2,460,076.19
Liabilities		
Long-Term Liabilities	\$ 50,000.00	\$ 50,000.00
Other Liabilities	4,122.99	18,021.02
Total Liabilities	\$ 54,122.99	\$ 68,021.02
Net Assets		
Invested in Capital Assets, Net of Debt	\$ 1,836,199.72	\$ 1,855,270.27
Restricted	693,149.34	361,572.31
Unrestricted	242,044.09	175,212.59
Total Net Assets	\$ 2,771,393.15	\$ 2,392,055.17

BOROUGH OF ALPINE SCHOOL DISTRICT
ALPINE, NEW JERSEY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
UNAUDITED

Table 2 illustrates changes in net assets for fiscal years 2012 and 2011.

Table 2- Changes in Net Assets

Revenues	2012	2011
Program Revenues:		
Charges for Services	\$ 28,951.24	\$ 30,370.00
Operating Grants & Contributions	565,777.39	411,450.29
Capital Grants and Contributions	13,898.03	137,986.14
General Revenues:		
Property Taxes	5,401,479.00	5,295,568.00
Grants and Entitlements		20,867.00
Other	92,374.49	73,610.69
Total Revenues	\$ 6,102,480.15	\$ 5,969,852.12
Program Expenses		
Instruction	\$ 3,809,046.42	\$ 3,776,592.55
Support Services:		
Pupils and Instructional Staff	958,822.05	843,616.24
General & School Administration; Central Services; Operations & Maintenance of Facilities	726,193.55	735,802.66
Pupil Transportation	189,217.81	231,483.39
Business Type Activities	2,500.00	5,047.59
Other	37,362.34	49,519.58
Total Expenses	\$ 5,723,142.17	\$ 5,642,062.01
Change in Net Assets	\$ 379,337.98	\$ 327,790.11

**BOROUGH OF ALPINE SCHOOL DISTRICT
ALPINE, NEW JERSEY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
UNAUDITED**

Governmental Activities

The nature of funding public education primarily through property taxes in New Jersey creates the legal requirement to annually seek voter approval for the School District budget. Property taxes made up 89 percent of revenues for governmental activities for the Borough of Alpine School District for fiscal year 2012. Property tax revenues increased by \$105,911, a 2 percent increase from the prior year. The District's total revenues for governmental activities were \$6,102,480.15 for the year ended June 30, 2012. Federal and state aid accounted for 9 percent of revenue.

Instruction comprises 67 percent of district expenses. Support Services costs make up 33 percent of the total expenditures.

The Statement of Activities reflects the cost of program services and the charges for services and grants offsetting those services. *Table 3* illustrates the total cost of services and the net cost of services. That is, it identifies the cost of these services supported by tax revenue and unrestricted State entitlements.

Table 3

	Total Cost of Services 2012	Net Cost of Services 2012
Instruction	\$ 3,809,046.42	\$ 3,353,222.15
Support Services:		
Pupils and Instructional Staff	958,822.05	871,264.83
General & School Admin., Central Services, Operations & Maintenance of Facilities	726,193.55	680,643.80
Pupil Transportation	189,217.81	149,328.81
Business-Type Activities	2,500.00	(1,594.35)
Other	37,362.34	37,362.34
Total Expenses	\$ 5,723,142.17	\$ 5,090,227.58

BOROUGH OF ALPINE SCHOOL DISTRICT
ALPINE, NEW JERSEY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
UNAUDITED

Instruction expenses include activities directly dealing with the teaching of pupils and the interaction between teacher and student.

Pupils and instructional staff include the activities involved with assisting staff with the content and process of teaching to students.

General administration, school administration and central services include expenses associated with administrative and financial supervision of the district.

Operation and maintenance of facilities activities involve keeping the school grounds, buildings and equipment in an effective condition.

Curriculum and staff development includes expenses related to planning, research, development and evaluation of support services.

Pupil transportation includes activities with the conveyance of special education students to and from school, school activities and athletic events, as provided by state law.

Extracurricular activities includes expenses related to student activities provided by the school district which are designed to provide opportunities for students to participate in school events, public events, or a combination of these for the purposes of motivation, enjoyment and skill improvement.

The School District relies mainly upon property tax revenues to function. The community, as a whole, is the primary support for the Borough of Alpine School District. Approximately 95% of the overall program is supported by local property taxes.

Business-Type Activities

Revenues for the District's business-type activities were comprised charges for the special milk program. The following are some highlights of our business type activities:

- Business type revenues exceeded expenses by \$1,594.35.
- Revenues consist of \$2,835.00 in operating revenue from charges for services and \$1,259.35 in non-operating revenue from Federal sources.

BOROUGH OF ALPINE SCHOOL DISTRICT
ALPINE, NEW JERSEY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
UNAUDITED

Business-Type Activities (continued)

Revenues	2012	2011
Program Revenues:		
Charges for services	\$ 2,835.00	\$ 3,070.00
Other	1,259.35	1,257.79
Total Revenues	4,094.35	4,327.79
Program Expenses		
Food Services	2,500.00	5,047.59
Total Expenses	2,500.00	5,047.59
Increase / (Decrease) in Net Assets	\$ 1,594.35	\$ (719.80)

The School District's Funds

All governmental funds (i.e., general fund, special revenue fund and capital projects fund presented in the fund-based statements) are accounted for using the modified accrual basis of accounting. Total revenues amounted to \$6,099,766.80 and expenditures were \$5,702,952.62.

As demonstrated by the various statements and schedules included in the financial section of this report, the School District continues to meet its responsibility for sound financial management. The following schedules present a summary of the revenues of the governmental funds for the fiscal year ended June 30, 2012 and the amount and percentage of increase and decrease in relation to prior year revenues.

**BOROUGH OF ALPINE SCHOOL DISTRICT
ALPINE, NEW JERSEY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
UNAUDITED**

The decrease in local revenue was due to less local contributions to capital projects.

Revenue	Amount	Percent of Total	FY 2012 over FY 2011	Percent Increase (Decrease)
Local Sources	\$ 5,519,969.73	90.49%	\$ 23,491.04	2.29%
State Sources	520,262.07	8.53%	15,699.43	3.11%
Federal Sources	59,535.00	0.98%	(4,948.00)	-7.67%
Total	\$ 6,099,766.80	100.00%	\$ 134,242.47	2.25%

The following schedule represents a summary of general fund, special revenue fund, and capital projects fund expenditures for the fiscal year ended June 30, 2012, and the percentage of increases and decreases in relation to prior year amounts.

Expenditures	Amount	Percent of Total	FY 2012 over FY 2011	Percent Increase (Decrease)
Current:				
Instruction	\$ 3,750,428.40	65.76%	\$ 1,402.19	0.0%
Support	1,873,205.91	32.85%	63,331.12	3.5%
Capital Outlay	79,318.31	1.39%	(278,861.30)	-77.9%
Total	\$ 5,702,952.62	100.00%	\$ (214,127.99)	-3.6%

BOROUGH OF ALPINE SCHOOL DISTRICT
ALPINE, NEW JERSEY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
UNAUDITED

Changes in expenditures were the results of varying factors. Instruction expense increased minimally which comprise the largest expenditure category.

General Fund Budgeting Highlights

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

Over the course of the year, the Board of Education, when appropriate, approved budget transfers to match budget amounts with expenditures. Transfers to the budget were made to accurately reflect expenditures according to state guidelines and prevent over-expenditures in specific line item accounts. These revisions bear notation:

- Transfers made to administration lines to cover employee salaries and benefits were offset by savings in tuition due to fewer placements and underutilization of substitutes and supply budgets.
- TPAF, which is the State's contribution to the pension and post-retirement benefits fund and the employer's share of FICA costs, is neither a budgeted revenue nor expenditure item. The School District is required to present this information in the revenue and expenditure sections of the report in accordance with GASB financial reporting guidance.
- Excess operating funds were allowed to flow into surplus and become available for transfer into our capital reserve account.

Capital Assets

At the end of the fiscal year 2012, the School District had \$1,836,199.72 invested in land, building, furniture, equipment and vehicles. *Table 5* illustrates fiscal year 2012 balances compared to 2011.

**BOROUGH OF ALPINE SCHOOL DISTRICT
ALPINE, NEW JERSEY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
UNAUDITED**

**Table 5
Capital Assets (Net of Depreciation) at June 30, 2012**

	2012	2011
Construction in Progress	\$ 224,726.86	\$ 648,842.86
Building and Building Improvements	1,446,099.46	1,049,690.48
Machinery and Equipment	165,373.40	156,736.93
Total	\$ 1,836,199.72	\$ 1,855,270.27

Overall capital assets decreased \$19,070.55 from fiscal year 2011 to fiscal year 2012. The decrease is due to depreciation expenses.

Negotiations

The Alpine Board of Education has an approved labor agreement with the teachers through the 2012/2013 fiscal year.

Contacting the School District's Financial Management Office

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have any questions about this report or need additional information contact Donna Alonso, Business Administrator/Board Secretary, Borough of Alpine School District, 500 Hillside Avenue, Alpine, NJ 07620. Also, please visit our website to learn more about our School District.

BASIC FINANCIAL STATEMENTS

The basic financial statements provide a financial overview of the District's operations. These financial statements present the financial position and operating results of all funds as of June 30, 2012

DISTRICT-WIDE FINANCIAL STATEMENTS

The statement of net assets and the statement of activities display information about the District. These statements include the financial activities of the overall district, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the governmental and business-type activities of the District.

BOROUGH OF ALPINE SCHOOL DISTRICT
STATEMENT OF NET ASSETS
JUNE 30, 2012

	<u>GOVERNMENTAL</u> <u>ACTIVITIES</u>	<u>BUSINESS-TYPE</u> <u>ACTIVITIES</u>	<u>TOTAL</u>
ASSETS:			
Cash and cash equivalents	\$ 204,907.86	\$ 2,245.64	\$ 207,153.50
Receivables, net	144,274.50	69.09	144,343.59
Restricted assets:			
Restricted cash and cash equivalents	637,819.33		637,819.33
Capital assets:			
Capital assets, net	<u>1,836,199.72</u>		<u>1,836,199.72</u>
Total Assets	<u>2,823,201.41</u>	<u>2,314.73</u>	<u>2,825,516.14</u>
LIABILITIES:			
Unearned revenue	4,122.99		4,122.99
Noncurrent liabilities:			
Due beyond one year	<u>50,000.00</u>		<u>50,000.00</u>
Total liabilities	<u>54,122.99</u>		<u>54,122.99</u>
NET ASSETS:			
Investment in capital assets	1,836,199.72		1,836,199.72
Restricted for:			
Capital projects	643,149.34		643,149.34
Other purposes	50,000.00		50,000.00
Unrestricted	<u>239,729.36</u>	<u>2,314.73</u>	<u>242,044.09</u>
TOTAL NET ASSETS	\$ <u>2,769,078.42</u>	\$ <u>2,314.73</u>	\$ <u>2,771,393.15</u>

See accompanying notes to financial statements.

BOROUGH OF ALPINE SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
JUNE 30, 2012

Functions/Programs	Expenses	Programs Revenues			Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
Instruction:							
Regular	\$ 2,825,690.61	\$ 26,116.24	\$ 158,855.11	\$ 13,898.03	\$ (2,626,821.23)		\$ (2,626,821.23)
Special	876,513.54		222,477.34		(654,036.20)		(654,036.20)
Other instruction	106,842.27		10,189.62		(96,652.65)		(96,652.65)
Support services:							
Student and instruction related services	958,822.05		87,557.22		(871,264.83)		(871,264.83)
School administrative services	76,000.18		7,255.37		(68,744.81)		(68,744.81)
General administrative services	108,931.46		7,733.90		(101,197.56)		(101,197.56)
Plant operations and maintenance	351,999.73		13,034.33		(338,965.40)		(338,965.40)
Pupil transportation	189,217.81		39,889.00		(149,328.81)		(149,328.81)
Central services	189,262.18		17,526.15		(171,736.03)		(171,736.03)
Unallocated depreciation	37,362.34				(37,362.34)		(37,362.34)
Total governmental activities	<u>5,720,642.17</u>	<u>26,116.24</u>	<u>564,518.04</u>	<u>13,898.03</u>	<u>(5,116,109.86)</u>	<u>-</u>	<u>(5,116,109.86)</u>
Business-type activities							
Food service	<u>2,500.00</u>	<u>2,835.00</u>	<u>1,259.35</u>			<u>1,594.35</u>	<u>1,594.35</u>
Total business-type activities	<u>2,500.00</u>	<u>2,835.00</u>	<u>1,259.35</u>	<u>-</u>	<u>-</u>	<u>1,594.35</u>	<u>1,594.35</u>
Total primary government	<u>\$ 5,723,142.17</u>	<u>\$ 28,951.24</u>	<u>\$ 565,777.39</u>	<u>\$ 13,898.03</u>	<u>\$ (5,116,109.86)</u>	<u>\$ 1,594.35</u>	<u>\$ (5,114,515.51)</u>
General Revenues:							
Taxes:							
Property taxes, levied for general purposes, net					\$ 5,401,479.00		\$ 5,401,479.00
Miscellaneous income					92,374.49		92,374.49
Total general revenues					<u>5,493,853.49</u>	<u>-</u>	<u>5,493,853.49</u>
Change in net Assets					377,743.63	1,594.35	379,337.98
Net Assets - beginning					<u>2,391,334.79</u>	<u>720.38</u>	<u>2,392,055.17</u>
Net Assets ending					<u>\$ 2,769,078.42</u>	<u>\$ 2,314.73</u>	<u>\$ 2,771,393.15</u>

See accompanying notes to financial statements.

MAJOR FUND FINANCIAL STATEMENTS

The Individual Fund financial statements and schedules present more detailed information for the individual fund in a format that segregates information by fund type.

BOROUGH OF ALPINE SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2012

	<u>GENERAL FUND</u>	<u>CAPITAL PROJECTS FUND</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
ASSETS:			
Cash and cash equivalents	\$ 204,907.86	\$	\$ 204,907.86
Cash, capital reserve	637,819.33		637,819.33
Receivables from other governments	102,898.50	41,376.00	144,274.50
Due from other funds	<u>31,923.00</u>		<u>31,923.00</u>
Total assets	<u>\$ 977,548.69</u>	<u>\$ 41,376.00</u>	<u>\$ 1,018,924.69</u>
LIABILITIES AND FUND BALANCES:			
Liabilities:			
Unearned Revenue	\$	\$ 4,122.99	\$ 4,122.99
Due to other funds		<u>31,923.00</u>	<u>31,923.00</u>
Total liabilities		<u>36,045.99</u>	<u>36,045.99</u>
Fund balances:			
Restricted:			
Capital reserve account	637,819.33		637,819.33
Emergency reserve	50,000.00		50,000.00
Assigned:			
Encumbrances	89,686.23		89,686.23
Unassigned	<u>200,043.13</u>	<u>5,330.01</u>	<u>205,373.14</u>
Total fund balances	<u>977,548.69</u>	<u>5,330.01</u>	982,878.70
Total liabilities and fund balances	<u>\$ 977,548.69</u>	<u>\$ 41,376.00</u>	
 Amounts reported for governmental activities in the statement of net assets (A-1) are different because:			
Long term liabilities, including compensated absences payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds (see note 4)			\$ (50,000.00)
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of assets is \$3,563,875.47 and the accumulated depreciation is \$1,716,264.82			<u>1,836,199.72</u>
			<u>\$ 2,769,078.42</u>

See accompanying notes to financial statements.

BOROUGH OF ALPINE SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	TOTAL GOVERNMENTAL FUNDS
REVENUES:				
Local sources:				
Local tax levy	\$ 5,401,479.00	\$	\$	\$ 5,401,479.00
Interest on capital reserve				
Tuition charges	26,116.24			26,116.24
Miscellaneous	92,374.49			92,374.49
Total - local sources	5,519,969.73			5,519,969.73
State sources	506,364.04		13,898.03	520,262.07
Federal sources		59,535.00		59,535.00
Total revenues	6,026,333.77	59,535.00	13,898.03	6,099,766.80
EXPENDITURES:				
Current expense:				
Regular instruction	2,721,169.59	45,903.00		2,767,072.59
Special instruction	876,513.54			876,513.54
Other Instruction	106,842.27			106,842.27
Support services:				
Student & instruction related services	945,190.05	13,632.00		958,822.05
School administrative services	76,000.18			76,000.18
General administration	107,903.96			107,903.96
Plant operations and maintenance	351,999.73			351,999.73
Pupil transportation	189,217.81			189,217.81
Central services	189,262.18			189,262.18
Capital outlay	46,997.31		32,321.00	79,318.31
Total expenditures	5,611,096.62	59,535.00	32,321.00	5,702,952.62
Excess (deficiency) of revenues over (under) expenditures	415,237.15		(18,422.97)	396,814.18
Net change in fund balances	415,237.15		(18,422.97)	396,814.18
Fund balances, July 1, 2011	562,311.54		23,752.98	586,064.52
Fund balances, June 30, 2012	\$ 977,548.69	\$ -0-	\$ 5,330.01	\$ 982,878.70

See accompanying notes to financial statements.

BOROUGH OF ALPINE SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

Total net change in fund balances - governmental funds (from B-2)	\$	396,814.18
<p>Amounts reported for governmental activities in the statement of activities (A-2) are different because:</p> <p>Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period</p>		
Depreciation expense	\$	(97,007.86)
Capital outlays		79,318.31
Less: Capital outlays not capitalized		<u>(1,381.00)</u>
		<u>(19,070.55)</u>
Change in net assets of governmental activities	\$	<u><u>377,743.63</u></u>

See accompanying notes to financial statements.

OTHER FUNDS

BOROUGH OF ALPINE SCHOOL DISTRICT
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2012

	FOOD SERVICE FUND (NON-MAJOR) <u>TOTAL</u>
ASSETS:	
Current assets:	
Cash and cash equivalents	\$ 2,245.64
Accounts receivable:	
Federal	69.09
Total current assets	<u>2,314.73</u>
Total assets	<u>\$ 2,314.73</u>
NET ASSETS:	
Unrestricted	<u>\$ 2,314.73</u>
Total net assets	<u>\$ 2,314.73</u>

See accompanying notes to financial statements.

BOROUGH OF ALPINE SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	FOOD SERVICE FUND (NON-MAJOR) <u>TOTAL</u>
OPERATING REVENUES:	
Charges for services:	
Daily sales - reimbursable programs	\$ <u>2,835.00</u>
Total operating revenues	<u>2,835.00</u>
OPERATING EXPENSES:	
Cost of sales	1,913.73
Salaries	<u>586.27</u>
Total operating expenses	<u>2,500.00</u>
Operating income	<u>335.00</u>
NONOPERATING REVENUES (EXPENSES):	
Federal sources	
Special milk program	<u>1,259.35</u>
Total nonoperating revenues (expenses)	<u>1,259.35</u>
Change in net assets	1,594.35
Total net assets - beginning	<u>720.38</u>
Total net assets - ending	\$ <u><u>2,314.73</u></u>

See accompanying notes to financial statements.

BOROUGH OF ALPINE SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	<u>FOOD SERVICE FUND (NON-MAJOR) TOTAL</u>
Cash flows from operating activities:	
Receipts from customers	\$ 2,835.00
Payments to employees	(586.27)
Payments to suppliers	<u>(1,913.73)</u>
Net cash provided by (used for) operating activities)	<u>335.00</u>
Cash flows from noncapital financing activities:	
Federal Sources	<u>1,190.26</u>
Net cash provided by noncapital financing activities:	<u>1,190.26</u>
Net decrease in cash and cash equivalents	1,525.26
Cash and cash equivalents, July 1, 2011	<u>720.38</u>
Cash and cash equivalents, June 30, 2012	<u>\$ 2,245.64</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities	
Operating (Loss)	<u>\$ 335.00</u>
Net cash provided by (used for) operating activities	<u>\$ 335.00</u>

See accompanying notes to financial statements.

BOROUGH OF ALPINE SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	<u>SECURITY DEPOSIT TRUST FUND</u>	<u>STATE UNEMPLOYMENT COMPENSATION TRUST FUND</u>	<u>AGENCY FUNDS</u>
ASSETS:			
Cash and cash equivalents	\$ <u>2,893.98</u>	\$ <u>6,503.11</u>	\$ <u>23,592.04</u>
Total Assets	\$ <u><u>2,893.98</u></u>	\$ <u><u>6,503.11</u></u>	\$ <u><u>23,592.04</u></u>
LIABILITIES:			
Payroll deductions and withholdings	\$	\$	\$ 13,090.32
Security deposits	2,893.98		
Due to student groups	<u> </u>	<u> </u>	<u>10,501.72</u>
Total liabilities	\$ <u><u>2,893.98</u></u>	\$ <u> </u>	\$ <u><u>23,592.04</u></u>
NET ASSETS:			
Held in trust for unemployment claims and other purposes		\$ <u><u>6,503.11</u></u>	

See accompanying notes to financial statements.

BOROUGH OF ALPINE SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	<u>STATE UNEMPLOYMENT COMPENSATION TRUST FUND</u>
ADDITIONS:	
Contributions:	
Other	\$ <u>10,000.00</u>
Total contributions	<u>10,000.00</u>
Total additions	<u>10,000.00</u>
DEDUCTIONS:	
Unemployment claims	<u>11,121.87</u>
Total deductions	<u>11,121.87</u>
Change in net assets	<u>(1,121.87)</u>
Net assets beginning of year	<u>7,624.98</u>
Net assets end of year	<u>\$ <u>6,503.11</u></u>

See accompanying notes to financial statements.

Borough of Alpine School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2012

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Borough of Alpine School District (the "District") have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the District's accounting policies are described below:

Reporting Entity

The District is a Type II District located in Bergen County, New Jersey. The School District is an instrumentality of the State of New Jersey, established to function as an educational institution. The Board of Education of the Alpine School District, comprised of five elected individuals, is the primary governing authority of the District. A superintendent is appointed by the Board and is responsible for the administrative control of the District.

The primary criterion for including activities within the District's reporting entity, are set forth in Statement No. 39 of the Governmental Accounting Standards Board entitled "*Determining Whether Certain Organizations are Component Units*" (GASB 39) as codified in Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards.

Organizations that are legally separate, tax-exempt entities and that meet *all* of the following criteria should be discretely presented as component units. These criteria are:

1. The economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government.
2. The primary government, or its component units, is entitled to, or has the ability to otherwise access, a majority of the economic resources of the organization.
3. The economic resources received or held by an *individual organization* that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government.

The combined financial statements include all funds of the District over which the Board exercises operating control. There were no additional entities required to be included in the reporting entity under the criteria as described above, in the current fiscal year. Furthermore, the District is not includable in any other reporting entity on the basis of such criteria.

Borough of Alpine School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2012

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation

The District'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.

District-wide Statements: The statement of net assets and the statement of activities display information about the District as a whole. These statements include the financial activities of the overall District, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. These statements distinguish generally between the governmental and business-type activities of the District. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of net assets presents the financial condition of the governmental and business-type activities of the District at fiscal year end. The statement of activities presents a comparison between direct expenses and program revenues for the business-type activity of the District and for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirement of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues. The comparison of direct expenses with program revenues identifies the extent to which each governmental function or business segment is self-financing or draws from the general revenues of the District.

Fund Financial Statements: During the fiscal year, the District segregates transactions related to certain District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. The fund financial statements provide information about the District's funds, including its fiduciary funds. Separate statements are presented for each fund category—governmental, proprietary, and fiduciary. 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 as the oversight entity believes that the presentation of all funds as major is important for the public interest and to promote consistency among District financial reporting models.

Borough of Alpine School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2012

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Governmental Funds

General Fund The general fund is the general operating fund of the District and is used to account for all expendable financial resources except those required to be accounted for in another fund. Included are certain expenditures for vehicles and movable instructional or non instructional equipment which are classified in the capital outlay sub-fund.

As required by the New Jersey State Department of Education, the District includes budgeted capital outlay in this fund. U.S. Generally Accepted Accounting Principles 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 capital 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 the current expense by Board resolution; in certain instances approval by the County Superintendent of Schools may also be required.

Special Revenue Fund The special revenue fund is used to account for the proceeds of specific revenue sources from State and Federal Government (other than those for major capital projects, debt service or proprietary funds) and local appropriations that are restricted or committed to expenditures for specified purposes.

Capital Projects Funds The capital projects fund is used to account for and report all financial resources that are restricted, committed or assigned to expenditures for capital outlays including the acquisition or construction of major capital facilities or other capital assets.

Proprietary Funds

Enterprise Fund The enterprise fund accounts for all revenues and expenses pertaining to the District's Food Service program operations. These funds are utilized to account for operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that the cost (*i.e.* expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis are financed or recovered primarily through user charges.

Borough of Alpine School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2012

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fiduciary Funds

Agency Funds The agency funds are used to account for assets held by the District on behalf of outside parties, including other governments, or on behalf of other funds within the District. The agency funds included are as follows:

Payroll and Student Activities Funds These are agency funds used to account for the assets that the District holds on behalf of others as their agent. Agency funds are custodial in nature and do not involve measurement of results of operations.

Private Purpose Trust Funds These fiduciary funds are used to account for assets that will provide for payments for non-governmental purposes.

Unemployment Insurance Trust Funds An expendable fiduciary fund used to account for unemployment compensation claims as they arise.

Basis of Accounting-Measurement Focus

Basis of accounting determines when transactions are recorded in the financial records and reported in the financial statements.

District-wide, Proprietary, and Fiduciary Fund Financial Statements: The District-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation for expenses versus expenditures. Ad Valorem (Property) Taxes are susceptible to accrual as under New Jersey State Statute a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available.

Borough of Alpine School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2012

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting-Measurement Focus (Continued)

The District is entitled to receive monies under the established payment schedule and the unpaid amount is considered to be an "accounts receivable". Revenue from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied. Governmental Fund Financial Statements: Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. "Measurable" means the amount of the transactions can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds from the issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Budgets/Budgetary Control

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. The budgets are submitted to the county office and are voted upon at the annual school election on the third Tuesday in April. Budgets are prepared using the modified accrual basis of accounting. 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:23-2.2(f)1. Expenditures may not legally exceed budgeted appropriations at the line item level. All budget amendments and transfers must be approved by School Board resolution. Budget amendments during the year ended June 30, 2012 consisted of the re-appropriation of prior year reserve for encumbrances.

All budget amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budgets during the year).

Borough of Alpine School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2012

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets/Budgetary Control (Continued)

Appropriations, except remaining project appropriations, encumbrances, and unexpended grant appropriations, lapse at the end of each fiscal year. The capital projects fund presents the remaining project appropriations compared to current year expenditures. Formal budgetary integration into the accounting system is employed as a management control device during the fiscal year. For governmental funds, there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles (GAAP) with the exception of the legally mandated (NJSA 18A:22-44.2) revenue recognition of one or more deferred State Aid payments for budgetary purposes only due to the State deferral of such payments into the subsequent budget year and the accounting treatment of encumbrances in the special revenue fund as described 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 recognized 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 records.

Encumbrance Accounting

Under encumbrance accounting purchase orders, contracts and other commitments for the expenditures 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 and capital project funds for which the District 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 Alpine School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2012

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Interfunds

Interfund receivables and payables arise from transactions between particular funds and are considered short term in duration. The interfund transactions are recorded by all funds affected in the period in which the transactions are executed and are part of the district's available spendable resources.

Inventories and Prepaid Expenses

Inventories of materials and supplies held for consumption in the governmental funds are recorded as expenditures at the time of purchase and year end balances are not reported in the financial statements.

Inventories of food and/or supplies in the food service fund are recorded at cost on a first-in, first-out basis or, in the case of Food Distribution Commodities, at stated value which approximates market.

Prepaid expenses which benefit future periods, other than those recorded in the enterprise fund, are recorded as expenditures in the year of purchase.

Capital Assets

The District has an established formal system of accounting for its capital assets. Capital Assets used for governmental purposes, which include land, buildings and improvements and furniture and equipment, are only reported in the district-wide financial statements. The District generally defines capital assets as assets with an initial cost of \$2,000.00 or more and an estimated useful life in excess of one year. Purchased or constructed capital assets are reported at cost. Donated capital assets are valued at their estimated fair market value on the date received. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Capital assets are depreciated in the district-wide statements using the straight-line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
School Buildings	50
Building Improvements	20
Land Improvements	20
Machinery & Equipment	5-20

Borough of Alpine School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2012

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Compensated Absences

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

District employees are granted varying amounts of vacation and sick leave in accordance with the District's personnel policy and/or collective bargaining unit contracts. Upon termination, employees are paid for accrued vacation. Sick leave benefits provide for ordinary sick pay and begin vesting with the employee after four years of service.

The liability for compensated absences was accrued using the termination payment method, whereby the liability is calculated based on the amount of sick leave and vacation days that are expected to become eligible for payment upon termination. The District estimates its accrued compensated absences liability based on the accumulated sick and vacation days at the balance sheet date by those employees who are currently eligible to receive termination payments.

For the district-wide statements, the current portion is the amount estimated to be used in the following year. For the governmental funds in the fund financial statements, a liability is reported only for to the extent of the amount actually due at year end as a result of employee resignations/retirements. Compensated absences are a reconciling item between the fund level and district-wide presentations.

Deferred/Unearned Revenue

Deferred revenue in the general, special revenue and capital projects funds represents funds which have been received but not yet earned. A corresponding grants receivable has also been established for any open encumbrances at year end which is an allowable practice under generally accepted accounting principles.

Borough of Alpine School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2012

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported on 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, contractually required pension contributions and compensated absences that are paid from governmental funds are reported as liabilities on the fund financial statements only to the extent that they are due for payment during the current year. Long term debt is recognized as a liability on the fund financial statements when due.

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 balance of any borrowing 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 District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The District's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

Borough of Alpine School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2012

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balance Reserves

In fiscal year 2012, the District implemented GASB Statement 54, "Fund Balance Reporting and Governmental Fund Type Definitions". This statement modifies fund balance reporting and clarifies fund type definitions. This new Statement aims to enhance the usefulness of fund balance information by providing clearer fund balance clarifications that can be applied more consistently.

The restricted fund balance classification includes amounts that are subject to externally enforceable legal restriction such as by constitutional provision, enabling legislation or other government imposed restrictions. The committed fund balance classification includes amounts constrained for a specific purpose by a government using its highest decision-making authority. The assigned fund balance classification includes amounts for all funds, other than the general fund with any remaining positive balances not already classified as restricted or committed. For the general fund, amounts constrained with the intent to be used for a specific purpose by the governing board or an official delegated authority by the board. The unassigned fund balance classification includes for the general fund, amounts not classified as restricted, committed or assigned. The general fund is the only fund that will report a positive unassigned fund balance. For all other governmental funds the amount of a residual deficit would be classified as unassigned. Fund balance restrictions have been established for capital reserve and emergency reserve.

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 the modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means 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. For the District, "available" means within sixty days of the fiscal year end.

Borough of Alpine School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2012

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenues Exchange and Non-Exchange Transactions

Non-exchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, income taxes, grants, entitlements, and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from income taxes is recognized in the period in which the income is earned. 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 fiscal year when use is first permitted; matching requirements, in which the District must provide local resources to be used for a specific purpose; and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On the modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered both measurable and available at fiscal year end: property taxes available as an advance, interest, and tuition.

Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the enterprise fund. For the District, these revenues are sales in the Enterprise Funds. Operating expenses are necessary costs incurred to provide the service that is the primary activity of the enterprise fund.

Allocation of Indirect Expenses

The District reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Indirect expenses are allocated to functions but are reported separately in the Statement of Activities. Employee benefits, including the employer's share of social security, workers compensation, and medical and dental benefits, were allocated based on salaries of the program. 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

Borough of Alpine School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2012

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Extraordinary and Special Items

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

NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS

The Board considers petty cash, change funds, cash in banks, deposits in the New Jersey Cash Management Fund and short term investments with original maturities of three months or less as cash and cash equivalents. Investments are stated at cost, which approximates market.

Deposits

New Jersey statutes permit the deposit of public funds in public depositories which are located in New Jersey and which meet the requirements of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA requires a bank that accepts public funds to be a public depository. A public depository is defined as a state bank, a national bank, or a savings bank, which is located in the State of New Jersey, the deposits of which are insured by the Federal Deposit Insurance Corporation. The statutes also require public depositories to maintain collateral for deposits of public funds that exceed certain insurance limits. Each depository participating in the GUDPA system must pledge collateral equal to 5% of the average amount of its public deposits and 100% of the average amount of its public funds in excess of 75% of its capital funds. No collateral is required for amounts covered by FDIC insurance. The collateral which may be pledged to support these deposits includes obligations of the State and federal governments, insured securities and other collateral approved by the Department. When the capital position of the depository deteriorates or the depository takes an unusually large amount of public deposits, the Department of Banking and Insurance requires additional collateral to be pledged. Under (GUDPA), 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 the deposits to the governmental unit.

Borough of Alpine School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2012

NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENT (CONTINUED)

The Borough of Alpine School District had the following cash and cash equivalents at June 30, 2012:

		<u>Checking and Savings Accounts</u>		<u>Total</u>
Cash on Deposit	\$	886,903.35	\$	886,903.35
Less: Outstanding Checks		41,930.52		41,930.52
Net Cash	\$	844,972.83	\$	844,972.83

Custodial Credit Risk- Deposits - Custodial credit risk is the risk that in the event of a bank failure, the deposits may not be returned. The District does not have a specific deposit policy for custodial credit risk other than those policies that adhere to the requirements of statute. As of June 30, 2012, based upon the coverage provided by FDIC and NJGUDPA, no amount of the bank balance was exposed to custodial credit risk. Of the cash on balance in the bank of \$886,903.35, \$250,000.00 was covered by Federal Depository Insurance and \$636,903.35 was covered under the provisions of NJGUDPA.

Investments

The types of investments which may be purchased by the District are strictly limited by the express authority of the N.J.S.A. 18A:20-37 Education, Administration of School Districts. Permitted investments include any of the following type of securities:

1. Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;

Borough of Alpine School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2012

NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

Investments (Continued)

2. Government money market mutual funds which are purchased from an investment company or investment trust which is registered with the Securities and Exchange Commission under the "Investment Company Act of 1940," 15 U.S.C. 80a1 et seq., and operated in accordance with 17 C.F.R. § 270.2a7 and which portfolio is limited to U.S. Government securities that meet the definition of an eligible security pursuant to 17 C.F.R. § 270.2a7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 18A:2037. These funds are also required to be rated by a nationally recognized statistical rating organization.
3. Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;
4. Bonds or other obligations of the Local Unit or bonds or other obligations of school districts of which the Local Unit is a part or within which the school district is located.
5. Bonds or other obligations, having a maturity date not more than 397 days from date of purchase, approved by the Division of Investment of the Department of Treasury for investment by School Districts;
6. Local government investment pools that are fully invested in U.S. Government securities that meet the definition of eligible security pursuant to 17 C.F.R. § 270a7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 18A:20-37. This type of investment is also required to be rated in the highest category by a nationally recognized statistical rating organization.

Borough of Alpine School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2012

NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

Investments (Continued)

7. Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 C. 52:18A-90.4); or
8. Agreements for the repurchase of fully collateralized securities if:
 - a. the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection;
 - b. the custody of collateral is transferred to a third party;
 - c. the maturity of the agreement is not more than 30 days;
 - d. the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c.236 C. 17:1941); and
 - e. a master repurchase agreement providing for the custody and security of collateral is executed.

At June 30, 2012 the District had no outstanding investments.

Based upon the limitation set forth by New Jersey Statutes 18A:20-37 and its existing investment practices, the District is generally not exposed to credit risks, custodial credit risks, concentration of credit risks and interest rate risks for its investments, nor is it exposed to foreign currency risks for its deposits and investments.

Borough of Alpine School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2012

NOTE 3: CAPITAL ASSETS

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

	Beginning <u>Balance</u>	<u>Additions</u>	<u>Transfers</u>	Ending <u>Balance</u>
Governmental Activities:				
Capital assets not being depreciated:				
Construction in progress	\$ 648,842.86	\$ 32,321.00	\$ (456,437.00)	\$ 224,726.86
Total Capital Assets not being depreciated	<u>648,842.86</u>	<u>32,321.00</u>	<u>(456,437.00)</u>	<u>224,726.86</u>
Site improvements	98,750.00			98,750.00
Buildings & Building Improvements	2,387,879.48		456,437.00	2,844,316.48
Machinery & Equipment	<u>350,465.82</u>	<u>45,616.31</u>		<u>396,082.13</u>
Totals at historical cost	<u>2,837,095.30</u>	<u>45,616.31</u>	<u>456,437.00</u>	<u>3,339,148.61</u>
Gross Assets (Memo only)	<u>3,485,938.16</u>	<u>77,937.31</u>	<u>0.00</u>	<u>3,563,875.47</u>
Less: Accumulated Depreciation				
Site improvements	(91,865.00)	(382.50)		(92,247.50)
Buildings & Building Improvements	(1,345,074.00)	(59,645.52)		(1,404,719.52)
Machinery & Equipment	<u>(193,728.89)</u>	<u>(36,979.84)</u>		<u>(230,708.73)</u>
Total Depreciation	<u>(1,630,667.89)</u>	<u>(97,007.86)</u>	<u>0.00</u>	<u>(1,727,675.75)</u>
Total capital assets being depreciated, net of depreciation	<u>1,206,427.41</u>	<u>(51,391.55)</u>	<u>456,437.00</u>	<u>1,611,472.86</u>
Total Governmental Fund Activities	\$ <u><u>1,855,270.27</u></u>	\$ <u><u>(19,070.55)</u></u>	\$ <u><u>0.00</u></u>	\$ <u><u>1,836,199.72</u></u>

Borough of Alpine School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2012

NOTE 3: CAPITAL ASSETS (CONTINUED)

Depreciation expense was charged to functional expense areas of the District as follows:

Instruction:	
Regular	\$ 58,618.02
Support services:	
Central services/technology	1,027.50
Direct expense of various functions	<u>37,362.34</u>
	\$ <u><u>97,007.86</u></u>

NOTE 4: LONG-TERM DEBT

Bonds may be issued by the District pursuant to the provisions of Title 18A, Education, of the New Jersey Statutes and are required to be approved by the voters of the municipality through referendum. The proceeds of bonds are recorded in the Capital Projects Fund and are restricted to the use for which they were approved in the bond referendum. All bonds are retired in annual installments within the statutory period of usefulness

School Bonds issued by the District are entitled to and benefit from the provision of the New Jersey School Board Reserve Act P.L. 1980 c.72. Basically, funds are held by the State of New Jersey within its State Fund for the Support of Free Public Schools as a school bond reserve pledged by law to secure payment of principal and interest due on such bonds in the event of the inability of the issuer to make payments.

Borough of Alpine School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2012

NOTE 4: LONG-TERM DEBT (CONTINUED)

The following is a summary of transactions that affect long-term liabilities for the year ended June 30, 2012:

	Compensated Absences <u>Payable</u>	<u>Total</u>
Balance June 30, 2011, and Balance June 30, 2012	\$ <u>50,000.00</u>	\$ <u>50,000.00</u>
Amounts due within one year	\$ <u>-0-</u>	\$ <u>-0-</u>

NOTE 5: 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.

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.

Borough of Alpine School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2012

NOTE 5: PENSION PLANS (CONTINUED)

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

Vesting and Benefit Provisions The vesting and benefit provisions of PERS are set by N.J.S.A. 43:15A and 43.3B, and N.J.S.A. 18A:6C for TPAF. All benefits vest after eight to ten years of service, except for medical benefits that vest after 25 years of service. Retirement benefits for age and service are available at age 60 and are generally determined to be 1/60 of the final average salary for each year of service credit, as defined. Final average salary equals the average salary for the final three years of service prior to retirement (or highest three years' compensation if other than the final three years). Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving eight to ten years of service in which case benefits would begin the first day of the month after the member attains normal retirement age. The TPAF and PERS provides for specified medical benefits for members who retire after achieving 25 years of qualified service, as defined, or under the disability provisions of the System.

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

Significant Legislation

Chapter 89- P.L. 2008- Members of either system who became members before July 1, 2007 may retire at age 55 years with 25 years of service or at age 60 with any number of years of service without a reduction in the amount of retirement allowance the members' receive. There is a reduction in such an allowance if the member is under 55 with 25 years of service. There is also a reduction in an allowance for members of either system who became members on or after July 1, 2007 and who retire between age 55 and 60 years with 25 or more years of service.

Borough of Alpine School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2012

NOTE 5: PENSION PLANS (CONTINUED)

Contribution Requirements: The contribution policy is set by N.J.S.A. 43:15A and N.J.S.A. 18:66, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. TPAF and PERS currently provide for employee contributions of 5.5% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The actuarially determined contribution includes funding for cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums. Under current statute the District is a non-contributing employer of TPAF (i.e. the State of new Jersey makes the employer contribution on behalf of public school districts).

Three-Year Trend Information for PERS

<u>Year Funding</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of (APC Contributed)</u>	<u>Net Pension Obligation</u>
6/30/2012	\$57,958.00	100%	\$57,958.00
6/30/2011	\$40,321.00	100%	\$40,321.00
6/30/2010	\$27,724.00	100%	\$27,724.00

Borough of Alpine School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2012

NOTE 5: PENSION PLANS (CONTINUED)

During the years ended June 30, 2012, 2011 and 2010, the State of New Jersey did not contribute to the TPAF pension system on behalf of the district

Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$131,116.04 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. This amount has been included in the basic financial statements, and the combining and individual fund statements and schedules as a revenue and expenditure in accordance with GASB 27.

NOTE 6: OTHER POST-RETIREMENT BENEFITS

P.L. 1987, c. 384 and P.L. 1990, c.6 required Teachers' Pensions and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those state employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired state employees and retired educational employees. As of June 30, 2010 there were 87,288 retirees eligible for post-retirement medical benefits. The cost of these benefits is funded through contributions by the state in accordance with P.L. 1994, c.62. Funding of post-retirement medical premiums changed from a pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

The State is also responsible for the cost attributable to P.L. 1992 c. 126, which provides 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. The state paid \$144 million toward Chapter 126 benefits for 15,709 eligible retired members in Fiscal Year 2011.

Borough of Alpine School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2012

NOTE 6: OTHER POST-RETIREMENT BENEFITS (CONTINUED)

The State will set the contribution rate based on the annual required contribution of the employers (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The State's contributions to the State Health Benefits Program Fund for TPAF retirees' post-retirement benefits on behalf of the School District for the years ended June 30, 2012, 2011 and 2010 were, \$115,611, \$120,598 and \$115,241 respectively, which equaled the required contributions for each year. The State's contributions to the State Health Benefits Program Fund for PERS retirees' post-retirement benefits on behalf of the School District was not determined or made available by the State of New Jersey.

NOTE 7: LITIGATION

The District's counsel advises that there is no litigation, pending litigation, claims, contingent liabilities, unasserted claims or assessments or statutory violations which involve the School District and which might materially affect the District's financial position.

NOTE 8: CONTINGENCIES

The District receives financial assistance from the State of New Jersey and the U.S. Government in the form of grants. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditure of the funds for eligible purposes. The State and Federal grants received and expended in the 2011-2012 fiscal year were not subject to the U.S. OMB Circular A-133 and New Jersey OMB Circular 04-04, which mandate that grant revenues and expenditures be audited in conjunction with the District's annual audit if expenditures for federal or state programs exceed \$500,000. The District did not expend federal or state aid in excess of \$500,000. All grants and cost reimbursements are subject to financial and compliance audits by the grantors. The District's management does not believe any such audit would result in material amounts of disallowed costs.

Borough of Alpine School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2012

NOTE 9: 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 insurance coverage covering each of those risks of loss. The administration believes such coverage is sufficient to preclude any significant uninsured losses to the District. Settled claims have not exceeded the insurance coverage in any of the past three fiscal years.

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 fiduciary trust fund for the current and previous two years:

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2012	\$ 10,000.00		11,121.87	\$ 6,503.11
2011	\$ 10,060.23		3,210.65	\$ 7,624.98
2010	\$ 70.47		11,002.00	\$ 775.40

NOTE 10: COMPENSATED ABSENCES

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

Borough of Alpine School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2012

NOTE 10: COMPENSATED ABSENCES (CONTINUED)

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

The liability for vested compensated absences of the governmental fund types are recorded in the District-wide Statement of Net Assets. As of June 30, 2012, a liability existed for compensated absences for governmental fund-types in the district-wide Statement of Net Assets of \$50,000.00.

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2012 no liability existed for compensated absences in the proprietary funds.

For additional descriptive information see Note 1, Summary of Significant Accounting Policies.

NOTE 11: FUND BALANCE APPROPRIATED

General Fund

Of the \$977,548.69 in General Fund Balance at June 30, 2012, \$89,686.23 is assigned for encumbrances; \$50,000.00 has been restricted for emergency purposes; \$637,819.33 has been restricted in the Capital Reserve Account; and \$200,043.13 is unassigned fund balance.

Borough of Alpine School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2012

NOTE 12: CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the District 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.

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 of Education, 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 (June 1 to June 30) of any unanticipated revenue or unexpended line item appropriations, or both. A district may also appropriate additional amounts when the express approval of the voters has been obtained by either a separate proposal at budget time or by a special question at one of the four special election dates authorized by N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6A:23A-14.1(g), the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The activity of the capital reserve during the year ended June 30, 2012, is as follows:

Balance, June 30, 2011	\$ 337,819.33
Deposits:	
Board Resolution	<u>300,000.00</u>
Balance, June 30, 2012	\$ <u>637,819.33</u>

Borough of Alpine School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2012

NOTE 13: CALCULATION OF EXCESS SURPLUS

In accordance with N.J.S.A. 18A:7F-7, as amended by P.L. 2007, c73 (S1701), the designation for Reserved Fund Balance - Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30 if the District did not appropriate a required minimum amount as budgeted fund balance in the subsequent year's budget. There is no excess fund balance at June 30, 2012.

NOTE 14: INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances remained on the balance sheet at June 30, 2012:

<u>Fund</u>	<u>Interfund Balance</u>	
	<u>Receivable</u>	<u>Payable</u>
General Fund	\$ 31,923.00	
Capital Projects Fund		\$ 31,923.00
	<u>\$ 31,923.00</u>	<u>\$ 31,923.00</u>

All balances resulted from the time lag between the dates that short-term loans were disbursed and payments between funds were received.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

BUDGETARY COMPARISON SCHEDULES

BOROUGH OF ALPINE SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	ADOPTED BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
REVENUES:					
Local sources:					
Local tax levy	\$ 5,401,479.00	\$	\$ 5,401,479.00	\$ 5,401,479.00	\$
Interest earned on capital reserve funds	1,000.00		1,000.00		(1,000.00)
Miscellaneous- unrestricted	74,626.00		74,626.00	118,490.73	43,864.73
Total-local sources	5,477,105.00		5,477,105.00	5,519,969.73	42,864.73
State sources:					
Extraordinary aid	78,000.00		78,000.00	92,460.00	14,460.00
Other state aid	5,000.00		5,000.00		(5,000.00)
Categorical special education aid	58,167.00		58,167.00	64,112.00	5,945.00
Adjustment aid	58,168.00		58,168.00		(58,168.00)
Transportation aid				36,409.00	36,409.00
Security aid				15,814.00	15,814.00
Additional non-public transportation aid				3,480.00	3,480.00
On-behalf TPAF post-retirement medical (non-budgeted)				116,511.00	116,511.00
On-behalf TPAF post retirement contributions (non-budgeted)				57,958.00	57,958.00
Reimbursed TPAF social security contributions (non-budgeted)				131,116.04	131,116.04
Total - state sources	199,335.00		199,335.00	517,860.04	318,525.04
Total revenues	5,676,440.00		5,676,440.00	6,037,829.77	361,389.77
EXPENDITURES:					
CURRENT EXPENSE:					
Instruction - regular programs:					
Salaries of teachers:					
Preschool/kindergarten	91,138.00	5,000.00	96,138.00	92,056.21	4,081.79
Grades 1-5	541,494.00	(773.00)	540,721.00	537,514.55	3,206.45
Grades 6-8	504,956.00	(23,375.00)	481,581.00	478,633.89	2,947.11

BOROUGH OF ALPINE SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	ADOPTED BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
Regular programs - home instruction:					
Purchased professional - educational services	\$ 3,000.00	\$	\$ 3,000.00	\$	\$ 3,000.00
Regular programs - undistributed instruction:					
Other salaries for instruction	76,650.00		76,650.00	76,650.00	
Other purchased services (400-500 series)	42,500.00	(258.75)	42,241.25	32,779.25	9,462.00
General supplies	125,000.00	67,897.79	192,897.79	158,502.89	34,394.90
Textbooks	25,000.00	(8,328.91)	16,671.09	10,345.23	6,325.86
Other objects	20,000.00	2,622.94	22,622.94	20,305.37	2,317.57
Total regular programs	<u>1,429,738.00</u>	<u>42,785.07</u>	<u>1,472,523.07</u>	<u>1,406,787.39</u>	<u>65,735.68</u>
Special education:					
Resource room:					
Salaries of teachers	150,749.00		150,749.00	150,749.00	
Other salaries for instruction	1,500.00		1,500.00	1,253.06	246.94
General supplies		1,500.00	1,500.00		1,500.00
Total resource room	<u>152,249.00</u>	<u>1,500.00</u>	<u>153,749.00</u>	<u>152,002.06</u>	<u>1,746.94</u>
Total special education	<u>152,249.00</u>	<u>1,500.00</u>	<u>153,749.00</u>	<u>152,002.06</u>	<u>1,746.94</u>
Basic skills/remedial:					
Salaries of teachers	61,590.00		61,590.00	61,577.80	12.20
General supplies	650.00	150.00	800.00	105.87	694.13
Total basic skills/remedial	<u>62,240.00</u>	<u>150.00</u>	<u>62,390.00</u>	<u>61,683.67</u>	<u>706.33</u>
Bilingual education:					
Salaries of teachers	15,526.00	330.00	15,856.00	15,855.20	0.80
Total bilingual education	<u>15,526.00</u>	<u>330.00</u>	<u>15,856.00</u>	<u>15,855.20</u>	<u>0.80</u>

BOROUGH OF ALPINE SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	ADOPTED BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
School sponsored cocurricular activities:					
Salaries	\$ 32,809.00	\$ _____	\$ 32,809.00	\$ 32,809.00	\$ _____
Total school sponsored cocurricular activities	<u>32,809.00</u>	<u>_____</u>	<u>32,809.00</u>	<u>32,809.00</u>	<u>_____</u>
School sponsored athletics:					
Salaries	15,000.00	(330.00)	14,670.00	13,240.61	1,429.39
Purchased services (300 - 500 series)	3,000.00		3,000.00	2,240.00	760.00
Supplies		100.00	100.00	21.84	78.16
Other objects	500.00	(100.00)	400.00	200.00	200.00
Total school sponsored athletics	<u>18,500.00</u>	<u>(330.00)</u>	<u>18,170.00</u>	<u>15,702.45</u>	<u>2,467.55</u>
Total other instructional programs	<u>51,309.00</u>	<u>(330.00)</u>	<u>50,979.00</u>	<u>48,511.45</u>	<u>2,467.55</u>
Total - instruction	<u>1,711,062.00</u>	<u>44,435.07</u>	<u>1,755,497.07</u>	<u>1,684,839.77</u>	<u>70,657.30</u>
Undistributed expenditures:					
Instruction:					
Tuition to other LEA's within the state-regular	850,000.00	16,102.00	866,102.00	865,991.12	110.88
Tuition to other LEA's within the state-special	480,800.00	(143,415.00)	337,385.00	329,102.30	8,282.70
Tuition to county vocational school district-regular	51,000.00	(2,580.00)	48,420.00	48,420.00	
Tuition to CSSD and regular day schools	311,250.00	(18,689.23)	292,560.77	289,466.20	3,094.57
Total undistributed expenditures - instruction	<u>1,693,050.00</u>	<u>(148,582.23)</u>	<u>1,544,467.77</u>	<u>1,532,979.62</u>	<u>11,488.15</u>
Undistributed expenditures:					
Attendance and social work services:					
Salaries	6,846.00		6,846.00	6,846.00	
Total undistributed expenditures - attend. and social work services	<u>6,846.00</u>	<u>_____</u>	<u>6,846.00</u>	<u>6,846.00</u>	<u>_____</u>

BOROUGH OF ALPINE SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	ADOPTED BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
Health services:					
Salaries	\$ 45,869.00	\$	\$ 45,869.00	\$ 45,868.80	\$ 0.20
Purchased professional and technical services	900.00	85.00	985.00	985.00	
Supplies and materials	1,000.00	1,463.16	2,463.16	1,976.13	487.03
Other objects	200.00		200.00	185.50	14.50
Total health services	47,969.00	1,548.16	49,517.16	49,015.43	501.73
Other support services - speech, OT, PT and related services:					
Salaries	103,898.00		103,898.00	103,898.00	
Other services		44,340.00	44,340.00	44,088.00	252.00
Purchased professional - educational services	46,200.00	(45,590.00)	610.00	610.00	
Supplies and materials	500.00	1,156.82	1,656.82	721.68	935.14
Total other support services - speech, OT, PT and related services	150,598.00	(93.18)	150,504.82	149,317.68	1,187.14
Other support services - students - extraordinary:					
Salaries	97,285.00		97,285.00	97,033.60	251.40
Total other support services - students - extraordinary	97,285.00		97,285.00	97,033.60	251.40
Other support services - guidance:					
Other purchased professional and technical services	5,000.00	(2,398.00)	2,602.00	2,244.51	357.49
Total other support services - guidance	5,000.00	(2,398.00)	2,602.00	2,244.51	357.49

BOROUGH OF ALPINE SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	ADOPTED BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
Other support services - Child Study Team					
Salaries of other professional staff	\$ 98,975.00	\$ (60,000.00)	\$ 38,975.00	\$ 38,974.98	\$ 0.02
Salaries of secretarial and clerical assistants	9,519.00		9,519.00	9,519.00	
Purchased professional - educational services	17,000.00	55,150.00	72,150.00	72,135.25	14.75
Supplies and materials	2,000.00	4,500.00	6,500.00	176.00	6,324.00
Other objects	2,900.00	(939.25)	1,960.75	1,583.58	377.17
	<u>130,394.00</u>	<u>(1,289.25)</u>	<u>129,104.75</u>	<u>122,388.81</u>	<u>6,715.94</u>
Total other support services - Child Study Team					
Improvement of instruction services					
Salaries of supervisors of instruction		137,488.00	137,488.00	137,487.35	0.65
Salaries of other professional staff	174,561.00	(139,588.00)	34,973.00	34,909.08	63.92
Supplies and materials	500.00		500.00	221.95	278.05
Other objects	5,000.00	436.00	5,436.00	5,315.00	121.00
	<u>180,061.00</u>	<u>(1,664.00)</u>	<u>178,397.00</u>	<u>177,933.38</u>	<u>463.62</u>
Total improvement of instruction services/ other support services-instructional staff					
Educational media services/school library:					
Salaries	40,049.00	1,200.00	41,249.00	41,187.11	61.89
Other purchased services (400-500)	1,500.00	895.00	2,395.00	2,374.21	20.79
Supplies and materials	20,000.00	(283.53)	19,716.47	12,915.52	6,800.95
Other objects	100.00		100.00		100.00
	<u>61,649.00</u>	<u>1,811.47</u>	<u>63,460.47</u>	<u>56,476.84</u>	<u>6,983.63</u>
Total educational media services/school library					
Instructional staff training services:					
Purchased professional - educational services	4,500.00	10,678.58	15,178.58	14,990.67	187.91
Other purchased services (400-500)	8,000.00	421.42	8,421.42	7,836.61	584.81
Other objects	100.00		100.00		100.00
	<u>12,600.00</u>	<u>11,100.00</u>	<u>23,700.00</u>	<u>22,827.28</u>	<u>872.72</u>
Total instructional staff training services					

BOROUGH OF ALPINE SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	ADOPTED BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
Support services general administration:					
Salaries	\$ 36,000.00	\$ 22,773.00	\$ 58,773.00	\$ 58,771.52	\$ 1.48
Legal services	5,000.00	8,000.00	13,000.00	10,238.21	2,761.79
Audit fees		12,500.00	12,500.00	12,475.00	25.00
Other purchased professional services	5,500.00	(5,400.00)	100.00	100.00	
Miscellaneous expenditures	3,500.00	600.00	4,100.00	4,078.00	22.00
Total support services general administration	50,000.00	38,473.00	88,473.00	85,662.73	2,810.27
Support services school administration:					
Salaries of principals/asst. principals	36,000.00	9,000.00	45,000.00	45,000.00	
Salaries of secretarial and clerical assistants	9,136.00	1,000.00	10,136.00	10,135.10	0.90
Total support services school administration	45,136.00	10,000.00	55,136.00	55,135.10	0.90
Central services:					
Salaries	133,185.00		133,185.00	133,185.00	
Purchased technical services		3,308.00	3,308.00	3,308.00	
Supplies and materials	500.00		500.00	493.23	6.77
Board office misc dues and fees	500.00	1,384.00	1,884.00	1,874.02	9.98
Total central services	134,185.00	4,692.00	138,877.00	138,860.25	16.75

BOROUGH OF ALPINE SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	ADOPTED BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
Required maintenance for school facilities:					
Salaries	\$ 35,430.00	\$	\$ 35,430.00	\$ 35,429.19	\$ 0.81
Cleaning, repair and maintenance services	15,000.00	1,680.00	16,680.00	16,612.20	67.80
General supplies	7,263.00	685.40	7,948.40	7,181.30	767.10
Total required maintenance for school facilities	57,693.00	2,365.40	60,058.40	59,222.69	835.71
Other operation and maint. of plant:					
Salaries	76,037.00	(9,314.00)	66,723.00	63,621.23	3,101.77
Purchased professional and technical services	58,168.00	(58,168.00)			
Cleaning, repair and maint. services	85,450.00	19,992.35	105,442.35	77,554.00	27,888.35
Rental of land and building other than lease purchase agreement	2,000.00		2,000.00	1,121.95	878.05
Other purchased property services		2,000.00	2,000.00	1,823.36	176.64
Insurance	55,000.00	(13,321.00)	41,679.00	41,679.00	
General supplies	8,000.00	2,300.00	10,300.00	7,377.74	2,922.26
Energy (heat and electricity)	102,000.00	(38,779.90)	63,220.10	61,057.79	2,162.31
Other objects	2,030.00	(779.00)	1,251.00	1,057.78	193.22
Total other operation and maint. of plant	388,685.00	(96,069.55)	292,615.45	255,292.85	37,322.60
Student transportation services:					
Salaries		21,685.00	21,685.00	21,685.00	
Salaries for pupil trans. (bet. home and school) - non public	21,685.00	(21,685.00)			
Contracted services (between home and school) - vendors	127,000.00	(44,500.00)	82,500.00	82,198.56	301.44
Contracted services (other than between home and school) - vendors	5,000.00		5,000.00	4,957.23	42.77
Contracted services (sp. ed. stds.) - joint agreements	120,000.00	(44,127.56)	75,872.44	67,780.07	8,092.37
Contracted services - aid in lieu of payments		17,000.00	17,000.00	12,596.95	4,403.05
Total student transportation services	273,685.00	(71,627.56)	202,057.44	189,217.81	12,839.63

BOROUGH OF ALPINE SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	ADOPTED BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
Regular programs - instruction - employee benefits					
Other retirement contributions - regular	\$ 10,000.00	\$ (10,000.00)	\$ _____	\$ _____	\$ _____
Total regular programs - instruction	10,000.00	(10,000.00)	_____	_____	_____
Total allocated benefits	10,000.00	(10,000.00)	_____	_____	_____
Unallocated benefits - employee benefits					
Group insurance	450,000.00	(3,642.00)	446,358.00	435,100.75	11,257.25
Social security contributions	60,000.00	(10,000.00)	50,000.00	43,300.17	6,699.83
Unemployment account	10,000.00	10,000.00	10,000.00	10,000.00	0.00
Other retirement contributions - regular	55,000.00	7,700.00	62,700.00	62,657.00	43.00
Unemployment compensation	13,619.00	(13,619.00)	0.00	0.00	0.00
Workmen's compensation	25,000.00	(4,197.00)	20,803.00	20,803.00	0.00
Tuition reimbursement	16,375.00	(10,000.00)	6,375.00	1,359.00	5,016.00
Other employee benefits	20,000.00	(20,000.00)	0.00	0.00	0.00
Total unallocated benefits - employee benefits	639,994.00	(43,758.00)	596,236.00	573,219.92	23,016.08
Total personal services - employee benefits	649,994.00	(53,758.00)	596,236.00	573,219.92	23,016.08
On-behalf TPAF post retirement medical (non-budgeted)				116,511.00	116,511.00
On-behalf TPAF post retirement contributions (non-budgeted)				57,958.00	57,958.00
Reimbursed TPAF social security contributions (non-budgeted)				131,116.04	131,116.04
Total on-behalf contributions (non-budgeted)				305,585.04	305,585.04
Total undistributed expenditures	3,984,830.00	(305,491.74)	3,679,338.26	3,879,259.54	411,248.80
TOTAL EXPENDITURES - CURRENT EXPENSE	5,695,892.00	(261,056.67)	5,434,835.33	5,564,099.31	481,906.10
CAPITAL OUTLAY:					
Interest deposit to capital reserve	1,000.00	(1,000.00)	0.00	0.00	0.00
Increase in capital reserve		300,000.00	600,000.00	600,000.00	600,000.00
Equipment:					
Undistributed expenditures:					
Instruction		45,670.56	45,670.56	45,616.31	54.25
Total equipment		45,670.56	45,670.56	45,616.31	54.25

BOROUGH OF ALPINE SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	ADOPTED BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
Facilities acquisition and construction services					
Construction services	\$	\$ 7,000.00	\$ 7,000.00	\$	\$ 7,000.00
Land and improvements		100.00	100.00		100.00
Other objects	<u>1,381.00</u>	<u> </u>	<u>1,381.00</u>	<u>1,381.00</u>	<u> </u>
Total facilities acquisition and construction services	<u>1,381.00</u>	<u>7,100.00</u>	<u>8,481.00</u>	<u>1,381.00</u>	<u>7,100.00</u>
TOTAL CAPITAL OUTLAY	<u>2,381.00</u>	<u>351,770.56</u>	<u>654,151.56</u>	<u>46,997.31</u>	<u>607,154.25</u>
TOTAL EXPENDITURES	<u>5,698,273.00</u>	<u>390,713.89</u>	<u>6,088,986.89</u>	<u>5,611,096.62</u>	<u>1,089,060.35</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(21,833.00)</u>	<u>(390,713.89)</u>	<u>(412,546.89)</u>	<u>426,733.15</u>	<u>839,280.04</u>
Excess of revenues and other financing sources over Expenditures and other financing sources	<u>(21,833.00)</u>	<u>(390,713.89)</u>	<u>(412,546.89)</u>	<u>426,733.15</u>	<u>839,280.04</u>
Fund balances, July 1	<u>562,311.54</u>	<u> </u>	<u>562,311.54</u>	<u>562,311.54</u>	<u> </u>
Fund balances, June 30	<u>\$ 540,478.54</u>	<u>\$ (390,713.89)</u>	<u>\$ 149,764.65</u>	<u>\$ 989,044.69</u>	<u>\$ 839,280.04</u>
Recapitulation:					
Restricted:					
Emergency reserve				\$ 50,000.00	
Capital reserve				637,819.33	
Assigned:					
Encumbrances				89,686.23	
Unassigned fund balance				<u>211,539.13</u>	
				989,044.69	
Reconciliation to governmental funds statements (GAAP):					
Last state aid payment not recognized on GAAP basis				<u>(11,496.00)</u>	
Fund balance per governmental funds (GAAP)				<u>\$ 977,548.69</u>	

BOROUGH OF ALPINE SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	ORIGINAL BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
REVENUES:					
Federal sources	\$ 57,566.00	\$ 2,871.00	\$ 60,437.00	\$ 59,535.00	\$ 902.00
Total revenues	<u>57,566.00</u>	<u>2,871.00</u>	<u>60,437.00</u>	<u>59,535.00</u>	<u>902.00</u>
EXPENDITURES:					
Instruction:					
Tuition	<u>52,466.00</u>	<u>(6,563.00)</u>	<u>45,903.00</u>	<u>45,903.00</u>	
Total instruction	<u>52,466.00</u>	<u>(6,563.00)</u>	<u>45,903.00</u>	<u>45,903.00</u>	
Support services:					
Purchased professional - educational services	5,100.00		5,100.00	4,198.00	902.00
Other purchased services		<u>9,434.00</u>	<u>9,434.00</u>	<u>9,434.00</u>	
Total support services	<u>5,100.00</u>	<u>9,434.00</u>	<u>14,534.00</u>	<u>13,632.00</u>	<u>902.00</u>
Total expenditures	<u>\$ 57,566.00</u>	<u>\$ 2,871.00</u>	<u>\$ 60,437.00</u>	<u>\$ 59,535.00</u>	<u>\$ 902.00</u>

BOROUGH OF ALPINE SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
BUDGET TO GAAP RECONCILIATION
NOTE TO RS!
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

Note A - Explanation of difference between budgetary inflows and outflows and GAAP Revenues and Expenditures

	<u>GENERAL FUND</u>	<u>SPECIAL REVENUE FUND</u>
Sources/inflows of resources		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	\$ 6,037,829.77	\$ 59,535.00
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
State aid payment recognized for GAAP statements in the current year, previously it was recognized for budgetary purposes.		
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)	(11,496.00)	
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	<u>\$ 6,026,333.77</u>	<u>\$ 59,535.00</u>
Uses/outflows of resources		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 5,611,096.62	\$ 59,535.00
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balance - governmental funds	<u>\$ 5,611,096.62</u>	<u>\$ 59,535.00</u>

OTHER SUPPLEMENTARY INFORMATION

**SPECIAL REVENUE FUND
DETAIL STATEMENTS**

BOROUGH OF ALPINE SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	<u>TITLE IIA</u>	<u>IDEA PART B BASIC</u>	<u>IDEA PART B PRESCHOOL</u>	<u>TOTAL 2012</u>
REVENUES:				
Federal sources	\$ <u>4,198.00</u>	\$ <u>52,409.00</u>	\$ <u>2,928.00</u>	\$ <u>59,535.00</u>
Total revenues	\$ <u><u>4,198.00</u></u>	\$ <u><u>52,409.00</u></u>	\$ <u><u>2,928.00</u></u>	\$ <u><u>59,535.00</u></u>
EXPENDITURES:				
Instruction:				
Tuition	\$ _____	\$ <u>42,975.00</u>	\$ <u>2,928.00</u>	\$ <u>45,903.00</u>
Total instruction	_____	<u>42,975.00</u>	<u>2,928.00</u>	<u>45,903.00</u>
Support services:				
Purchased Prof. and ed. services	4,198.00			4,198.00
Other purchased services	_____	<u>9,434.00</u>	_____	<u>9,434.00</u>
Total support services	<u>4,198.00</u>	<u>9,434.00</u>	_____	<u>13,632.00</u>
Total expenditures	<u>4,198.00</u>	<u>52,409.00</u>	<u>2,928.00</u>	<u>59,535.00</u>
Excess (deficiency) of revenues over (under) expenditures	\$ <u><u>- 0 -</u></u>	\$ <u><u>- 0 -</u></u>	\$ <u><u>- 0 -</u></u>	\$ <u><u>- 0 -</u></u>

**CAPITAL PROJECTS FUND
DETAIL STATEMENTS**

BOROUGH OF ALPINE SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT EXPENDITURES-BUDGETARY BASIS
AS OF JUNE 30, 2012

<u>ISSUE/PROJECT TITLE</u>	<u>APPROPRIATIONS</u>	<u>EXPENDITURES TO DATE</u>		<u>UNEXPENDED PROJECT BALANCE</u>
		<u>PRIOR YEARS</u>	<u>CURRENT YEAR</u>	
Additions and Renovations to Alpine Elementary School	\$ <u>663,446.86</u>	\$ <u>653,372.86</u>	\$ <u>621.00</u>	\$ <u>9,453.00</u>
Totals	\$ <u><u>663,446.86</u></u>	\$ <u><u>653,372.86</u></u>	\$ <u><u>621.00</u></u>	\$ <u><u>9,453.00</u></u>

BOROUGH OF ALPINE SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCE-BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2012

Expenditures and Other Financing Uses:

Construction services	\$ <u>621.00</u>
Total expenditures	<u>621.00</u>
Excess(deficiency) of revenues over(under) expenditures	(621.00)
Other financing uses	
Transfer to debt service fund	
Fund Balance - beginning	<u>10,074.00</u>
Fund Balance - ending	\$ <u><u>9,453.00</u></u>

BOROUGH OF ALPINE SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES, AND PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
REPLACE CLASSROOM UNIT VENTILATORS/ PERIMETER CASEWORK
FROM INCEPTION AND FOR THE 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-SDA Grant	\$ 188,720.00	\$	\$ 188,720.00	\$ 188,720.00
Transfer from Capital Reserve	<u>250,000.00</u>	<u> </u>	<u>250,000.00</u>	<u>250,000.00</u>
Total Revenues	<u>438,720.00</u>	<u> </u>	<u>438,720.00</u>	<u>438,720.00</u>
Expenditures and Other Financing Uses				
Construction Services	<u>428,646.00</u>	<u>621.00</u>	<u>429,267.00</u>	<u>438,720.00</u>
Total Expenditures	<u>428,646.00</u>	<u>621.00</u>	<u>429,267.00</u>	<u>438,720.00</u>
Excess(Deficiency) of Revenues Over (Under) Expenditures	\$ <u>10,074.00</u>	\$ <u>(621.00)</u>	\$ <u>9,453.00</u>	\$ <u> </u>
Additional Project Information:				
Project Number	<u>0080-010-09-1001</u>			
Grant Date	<u>5/27/2010</u>			
Bond Authorization Date	<u>n/a</u>			
Bonds Authorized	<u>n/a</u>			
Bonds issued	<u>n/a</u>			
Original Authorized Cost	<u>\$ 471,799.00</u>			
Additional Authorized Cost	<u>(33,079.00)</u>			
Revised Authorized Cost	<u>438,720.00</u>			
Percentage Increase Over Original Authorized Cost	<u>93.0%</u>			
Percentage Completion	<u>97.85%</u>			
Original Target Completion Date	<u>Sept 2010</u>			
Revised Target Completion Date	<u>Sept 2010</u>			

BOROUGH OF ALPINE SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES, AND PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
ELEMENTARY SCHOOL ADDITIONS AND RENOVATIONS PROJECT
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2012

	<u>Prior Periods</u>	<u>Adjustment</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
Contribution - Alpine Education Foundation	\$ 231,284.94	\$ (6,558.08)	\$ 224,726.86	\$ 4,268,939.00
Total Revenues	<u>231,284.94</u>	<u>(6,558.08)</u>	<u>224,726.86</u>	<u>4,268,939.00</u>
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services	212,000.00		212,000.00	3,883,156.20
Construction Services	<u>19,284.94</u>	<u>(6,558.08)</u>	<u>12,726.86</u>	<u>385,782.80</u>
Total Expenditures	<u>231,284.94</u>	<u>(6,558.08)</u>	<u>224,726.86</u>	<u>4,268,939.00</u>
Excess(Deficiency) of Revenues Over (Under) Expenditures	<u>\$ _____</u>	<u>\$ _____</u>	<u>\$ _____</u>	<u>\$ _____</u>

Additional Project Information:

Project Number	<u>0080-010-10-1001</u>
Grant Date	<u>n/a</u>
Bond Authorization Date	<u>n/a</u>
Bonds Authorized	<u>n/a</u>
Bonds Issued	<u>n/a</u>
Original Authorized Cost	<u>\$ 4,268,939.00</u>
Additional Authorized Cost	
Revised Authorized Cost	<u>4,268,939.00</u>
Percentage Increase Over Original Authorized Cost	<u>5.26%</u>
Percentage Completion	<u>5.26%</u>
Original Target Completion Date	<u>Sept 2011</u>
Revised Target Completion Date	<u>Sept 2011</u>

PROPRIETARY FUND DETAIL STATEMENTS

Proprietary funds are used to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the district's board is that the costs of providing goods or services be financed through user charges.

FOOD SERVICES FUND: This fund provides for the operation of food services within the school district.

BOROUGH OF ALPINE SCHOOL DISTRICT
COMBINING STATEMENT OF NET ASSETS
ENTERPRISE FUNDS
JUNE 30, 2012

	NON-MAJOR	
	FOOD SERVICE FUND	TOTAL
ASSETS:		
Current assets:		
Cash and cash equivalents	\$ 2,245.64	\$ 2,245.64
Accounts receivable:		
Federal subsidy	69.09	69.09
Total current assets	2,314.73	2,314.73
Total assets	2,314.73	2,314.73
 NET ASSETS:		
Unrestricted	2,314.73	2,314.73
Total net assets	\$ 2,314.73	\$ 2,314.73

BOROUGH OF ALPINE SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	<u>NON-MAJOR</u>	
	<u>FOOD SERVICE FUND</u>	<u>TOTAL</u>
OPERATING REVENUES:		
Charges for services:		
Daily sales - reimbursable programs	\$ 2,835.00	\$ 2,835.00
Total operating revenues	<u>2,835.00</u>	<u>2,835.00</u>
OPERATING EXPENSES:		
Cost of sales	1,913.73	1,913.73
Salaries	<u>586.27</u>	<u>586.27</u>
Total operating expenses	<u>2,500.00</u>	<u>2,500.00</u>
Operating income	<u>335.00</u>	<u>335.00</u>
NONOPERATING REVENUES (EXPENSES):		
Federal sources		
Special milk program	<u>1,259.35</u>	<u>1,259.35</u>
Total nonoperating revenues (expenses)	<u>1,259.35</u>	<u>1,259.35</u>
Change in net assets	1,594.35	1,594.35
Total net assets - beginning	<u>720.38</u>	<u>720.38</u>
Total net assets - ending	<u>\$ 2,314.73</u>	<u>\$ 2,314.73</u>

BOROUGH OF ALPINE SCHOOL DISTRICT
COMBINING STATEMENT OF CASH FLOWS
ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	NON-MAJOR	
	FOOD SERVICE FUND	TOTAL
Cash flows from operating activities:		
Receipts from customers	\$ 2,835.00	\$ 2,835.00
Payments to employees	(586.27)	(586.27)
Payments to suppliers	(1,913.73)	(1,913.73)
Net cash provided by (used for) operating activities)	335.00	335.00
Cash flows from noncapital financing activities:		
Federal Sources	1,190.26	1,190.26
Net cash provided by noncapital financing activities:	1,190.26	1,190.26
Net decrease in cash and cash equivalents	1,525.26	1,525.26
Cash and cash equivalents, beginning	720.38	720.38
Cash and cash equivalents, ending	\$ 2,245.64	\$ 2,245.64
Reconciliation of operating income (loss) to net cash provided (used) by operating activities		
Operating income	\$ 335.00	\$ 335.00
Net cash provided by (used for) operating activities	\$ 335.00	\$ 335.00

FIDUCIARY FUNDS DETAIL STATEMENTS

Fiduciary Funds are used to account for funds received by the district for a specific purpose:

Unemployment Compensation Insurance Trust Fund: This trust fund is used to pay unemployment compensation claims as they arise.

Security Deposit Fund This trust fund is used to account for security deposits held by the school district

Agency Funds are used to account for assets held by the district as an agent for another party:

Student Activity Fund : This agency fund is used to account for student funds held at the schools.

Payroll Fund: This agency fund is used to account for the payroll transactions of the school district.

BOROUGH OF ALPINE SCHOOL DISTRICT
COMBINING STATEMENT OF FIDUCIARY NET ASSETS
JUNE 30, 2012

	<u>SECURITY DEPOSITS</u>	<u>AGENCY FUNDS</u>		<u>UNEMPLOYMENT COMPENSATION TRUST</u>	<u>TOTALS</u>
		<u>STUDENT ACTIVITY</u>	<u>PAYROLL AGENCY</u>		
ASSETS:					
Cash and cash equivalents	\$ 2,893.98	\$ 10,501.72	\$ 13,090.32	\$ 6,503.11	\$ 32,989.13
Total assets	<u>\$ 2,893.98</u>	<u>\$ 10,501.72</u>	<u>\$ 13,090.32</u>	<u>\$ 6,503.11</u>	<u>\$ 32,989.13</u>
LIABILITIES:					
Payroll deductions and withholdings	\$	\$	\$ 13,090.32	\$	\$ 13,090.32
Security deposits	2,893.98				2,893.98
Due to student groups		10,501.72			10,501.72
Total liabilities	<u>\$ 2,893.98</u>	<u>\$ 10,501.72</u>	<u>\$ 13,090.32</u>		<u>\$ 26,486.02</u>
NET ASSETS:					
Held in trust for unemployment claims and other purposes				\$ 6,503.11	\$ 6,503.11
Total net assets				<u>\$ 6,503.11</u>	<u>\$ 6,503.11</u>

BOROUGH OF ALPINE SCHOOL DISTRICT
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	UNEMPLOYMENT COMPENSATION TRUST	TOTAL
	<u> </u>	<u> </u>
ADDITIONS:		
Contributions:		
Other	\$ 10,000.00	\$ 10,000.00
Total contributions	<u>10,000.00</u>	<u>10,000.00</u>
Total additions	<u>10,000.00</u>	<u>10,000.00</u>
DEDUCTIONS:		
Unemployment claims	<u>11,121.87</u>	<u>11,121.87</u>
Total deductions	<u>11,121.87</u>	<u>11,121.87</u>
Change in net assets	<u>(1,121.87)</u>	<u>(1,121.87)</u>
Net assets beginning of year	<u>7,624.98</u>	<u>7,624.98</u>
Net assets end of year	<u>\$ 6,503.11</u>	<u>\$ 6,503.11</u>

BOROUGH OF ALPINE SCHOOL DISTRICT
STUDENT ACTIVITY AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	<u>BALANCE</u> <u>JULY 1, 2011</u>	<u>CASH</u> <u>RECEIPTS</u>	<u>CASH</u> <u>DISBURSE-</u> <u>MENTS</u>	<u>BALANCE</u> <u>JUNE 30, 2012</u>
Student Council	\$ 3,279.24	\$ 12,574.75	\$ 6,108.40	\$ 9,745.59
Grade 7	10.71	11,051.00	11,048.50	13.21
Grade 8	<u>15.34</u>	<u>38,884.79</u>	<u>38,157.21</u>	<u>742.92</u>
Total all schools	<u>\$ 3,305.29</u>	<u>\$ 62,510.54</u>	<u>\$ 55,314.11</u>	<u>\$ 10,501.72</u>

BOROUGH OF ALPINE SCHOOL DISTRICT
PAYROLL AGENCY FUNDS
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	<u>BALANCE</u> <u>JULY 1, 2011</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE</u> <u>JUNE 30, 2012</u>
ASSETS:				
Cash and cash equivalents	\$ <u>14,036.54</u>	\$ <u>2,623,840.26</u>	\$ <u>2,624,786.48</u>	\$ <u>13,090.32</u>
Total assets	\$ <u><u>14,036.54</u></u>	\$ <u><u>2,623,840.26</u></u>	\$ <u><u>2,624,786.48</u></u>	\$ <u><u>13,090.32</u></u>
LIABILITIES:				
Accrued salaries and wages	\$ 37.49	\$ 1,492,522.61	\$ 1,492,560.10	\$
Payroll deductions and withholdings	<u>13,999.05</u>	<u>1,131,317.65</u>	<u>1,132,226.38</u>	<u>13,090.32</u>
Total liabilities	\$ <u><u>14,036.54</u></u>	\$ <u><u>2,623,840.26</u></u>	\$ <u><u>2,624,786.48</u></u>	\$ <u><u>13,090.32</u></u>

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STATISTICAL SECTION
(UNAUDITED)



BOROUGH OF ALPINE SCHOOL DISTRICT
STATISTICAL SECTION

<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 changed over time.	J-1 to J-4
Revenue Capacity:	
These schedules contain information to help the reader assess the district's most significant local revenue source, the property tax.	J-5 to J-9
Debt Capacity:	
These schedules present information to help the reader assess the affordability of the district's current levels of outstanding debt and the district's ability to issue additional debt in the future.	J-10 to J-13
Demographic and Economic Information:	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place.	J-14 to J-15
Operating Information:	
These schedules contain service and infrastructure data to help the reader understand how the information in the district's financial report relates to the services the district provides and the activities it performs.	J-16 to J-20

Sources

Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports (CAFR) for the relevant year. The district implemented GASB Statement 34 in the fiscal year ending June 30, 2004; schedules presenting district-wide information include information beginning in that year.

BOROUGH OF ALPINE SCHOOL DISTRICT
NET ASSETS BY COMPONENT
LAST EIGHT FISCAL YEARS
(accrual basis of accounting)
UNAUDITED

	Fiscal Year Ending June 30,							
	2012	2011	2010	2009	2008	2007	2006	2005
Governmental activities								
Invested in capital assets, net of related debt	\$ 1,836,200	\$ 1,855,270	\$ 1,570,204	\$ 1,353,056	\$ 1,362,303	\$ 1,383,172	\$ 969,406	\$ 1,016,809
Restricted	693,149	361,572	244,157	251,808	262,202	371,331	683,979	145,427
Unrestricted	239,729	174,492	248,464	294,630	241,601	180,385	140,185	451,153
Total governmental activities net assets	<u>\$ 2,769,078</u>	<u>\$ 2,391,335</u>	<u>\$ 2,062,825</u>	<u>\$ 1,899,494</u>	<u>\$ 1,866,107</u>	<u>\$ 1,934,888</u>	<u>\$ 1,793,571</u>	<u>\$ 1,613,389</u>
Business-type activities								
Unrestricted	\$ 2,315	\$ 720	\$ 1,440	\$ 2,974	\$ 3,141	\$ 5,773	\$ 13,654	\$ 11,563
Total business-type activities net assets	<u>\$ 2,315</u>	<u>\$ 720</u>	<u>\$ 1,440</u>	<u>\$ 2,974</u>	<u>\$ 3,141</u>	<u>\$ 5,773</u>	<u>\$ 13,654</u>	<u>\$ 11,563</u>
District-wide								
Invested in capital assets, net of related debt	\$ 1,836,200	\$ 1,855,270	\$ 1,570,204	\$ 1,353,056	\$ 1,362,303	\$ 1,383,172	\$ 969,406	\$ 1,016,809
Restricted	693,149	361,572	244,157	251,808	262,202	371,331	683,979	145,427
Unrestricted	242,044	175,213	249,904	297,604	244,743	186,158	153,839	462,715
Total district net assets	<u>\$ 2,771,393</u>	<u>\$ 2,392,055</u>	<u>\$ 2,064,265</u>	<u>\$ 1,902,468</u>	<u>\$ 1,869,248</u>	<u>\$ 1,940,661</u>	<u>\$ 1,807,224</u>	<u>\$ 1,624,951</u>

Source: CAFR Schedule A-1

BOROUGH OF ALPINE SCHOOL DISTRICT
CHANGES IN NET ASSETS
LAST SEVEN FISCAL YEARS
(accrual basis of accounting)
UNAUDITED

	Fiscal Year Ending June 30							
	2012	2011	2010	2009	2008	2007	2006	2005
Expenses								
Governmental activities								
Instruction								
Regular	\$ 2,825,691	\$ 2,721,025	\$ 2,700,557	\$ 2,756,731	\$ 2,889,274	\$ 2,779,047	\$ 2,600,636	\$ 2,345,121
Special education	876,514	970,393	1,171,495	1,001,679	1,003,464	1,011,670	733,472	718,318
Other instruction	106,842	85,175	129,562	128,582	136,101	117,780	70,816	69,643
Support Services:								
Student & instruction related services	958,822	843,616	723,174	674,635	614,898	552,348	604,362	520,862
General administrative services	108,931	117,094	110,867	103,830	153,532	136,879	171,866	240,882
School administrative services	76,000	74,431	80,275	75,271	76,684	80,378	78,066	143,034
Central Services & Technology	189,282	171,125	193,714	180,481	182,758	179,564	162,277	166,184
Plant operations and maintenance	352,000	373,152	389,856	325,841	421,773	300,180	323,266	315,243
Pupil transportation	189,218	231,483	289,667	297,838	285,198	284,341	302,146	316,047
Unallocated depreciation	37,362	49,520	48,235	25,894	56,449	35,744	46,502	44,528
Total governmental activities expenses	<u>5,720,642</u>	<u>5,637,014</u>	<u>5,837,402</u>	<u>5,570,782</u>	<u>5,820,130</u>	<u>5,477,931</u>	<u>5,093,409</u>	<u>4,879,862</u>
Business-type activities:								
Food service	2,500	5,048	6,931	7,000	8,393	12,879	2,663	3,319
Total business-type activities expense	<u>2,500</u>	<u>5,048</u>	<u>6,931</u>	<u>7,000</u>	<u>8,393</u>	<u>12,879</u>	<u>2,663</u>	<u>3,319</u>
Total district expenses	<u>\$ 5,723,142</u>	<u>\$ 5,642,062</u>	<u>\$ 5,844,333</u>	<u>\$ 5,577,782</u>	<u>\$ 5,828,523</u>	<u>\$ 5,490,810</u>	<u>\$ 5,096,072</u>	<u>\$ 4,883,181</u>
Program Revenues								
Governmental activities:								
Charges for services:								
Instruction (tuition)	\$ 26,116	\$ 27,300	\$ 19,740	\$ 13,650	\$ 22,720	\$ 65,000	\$ 43,800	\$ 14,700
Operating grants and contributions	564,518	410,193	637,277	617,652	442,726	436,037	329,148	311,739
Capital grants and contributions	13,898	137,986	244,713					
Total governmental activities program revenues	<u>604,532</u>	<u>575,479</u>	<u>901,730</u>	<u>631,302</u>	<u>465,446</u>	<u>501,037</u>	<u>372,948</u>	<u>326,439</u>
Business-type activities:								
Charges for services								
Food service	2,835	3,070	3,965	4,598	3,728	3,325	3,132	2,633
Operating grants and contributions	1,259	1,258	1,432	2,235	2,034	1,673	1,623	1,576
Total business type activities program revenues	<u>4,094</u>	<u>4,328</u>	<u>5,397</u>	<u>6,833</u>	<u>5,762</u>	<u>4,998</u>	<u>4,755</u>	<u>4,210</u>
Total district program revenues	<u>\$ 608,627</u>	<u>\$ 579,806</u>	<u>\$ 907,126</u>	<u>\$ 638,135</u>	<u>\$ 471,208</u>	<u>\$ 506,035</u>	<u>\$ 377,703</u>	<u>\$ 330,649</u>
Net (Expense)/Revenue								
Governmental activities								
	\$ (5,116,110)	\$ (5,061,536)	\$ (4,935,672)	\$ (4,939,480)	\$ (5,354,684)	\$ (4,976,894)	\$ (4,720,460)	\$ (4,553,423)
Business-type activities								
	1,594	(720)	(1,534)	(167)	(2,631)	(7,881)	2,091	890
Total district-wide net expense	<u>\$ (5,114,516)</u>	<u>\$ (5,062,256)</u>	<u>\$ (4,937,206)</u>	<u>\$ (4,939,647)</u>	<u>\$ (5,357,315)</u>	<u>\$ (4,984,775)</u>	<u>\$ (4,718,369)</u>	<u>\$ (4,552,532)</u>
General Revenues and Other Changes in Net Assets								
Governmental activities:								
Property taxes levied for general purposes, net	\$ 5,401,479	\$ 5,295,568	\$ 5,091,892	\$ 4,874,481	\$ 4,881,191	\$ 4,660,644	\$ 4,511,379	\$ 4,069,653
Unrestricted grants and contributions	92,374	73,611	83,395	146,220	100,548	164,174	92,402	58,935
Miscellaneous income	92,374	73,611	83,395	146,220	100,548	164,174	92,402	58,935
Total governmental activities	<u>5,493,853</u>	<u>5,390,046</u>	<u>5,190,103</u>	<u>5,025,367</u>	<u>5,285,903</u>	<u>5,118,210</u>	<u>4,900,642</u>	<u>4,439,785</u>
Change in Net Assets								
Governmental activities								
	377,744	328,510	254,431	85,887	(68,781)	141,316	180,182	(113,638)
Business-type activities								
	1,594	(720)	(1,534)	(167)	(2,631)	(7,881)	2,091	890
Total district	<u>\$ 379,338</u>	<u>\$ 327,790</u>	<u>\$ 252,897</u>	<u>\$ 85,720</u>	<u>\$ (71,412)</u>	<u>\$ 133,435</u>	<u>\$ 182,273</u>	<u>\$ (112,748)</u>

Source: CAFR Schedule A-2

BOROUGH OF ALPINE SCHOOL DISTRICT
FUND BALANCES, GOVERNMENTAL FUNDS
LAST EIGHT FISCAL YEARS
(modified accrual basis of accounting)
 UNAUDITED

	Fiscal Year Ending June 30							
	2012	2011	2010	2009	2008	2007	2006	2005
General Fund:								
Reserved	\$	\$	\$ 160,886	\$ 463,010	\$ 71,486	\$ 71,486	\$ 339,120	\$ 412,608
Restricted	687,819	387,819						
Assigned	89,686	112,547						
Unassigned	205,373	61,945						
Unreserved			170,070	143,428	480,230	480,230	485,045	132,987
Total general fund	<u>\$ 982,879</u>	<u>\$ 562,311</u>	<u>\$ 330,956</u>	<u>\$ 606,438</u>	<u>\$ 551,716</u>	<u>\$ 551,716</u>	<u>\$ 824,165</u>	<u>\$ 545,595</u>
All Other Governmental Funds:								
Reserved/Restricted	\$	\$	\$ 329,608	\$	\$	\$	\$	\$
Committed		23,753						
Unreserved, reported in:								
Capital projects fund			(122,943)					50,985
Total all other governmental funds	<u>\$ 0</u>	<u>\$ 23,753</u>	<u>\$ 206,665</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 50,985</u>

Source: CAFR Schedule B-1

BOROUGH OF ALPINE SCHOOL DISTRICT
CHANGES IN GOVERNMENTAL FUND BALANCES, GOVERNMENTAL FUNDS
(modified accrual basis of accounting)
LAST SEVEN FISCAL YEARS

	<u>UNAUDITED</u>							
	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Revenues								
Tax levy	\$ 5,401,479	\$ 5,295,568	\$ 5,091,892	\$ 4,874,481	\$ 4,881,191	\$ 4,660,644	\$ 4,511,379	\$ 4,069,653
Tuition charges	26,116	27,300	13,650	13,650	22,720	65,000	43,800	14,700
Interest on capital reserve	-	327	684	1,802	46	8,790	4,480	2,184
Miscellaneous	92,374	73,283	300,800	144,418	100,503	155,383	87,922	56,750
State sources	520,262	504,563	581,315	565,307	689,172	673,414	561,902	552,743
Federal sources	59,535	64,483	103,491	57,011	57,718	56,015	64,107	70,192
Total revenue	<u>6,099,767</u>	<u>5,965,524</u>	<u>6,091,833</u>	<u>5,656,669</u>	<u>5,751,349</u>	<u>5,619,246</u>	<u>5,273,590</u>	<u>4,766,222</u>
Expenditures								
Instruction								
Regular Instruction	2,767,073	2,693,458	2,774,086	2,733,452	2,647,773	2,557,587	2,452,689	2,021,516
Special education instruction	876,514	970,393	1,085,883	1,001,679	986,273	997,892	724,249	698,693
Other instruction	106,842	85,175	129,562	128,582	119,652	110,172	65,723	58,808
Support Services:								
Student & instruction related services	958,822	843,616	723,174	674,635	542,529	477,588	554,317	414,376
General administrative services	107,904	116,067	80,275	103,830	134,977	111,230	154,696	304,347
School administrative services	76,000	74,431	109,840	75,271	67,416	56,537	62,107	109,076
Central services & technology	189,262	171,125	193,714	179,453	159,261	152,842	143,859	127,303
Plant operations and maintenance	352,000	373,152	389,856	325,648	421,387	299,793	322,879	287,771
Pupil transportation	189,218	231,483	289,667	297,838	285,198	284,341	302,146	310,646
Unallocated employee benefits					385,008	389,953	261,041	618,883
Capital outlay	79,318	358,180	384,593	33,647	49,787	453,760	2,300	359,463
Total expenditures	<u>5,702,953</u>	<u>5,917,081</u>	<u>6,160,650</u>	<u>5,554,035</u>	<u>5,799,261</u>	<u>5,891,695</u>	<u>5,046,006</u>	<u>5,310,882</u>
Excess (Deficiency) of revenues over (under) expenditures	396,814	48,444	(68,817)	102,634	(47,911)	(272,449)	227,584	(544,660)
Other Financing sources (uses)								
Transfers in/(out)								
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Net change in fund balances	<u>\$ 396,814</u>	<u>\$ 48,444</u>	<u>\$ (68,817)</u>	<u>\$ 102,634</u>	<u>\$ (47,911)</u>	<u>\$ (272,449)</u>	<u>\$ 227,584</u>	<u>\$ (544,660)</u>
Debt service as a percentage of noncapital expenditures	0.0%	0.0%	0.0%	0.0%	0.0%	N/A	N/A	N/A

N/A-Not Applicable
 Source: CAFR Schedule B-2

BOROUGH OF ALPINE SCHOOL DISTRICT
GENERAL FUND OTHER LOCAL REVENUE BY SOURCE
LAST TEN FISCAL YEARS
JUNE 30, 2012

<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>Interest on</u> <u>Investments</u>	<u>Tuition</u>	<u>Rentals</u>	<u>Refunds</u>	<u>Transportation</u>	<u>Misc.</u>	<u>Total</u>
2003	\$ 7,620	\$ 14,435		\$	\$	\$ 32,940	\$ 54,995
2004	18,642	25,500				39,896	84,038
2005	30,941	14,700				27,993	73,634
2006	40,868	43,800			10,200	41,334	136,202
2007	51,025	65,000			7,200	105,949	229,174
2008	34,428	22,720			9,820	56,300	123,268
2009	11,002	13,650			7,594	127,624	159,870
2010	9,400	13,650	37,105		6,090	36,890	103,135
2011	6,264	27,300	35,936		4,962	13,722	88,184
2012	86	26,116	37,840	88,828	5,720	48,728	207,319

Source: District Records

BOROUGH OF ALPINE SCHOOL DISTRICT
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS
JUNE 30, 2012

Fiscal Year Ended June 30,	Vacant Land	Residential	Commercial	Public Utilities ^a	Net Valuation Taxable	Estimated Actual (County Equalized Value)
2003	\$ 52,987,800	\$ 668,462,000	\$ 37,299,800	\$ 494,884	\$ 759,244,484	\$ 1,072,531,092
2004	54,438,900	681,419,500	37,299,800	501,293	773,659,493	1,101,992,221
2005	49,581,400	694,342,400	37,662,600	435,665	782,022,065	1,253,238,514
2006	116,836,800	1,555,206,300	95,411,800	435,665	1,767,890,565	1,293,783,137
2007	107,194,000	1,571,920,900	95,411,800	1,063,519	1,775,590,219	1,545,561,309
2008	99,925,400	1,605,454,300	95,411,800	1,068,230	1,801,859,730	1,847,416,667
2009	125,001,500	1,642,416,500	94,794,300	1,022,495	1,863,234,795	2,083,031,518
2010	98,734,100	1,722,160,400	93,174,400	1,053,588	1,915,122,488	2,344,950,705
2011	92,354,100	1,746,463,500	93,174,400	816,159	1,932,808,159	2,457,778,235
2012	89,757,600	1,761,176,600	93,174,400	847,047	1,944,955,647	2,296,676,759

Source: District records Tax list summary & Municipal Tax Assessor

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.

Revaluations occur when ordered by the County Board of Taxation. The last revaluation was effective in calendar year 2005.

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

b Tax rates are per \$100

BOROUGH OF ALPINE SCHOOL DISTRICT
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN YEARS
JUNE 30, 2012
UNAUDITED

Calendar Year Ended Dec 31,	Borough of Alpine School District			Overlapping Rates		Total Direct and Overlapping Tax Rate
	Basic Rate ^a	General		Borough of Alpine	County	
		Obligation Debt Service ^b	Total Direct			
2003	0.499	N/A	0.499	0.330	0.301	1.130
2004	0.520	N/A	0.520	0.330	0.330	1.180
2005	0.255	N/A	0.255	0.146	0.149	0.550
2006	0.262	N/A	0.262	0.149	0.170	0.581
2007	0.271	N/A	0.271	0.149	0.190	0.610
2008	0.262	N/A	0.262	0.149	0.210	0.621
2009	0.271	N/A	0.271	0.149	0.245	0.665
2010	0.277	N/A	0.277	0.148	0.240	0.665
2011	0.279	N/A	0.279	0.156	0.270	0.705
2012	0.284	N/A	0.284	0.156	0.265	0.705

Source: District Records and Municipal Tax Collector
N/A Not Applicable

Note:

NJSA 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 calculator

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.

BOROUGH OF ALPINE SCHOOL DISTRICT
PRINCIPAL PROPERTY TAX PAYERS
CURRENT YEAR AND NINE YEARS AGO
JUNE 30, 2012

101

Taxpayer	2012			2003		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
F.E. Alpine, Inc	\$ 79,638,600	1	4.1%			
Montammy Golf Club	49,363,000	2	2.5%	\$16,562,800	2	2.18%
Taxpayer #1	40,157,800	3	2.1%	21,806,800	1	2.87%
Rio Vista Realty	23,094,400	4	1.2%			
Taxpayer #2	20,959,700	5	1.1%	10,441,100	3	1.44%
Alpine Tower			0.0%	5,096,500	7	0.70%
Taxpayer #3	12,796,000	6	0.7%	6,013,200	4	0.83%
Taxpayer #4	11,747,300	7	0.6%	5,428,000	5	0.75%
Taxpayer #5	10,463,200	8	0.5%			
Taxpayer #6	10,711,600	9	0.6%			
Chemiak at Alpine LLC				5,290,000	6	0.73%
Alpine Country Club				4,692,200	8	0.65%
Taxpayer #7				4,510,000	9	0.62%
Taxpayer #8				4,284,900	10	0.59%
Total	<u>\$ 258,931,600</u>		<u>13.31%</u>	<u>\$ 84,125,500</u>		<u>11.36%</u>

Source: District CAFR J11 and Municipal Tax Assessor

BOROUGH OF ALPINE SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
JUNE 30, 2012

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2003	\$ 3,749,733.00	\$ 3,749,733.00	100.00%	\$ -
2004	3,862,112.00	3,862,112.00	100.00%	-
2005	4,069,653.00	4,069,653.00	100.00%	-
2006	4,903,102.00	4,903,102.00	100.00%	-
2007	4,660,644.00	4,660,644.00	100.00%	-
2008	4,881,191.00	4,881,191.00	100.00%	-
2009	4,874,481.00	4,874,481.00	100.00%	-
2010	5,091,892.00	5,091,892.00	100.00%	-
2011	5,295,568.00	5,295,568.00	100.00%	-
2012	5,401,479.00	5,401,479.00	100.00%	-

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

Note: School taxes are collected by the Municipal Tax Collector. Under 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

BOROUGH OF ALPINE SCHOOL DISTRICT
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
UNAUDITED

Fiscal Year Ended June 30,	Governmental Activities			Business-Type Activities		Total District	Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases			
2003								
2004								
2005								
2006	Not applicable - No outstanding debt							
2007								
2008								
2009								
2010								
2011								
2012								

Source: District CAFR Schedules I-1

^a See Exhibit NJ J-10 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

NA Not Available

BOROUGH OF ALPINE SCHOOL DISTRICT
RATIOS OF NET BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
UNAUDITED

General Bonded Debt Outstanding

<u>Fiscal Year</u> <u>Ended June</u> <u>30,</u>	<u>General</u> <u>Obligation</u> <u>Bonds</u>	<u>Deductions</u>	<u>Net General</u> <u>Bonded Debt</u> <u>Outstanding</u>	<u>Total Municipal</u> <u>Assessed Value</u>	<u>Percentage of</u> <u>Actual</u> <u>Taxable Value</u> <u>Of Property (a)</u>	<u>Per Capita (b)</u>
2003						
2004						
2005						
2006	NOT APPLICABLE FOR ALPINE- NO OUTSTANDING DEBT IN THE PERIODS REPORTED					
2007						
2008						
2009						
2010						
2011						
2012						

Note:

- a See Exhibit NJ J-6 for property tax data.
- b Population data can be found in Exhibit NJ J-13.
- NA Not Available

BOROUGH OF ALPINE SCHOOL DISTRICT
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2011
UNAUDITED

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable ^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Alpine Borough	\$	100.000% \$	*
Other debt			
Bergen County		*	
Subtotal, overlapping debt			*
Alpine Borough School District Direct Debt			*
Total direct and overlapping debt		\$	<u>0</u>

Sources: Borough Chief Finance Office & County Treasurers Office
 * Not available at time of audit

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 Alpine. 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.

a For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property v. 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.

BOROUGH OF ALPINE SCHOOL DISTRICT
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
JUNE 30, 2012

Legal Debt Margin Calculation for Calendar Year 2011

	Equalized valuation basis	
	2011	\$ 2,281,521,020
	2010	2,431,489,964
	2009	<u>2,293,389,310</u>
	[A]	<u>\$ 7,006,400,294</u>
Average equalized valuation of taxable property	[A/3]	\$ 2,335,466,765
Debt limit (3 % of avg equalized value)	[B]	70,064,003
Net bonded school debt	[C]	
Legal debt margin	[B-C]	<u>\$ 70,064,003</u>

106

	Calendar Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Debt limit	\$ 26,247,109	\$ 32,590,807	\$ 32,923,092	40,414,065	\$ 46,211,890	\$ 53,643,487	\$ 61,990,026	\$ 66,753,602	\$ 70,959,161	\$ 70,064,003
Total net debt applicable to limit										
Legal debt margin	<u>\$ 26,247,109</u>	<u>\$ 32,590,807</u>	<u>\$ 32,923,092</u>	<u>\$ 40,414,065</u>	<u>\$ 46,211,890</u>	<u>\$ 53,643,487</u>	<u>\$ 61,990,026</u>	<u>\$ 66,753,602</u>	<u>\$ 70,959,161</u>	<u>\$ 70,064,003</u>
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Source: Abstract of Ratables and District Records CAFR Schedule J-7
 * Not available at time of audit

a Limit set by NJSA 18A:24-19 for a K through 8 district; other % limits would be applicable for other districts

BOROUGH OF ALPINE SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN CALENDAR YEARS
UNAUDITED

<u>Year Ended</u> <u>December</u> <u>31</u>	<u>Unemployment Rate</u>	<u>Per Capita Income (a)</u>	<u>School District</u> <u>Population</u>
2002	1.5%	52,102	2,255
2003	1.5%	51,931	2,283
2004	3.1%	51,291	2,307
2005	2.7%	54,669	2,328
2006	2.9%	56,963	2,376
2007	2.6%	63,021	2,422
2008	3.4%	67,113	2,464
2009	6.2%	67,696	2,503
2010	6.3%	64,388	1,851
2011	6.2%	*	1,861

* Not available at time of audit

(a) Represents County of Bergen

Source: N.J. Department of Labor

BOROUGH OF ALPINE SCHOOL DISTRICT
PRINCIPAL EMPLOYERS
CURRENT AND NINE YEARS AGO
UNAUDITED

Employer	2012			2003		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
*	*	*	*	*	*	*
*	*	*	*	*	*	*
*	*	*	*	*	*	*
*	*	*	*	*	*	*
*	*	*	*	*	*	*
*	*	*	*	*	*	*
*	*	*	*	*	*	*
*	*	*	*	*	*	*
*	*	*	*	*	*	*
	-		0.00%	-		0.00%

* Not available at time of audit

Source:

BOROUGH OF ALPINE SCHOOL DISTRICT
 FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
 JUNE 30, 2012
 UNAUDITED

Function/Program	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Instruction										
Regular	*	30	30	30	30	30	30	30	30	30
Special education	*	2.4	2.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4
Other special education	*	1	1	1	1	1	1	1	1	1
Support Services:										
Tuition	*	0	0	0	0	0	0	0	0	0
Student and instruction related services	*	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8
General administrative services	*	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
School administrative services	*	1.45	1.45	1.45	1.45	1.45	1.45	1.45	1.45	1.45
Business administrative services	*	1	1	1	1	1	1	1	1	1
Plant operations and maintenance	*	0.45	0.45	0.45	0.45	0.45	0.45	0.45	0.45	1
Pupil transportation	*	0	0	0	0	0.4	0.4	0.4	0.4	0.4
Total	-	39	39	39.6	39.6	40	40	40	40	40.55

* Not available at time of audit

Source: District Personnel Records

BOROUGH OF ALPINE SCHOOL DISTRICT
OPERATING STATISTICS
LAST TEN FISCAL YEARS
JUNE 30, 2012

Fiscal Year	Enrollment	Operating Expenditures ^a	Cost Per Pupil	Percentage Change	Teaching Staff ^b	Pupil/Teacher Ratio			Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School	High School				
2003	139	\$ 4,083,792	\$ 29,380	12.58%	*	*	*	*	139	134	0.00%	96.40%
2004	146	4,672,274	32,002	8.92%	*	*	*	*	144	138	3.60%	95.83%
2005	126	4,951,419	39,297	22.80%	*	*	*	*	135	130	-5.97%	96.01%
2006	136	5,043,706	37,086	-5.63%	*	*	*	*	136	132	0.44%	97.06%
2007	135	5,437,936	40,281	8.61%	*	*	*	*	136	131	0.00%	96.32%
2008	135	5,509,646	40,812	1.32%	*	*	*	*	135	129	-1.03%	95.69%
2009	140	5,520,388	39,431	-3.38%	*	*	*	*	141	136	4.61%	96.38%
2010	142	5,641,016	39,725	0.75%	*	*	*	*	142	136	0.78%	95.56%
2011	153	5,558,901	36,333	-8.54%	*	*	*	*	154	147	8.39%	95.58%
2012	148	5,623,634	37,998	4.58%	*	*	*	*	146	139	-5.40%	95.60%

* Not available at time of audit

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;
- 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).

BOROUGH OF ALPINE SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST NINE FISCAL YEARS
JUNE 30, 2012

	2004	2005	2006	2007	2008	2009	2010	2011	2012
<u>District Building</u>									
<u>Elementary</u>									
Alpine School									
Square Feet	33,627	33,627	33,627	33,627	33,627	33,627	33,627	33,627	33,627
Capacity (students)	*	*	*	*	*	*	*	*	*
Enrollment	146	126	136	135	135	140	142	153	148

Number of Schools at June 30, 2012
 Elementary/Middle = 1

Source: District records, ASSA

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

* Not available at time of audit

BOROUGH OF ALPINE - SCHOOL DISTRICT
SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES
JUNE 30, 2012
UNAUDITED

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

<u>School Facilities</u>	<u>Project # (s)</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Alpine School	N/A	\$ <u>59,222.69</u>	\$ <u>48,390.69</u>	\$ <u>46,174.00</u>	\$ <u>49,711.84</u>	\$ <u>128,464.00</u>	\$ <u>52,790.09</u>	\$ <u>76,865.00</u>	\$ <u>88,269.00</u>	\$ <u>62,012.00</u>
Total School Facilities		<u>59,222.69</u>	<u>48,390.69</u>	<u>49,711.84</u>	<u>49,711.84</u>	<u>128,464.00</u>	<u>52,790.09</u>	<u>76,865.00</u>	<u>88,269.00</u>	<u>62,012.00</u>
Grand Total		\$ <u><u>59,222.69</u></u>	\$ <u><u>48,390.69</u></u>	\$ <u><u>49,711.84</u></u>	\$ <u><u>49,711.84</u></u>	\$ <u><u>128,464.00</u></u>	\$ <u><u>52,790.09</u></u>	\$ <u><u>76,865.00</u></u>	\$ <u><u>88,269.00</u></u>	\$ <u><u>62,012.00</u></u>

BOROUGH OF ALPINE SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2012
UNAUDITED

	<u>COVERAGE</u>	<u>DEDUCTIBLE</u>
School Package Policy - Selective		
Property - Blanket Building and Contents	\$ 9,545,681.00	\$ 5,000.00
Comprehensive General Liability and	1,000,000.00	
Comprehensive Crime Coverage	1,000,000.00	
Boiler and Machinery Policy-Hartford Steam Boiler Inspection and Insurance Company		
Property Damage	250,000.00	1,000.00
Umbrella Liability - American A. Ins. Co.		
Umbrella Policy	9,000,000.00	
School Board Legal Liability - ACE		
Directors and Officers Policy	1,000,000.00	25,000.00
Public Employees' Faithful Performance Blanket Position Bond	1,000,000.00	15,000.00
Marilyn Hayward - Treasurer of School Monies	160,000.00	
Donna Alonso - Business Administrator/Board Secretary	85,000.00	

Source:

School District Records

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SINGLE AUDIT SECTION



SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

EXHIBIT "K-1"

308 East Broad Street, Westfield, New Jersey 07090-2122

Telephone 908-789-9300

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E-mail info@senco.com

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

Honorable President and Members
of the Board of Education
Borough of Alpine School District
County of Bergen
Alpine, New Jersey 07620

We have audited the basic financial statements of the Borough of Alpine School District, County of Bergen, New Jersey as of and for the fiscal year ended June 30, 2012, and have issued our report thereon dated October 12, 2012. We conducted our audit in accordance with U.S. generally accepted auditing standards, 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 Finance, Department of Education, State of New Jersey.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Borough of Alpine School District, County of Bergen, New Jersey internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the basic financial statements but not for the purpose of expressing an opinion on the effectiveness of the Borough of Alpine School District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Borough of Alpine School District'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 possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

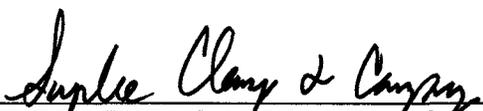
SUPLEE, CLOONEY & COMPANY

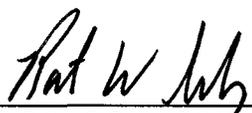
Our consideration of the internal control over financial reporting was limited for the purposed described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Borough of Alpine School District's basic 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 basic 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.

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


CERTIFIED PUBLIC ACCOUNTANTS


PUBLIC SCHOOL ACCOUNTANT NO. 948

October 12, 2012

BOROUGH OF ALPINE 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 PERIOD	AWARD AMOUNT	BALANCE AT JUNE 30, 2012	CARRYOVER/ (WALKOVER) AMOUNT	CASH RECEIVED	BUDGETARY EXPENDITURES	ADJUSTMENTS	REPAYMENT OF PRIOR YEAR'S BALANCE	BALANCE AT JUNE 30, 2012		
										ACCOUNTS RECEIVABLE	DEFERRED REVENUE	DUE TO GRANTOR
Enterprise Funds:												
U.S. Department of Agriculture												
Passed-Through State Department of Education:												
Special Milk Program	10.556	7/1/11-6/30/12	\$ 1,259.35	\$ _____	\$ _____	\$ 1,190.26	\$ (1,259.35)	\$ _____	\$ _____	\$ (69.09)	\$ _____	\$ _____
Total U.S. Department of Agriculture		3				1,190.26	(1,259.35)			(69.09)		
Special Revenue Funds:												
U.S. Department of Education												
Passed-Through State Department of Education:												
NCLB Title II A	84.151	9/1/11-8/31/12	4,198.00			4,198.00	(4,198.00)					
I.D.E.A. Part B, Basic	84.027	9/1/11-8/31/12	52,409.00			52,409.00	(52,409.00)					
I.D.E.A. Part B-Preschool	84.173	9/1/11-8/31/12	2,928.00			2,928.00	(2,928.00)					
Total U.S. Department of Education						59,535.00	(59,535.00)					
Total Federal Financial Assistance				\$ _____	\$ _____	\$ 60,725.26	\$ (60,794.35)	\$ _____	\$ _____	\$ (\$69.09)	\$ _____	\$ _____

See accompanying notes to schedules of expenditures of financial assistance.

BOROUGH OF ALPINE SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

STATE GRANTOR/PROGRAM TITLE	GRANT OR STATE PROJECT NUMBER	GRANT PERIOD	AWARD AMOUNT	BALANCE AT JUNE 30, 2011			CASH RECEIVED	BUDGETARY EXPENDITURES	BALANCE AT JUNE 30, 2012			MEMO CUMULATIVE	
				ACCOUNTS RECEIVABLE	DEFERRED REVENUE	DUE TO GRANTOR			(ACCOUNTS RECEIVABLE)	DEFERRED REVENUE	DUE TO GRANTOR	BUDGETARY RECEIVABLE	TOTAL EXPENDITURES
General Fund:													
Transportation Aid	12-495-034-5120-014	7/1/11-6/30/12	\$ 36,409.00	\$	\$	\$	\$ 32,811.13	\$ (36,409.00)	\$	\$	\$	\$ (3,597.87)	\$ 36,409.00
Security Aid	12-495-034-5120-084	7/1/11-6/30/12	15,814.00				14,251.29	(15,814.00)				(1,562.71)	15,814.00
Categorical Aid	12-495-034-5120-089	7/1/11-6/30/12	64,112.00				57,776.58	(64,112.00)				(6,335.42)	64,112.00
Extraordinary Aid	11-100-034-5120-473	7/1/10-6/30/11	72,944.00	(72,944.00)			72,944.00						
Extraordinary Aid	12-100-034-5120-473	7/1/11-6/30/12	92,640.00					(92,460.00)	(92,460.00)				92,460.00
Additional Non-Public Transportation Aid	N/A	7/1/10-6/30/11	8,700.00	(8,700.00)			8,700.00						
Additional Non-Public Transportation Aid	N/A	7/1/11-6/30/12	3,480.00					(3,480.00)	(3,480.00)				3,480.00
Reimbursed TPAF Social Security Contributions	11-495-034-5095-002	7/1/10-6/30/11	137,789.50	(6,738.73)			6,738.73						
Reimbursed TPAF Social Security Contributions	12-495-034-5095-002	7/1/11-6/30/12	131,116.04				124,157.54	(131,116.04)	(6,958.50)				131,116.04
				(88,382.73)			317,379.27	(343,391.04)	(102,898.50)			(11,496.00)	343,391.04
Capital Projects Fund:													
New Jersey Schools Development Authority	0080-010-09-1001	project length	188,720.00	(41,376.00)					(41,376.00)			(41,376.00)	
Total State Financial Assistance Subject to Single Audit				\$ (129,758.73)	\$	\$	317,379.27	(343,391.04)	(144,274.50)	\$	\$	\$ (52,872.00)	\$ 343,391.04
On-Behalf TPAF Post-Retirement Medical							116,511.00	(116,511.00)					
On-Behalf TPAF Post-Retirement Contributions	12-495-034-5095-006						57,958.00	(57,958.00)					
Total State Financial Assistance							\$ 491,848.27	\$ (517,860.04)					

117

See accompanying notes to schedules of expenditures of financial assistance.

Borough of Alpine School District
Notes to the Schedules of Expenditures of Federal Awards
and State Financial Assistance
Year Ended June 30, 2012

NOTE 1: GENERAL

The accompanying schedules of expenditures of federal awards and state financial assistance include federal and state activity of the Borough of Alpine School District. The District is defined in Note 1 to the basic financial statements. All federal and state awards received directly from the federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies is included on the schedule of expenditures of federal awards and state financial assistance.

NOTE 2: BASIS OF ACCOUNTING

The accompanying schedules of expenditures of federal awards and state financial assistance are presented on the budgetary basis of accounting with the exceptions of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 1 of the District's basic financial statements. The information in this schedule 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 from 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 schedules, which are Required Supplementary Information (RSI) are presented for the general fund and special revenue fund to demonstrate finance-regulated 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 deferred state aid payments in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44.2. For GAAP purposes, the deferred payments are not recognized until the subsequent budget year due to the state deferral and recording of the 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 revenue, whereas GAAP basis does not.

Borough of Alpine School District
Notes to the Schedules of Expenditures of Federal Awards
and State Financial Assistance
Year Ended June 30, 2012

NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (CONTINUED)

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$11,496.00 for the general fund. The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$-0- for the special revenue fund. See the notes to the required supplementary information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Federal awards and state financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$	\$ 506,364.04	\$ 506,364.04
Special Revenue Fund	59,535.00		59,535.00
Food Service Fund	<u>1,259.35</u>	<u> </u>	<u>1,259.35</u>
Total Awards and Financial Assistance	\$ <u>60,794.35</u>	\$ <u>506,364.04</u>	\$ <u>567,158.39</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

The amount reported as TPAF post retirement contributions represents the amount paid by the state on behalf of the district for the year ended June 30, 2012. TPAF Social Security contributions represent 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.

Borough of Alpine School District
Bergen County, New Jersey

Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2012

Section I – Summary of Auditor’s Results

Financial Statements

- | | | |
|-----|--|-------------|
| (1) | Type of Auditor’s Report Issued: | Unqualified |
| (2) | Internal Control Over Financial Reporting: | |
| | (a) Material weaknesses identified? | No |
| | (b) Significant deficiencies identified that are not considered to be material weaknesses? | N/A |
| (3) | Noncompliance material to the basic financial statements noted? | No |

Federal Program(s) - Not Applicable

State Program(s) - Not Applicable

Borough of Alpine School District
Bergen County, New Jersey
Schedule of Prior Year Audit Findings

Not Applicable



