

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

of the

**Borough of Dumont Board of Education
Dumont, New Jersey**

For the Fiscal Year Ended June 30, 2012

Prepared by

**Borough of Dumont Board of Education
Finance Department**

BOARD OF EDUCATION
BOROUGH OF DUMONT

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Introductory Section



Kevin Cartotto
School Business Administrator/Board Secretary

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

Dear Board Members:

The Comprehensive Annual Financial Report (CAFR) of the Dumont 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 management of the Dumont Board of Education. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly, 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 District 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 accounting principles generally accepted in the United States of America. 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 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 Amendments of 1996 and the US Office of Management and Budget Circular A-133, "Audits of State and Local Governments", and the state Treasury Circular Letter 04-04 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid". Information related to this single audit, including the 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.

1. REPORTING ENTITY AND ITS SERVICES: Dumont School District is an independent reporting entity within the criteria adopted by the GASB as established by GASB

Statement No. 14. All funds and account groups of the District are included in the report. The Dumont Board of Education and all its schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels K through 12. These include regular, vocational as well as special educational youngsters. The District completed the 2011-2012 fiscal year with an enrollment of 2,791 students, which is 5 students more than the previous year's enrollment. The following details the changes in the student enrollment of the District over the last ten years.

<u>Fiscal Year</u>	<u>Average Daily Enrollment</u>	<u>Percent Change</u>
2012	2,691.1	-.024%
2011	2,752.7	-.019%
2010	2,805.9	.10%
2009	2,803.0	-.35%
2008	2,812.9	4.66 %
2007	2,687.7	.89 %
2006	2,664.0	.89 %
2005	2,640.4	.64 %
2004	2,623.7	-1.02 %
2003	2,650.6	.58 %

2. ECONOMIC CONDITION AND OUTLOOK: The Dumont District continues to grow through a recycling of homes. Minor subdivisions continue to be built in the borough, but they have had little effect on student population.

3 MAJOR INITIATIVES: Students have continued to score above state and national averages on the standardized tests administered by the district. Students have also scored higher than previous years on the state administered HSPA test during the 2011-2012 school year. The Dumont Board of Education continues to implement new technology initiatives throughout the district which includes a new wireless network, purchase and installation of SMART BOARD technology throughout the district and the purchase and implementation of IPAD carts to assist in the delivery of the educational program. The district also continues to invest in the upkeep and improvement of facilities which included the installation of new windows in the Dumont High School courtyard and the installation of new bleachers and press box at the high school athletic complex, and new exterior doors at Dumont High School, Honiss School and Selzer School.

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 valuation 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 debt service fund. Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either 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 and account groups. These funds and account groups 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. The following schedule presents a summary of the general fund, special revenue fund and debt service fund revenues for the fiscal year ended June 30, 2012 and the amount and percentage of increases/decreases in relation to prior year revenues.

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

8. DEBT ADMINISTRATION: At June 30, 2012, the District had issued \$17,485,000 in permanent bonds.

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

10. RISK MANAGEMENT: The Board carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds.

11. OTHER INFORMATION:

A) Independent Audit – State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of T.M. Vrabel & Associates, LLC was selected by the Board of Education. In addition to meeting the requirements Single Audit Act amendments of 1996 and the related OMB Circular A-133 and State Treasury Circular Letter 04-04 OMB. The auditor's report on the general purpose financial statements and combining and individual fund statements and schedules are included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

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

Respectfully submitted,



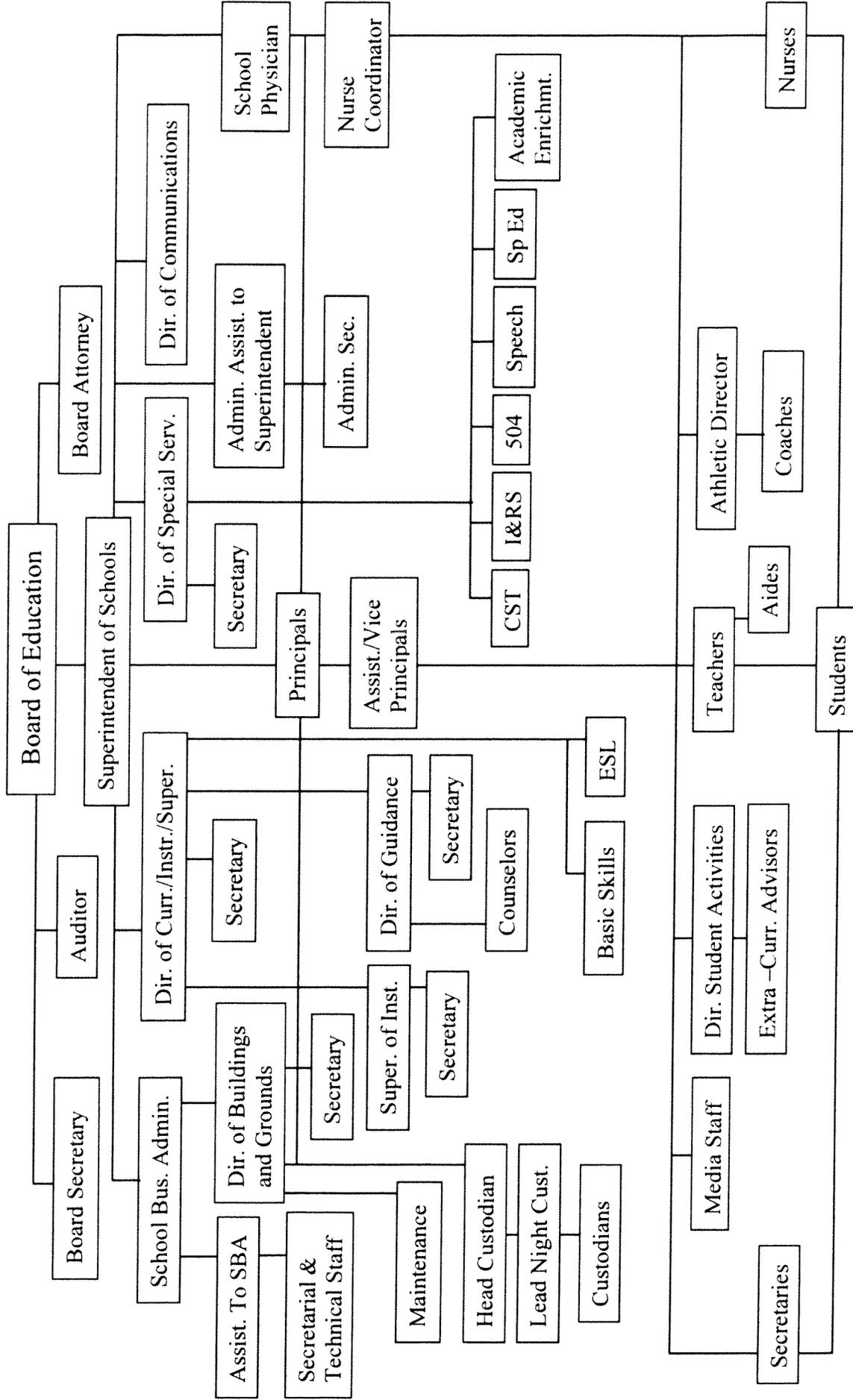
Emanuele Triggiano
Superintendent of Schools



Kevin Cartotto
Board Secretary/Business Administrator

Organization Chart-Dumont Public School District

GG1



Dumont Board of Education
Dumont, New Jersey

ROSTER OF OFFICIALS
June 30, 2012

<u>MEMBERS OF THE BOARD OF EDUCATION</u>	<u>Term Expires</u>
Mr. John Kohlberger, President	2013
Mr. Robert DeWald, Vice President	2014
Mrs. Sandra Fernandez, Member	2012
Mrs. Barbara Correa, Member	2012
Dr. Richard Healy, Member	2012
Mr. Michael Gluckman, Member	2013
Mrs. Karen Valido, Member	2013
Mrs. Theresa Riva, Member	2014
Mrs. Theresa Kelly, Member	2014

OTHER OFFICIALS

Mr. Emanuele L. Triggiano, Superintendent of Schools
Ms. Maria Poidomani, Director of Curriculum, Instruction & Supervision
Mr. Kevin Cartotto, Board Secretary/School Business Administrator
James L. Plosia, Esq., Board Attorney

BOROUGH OF DUMONT
BOARD OF EDUCATION
CONSULTANTS AND ADVISORS

Architect/Engineering
Environectics Group Architects, PC
180 Sylvan Avenue
Englewood Cliffs, New Jersey 07632

Audit Firm
T. M. Vrabel & Associates, LLC
170 East Main Street
P.O. Box 541
Denville, New Jersey 07834

Attorney
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25 Independence Boulevard
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37 Alden Street
Cranford, New Jersey 07016

Official Depository
Wayne Kuss, Senior Vice President
Government Banking
Capital One Bank
710 Route 46
Fairfield, New Jersey 07004

Financial Section

Independent Auditor's Report

T. M. Vrabel & Associates, LLC

Accountants and Auditors

Timothy M. Vrabel, RMA, PSA
Chris C. Hwang, CPA

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying basic financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Borough of Dumont School District 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 Borough of Dumont School District's management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and in compliance with audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the 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 basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Borough of Dumont School District 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 accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated August 10, 2012 on our consideration of the Borough of Dumont School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on 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.

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The Management's Discussion and Analysis on page 14 through 20 and budgetary comparison information on schedules C-1 and C-2 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America as promulgated by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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

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



Timothy M. Vrabel
Public School Accountant
License No. CS000698



Chris C. W. Hwang
Certified Public Accountant
License No. CC033704

August 10, 2012

**REQUIRED SUPPLEMENTARY INFORMATION -
PART I**

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of the Borough of Dumont School District financial activities for the fiscal year ended June 30, 2012. Please read it in conjunction with the transmittal letter on page 1 and the District's financial statements, which begin on page 23.

FINANCIAL HIGHLIGHTS

- The District's net assets decreased \$28,481,000 as a result of this year's operations. Net assets of our business-type activities increased by \$77,000 and net assets of our governmental activities decreased by \$28,558,000 or 189 percent.
- Total cost of all of the District's programs was \$43.8 million in 2011-2012 compared to \$43.7 million in 2010-2011.
- During the year, the District had expenses for governmental activities that were \$1,756,000 less than the \$47.0 million generated in tax and other program revenues.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities (on pages 23 and 24) provide information about the activities of the District as a whole and present a longer-term view on the District's finances. Fund financial statements start on page 27. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the District's operation in more detail than the government-wide statements by providing information about the District's most financially significant funds.

Reporting the District as a Whole

The Statement of Net Assets and the Statement of Activities

Our analysis of the District as a whole begins on page 16. One of the most important questions asked about the District's finances is "Is the District as a whole better off or worse off as a result of the year's activities?" The Statement of Net Assets and the Statement of Activities report information about the District as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. Accrual of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the District's net assets and changes in them. You can think of the District's net assets, the difference between assets and liabilities, as one way to measure the District's financial health, or financial position. Over time, increases or decreases in the District's net assets are one indicator whether its financial health is improving or deteriorating. You will need to consider other nonfinancial factors, however, such as changes in the District's property tax base, and the condition of the District's capital assets to assess the overall health of the District.

In the Statement of Net Assets and the Statement of Activities, we divide the District into two kinds of activities:

Governmental activities: most of the District's basic services are reported here, including general administration. Local taxes, tuition and state and federal aid finance most of these activities.

Business-type-activities: The District has one proprietary funds as shown on pages 32 and 33.

Reporting the District's Most Significant Funds

Fund Financial Statements

Our analysis of the District's major funds begins on page 18. The fund financial statements begin on page 27 and provide detailed information about the most significant funds-not the District as a whole. Some funds are required to be established by State law. The District's two kinds of funds, governmental and proprietary, use different accounting approaches.

Governmental funds: most of the District's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed *short-term view* of the District's general government operations and the basic services it provides. Governmental fund information helps one determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. We describe the relationship (or differences) between governmental *activities* (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds in a reconciliation on page 29.

Proprietary funds: when the District charges customers for the full cost of the services it provides, these services are reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Assets and the Statement of Activities. In fact, the District's enterprise funds (a component of business type funds) are the same as the business-type activities we report in the government-wide statements but provide more detail and additional information, such as cash flows, for proprietary funds.

The District as Trustee

Reporting the District's Fiduciary Responsibilities

The District is the trustee, or *fiduciary*, for the Unemployment Compensation Trust, Scholarship Funds and Agency Funds. All of the District's fiduciary activities are reported in separate Statements of Fiduciary Net Assets and Changes in Fiduciary Net Assets on pages 35 and 36. We exclude these activities from the District's other financial statements because the District cannot use these assets to finance its operations. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

THE DISTRICT AS A WHOLE

The District's *combined* net assets changed from a year ago, decreasing from 15.185 million to (13.296) million. Looking at the net assets and net expenses of governmental and business-type activities separately, different stories emerge. Our analysis below focuses on the net assets (Table 1) and changes in net assets (Table 2) of the District's governmental and business-type activities as of June 30.

Table 1
Net Assets (in Thousands)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2012	2011	2012	2011	2012	2011
Current and other assets	5,006	2,907	126	95	5,132	3,002
Long term receivables	281	217			281	217
Capital assets	1,230	33,160	46	3	1,276	33,163
Total assets	6,517	36,284	172	98	6,689	36,382
Long-term debt outstanding	19,699	20,784			19,699	20,784
Other liabilities	266	390	20	23	286	413
Total liabilities	19,965	21,174	20	23	19,985	21,197
Net assets:						
Invested in capital assets, net of debt	(17,065)	13,923	46	3	(17,019)	13,926
Restricted	4,150	1,943			4,150	1,943
Unrestricted (deficit)	(533)	(756)	106	72	(427)	(684)
Total net assets	(13,448)	15,110	152	75	(13,296)	15,185

Net assets of the District's governmental activities decreased by 28,558,000. Unrestricted net assets, the part of net assets that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements – increased by 223,000. Restricted net assets, those restricted mainly for capital projects increased by 2,207,000. Both net asset categories benefited from increased economic activity, which resulted in actual revenues exceeding budgeted revenues. The investment in capital assets, net of debt category decreased by 30,988,000 due to an adjustment pursuant to a physical appraisal.

Table 2
Changes in Net Assets (in thousands)

	<u>Activities</u>		<u>Activites</u>		<u>Primary Government</u>	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
<u>Revenues</u>						
Program revenues:						
Charges for Services	731	719	401	336	1,132	1,055
Operating Grants and Contributions	6,471	6,095	133	120	6,604	6,215
General revenues:						
Property Taxes	32,565	31,897			32,565	31,897
Tuition	61	19			61	19
Federal and State Aid	6,779	5,923			6,779	5,923
Interest and Investment Earnings	6	24			6	24
N.J.S.D.A. Grants	51	107			51	107
Adjustment to Capital Assaets	(32,319)				(32,319)	-
Other General Revenues	343	10	-	-	343	10
Total Revenues	<u>14,688</u>	<u>44,794</u>	<u>534</u>	<u>456</u>	<u>15,222</u>	<u>45,250</u>
<u>Program expenses including indirect expenses</u>						
Instruction:						
Regular	18,515	19,150			18,515	19,150
Special	3,726	3,524			3,726	3,524
Other instruction	2,385	2,189			2,385	2,189
Support services:						
Tuition	4,057	3,718			4,057	3,718
Student and instruction related services	4,151	4,152			4,151	4,152
School administrative services	3,110	3,165			3,110	3,165
General and business administrative services	1,409	1,423			1,409	1,423
Plant operations and maintenance	4,438	4,452			4,438	4,452
Pupil transportation	656	672			656	672
Special schools	54	51			54	51
Charter school	10				10	-
Interest on long-term debt	736	775			736	775
Business-type activities:						
Food Services	-	-	512	431	512	431
Total Expenses	<u>43,247</u>	<u>43,271</u>	<u>512</u>	<u>431</u>	<u>43,759</u>	<u>43,702</u>
Increase (Decrease) in Net Assets	<u>(28,559)</u>	<u>1,523</u>	<u>22</u>	<u>25</u>	<u>(28,537)</u>	<u>1,548</u>

THE DISTRICT'S FUNDS
Governmental Activities

Table 3

Information below compares revenues and expenditures for all governmental fund types for 2011-2012 and 2010-2011.

(\$000 omitted)	<u>2011-2012</u>	<u>2010-2011</u>	<u>% Change</u>
<u>Revenues by Source:</u>			
Local Tax Levy	33,250	32,603	1.98%
Tuition Charges	61	19	221.05%
Transportation Fees		13	-100.00%
Interest Earned to Investments	6	24	-75.00%
Miscellaneous	<u>448</u>	<u>184</u>	143.48%
Total - Local Sources	33,765	32,843	2.81%
State Sources	11,929	10,952	8.92%
Federal Sources	<u>1,319</u>	<u>1,064</u>	23.97%
Total Revenues	<u>47,013</u>	<u>44,859</u>	4.80%

(\$000 omitted)	<u>2010-2011</u>	<u>2010-2011</u>	<u>% Change</u>
<u>Expenditures by Function:</u>			
Current:			
Regular Instruction	13,832	14,277	-3.12%
Special education	2,883	2,781	3.67%
Other instruction	1,725	1,661	3.85%
Support Services and undistributed costs:			
Tuition	4,057	3,718	9.12%
Student and instruction related services	3,132	3,212	-2.49%
School administrative services	2,272	2,323	-2.20%
General and Business administrative services	1,123	1,134	-0.97%
Plant operations and maintenance	3,663	3,701	-1.03%
Pupil transportation	591	603	-1.99%
Employee Benefits	9,128	8,917	2.37%
Capital Outlay	1,018	511	99.22%
Special School	41	38	7.89%
Charter School	10	-	100.00%
Debt Service:			
Principal	1,035	990	4.55%
Interest on long-term debt	<u>747</u>	<u>786</u>	-4.96%
Total Expenditures	<u>45,257</u>	<u>44,652</u>	1.35%

Business-type Activities

District's major Enterprise Funds consists of the Food Service program. The basic financial statements for the major funds are included in this report. Because the focus on business-type funds is a cost of service measurement or capital maintenance, we have included these funds in Table 4, which demonstrates return on ending assets and return on ending net assets.

Table 4

(\$000 omitted)

	<u>Food Service</u>
Total Assets	172
Net Assets	152
Change in Net Assets	22
Return on Ending Total Assets	12.79%
Return on Ending Net Assets	14.47%

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

Table 5

**Capital Assets at Year-end
(Net of Depreciation, in thousands)**

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Totals</u>	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Land Improvements	\$ 2,007	\$ 1,773			\$ 2,007	\$ 1,773
Buildings	6,083	5,679	-	-	6,083	5,679
Machinery and Equipment	1,630	1,450	<u>50</u>	<u>20</u>	1,680	1,470
Construction-in-progress	<u>-</u>	<u>28,705</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>28,705</u>
Subtotal	9,720	37,607	50	20	9,770	37,627
Accumulated Depreciation	<u>(8,490)</u>	<u>(4,447)</u>	<u>(4)</u>	<u>(2)</u>	<u>(8,494)</u>	<u>(4,449)</u>
Totals	<u>1,230</u>	<u>33,160</u>	<u>46</u>	<u>18</u>	<u>1,276</u>	<u>33,178</u>

This year's major additions in the Governmental Activities included costs for planned construction.

The District's 2012-2013 capital budget anticipates a spending level of \$547,121 for capital projects. More detailed information about the District capital assets is presented in Note III:C. to the basic financial statements

DEBT

At year – end the District had total debt of \$ 18.297 million outstanding versus \$19.239 million last year – a decrease of 4.9 percent – as shown in Table 6.

Outstanding Debt, at year –end (in thousands)
Table 6

	Governmental Activities	
	<u>2012</u>	<u>2011</u>
Serial Bonds	17,485	18,520
Lease - Purchase Agreement	810	717
Authorized but not Issued	<u>2</u>	<u>2</u>
	<u>18,297</u>	<u>19,239</u>

An analysis of District Debt is presented in Note III:D. to the basic financial statements.

BUDGETS

The variances between the originally adopted budget for the year 2011-2012, and the final budget were caused by the treatment of encumbrances that are added to the original budget and additional revenues. In addition, the State pension payments, which are paid by the State on behalf of employees are not budgeted, however they are counted as an expense in the audit.

CONTACTING THE DISTRICT’S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the District’s finances and to show the District’s accountability for the money it receives. If you have questions about this report or need additional financial information, contact the School Business Administrator, Dumont School District, 25 Depew St. Dumont, New Jersey 07628

BASIC FINANCIAL STATEMENTS

Section A
DISTRICT – WIDE FINANCIAL STATEMENTS

**BOARD OF EDUCATION
BOROUGH OF DUMONT
Statement of Net Assets
June 30, 2012**

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ 3,494,384.47	\$ 86,642.44	\$ 3,581,026.91
Receivables, net	1,405,258.55	6,021.90	1,411,280.45
Interfunds receivable	196.14	13,604.38	13,800.52
Inventory		19,277.15	19,277.15
Restricted assets:			
Cash and cash equivalents	(63,405.41)		(63,405.41)
Capital reserve account - cash	450,001.00		450,001.00
Capital assets, net (Note III:C.):	<u>1,230,093.57</u>	<u>46,122.90</u>	<u>1,276,216.47</u>
Total Assets	<u>6,516,528.32</u>	<u>171,668.77</u>	<u>6,688,197.09</u>
 LIABILITIES			
Accounts payable		20,052.69	20,052.69
Interfunds payable	13,604.38		13,604.38
Deferred revenue	41,195.17		41,195.17
Bond interest payable	211,218.75		211,218.75
Noncurrent liabilities (Note IV:B.):			
Due within one year	1,546,357.28		1,546,357.28
Due beyond one year	<u>18,152,468.27</u>	<u>-</u>	<u>18,152,468.27</u>
Total liabilities	<u>19,964,843.85</u>	<u>20,052.69</u>	<u>19,984,896.54</u>
 NET ASSETS			
Invested in capital assets, net of related debt	(17,064,870.98)	46,122.90	(17,018,748.08)
Restricted for:			
Capital projects	491,546.99		491,546.99
Debt service	(211,218.33)		(211,218.33)
Other purposes	3,869,185.74		3,869,185.74
Unrestricted	<u>(532,958.95)</u>	<u>105,493.18</u>	<u>(427,465.77)</u>
Total Net Assets	<u>\$ (13,448,315.53)</u>	<u>\$ 151,616.08</u>	<u>\$ (13,296,699.45)</u>

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

**BOARD OF EDUCATION
BOROUGH OF DUMONT
Statement of Activities
For the Year Ended June 30, 2012**

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Assets			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
Instruction:							
Regular	\$ 18,514,772.35	\$ -	\$ 1,900,915.88	\$ -	\$ (16,613,856.47)	\$ -	\$ (16,613,856.47)
Special education	3,725,725.26		1,463,481.29		(2,262,243.97)		(2,262,243.97)
Other instruction	2,385,494.57		205,250.22		(2,180,244.35)		(2,180,244.35)
Support services:							
Tuition	4,056,891.95		1,549,695.00		(2,507,196.95)		(2,507,196.95)
Student and instruction related services	4,151,147.32		593,437.54		(3,557,709.78)		(3,557,709.78)
School administrative services	3,109,606.11		296,486.64		(2,813,119.47)		(2,813,119.47)
General and business administrative services	1,408,866.82		106,831.12		(1,302,035.70)		(1,302,035.70)
Plant operations and maintenance	4,438,096.08		272,474.73		(4,165,621.35)		(4,165,621.35)
Pupil transportation	656,515.58		27,145.11		(629,370.47)		(629,370.47)
Charter schools	54,364.34	45,825.00	4,917.68		(3,621.66)		(3,621.66)
Interest on long-term debt	9,718.00				(9,718.00)		(9,718.00)
Total governmental activities	735,615.83	685,171.83	50,444.00		(36,044,738.17)		(36,044,738.17)
Business-type activities:							
Food Service	512,856.49	401,362.35	133,196.76			21,702.62	21,702.62
Total business-type activities	512,856.49	401,362.35	133,196.76			21,702.62	21,702.62
Total primary government	\$ 43,759,670.70	\$ 1,132,359.18	\$ 6,604,275.97	\$ -	\$ (36,044,738.17)	\$ 21,702.62	\$ (36,023,035.55)
General revenues:							
Taxes:							
Property taxes, levied for general purposes					\$ 31,518,332.00	\$ -	\$ 31,518,332.00
Property taxes, levied for debt service principal					1,046,474.17		1,046,474.17
Federal and State aid not restricted					6,779,311.17		6,779,311.17
Tuition (other than special schools)					60,613.10		60,613.10
Investment Earnings					6,354.24	257.08	6,611.32
Miscellaneous Income					400,498.45		400,498.45
Adjustment to Capital Assets					(32,319,142.69)		(32,319,142.69)
Debt Service Assessment					(56,880.00)		(56,880.00)
N.J.S.D.A. Grants					156,059.00		156,059.00
N.J.S.D.A. Grants Canceled					(105,047.60)		(105,047.60)
Total general revenues, special items, extraordinary items and transfers					7,486,571.84	257.08	7,486,828.92
Change in Net Assets					(28,558,166.33)	21,959.70	(28,536,206.63)
Net Assets—beginning					15,109,850.80	129,656.38	15,239,507.18
Net Assets—ending					\$ (13,448,315.53)	\$ 151,616.08	\$ (13,296,699.45)

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

Section B
FUND FINANCIAL STATEMENTS

GOVERNMENTAL FUNDS

BOARD OF EDUCATION
BOROUGH OF DUMONT
Balance Sheet
Governmental Funds
June 30, 2012

	<u>General</u> <u>Fund</u>	<u>Special</u> <u>Revenue</u> <u>Fund</u>	<u>Capital</u> <u>Projects</u> <u>Fund</u>	<u>Debt</u> <u>Service</u> <u>Fund</u>	<u>Total</u> <u>Governmental</u> <u>Funds</u>
ASSETS					
Cash and cash equivalents	\$ 3,606,962.76	\$ (113,978.71)	\$ (63,405.41)	\$ 0.42	\$ 3,429,579.06
Petty cash	1,400.00				1,400.00
Interfunds receivable	196.14				196.14
Receivables from other governments	538,436.60	126,992.00	281,047.40		946,476.00
Other receivable	247,728.03		211,054.52		458,782.55
Restricted cash and cash equivalents	<u>450,001.00</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>450,001.00</u>
Total Assets	<u>\$ 4,844,724.53</u>	<u>\$ 13,013.29</u>	<u>\$ 428,696.51</u>	<u>\$ 0.42</u>	<u>\$ 5,286,434.75</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Interfunds payable	\$ 13,604.38	\$ -	\$ -	\$ -	\$ 13,604.38
Deferred revenue	<u>28,181.88</u>	<u>13,013.29</u>			<u>41,195.17</u>
Total Liabilities	<u>41,786.26</u>	<u>13,013.29</u>			<u>54,799.55</u>
Fund Balances:					
Restricted for:					
Reserved Excess Surplus - Designated for Subsequent Year's Expenditures	577,936.90				577,936.90
Reserve for Excess Surplus	837,225.24				837,225.24
Capital Reserve Account	450,001.00				450,001.00
Capital Projects			41,545.99		41,545.99
Debt Service				0.42	0.42
Assigned to:					
Other Purposes	2,066,873.08		387,150.52		2,454,023.60
Designated for Subsequent Year's Expenditures	615,674.10				615,674.10
Unassigned	<u>255,227.95</u>		<u>-</u>	<u>-</u>	<u>255,227.95</u>
Total Fund Balances	<u>4,802,938.27</u>	<u>-</u>	<u>428,696.51</u>	<u>0.42</u>	<u>5,231,635.20</u>
Total Liabilities and Fund Balances	<u>\$ 4,844,724.53</u>	<u>\$ 13,013.29</u>	<u>\$ 428,696.51</u>	<u>\$ 0.42</u>	

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

Adjustment to Debt Service Fund net assets for the accrual of interest expense. (211,218.75)

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$9,720,669.45 and the accumulated depreciation is \$8,490,575.88. 1,230,093.57

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds (see Note IV:B.) (19,698,825.55)

Net assets of governmental activities \$ (13,448,315.53)

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

**BOARD OF EDUCATION
BOROUGH OF DUMONT**
Statement of Revenues, Expenditures, And Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2012

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
REVENUES					
Local sources:					
Local tax levy	\$ 31,518,332.00	\$ -	\$ -	\$ 1,731,646.00	\$ 33,249,978.00
Tuition charges	60,613.10				60,613.10
Interest earned on investments	6,354.24				6,354.24
Miscellaneous	444,380.18	3,943.27		-	448,323.45
Total - Local Sources	32,029,679.52	3,943.27	-	1,731,646.00	33,765,268.79
State sources	11,879,148.43			50,444.00	11,929,592.43
Federal sources	342,193.86	976,604.09		-	1,318,797.95
Total Revenues	44,251,021.81	980,547.36	-	1,782,090.00	47,013,659.17
EXPENDITURES					
Current:					
Regular instruction	13,653,688.36	178,297.90			13,831,986.26
Special education instruction	2,319,188.98	564,102.61			2,883,291.59
Other instruction	1,724,808.22				1,724,808.22
Support services and undistributed costs:					
Tuition	4,056,891.95				4,056,891.95
Student and instruction related services	2,917,148.09	215,026.85			3,132,174.94
School administrative services	2,271,982.87				2,271,982.87
General and business administrative services	1,123,342.09				1,123,342.09
Plant operations and maintenance	3,662,724.74				3,662,724.74
Pupil transportation	590,434.94				590,434.94
Unallocated benefits	9,110,367.86	18,000.00			9,128,367.86
Special schools	40,738.43				40,738.43
Transfer to charter school	9,718.00				9,718.00
Capital outlay	752,696.26	5,120.00	260,625.03		1,018,441.29
Debt service:					
Principal				1,035,000.00	1,035,000.00
Interest and other charges	-	-	-	747,395.00	747,395.00
Total Expenditures	42,233,730.79	980,547.36	260,625.03	1,782,395.00	45,257,298.18
Excess (Deficiency) of revenues over expenditures	2,017,291.02	-	(260,625.03)	(305.00)	1,756,360.99
OTHER FINANCING SOURCES AND (USES)					
N.J.S.D.A. Grants			156,059.00		156,059.00
N.J.S.D.A. Grants canceled			(105,047.60)		(105,047.60)
Capital leases (non-budgeted)	234,847.00		232,053.00		466,900.00
Total Other Financing Sources and (Uses)	234,847.00	-	283,064.40	-	517,911.40
Net change in fund balances	2,252,138.02	-	22,439.37	(305.00)	2,274,272.39
Fund Balance—July 1	2,550,800.25	-	406,257.14	305.42	2,957,362.81
Fund Balance—June 30	\$ 4,802,938.27	\$ -	\$ 428,696.51	\$ 0.42	\$ 5,231,635.20

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

**BOARD OF EDUCATION
BOROUGH OF DUMONT**
**Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended June 30, 2012**

Total net change in fund balances - governmental funds (from B-2)		\$ 2,274,272.39
<p>Amounts reported for governmental activities in the statement of activities (A-2) are different because:</p>		
<p>In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. The difference in accrued interest is an addition in the reconciliation. (+)</p>		
Interest paid	\$ 747,395.00	
Interest accrued	<u>(735,615.83)</u>	11,779.17
<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	(224,808.86)	
Capital outlays (exclusive of capital lease principal payments)	<u>670,941.73</u>	446,132.87
Adjustment to Capital Assets in accordance with physical appraisal		(32,319,142.69)
A Debt Service Assessment which is a capital outlay expenditure but not included in capital assets		(56,880.00)
<p>In the statement of activities, only the gain on the disposal of capital assets is reported, whereas in the governmental funds, the proceeds from a sale increase financial resources. Thus, the change in net assets will differ from the change in fund balance by the cost of the asset removed. (-)</p>		
		-
<p>In the statement of activities, certain operating expenses, e.g., compensated absences (vacations and unused sick pay) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition in the reconciliation (+).</p>		
		143,968.50
<p>Payment of long-term liability principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities.</p>		
Debt principal		1,035,000.00
Capital lease principal		373,603.43
<p>Proceeds from debt issues are a financing source in the governmental funds. They are not revenue in the statement of activities; issuing debt increases long-term liabilities in the statement of net assets.</p>		
Proceeds of long-term debt		
Capital lease proceeds		(466,900.00)
<p>Revenues in the statement of activities which do not provide current financial resources are not reported as revenues in the funds. (+)</p>		
		-
Change in net assets of governmental activities		<u>\$ (28,558,166.33)</u>

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

PROPRIETARY FUNDS

**BOARD OF EDUCATION
BOROUGH OF DUMONT
Statement of Net Assets
Proprietary Funds
June 30, 2012**

	Business-type Activities - Enterprise Funds	
	Food Service	Totals
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 86,642.44	\$ 86,642.44
Accounts receivable	6,021.90	6,021.90
Interfund receivables	13,604.38	13,604.38
Inventories	19,277.15	19,277.15
Total Current Assets	125,545.87	125,545.87
Noncurrent assets:		
Furniture, machinery and equipment	50,462.81	50,462.81
Less accumulated depreciation	(4,339.91)	(4,339.91)
Total Noncurrent Assets	46,122.90	46,122.90
Total Assets	171,668.77	171,668.77
LIABILITIES		
Current Liabilities:		
Accounts payable	20,052.69	20,052.69
Total Current Liabilities	20,052.69	20,052.69
Total Liabilities	20,052.69	20,052.69
NET ASSETS		
Invested in capital assets, net of related debt	46,122.90	46,122.90
Unrestricted	105,493.18	105,493.18
Total Net Assets	\$ 151,616.08	\$ 151,616.08

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

**BOARD OF EDUCATION
BOROUGH OF DUMONT**
Statement of Revenues, Expenses, and Changes in Fund Net Assets
Proprietary Funds
For the Year Ended June 30, 2012

	<u>Business-type Activities - Enterprise Funds</u>	
	<u>Food Service</u>	<u>Totals</u>
Operating Revenues:		
Charges for services:		
Daily sales - reimbursable programs	\$ 176,599.43	\$ 176,599.43
Daily sales - non-reimbursable programs	224,762.92	224,762.92
Total Operating Revenues	<u>401,362.35</u>	<u>401,362.35</u>
Operating Expenses:		
Cost of sales	187,647.96	187,647.96
Salaries	137,297.11	137,297.11
Employee benefits	51,866.27	51,866.27
Management Fee	18,588.23	18,588.23
Cleaning, repair and maintenance services	62,291.23	62,291.23
General supplies	52,699.61	52,699.61
Depreciation	2,466.08	2,466.08
Total Operating Expenses	<u>512,856.49</u>	<u>512,856.49</u>
Operating Income (Loss)	<u>(111,494.14)</u>	<u>(111,494.14)</u>
Nonoperating Revenues (Expenses):		
State sources:		
State school lunch program	4,936.83	4,936.83
Federal sources:		
National school lunch program	106,037.80	106,037.80
Food distribution program	22,222.13	22,222.13
Interest and investment revenue	257.08	257.08
Total Nonoperating Revenues (Expenses)	<u>133,453.84</u>	<u>133,453.84</u>
Income (loss) before contributions and transfers	21,959.70	21,959.70
Transfers in (out)	-	-
Change in net assets	21,959.70	21,959.70
Total Net Assets—Beginning	<u>129,656.38</u>	<u>129,656.38</u>
Total Net Assets—Ending	<u>\$ 151,616.08</u>	<u>\$ 151,616.08</u>

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

BOARD OF EDUCATION
BOROUGH OF DUMONT
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2012

	Business-type Activities - Enterprise Funds	
	Food Service	Totals
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	\$ 431,737.86	\$ 431,737.86
Payments to employees	(137,297.11)	(137,297.11)
Payments for employee benefits	(51,866.27)	(51,866.27)
Payments to suppliers	<u>(326,687.45)</u>	<u>(326,687.45)</u>
Net cash provided by (used for) operating activities	<u>(84,112.97)</u>	<u>(84,112.97)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State Sources	4,936.83	4,936.83
Federal Sources	<u>128,259.93</u>	<u>128,259.93</u>
Net cash provided by (used for) non-capital financing activities	<u>133,196.76</u>	<u>133,196.76</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchases of capital assets	<u>(30,745.05)</u>	<u>(30,745.05)</u>
Net cash provided by (used for) capital and related financing activities	<u>(30,745.05)</u>	<u>(30,745.05)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest and dividends	<u>257.08</u>	<u>257.08</u>
Net cash provided by (used for) investing activities	<u>257.08</u>	<u>257.08</u>
Net increase (decrease) in cash and cash equivalents	18,595.82	18,595.82
Balances—beginning of year	<u>68,046.62</u>	<u>68,046.62</u>
Balances—end of year	<u>\$ 86,642.44</u>	<u>\$ 86,642.44</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:		
Operating income (loss)	\$ (111,494.14)	\$ (111,494.14)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:		
Depreciation and net amortization	2,466.08	2,466.08
(Increase) decrease in accounts receivable, net	30,375.51	30,375.51
(Increase) decrease in inventories	(2,684.45)	(2,684.45)
Increase (decrease) in accounts payable	<u>(2,775.97)</u>	<u>(2,775.97)</u>
Total adjustments	<u>27,381.17</u>	<u>27,381.17</u>
Net cash provided by (used for) operating activities	<u>\$ (84,112.97)</u>	<u>\$ (84,112.97)</u>

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

FIDUCIARY FUNDS

**BOARD OF EDUCATION
BOROUGH OF DUMONT
Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2012**

	<u>Unemployment Compensation Trust</u>	<u>Private Purpose Scholarship Fund</u>	<u>Agency Fund</u>
ASSETS			
Cash and cash equivalents	\$ 111,934.79	\$ 19,430.44	\$ 457,380.88
Total Assets	<u>\$ 111,934.79</u>	<u>\$ 19,430.44</u>	<u>\$ 457,380.88</u>
LIABILITIES			
Payable to district			\$ 196.14
Payable to student groups			177,479.79
Payroll deductions and withholdings			<u>279,704.95</u>
Total Liabilities			<u>\$ 457,380.88</u>
NET ASSETS			
Held in trust for unemployment claims and other purposes	<u>\$ 111,934.79</u>		
Reserved for scholarships		<u>\$ 19,430.44</u>	

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

**BOARD OF EDUCATION
BOROUGH OF DUMONT
Statement of Changes in Fiduciary Net Assets
Fiduciary Funds
For the Year Ended June 30, 2012**

	Unemployment Compensation <u>Trust</u>	Private Purpose Scholarship <u>Fund</u>
ADDITIONS		
Contributions:		
Plan member	\$ 53,558.98	\$ -
Board of Education	75,550.27	
Other	-	3,364.57
Total Contributions	<u>129,109.25</u>	<u>3,364.57</u>
Investment earnings:		
Interest	49.24	87.59
Net investment earnings	<u>49.24</u>	<u>87.59</u>
Total Additions	<u>129,158.49</u>	<u>3,452.16</u>
DEDUCTIONS		
Unemployment claims	62,904.43	
Scholarships awarded	-	5,975.00
Total Deductions	<u>62,904.43</u>	<u>5,975.00</u>
Change in Net Assets	66,254.06	(2,522.84)
Net Assets—beginning	<u>45,680.73</u>	<u>21,953.28</u>
Net Assets—ending	<u>\$ 111,934.79</u>	<u>\$ 19,430.44</u>

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

NOTES TO BASIC FINANCIAL STATEMENTS

BOARD OF EDUCATION
BOROUGH OF DUMONT

NOTES TO BASIC FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2012 AND 2011

Note 1: Summary of Significant Accounting Policies

A. Basis of Presentation

The financial statements of the Board of Education (Board) of the Borough of Dumont School District (District) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The District is required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989 (when applicable) that do not conflict with or contradict GASB pronouncements. Although the District has the option to apply FASB pronouncements issued after that date to its business-type activities and enterprise funds, the District has chosen not to do so. The more significant accounting policies established in GAAP and used by the District are discussed below.

In June 1999, the GASB issued Statement No. 34, Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments. This Statement established new financial reporting requirements for state and local governments throughout the United States. It required new information and restructuring much of the information that governments had presented in the past. The District began implementing these standards for the fiscal year ending June 30, 2003.

Other GASB Statements were also required to be implemented in conjunction with GASB Statements No. 34. Therefore, the District implemented for the fiscal year ending June 30, 2003, Statement No. 37 – Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments: Omnibus, and Statement No. 38 – Certain Financial Statement Note Disclosures.

B. Reporting Entity

The Borough of Dumont School District is an instrumentality of the State of New Jersey, established to function as an educational institution. The Board consists of elected officials and is responsible for the fiscal control of the District. A superintendent is appointed by the Board and is responsible for the administrative control of the District.

BOARD OF EDUCATION
BOROUGH OF DUMONT

NOTES TO BASIC FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2012 AND 2011

Note I: Summary of Significant Accounting Policies (Continued)

B. Reporting Entity (Continued)

The primary criterion for including activities within the District's reporting entity, as set forth in Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards, is the degree of oversight responsibility maintained by the District. Oversight responsibility includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters. The combined financial statements include all funds of the District over which the Board exercises operating control. The operations of the District include four elementary schools and one senior high school located in Dumont. 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.

C. Basic Financial Statements- Government-Wide Statements

The statement of net assets and the statement of activities display information about the District. These statements include the financial activities of the 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. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities 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) 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 requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

D. Basic Financial Statements- Fund Financial Statements

The financial transactions of the District are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

BOARD OF EDUCATION
BOROUGH OF DUMONT

NOTES TO BASIC FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2012 AND 2011

Note 1: Summary of Significant Accounting Policies (Continued)

D. Basic Financial Statements- Fund Financial Statements (Continued)

The following fund types are used by the District:

Governmental Fund Types

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the District:

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

As required by the New Jersey State Department of Education, the District includes budgeted Capital Outlay in this fund. 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 fixed assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to Current Expense by board resolution and, excluding equipment, with County Superintendent approval.

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

Capital Projects Fund – The Capital Projects Fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary Funds). The financial resources are derived from temporary notes or serial bonds that are specially authorized by the voters as a separate question on the ballot either during the annual election or at a special election.

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

BOARD OF EDUCATION
BOROUGH OF DUMONT

NOTES TO BASIC FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2012 AND 2011

Note I: Summary of Significant Accounting Policies (Continued)

D. Basic Financial Statements- Fund Financial Statements (Continued)

Proprietary Fund Type

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

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

The District's Enterprise Fund is comprised of the Food Service Fund.

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

Food Service Fund:	
Equipment	12 Years
Light Trucks and Vehicle	4 Years
Heavy Trucks and Vehicle	6 Years

Fiduciary Fund Types

Fiduciary Funds are used to report assets held in a trustee or agency capacity for others and therefore are not available to support District programs. The reporting focus is on net assets and changes in net assets and are reported using accounting principles similar to proprietary funds.

The District's fiduciary funds are presented in the fiduciary fund financial statements by type (Unemployment Compensation, private purpose and agency). Since by definition these assets are being held for the benefit of a third party (other local governments, private parties, pension participants, etc.) and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements.

BOARD OF EDUCATION
BOROUGH OF DUMONT

NOTES TO BASIC FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2012 AND 2011

Note 1: Summary of Significant Accounting Policies (Continued)

E. Measurement Focus and Basis of Accounting

The government-wide, proprietary and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange, include state and federal aid, property taxes, grants entitlements and donations.

Government 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. The District considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general 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 of general long-term debt and acquisitions under capital leases are reported as other financing sources.

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. The District is entitled to receive moneys under the established payment schedule and the unpaid amount is considered to be an "accounts receivable".

F. 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. 6:20-2A.2(m)1. All budget amendments must be approved by School Board resolution. Appropriation of additional revenues in the amount of \$334,349.00 and prior year encumbrances in the amount of \$1,163,236.98 were made during the year ended June 30, 2012. The significant budget transfers and amendments approved in the school year are presented on Exhibit C-1.

BOARD OF EDUCATION
BOROUGH OF DUMONT

NOTES TO BASIC FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2012 AND 2011

Note 1: Summary of Significant Accounting Policies (Continued)

F. Budgets Budgetary Control (Continued)

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

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

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

The reconciliation of the general and special revenue funds from the budgetary basis of accounting to the GAAP basis of accounting is presented on Exhibit C-3.

G. Assets, Liabilities and Fund Equity

1. Deposits and Investments

Deposits are cash and cash equivalents including petty cash, change funds, cash in banks and all highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest. Other than Certificates of Deposit, deposits with maturities of greater than three months are considered to be investments. U.S. Treasury and agency obligations and certificates of deposit with maturities of one year or less when purchased are stated at cost. All other investments are stated at fair value.

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

2. Short – term Interfund Receivables/Payables

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

3. Inventories

Inventories, which benefit future periods, other than those recorded in the enterprise fund are recorded as expenditure during the year of purchase.

Enterprise fund inventories are valued at cost, which approximates market, using the first-in-first-out (FIFO) method.

BOARD OF EDUCATION
BOROUGH OF DUMONT

NOTES TO BASIC FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2012 AND 2011

Note I: Summary of Significant Accounting Policies (Continued)

G. Assets, Liabilities and Fund Equity (Continued)

4. Capital Assets

Capital assets purchased or acquired with an original cost of \$2,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on the following assets is provided on the straight – line basis over the following estimated useful lives:

Buildings	20-50 years
Machinery and Equipment	5-10 years
Land Improvements	10-20 years
Other Infrastructure	10-50 years

Land and Construction in Progress are not depreciated.

GASB No. 34 requires the District to report and depreciate new infrastructure assets effective with the beginning of the current year. Neither their historical cost nor related depreciation has historically been reported in the financial statements. The retroactive reporting of infrastructure is subject to an extended implementation period and is first effective for fiscal years ending in 2006.

5. Compensated Absences

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

In governmental and similar trust funds, compensated absences that are expected to be liquidated with expendable available financial resources are reported as an expenditure and fund liability in the fund that will pay for the compensated absences. The noncurrent portion (the amount estimated to be used in subsequent fiscal years) for governmental funds is maintained separately and represents a reconciling item between the fund and government – wide presentations. (See Note IX)

6. Deferred Revenue

Deferred revenue in the special revenue fund represents cash which has been received but not yet earned. See Note I(F) regarding the special revenue fund.

BOARD OF EDUCATION
BOROUGH OF DUMONT

NOTES TO BASIC FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2012 AND 2011

Note I: Summary of Significant Accounting Policies (Continued)

G. Assets, Liabilities and Fund Equity (Continued)

7. Long – term Obligations

Long – term debt is recognized as a liability of a governmental fund when due, or when resources have been accumulated in the debt service fund for payment early in the following year. For other long – term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund. The noncurrent portion (the amount estimated to be used in subsequent fiscal years) for governmental funds is maintained separately and represents a reconciling item between the fund and government – wide presentations.

8. Fund Equity

Reserves represent those portions of fund equity not appropriable for expenditure or legally segregated for a specific future use. Designated fund balances represent plans for future use of financial resources.

9. Use of Estimates

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

BOARD OF EDUCATION
BOROUGH OF DUMONT

NOTES TO BASIC FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2012 AND 2011

Note II: Reconciliation of Government Wide and Fund Financial Statements

Explanation of Differences between Governmental Funds Balance Sheet and the Statement of Net Assets

"Total fund balances" of the District's governmental funds in B-1 differs from "net assets" of governmental activities reported in the statement of net assets in A-1. This difference primarily results from the long - term economic focus of the statement of net assets versus the current financial resources focus of the governmental fund balance sheets.

	<u>Balance Sheet/Statement of Net Assets</u>			Statement of Net Assets Totals
<u>Assets</u>	Total Governmental Funds	Long - term Assets Liabilities (L)	Reclassifications and Eliminations	
Cash and cash equivalents	\$ 3,430,979.06	\$ -	\$ 63,405.41	\$ 3,494,384.47
Receivables, net			1,405,258.55	1,405,258.55
Interfund Receivables	196.14			196.14
Receivables from Other Governments	946,476.00		(946,476.00)	-
Other Receivables	458,782.55		(458,782.55)	-
Restricted assets:				-
Cash and cash equivalents			(63,405.41)	(63,405.41)
Capital Reserve Account - cash	450,001.00			450,001.00
Capital Assets, net	-	1,230,093.57	-	1,230,093.57
 Total Assets	 <u>\$ 5,286,434.75</u>	 <u>\$ 1,230,093.57</u>	 <u>\$ -</u>	 <u>\$ 6,516,528.32</u>
 <u>Liabilities</u>				
Interfunds Payable	\$ 13,604.38	\$ -		\$ 13,604.38
Deferred Revenue	41,195.17			41,195.17
Bond Interest Payable			211,218.75	211,218.75
Noncurrent Liabilities	-	18,294,964.55	1,403,861.00	19,698,825.55
Total Liabilities	<u>54,799.55</u>	<u>18,294,964.55</u>	<u>1,615,079.75</u>	<u>19,964,843.85</u>
 <u>Fund Balances/Net Assets</u>				
<u>Net Assets</u>				
Invested in capital assets, net of related debt		(17,064,870.98)		(17,064,870.98)
Restricted for:				
Capital projects	491,546.99			491,546.99
Debt Service	0.42		(211,218.75)	(211,218.33)
Other purposes	3,869,185.74			3,869,185.74
Unrestricted	870,902.05	-	(1,403,861.00)	(532,958.95)
Total Fund Balances/Net Assets	<u>5,231,635.20</u>	<u>(17,064,870.98)</u>	<u>(1,615,079.75)</u>	<u>(13,448,315.53)</u>
Total Liabilities and Fund Balances/Net Assets	<u>\$ 5,286,434.75</u>	<u>\$ 1,230,093.57</u>	<u>\$ -</u>	<u>\$ 6,516,528.32</u>

1. When Capital Assets (land, buildings, equipment) that are to be used in governmental activities are purchased or constructed, the cost of those assets are reported as expenditures in governmental funds. However, the statement of net assets includes those capital assets among the assets of the District as a whole.

Cost of capital assets	\$ 9,720,669.45
Accumulated depreciation	(8,490,575.88)
	<u>\$ 1,230,093.57</u>

Long - term liabilities applicable to the District's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities - both current and long - term are reported in the of net assets.

Serial Bonds	\$ 17,485,000.00
Capital Leases	809,964.55
Compensated Absences	1,403,861.00
	<u>\$ 19,698,825.55</u>

Adjustment to Debt Service Fund net assets for the accrual of interest expense.

\$ (211,218.75)

**BOARD OF EDUCATION
BOROUGH OF DUMONT**

**NOTES TO BASIC FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2012 AND 2011**

Note 11. Reconciliation of Government Wide and Fund Financial Statements (Continued)

Explanation of Differences between Governmental Funds Operating Statement of Activities

The "net change in fund balances" for governmental funds in B-2 differs from the "change in net assets" for governmental activities reported in the statement of activities in A-2. The difference arise primarily for the long-term economic focus of the statement of activities versus the current financial resources focus of the governmental funds. The effect of the differences is illustrated below.

Statement of Revenues, Expenditures, and Changes in Fund Balance Statement of Activities

	Total Governmental Funds	Long - term Revenue, Expenses (2)	Capital Related Items (3)	Long - term Debt Transactions (4)	Reclassifications and Eliminations (5)	Statement of Activities Totals
Revenues and Other Sources						
Local Tax Levy	\$ 33,249,978.00	\$ -	\$ -	\$ -	\$ -	\$ 33,249,978.00
Tuition Charges	60,613.10					60,613.10
Interest Earned on Investments	6,354.24					6,354.24
Miscellaneous	448,323.45					448,323.45
State Sources	11,929,592.43					11,929,592.43
Federal Sources	1,318,797.95					1,318,797.95
Adjustment to Capital Assets	-	-	(32,319,142.69)	-	-	(32,319,142.69)
Total	\$ 47,013,659.17	\$ -	\$ (32,319,142.69)	\$ -	\$ -	\$ 14,694,516.48
Expenditures						
Current:						
Regular instruction	13,831,986.26		77,681.60	(136,048.00)	4,741,152.49	18,514,772.35
Special education	2,883,291.59		5,711.98	(2,975.00)	839,696.69	3,725,725.26
Other instruction	1,724,808.22		101,329.41	(9,350.00)	568,706.94	2,385,494.57
Support Services and undistributed costs						
Tuition	4,056,891.95					4,056,891.95
Student and instruction related services	3,132,174.94		1,958.34	(473.50)	1,017,487.54	4,151,147.32
School administrative services	2,271,982.87		1,534.07	14,584.50	821,504.67	3,109,606.11
General and business administrative services	1,123,342.09		5,833.74	(16,316.50)	296,007.49	1,408,866.82
Plant operations and maintenance	3,662,724.74		13,788.84	6,610.00	754,972.50	4,438,096.08
Pupil transportation	590,434.94		16,970.88	(26,103.87)	75,213.63	656,515.58
Unallocated Benefits	9,128,367.86				(9,128,367.86)	-
Special Schools	40,738.43				13,625.91	54,364.34
Transfer to Charter school	9,718.00					9,718.00
Capital Outlay	1,018,441.29		(670,941.73)	(347,499.56)		-
Debt Service						
Principal	1,035,000.00			(1,035,000.00)		-
Interest	747,395.00	(11,779.17)				735,615.83
Total	45,257,298.18	(11,779.17)	(446,132.87)	(1,552,571.93)	-	43,246,814.21
Other Financing Uses/Changes in Net Assets						
Debt Service Assessment			(56,880.00)			(56,880.00)
N J S D A Grants	156,059.00					156,059.00
N J S D A Grants Canceled	(105,047.60)					(105,047.60)
Capital Leases	466,900.00			(466,900.00)		-
Total	517,911.40	-	(56,880.00)	(466,900.00)	-	(5,868.60)
Net Change for the Year	\$ 2,274,272.39	\$ 11,779.17	\$ 389,252.87	\$ 1,085,671.93	\$ -	\$ (28,558,166.33)

2. In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. The accrued interest is an addition in the reconciliations (+) \$ 11,779.17

3. 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 which capital outlays exceeded depreciation in the period.

Depreciation expense	\$ (224,808.86)
Capital outlays (exclusive of capital lease payments)	670,941.73
	<u>\$ 446,132.87</u>

3. Adjustment to Capital Assets in accordance with physical appraisal \$ (32,319,142.69)

3. A Debt Service Assessment which is a capital outlay expenditure but not included in capital assets. \$ (56,880.00)

3. In the statement of activities, only the gain on the disposal of capital assets is reported, whereas in the governmental funds, the proceeds from a sale increase financial resources. Thus, the change in net assets will differ from the change in fund balance by the cost of the asset removed. (-) \$ -

4. In the statement of activities, certain operating expenses, e.g. compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the earned amount the differences is an addition to the reconciliation (+) \$ 143,968.50

Payment of long-term liability principal is an expenditure in the government funds, but the payment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities

Debt principal	1,035,000.00
Capital lease principal	373,603.43
	<u>\$ 1,552,571.93</u>

4. Proceeds from debt issues are a financing source in the governmental funds. They are not revenue in the statement of activities, issuing debt increases long-term liabilities in the statement of net assets.

Proceeds of long-term debt	\$ -
Capital lease proceeds	(466,900.00)
	<u>\$ (466,900.00)</u>

5. Allocate Benefits expenditures

BOARD OF EDUCATION
BOROUGH OF DUMONT

NOTES TO BASIC FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2012 AND 2011

Note III: Detailed Disclosure Regarding Assets and Revenues

A. Deposits and Investments

Deposits

New Jersey statutes permit the deposit of public funds in institutions located in New Jersey which are insured by the Federal Deposit Insurance Corporation (FDIC), the Savings Association Insurance Fund, or by any other agencies of the United States that insure deposits or the State of New Jersey Cash Management Fund.

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

At June 30, 2012 the Borough of Dumont School District's cash and cash equivalent's amounted to \$5,035,069.70. Of this amount, \$250,000.00 was covered by federal depository insurance (F.D.I.C.) and \$4,777,251.02 was covered by a collateral pool maintained by the banks as required by GUDPA. Deposits in the amount of \$7,818.68 are in the Municipal Bond Investors Service Corporation account. The portfolio of these investment pools are limited to bonds, certain repurchase agreements or other obligations of, or guaranteed by the United States of America.

At June 30, 2012 the Borough of Dumont School District had no participation in the State of New Jersey Cash Management Fund.

GASB Statement No. 40, *Deposit and Investment Risk Disclosures*, requires the disclosure of bank deposits that are subject to custodial credit risk. The custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the Borough of Dumont School District will not be able to recover deposits or will not be able to recover collateral securities that may be in the possession of an outside party.

As of June 30, 2012, \$7,818.68 of the Borough of Dumont School District's cash and cash equivalents of \$5,035,069.70 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$
Uninsured and collateral held by public depository or by its' trust department not in the Borough of Dumont School District's name	<u>7,818.68</u>
	<u>\$7,818.68</u>

BOARD OF EDUCATION
BOROUGH OF DUMONT

NOTES TO BASIC FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2012 AND 2011

Note III: Detailed Disclosure Regarding Assets and Revenues (Continued)

A. Deposits and Investments (Continued)

Investments

New Jersey statutes (N.J.S.A. 18A:20-37) permit the Borough of Dumont School District to purchase the following types of securities:

a. When authorized by resolution adopted by a majority vote of all its members the board of education of any school district may use moneys which may be in hand for the purchase of the following types of securities which, if suitable for registry, may be registered in the name of the school district:

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

(2) Government money market mutual funds;

(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 school district or bonds or other obligations of local unit or units within which the school district is located;

(5) Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, approved by the Division of Investment of the Department of the Treasury for investment by school district;

(6) Local government investment pools;

(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 a;

(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.17:9-41) and for which a master repurchase agreement providing for the custody and security of collateral is executed.

The Borough of Dumont School District had no investments as described in Note I:G.1 at June 30, 2012.

BOARD OF EDUCATION
BOROUGH OF DUMONT

NOTES TO BASIC FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2012 AND 2011

Note III: Detailed Disclosure Regarding Assets and Revenues (Continued)

B. Interfund Receivables and Payables

As of June 30, 2012, interfund receivables and payables resulting from various interfund transactions were as follows:

	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
General Fund	\$ 196.14	\$ 13,604.38
Enterprise Fund	13,604.38	
Trust and Agency Fund		<u>196.14</u>
	<u>\$13,800.52</u>	<u>\$13,800.52</u>

New Jersey statute requires that interest earned on the investments in capital projects fund be credited to the general fund or debt service based on Board resolution. In accordance with Board resolution, accrued interest as of June 30, 2012 in the amount of \$-0- was transferred to the debt service fund to offset future principal payments to bondholders.

BOARD OF EDUCATION
BOROUGH OF DUMONT

NOTES TO BASIC FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2012 AND 2011

Note III: Detailed Disclosure Regarding Assets and Revenues (Continued)

C. Capital Assets

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Adjustments</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets not being depreciated:				
Construction in Progress	\$ 28,705,222.93	\$ 260,625.03	\$ (28,965,847.96)	\$ -
Total Capital assets not being depreciated	<u>28,705,222.93</u>	<u>260,625.03</u>	<u>(28,965,847.96)</u>	<u>-</u>
Land Improvements	1,772,649.00	234,847.00		2,007,496.00
Buildings and Improvements	5,679,406.29	23,454.17	380,107.99	6,082,968.45
Machinery and Equipment	1,449,595.73	95,135.53	85,473.74	1,630,205.00
Totals at historical cost	<u>8,901,651.02</u>	<u>353,436.70</u>	<u>465,581.73</u>	<u>9,720,669.45</u>
Less accumulated depreciation for:				
Land Improvements		(100,374.80)	(1,555,809.40)	(1,656,184.20)
Buildings and Improvements	(3,269,260.51)	(18,365.78)	(2,326,932.59)	(5,614,558.88)
Machinery and Equipment	(1,177,630.05)	(106,068.28)	63,865.53	(1,219,832.80)
Total accumulated depreciation	<u>(4,446,890.56)</u>	<u>(224,808.86) (1)</u>	<u>(3,818,876.46)</u>	<u>(8,490,575.88)</u>
Net capital assets being depreciated	<u>4,454,760.46</u>	<u>128,627.84</u>	<u>(3,353,294.73)</u>	<u>1,230,093.57</u>
Governmental activities capital assets, net	<u>\$ 33,159,983.39</u>	<u>\$ 389,252.87</u>	<u>\$ (32,319,142.69)</u>	<u>\$ 1,230,093.57</u>
Business - type activities:				
Equipment	19,717.76	30,745.05		50,462.81
Less accumulated depreciation	(1,873.83)	(2,466.08)	-	(4,339.91)
Business - type activities capital assets, net	<u>17,843.93</u>	<u>28,278.97</u>	<u>-</u>	<u>46,122.90</u>

(1) Depreciation expense was charged to governmental functions as follows:

Instruction	\$ 77,681.60
Special Education	5,711.98
Other Instruction (Athletic)	101,329.41
Student and Instruction Related Services	1,958.34
School Administrative Services	1,534.07
General and Business Administrative Services	5,833.74
Plant Operations and Maintenance	13,788.84
Pupil Transportation	16,970.88
	<u>\$ 224,808.86</u>

BOARD OF EDUCATION
BOROUGH OF DUMONT

NOTES TO BASIC FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2012 AND 2011

Note IV: Detailed Disclosures Regarding Liabilities and Expenses/Expenditures

A. Operating Leases

The District has commitments to lease computer equipment and copiers under operating leases which expire in 2016. Total operating lease payments made during the year ended June 30, 2012 were \$229,524.67. Future minimum lease payments are as follows:

<u>Year Ended</u>	<u>Amount</u>
June 30, 2013	\$ 283,582.12
June 30, 2014	209,715.74
June 30, 2015	184,715.74
June 30, 2016	54,974.52
June 30, 2017	<u>13,743.63</u>
Total future minimum lease	<u>\$ 746,731.75</u>

B. Long - Term Liabilities

Long - Term liability activity for the year ended June 30, 2012 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Payments</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Governmental activities:					
Long - Term debt:					
Serial Bonds	\$ 18,520,000.00	\$ -	\$ (1,035,000.00)	\$ 17,485,000.00	\$ 1,090,000.00
Total debt payable	<u>18,520,000.00</u>	<u>-</u>	<u>(1,035,000.00) (1)</u>	<u>17,485,000.00</u>	<u>1,090,000.00</u>
Other liabilities:					
Compensated absences	1,547,829.50	90,702.75	(234,671.25)	1,403,861.00	112,948.00
Capital leases	716,667.98	466,900.00	(373,603.43)	809,964.55	343,409.28
Total other liabilities	<u>2,264,497.48</u>	<u>557,602.75</u>	<u>(608,274.68) (2)</u>	<u>2,213,825.55</u>	<u>456,357.28</u>
Governmental activities long - term liabilities	<u>\$ 20,784,497.48</u>	<u>\$ 557,602.75</u>	<u>\$ (1,643,274.68)</u>	<u>\$ 19,698,825.55</u>	<u>\$ 1,546,357.28</u>

- (1) Paid by debt service fund
(2) Paid by general fund

BOARD OF EDUCATION
BOROUGH OF DUMONT

NOTES TO BASIC FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2012 AND 2011

Note IV: Detailed Disclosure Regarding Liabilities and Expenses Expenditures (Continued)

B. Long – Term Liabilities (Continued)

1. Bonds Payable

Bonds are authorized in accordance with State law by the voters of the municipality through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Board are general obligation bonds.

Serial Bonds outstanding as of June 30, 2012 consisted of the following:

<u>Description</u>	<u>Interest Rate</u>	<u>Due Date</u>	<u>Maturity Date</u>	<u>Amount Issued</u>	<u>Amount Outstanding</u>
School Bonds of 2001	Various	5/15	5/15/21	\$ 1,700,000.00	\$ 940,000.00
School Bonds of 2005	Various	3/15	3/15/25	18,250,000.00	13,540,000.00
School Bonds of 2009	Various	2/1	2/1/24	<u>3,355,000.00</u>	<u>3,005,000.00</u>
				<u>\$ 23,305,000.00</u>	<u>\$ 17,485,000.00</u>

Principal and interest due on serial bonds outstanding is as follows:

<u>Year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$ 1,090,000.00	\$ 707,095.00	\$ 1,797,095.00
2014	1,140,000.00	664,607.50	1,804,607.50
2015	1,190,000.00	620,220.00	1,810,220.00
2016	1,265,000.00	573,932.50	1,838,932.50
2017	1,320,000.00	524,657.50	1,844,657.50
2018	1,385,000.00	473,282.50	1,858,282.50
2019	1,460,000.00	419,062.50	1,879,062.50
2020	1,525,000.00	361,502.50	1,886,502.50
2021	1,560,000.00	298,085.00	1,858,085.00
2022	1,455,000.00	232,705.00	1,687,705.00
2023	1,465,000.00	172,195.00	1,637,195.00
2024	1,470,000.00	111,000.00	1,581,000.00
2025	<u>1,160,000.00</u>	<u>49,300.00</u>	<u>1,209,300.00</u>
	<u>\$17,485,000.00</u>	<u>\$ 5,207,645.00</u>	<u>\$22,692,645.00</u>

BOARD OF EDUCATION
BOROUGH OF DUMONT

NOTES TO BASIC FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2012 AND 2011

Note IV: Detailed Disclosure Regarding Liabilities and Expenses/Expenditures (Continued)

B. Long – Term Liabilities (Continued)

2. Temporary Notes

As of June 30, 2012 the Board had no Temporary Notes.

3. Bonds Authorized But Not Issued

As of June 30, 2012 the Board had authorized but not issued bonds in the amount of \$1,464.40.

4. Capital Leases Payable

The District is leasing School Buses, Roof, HVAC, CAD Room, Facade, Rotary Mower, Boilers and Doors totaling \$1,913,435.48 under capital leases. All capital leases are for terms of five to seven years. The following is a schedule of the future minimum lease payments under these capital leases, and the present value of the net minimum lease payments at June 30, 2012.

<u>Year</u>	<u>Amount</u>
2013	\$ 366,726.49
2014	243,793.06
2015	147,166.54
2016	<u>98,980.34</u>
Total minimum lease payments	\$ 856,666.43
Less: Amount representing interest	<u>46,701.88</u>
Present value of net minimum Lease payments	<u>\$ 809,964.55</u>

Note V: Detailed Disclosure Regarding Fund Equity

A. Calculation of Excess Surplus

In accordance with N.J.S.A. 18A:7F-7, as amended by P.L.2004, C.73 (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 balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2012 is \$1,415,162.14. The reserved fund balance of \$577,936.90 has been appropriated in the fiscal year 2012-2013 and \$837,225.24 will be appropriated in the fiscal year 2013-2014.

BOARD OF EDUCATION
BOROUGH OF DUMONT

NOTES TO BASIC FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2012 AND 2011

Note V: Detailed Disclosure Regarding Fund Equity(Continued)

B. Capital Reserve Account

A capital reserve account was established by the Borough of Dumont School District Board of Education by inclusion of \$1.00 on September 21, 2000 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, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 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 June 30, 2012 LRFP balance of local support costs of uncompleted capital projects at June 30, 2012 is \$47,434,090.00.

Note VI: Pension Plans

Description of Systems

Substantially all of the Board's employees participate in one of the following contributory defined benefit public employee retirement systems which have been established by State statute: the Teachers' Pension and Annuity Fund (TPAF) or the Public Employees' Retirement System (PERS). These systems are sponsored and administered by the New Jersey Division of Pensions and Benefits. The Teachers' Pension and Annuity Fund retirement system is considered a cost sharing plan with special funding situations as under current statute, all employer contributions are made by the State of New Jersey on behalf of the Board and the system's other related non-contributing employers. The PERS is considered a cost sharing multiple-employer defined benefit plan.

The Public Employees' Retirement System (PERS) was established in January 1955, under the provisions of N.J.S.A. 43:15A to provide coverage including post-retirement health care to substantially all full time employees of the State or any county, municipality, school district or public agency provided the employee is not a member of another State-administered retirement system. Membership is mandatory for such employees and vesting occurs after 8 to 10 years of service for pension benefits and 25 years for post – retirement health care coverage.

The Teachers' Pension and Annuity Fund (TPAF) was established in January 1955, under the provisions of N.J.S.A. 18:66 to provide coverage including post-retirement health care to substantially all full time public school employees in the State. Membership is mandatory for such employees and vesting occurs after 10 years of service for pension benefits and 25 years for post – retirement health care coverage.

BOARD OF EDUCATION
BOROUGH OF DUMONT

NOTES TO BASIC FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2012 AND 2011

Note VI: Pension Plans (Continued)

Description of Systems (Continued)

According to the state law, all obligations of each retirement system will be assumed by the State of New Jersey should any retirement systems terminate. The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits issues a publicly available financial report that includes the financial statements and required supplementary information of each of the above systems. The financial reports may be accessed via the New Jersey Division of Pensions and Benefits website at www.state.nj.us/treasury/pensions.

Retirement Benefits

For PERS and TPAF employees, the benefits will be 1/55 of the average of the three highest years compensation for each year of service. However, for PERS and TPAF who are veterans of the U.S. armed forces, the benefits will be 1/55 of final compensation for each year of service.

Significant Legislation

Significant Legislation

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

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

- New members of TPAF and PERS hired on or after June 28, 2011 (Tier 5 members), will need 30 years of creditable service and age 65 for receipt of the early retirement benefit without a reduction of ¼ of 1 percent for each month that the member is under age 65.
- The eligibility age to qualify for a service retirement in the TPAF and PERS is increased from age 62 to 65 for Tier 5 members.
- The annual benefit under special retirement for new PFRS members enrolled after June 28, 2011 (Tier 3 members), will be 60 percent instead of 65 percent of the member's final compensation plus 1 percent for each year of creditable service over 25 years but not to exceed 30 years.
- Active member contribution rates will increase. TPAF and PERS active member rates increase from 5.5 percent of annual compensation to 6.5 percent plus an additional 1 percent phased-in over 7 years; PFRS and PERS prosecutors Part active member rates increase from 8.5 percent to 10 percent; SPRS active member rates increase from 7.5 percent to 9 percent; and JRS active member rates increase from 3 percent to 12 percent phased-in over seven years. For Fiscal Year 2012, the member contributions for TPAF, PERS and JRS members will take place in July of each subsequent fiscal year.
- The payment of automatic cost-of-living adjustment (COLA) additional increases to current and future retirees and beneficiaries is suspended until reactivated as permitted by this law.

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

BOARD OF EDUCATION
BOROUGH OF DUMONT

NOTES TO BASIC FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2012 AND 2011

Note VI: Pension Plans (Continued)

Funding Status and Funding Progress

As of June 30, 2010, the most recent actuarial valuation date, the aggregate funded ratio for the retirement systems (TPAF, PERS, PFRS, POPF, CPFPPF, JRS, and SPRS) is 70.5 percent with an unfunded actuarial accrued liability of \$36.3 billion. The aggregate funded ratio and unfunded accrued liability for the State-funded systems is 65.2 percent and \$25.6 billion, and the aggregate funded ratio and unfunded accrued liability for local PERS and PFRS is 78.5 percent and \$10.7 billion.

The required supplementary information regarding the funded status and funding progress of the retirement systems is based on actuarial valuations which involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. These amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the probability of future events.

Contribution Requirements

The contribution policy is set by laws of the State of New Jersey and contributions are required by active members and participating employers. Plan member and employer contributions may be amended by State of New Jersey legislation, with the amount of contributions by the State of New Jersey contingent upon the annual Appropriations Act. The pension funds provide for employee contributions based on 5.5 percent for TPAF and 5.5 percent for PERS of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in all Funds. The actuarially determined employer contribution includes funding for cost-of living adjustments and noncontributory death benefits in the TPAF and PERS. In the PERS and TPAF, the employer contribution includes funding for post-retirement medical premiums.

During the state fiscal year ended June 30, 2011, for TPAF, which is a cost sharing plan with special funding situations, the annual pension cost differs from the annual required contribution. For PERS, which is a cost sharing multi-employer defined benefit pension plan, annual pension cost equals contributions made.

BOARD OF EDUCATION
BOROUGH OF DUMONT

NOTES TO BASIC FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2012 AND 2011

Note VI: Pension Plans (Continued)

Contributions – Actual

The District's total payroll for the year ended June 30, 2012 was \$25,613,793.22 and covered payroll was \$18,682,904.00 for TPAF and \$3,657,776.00 for PERS. Contributions to the TPAF and the PERS for the years ended June 30, 2010, 2011 and 2012 made by the employees, the Board, and the State of New Jersey on behalf of the Board were as follows:

		TPAF	Percent of Covered Payroll	PERS	Percent of Covered Payroll
Employees	6/30/10	1,099,227.31	5.56%	231,628.64	5.68%
	6/30/11	1,079,417.57	5.54%	209,325.95	5.59%
	6/30/12	1,221,605.64	6.54%	232,879.25	6.37%
Board of Education	6/30/10	N/A	N/A	258,675.00	6.34%
	6/30/11	N/A	N/A	458,452.00	12.23%
	6/30/12	N/A	N/A	462,878.00	12.65%
State of New Jersey	6/30/10	1,307,913.00	6.62%	N/A	N/A
	6/30/11	1,412,414.00	7.25%	N/A	N/A
	6/30/12	1,881,857.00	7.35%	N/A	N/A

In accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$1,417,329.43 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 and the State of New Jersey's Contribution to the TPAF have been included in the basic financial statements and the budgetary comparison schedule – General Fund as a revenue and expenditure in accordance with GASB 24.

Note VII: Health Benefit and Post-Retirement Medical Benefits

P.L. 2011, c.78 effective October 2011, sets new employee contribution requirements towards the cost of employer-provided health benefit coverage. Employees are required to contribute a certain percentage of the cost of coverage. The rate of contribution is determined based on the employee's annual salary and the selected level of coverage. The increased employee contributions will be phased in over a 4-year period for those employed prior to this new legislation's effective date with a minimum contribution required to be at least 1.5% of salary.

Health Benefits Program Fund (HBPF)- Local Education (including Prescription Drug Program Fund)- The State of New Jersey provides free coverage to members of the Teachers' Pension and Annuity Fund who retire from a board of education or county college with 25 years of service or on a disability retirement. Under the provisions of P.L. 1992, c.126, the State also provides free coverage to members of the Public Employees' Retirement System and Alternate Benefits Program who retire from a board of education or county college with 25 years of service or on a disability retirement if the member's employer does not provide this coverage.

BOARD OF EDUCATION
BOROUGH OF DUMONT

NOTES TO BASIC FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2012 AND 2011

Note VII: Health Benefit and Post-Retirement Medical Benefits (Continued)

P.L. 1987, c.384 and P.L. 1990, c.6 required the Teachers' Pension and Annuity Fund and the Public Employees' Retirement System, respectively, to fund post-retirement medical benefits for those employees who retire after accumulating 25 years of credited service or on a disability retirement. As of June 30, 2011, there were 93,323 retirees receiving post-retirement medical benefits and the state contributed \$935.5 million on their behalf. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post-retirement medical benefits 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.

Note VIII: Risk Management

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.

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2011-2012	\$ 75,550.27	\$ 53,558.98	\$ 62,904.43	\$111,934.79
2010-2011	70,634.55	87,731.37	147,256.00	45,680.73
2009-2010	-0-	8,395.98	111,249.75	34,534.42

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.

The District is a member of the Northeast Bergen County School Board Insurance Group (the "Group").

The Group is both an insured and self-administered group of school districts established for the purpose of providing certain low-cost Workers' Compensation, Property Damage, Employer's Liability, Automobile and Equipment Liability, School Board Legal Liability and Boiler and Machinery insurance coverage for member school districts in order to keep local property taxes at a minimum. The District pays an annual assessment to the Group and should it be determined that payments received by the Group are deficient, additional assessments may be levied. Additionally, the Group maintains a contract of excess insurance with a commercial reinsurer to secure the payment of benefits.

The District continues to carry commercial insurance coverage for accident insurance and health and medical insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

BOARD OF EDUCATION
BOROUGH OF DUMONT

NOTES TO BASIC FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2012 AND 2011

Note IX: 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 vacation and sick leave in varying amounts under the District's personnel policies. In the event of termination, an employee is reimbursed for accumulated vacation. Sick leave benefits provide for ordinary sick pay and begin vesting with the employee after 15 years of service.

In the district-wide *Statement of Net Assets*, the liabilities whose average maturities are greater than one year are reported in two components – the amount due within one year and the amount due in more than one year.

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 Food Service Fund.

**REQUIRED SUPPLEMENTARY INFORMATION -
PART II**

Section C

BUDGETARY COMPARISON SCHEDULES

**BOARD OF EDUCATION
BOROUGH OF DUMONT
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2012**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 31,518,332.00	\$ -	\$ 31,518,332.00	\$ 31,518,332.00	\$ -
Tuition	-	-	-	60,613.10	60,613.10
Interest Earned on Investments	30,597.00	-	30,597.00	6,354.24	(24,242.76)
Miscellaneous	89,000.00	324,672.00	413,672.00	444,380.18	30,708.18
Total - Local Sources	31,637,929.00	324,672.00	31,962,601.00	32,029,679.52	67,078.52
State Sources:					
Equalization Aid	6,113,469.00	-	6,113,469.00	6,507,080.00	393,611.00
Categorical Special Education Aid	1,641,357.00	-	1,641,357.00	1,641,357.00	-
Extraordinary Aid	327,140.00	-	327,140.00	506,558.00	179,418.00
Bullying Prevention State Aid Grant	-	-	-	911.00	911.00
TPAF Pension (On-Behalf - Non-Budgeted)	-	-	-	1,881,857.00	1,881,857.00
TPAF Social Security (Reimbursed - Non-Budgeted)	-	-	-	1,417,329.43	1,417,329.43
Total State Sources	8,081,966.00	-	8,081,966.00	11,955,092.43	3,873,126.43
Federal Sources:					
Medicaid Reimbursement	21,300.00	-	21,300.00	23,407.86	2,107.86
ARRA Education Jobs Fund	309,109.00	9,677.00	318,786.00	318,786.00	-
Total - Federal Sources	330,409.00	9,677.00	340,086.00	342,193.86	2,107.86
Total Revenues	40,050,304.00	334,349.00	40,384,653.00	44,326,965.81	3,942,312.81
EXPENDITURES:					
Current Expense:					
Regular Programs - Instruction					
Preschool/Kindergarten - Salaries of Teachers	110-100-101	691,855.00	9,677.00	701,532.00	701,532.00
Grades 1-5 - Salaries of Teachers	120-100-101	4,494,857.00	(13,640.00)	4,481,217.00	4,268,765.30
Grades 6-8 - Salaries of Teachers	130-100-101	3,620,409.00	(48,500.00)	3,571,909.00	3,450,808.00
Grades 9-12 - Salaries of Teachers	140-100-101	4,603,507.00	(231,832.00)	4,371,675.00	4,198,169.31
Regular Programs - Home Instruction:					
Salaries of Teachers	150-100-101	80,000.00	-	80,000.00	71,900.00
Regular Programs - Undistributed Instruction					
Other Purchased Services (400-500 series)	190-100-500	9,200.00	(2,973.75)	6,226.25	4,192.44
General Supplies	190-100-610	396,913.00	724,832.75	1,121,745.75	704,619.70
Textbooks	190-100-640	144,611.00	133,860.85	278,471.85	163,265.94
Other Objects	190-100-800	94,127.00	3,102.52	97,229.52	90,437.67
TOTAL REGULAR PROGRAMS - INSTRUCTION		14,135,479.00	574,527.37	14,710,006.37	13,653,688.36
SPECIAL EDUCATION - INSTRUCTION					
Learning and/or Language Disabilities:					
Salaries of Teachers	204-100-101	424,500.00	(42,449.00)	382,051.00	382,050.00
Other Salaries for Instruction	204-100-106	145,294.00	-	145,294.00	145,294.00
General Supplies	204-100-610	2,490.00	2,856.48	5,346.48	918.12
Textbooks	204-100-640	1,200.00	-	1,200.00	618.22
Total Learning and/or Language Disabilities		573,484.00	(39,592.52)	533,891.48	528,880.34
Resource Room/Resource Center:					
Salaries of Teachers	213-100-101	1,323,231.00	91,828.00	1,415,059.00	1,415,059.00
General Supplies	213-100-610	4,550.00	4,963.90	9,513.90	6,009.33
Textbooks	213-100-640	2,770.00	-	2,770.00	935.05
Total Resource Room/Resource Center		1,330,551.00	96,791.90	1,427,342.90	1,422,003.38
Preschool Disabilities - Part-Time:					
Salaries of Teachers	215-100-101	256,998.00	-	256,998.00	256,998.00
Other Salaries for Instruction	215-100-106	60,928.00	(4,053.00)	56,875.00	56,875.00
Purchased Professional-Educational Services	215-100-320	71,000.00	-	71,000.00	54,089.00
General Supplies	215-100-610	2,500.00	-	2,500.00	343.26
Total Preschool Disabilities - Part-Time		391,426.00	(4,053.00)	387,373.00	368,305.26
TOTAL SPECIAL EDUCATION - INSTRUCTION		2,295,461.00	53,146.38	2,348,607.38	2,319,188.98
Basic Skills/Remedial - Instruction					
Salaries of Teachers	230-100-101	693,574.00	-	693,574.00	693,574.00
Total Basic Skills/Remedial - Instruction		693,574.00	-	693,574.00	693,574.00
Bilingual Education - Instruction					
Salaries of Teachers	240-100-101	311,961.00	(5,571.00)	306,390.00	306,390.00
Total Bilingual Education - Instruction		311,961.00	(5,571.00)	306,390.00	306,390.00
School-Spon. Cocurricular Actvts. - Inst.					
Salaries	401-100-100	159,417.00	-	159,417.00	159,417.00
Supplies and Materials	401-100-600	22,015.00	(5,300.00)	16,715.00	15,497.44
Other Objects	401-100-800	10,000.00	-	10,000.00	9,982.00
Total School-Spon. Cocurricular Actvts. - Inst.		191,432.00	(5,300.00)	186,132.00	184,896.44
School-Spon. Athletics - Instruction					
Salaries	402-100-100	361,668.00	-	361,668.00	361,668.00
Purchased Services (300-500 series)	402-100-500	93,500.00	-	93,500.00	93,250.40
Supplies and Materials	402-100-600	73,710.00	6,610.00	80,320.00	77,955.38
Total School-Spon. Athletics - Instruction		528,878.00	6,610.00	535,488.00	532,873.78
Other Instructional Programs - Instruction					
Salaries	4XX-100-100	7,074.00	-	7,074.00	7,074.00
Total Other Instructional Programs - Instruction		7,074.00	-	7,074.00	7,074.00
Total Instruction		18,163,859.00	623,412.75	18,787,271.75	17,697,685.56

BOARD OF EDUCATION
BOROUGH OF DUMONT
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undistributed Expenditures - Instruction:					
Tuition to Other LEAs Within the State - Special	000-100-562 \$ 1,710,200.00	\$ 342,118.89	\$ 2,052,318.89	\$ 2,024,480.41	\$ 27,838.48
Tuition to County Voc. School Dist. - Regular	000-100-563 326,590.00	5,168.50	331,758.50	315,157.90	16,600.60
Tuition to CSSD & Regional Day Schools	000-100-565 2,145,327.00	(682,848.00)	1,462,479.00	1,443,396.12	19,082.88
Tuition to Private Schools for the Disabled - Within State	000-100-566 224,091.00	31,250.85	255,341.85	244,875.52	10,466.33
Tuition - State Facilities	000-100-568 28,982.00	-	28,982.00	28,982.00	-
Total Undistributed Expenditures - Instruction:	4,435,190.00	(304,309.78)	4,130,880.24	4,056,891.95	73,988.29
Undistributed Expend. - Attend. & Social Work					
Salaries	000-211-100 9,250.00	-	9,250.00	9,250.00	-
Total Undistributed Expend. - Attend. & Social Work	9,250.00	-	9,250.00	9,250.00	-
Undist. Expend. - Health Services					
Salaries	000-213-100 479,025.00	-	479,025.00	479,025.00	-
Purchased Professional and Technical Services	000-213-300 93,000.00	300.00	93,300.00	46,121.13	47,178.87
Other Purchased Services (400-500 series)	000-213-500 150.00	-	150.00	150.00	-
Supplies and Materials	000-213-600 7,200.00	-	7,200.00	6,407.18	792.82
Total Undistributed Expenditures - Health Services	579,375.00	300.00	579,675.00	531,553.31	48,121.69
Undist. Expend. - Speech,OT,PT & Related Services					
Salaries of Other Professional Staff	000-216-100 315,137.00	-	315,137.00	315,137.00	-
Total Undist. Expend. - Speech,OT,PT & Related Services	315,137.00	-	315,137.00	315,137.00	-
Undist. Expend. - Guidance					
Salaries of Other Professional Staff	000-218-104 491,665.00	-	491,665.00	491,665.00	-
Salaries of Secretarial and Clerical Assistants	000-218-105 89,280.00	-	89,280.00	89,280.00	-
Other Purchased Services (400-500 series)	000-218-500 350.00	25.00	375.00	375.00	-
Supplies and Materials	000-218-600 15,730.00	(3,741.23)	11,988.77	10,883.58	1,105.19
Other Objects	000-218-800 6,000.00	(2,000.00)	4,000.00	3,944.98	55.02
Total Undist. Expend. - Guidance	603,025.00	(5,716.23)	597,308.77	596,148.56	1,160.21
Undist. Expend. - Child Study Team					
Salaries of Other Professional Staff	000-219-104 770,485.00	(26,115.00)	744,370.00	744,370.00	-
Salaries of Secretarial and Clerical Assistants	000-219-105 86,026.00	-	86,026.00	86,026.00	-
Other Purchased Prof. and Tech. Services	000-219-390 3,200.00	-	3,200.00	200.00	3,000.00
Supplies and Materials	000-219-600 6,400.00	714.82	7,114.82	4,819.21	2,295.61
Total Undist. Expend. - Child Study Team	866,111.00	(25,400.18)	840,710.82	835,415.21	5,295.61
Undist. Expend. - Improvement of Inst. Serv.					
Salaries of Supervisor of Instruction	000-221-102 144,495.00	-	144,495.00	135,199.00	9,296.00
Salaries of Sec. and Clerical Assist	000-221-105 40,726.00	-	40,726.00	40,726.00	-
Other Purch Prof. and Tech. Services	000-221-390 6,500.00	3,635.90	10,135.90	9,893.25	242.65
Other Purch Services (400-500)	000-221-500 1,600.00	(1,600.00)	-	-	-
Supplies and Materials	000-221-600 28,500.00	5,546.83	34,046.83	31,708.98	2,337.85
Other Objects	000-221-800 500.00	-	500.00	433.30	66.70
Total Undist. Expend. - Improvement of Inst. Serv.	222,321.00	7,582.73	229,903.73	217,960.53	11,943.20
Undist. Expend. - Edu. Media Serv./Sch. Library					
Salaries	000-222-100 301,746.00	-	301,746.00	298,116.40	3,629.60
Supplies and Materials	000-222-600 50,000.00	14,715.00	64,715.00	58,400.28	6,314.72
Other Objects	000-222-800 1,550.00	-	1,550.00	1,026.84	523.16
Total Undist. Expend. - Edu. Media Serv./Sch. Library	353,296.00	14,715.00	368,011.00	357,543.52	10,467.48
Undist. Expend. - Instructional Staff Training Serv.					
Salaries of Supervisors of Instruction	000-223-102 40,780.00	-	40,780.00	40,019.96	760.04
Salaries of Secretarial and Clerical Assist	000-223-105 5,188.00	-	5,188.00	5,188.00	-
Other Purchased Prof. and Tech. Services	000-223-390 8,700.00	450.00	9,150.00	8,517.00	633.00
Other Purch Services (400-500 series)	000-223-500 500.00	-	500.00	500.00	-
Supplies and Materials	000-223-600 1,900.00	-	1,900.00	415.00	1,485.00
Other Objects	000-223-800 500.00	-	500.00	-	500.00
Total Undist. Expend. - Instructional Staff Training Serv.	57,568.00	450.00	58,018.00	54,139.96	3,878.04
Undist. Expend. - Supp. Serv. - General Admin.					
Salaries	000-230-100 296,712.00	-	296,712.00	294,838.00	1,874.00
Legal Services	000-230-331 75,000.00	(36,000.00)	39,000.00	28,923.83	10,076.17
Audit Fees	000-230-332 29,650.00	-	29,650.00	29,500.00	150.00
Other Purchased Professional Services	000-230-339 4,900.00	-	4,900.00	3,645.00	1,255.00
Purchased Technical Services	000-230-340 4,000.00	-	4,000.00	4,000.00	-
Communications/Telephone	000-230-530 65,000.00	54,243.80	119,243.80	43,555.18	75,688.62
BOE Other Purchased Services	000-230-585 2,000.00	-	2,000.00	-	2,000.00
Other Purchased Services (400-500 series)	000-230-590 33,100.00	(16,000.00)	17,100.00	2,268.96	14,831.04
General Supplies	000-230-610 14,450.00	100.00	14,550.00	14,426.62	123.38
BOE In-House Training/Meeting Supplies	000-230-630 4,800.00	(100.00)	4,700.00	3,823.25	876.75
Miscellaneous Expenditures	000-230-890 44,500.00	1,370.00	45,870.00	42,087.21	3,782.79
BOE Membership Dues and Fees	000-230-895 36,000.00	-	36,000.00	33,794.95	2,205.05
Total Undist. Expend. - Supp. Serv. - General Admin.	610,112.00	3,613.80	613,725.80	496,863.00	116,862.80

**BOARD OF EDUCATION
BOROUGH OF DUMONT
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2012**

		Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Support Serv. - School Admin.						
Salaries of Principals/Assistant Principals	000-240-103	\$ 1,142,497 00	\$ -	\$ 1,142,497 00	\$ 1,102,764 82	\$ 39,732 18
Salaries of Other Professional Staff	000-240-104	614,364 00	-	614,364 00	588,895 00	25,469 00
Salaries of Secretarial and Clerical Assistants	000-240-105	515,734 00	-	515,734 00	515,734 00	-
Other Purchased Services (400-500 series)	000-240-500	2,400 00	(250 00)	2,150 00	141 75	2,008 25
Supplies and Materials	000-240-600	69,500 00	207 00	69,707 00	64,447 30	5,259 70
Total Undist. Expend. - Support Serv. - School Admin.		<u>2,344,495 00</u>	<u>(43 00)</u>	<u>2,344,452 00</u>	<u>2,271,982 87</u>	<u>72,469 13</u>
Undist. Expend. - Central Services						
Salaries	000-251-100	373,888 00	-	373,888 00	351,713 00	22,175 00
Miscellaneous Purchased Services (400-500 series)	000-251-592	27,150 00	675 00	27,825 00	26,293 00	1,532 00
Supplies and Materials	000-251-600	24,700 00	532 13	25,232 13	25,105 02	127 11
Total Undist. Expend. - Central Services		<u>425,738 00</u>	<u>1,207 13</u>	<u>426,945 13</u>	<u>403,111 02</u>	<u>23,834 11</u>
Undist. Expend. - Admin. Info. Technology						
Salaries	000-252-100	102,265 00	48,500 00	150,765 00	148,825 00	1,940 00
Purchased Professional Services	000-252-330	5,600 00	(1,727 00)	3,873 00	1,573 00	2,300 00
Purchased Technical Services	000-252-340	16,800 00	(2,227 00)	14,573 00	14,572 50	0 50
Other Purchased Services (400-500 series)	000-252-500	12,000 00	456 00	12,456 00	9,348 20	3,107 80
Supplies and Materials	000-252-600	33,800 00	5,487 00	39,287 00	31,142 37	8,144 63
Other Objects	000-252-800	18,000 00	-	18,000 00	17,907 00	93 00
Total Undist. Expend. - Admin. Info. Technology		<u>188,465 00</u>	<u>50,489 00</u>	<u>238,954 00</u>	<u>223,368 07</u>	<u>15,585 93</u>
Undist. Expend. - Required Maint. For School Facilities						
Salaries	000-261-100	380,342 00	-	380,342 00	374,178 00	6,164 00
Cleaning, Repair and Maintenance Services	000-261-420	45,000 00	-	45,000 00	43,876 69	1,123 31
Total Undist. Expend. - Required Maint. For School Facilities		<u>425,342 00</u>	<u>-</u>	<u>425,342 00</u>	<u>418,054 69</u>	<u>7,287 31</u>
Undist. Expend. - Custodial Services						
Salaries	000-262-100	1,456,382 00	-	1,456,382 00	1,379,650 00	76,732 00
Salaries of Non-Instructional Aides	000-262-107	175,000 00	-	175,000 00	175,000 00	-
Cleaning, Repair and Maintenance Services	000-262-420	287,700 00	725,484 56	1,013,184 56	466,926 43	546,258 13
Other Purchased Property Services	000-262-490	37,500 00	1,502 00	39,002 00	39,001 19	0 81
Insurance	000-262-520	245,000 00	(15,000 00)	230,000 00	219,415 00	10,585 00
Miscellaneous Purchased Services	000-262-590	15,000 00	1,380 00	16,380 00	15,368 29	1,011 71
General Supplies	000-262-610	167,700 00	80,243 97	247,943 97	238,260 88	9,683 09
Energy (Natural Gas)	000-262-621	324,650 00	(205,964 00)	118,686 00	101,913 97	16,772 03
Energy (Electricity)	000-262-622	614,500 00	(134,355 22)	480,144 78	480,142 57	2 21
Total Undist. Expend. - Custodial Services		<u>3,323,432 00</u>	<u>453,291 31</u>	<u>3,776,723 31</u>	<u>3,115,678 33</u>	<u>661,044 98</u>
Undist. Expend. - Care and Upkeep of Grounds						
Salaries	000-263-100	99,793 00	-	99,793 00	99,793 00	-
Cleaning, Repair and Maintenance Services	000-263-420	11,000 00	2,485 00	13,485 00	12,415 00	1,070 00
General Supplies	000-263-610	11,000 00	10,722 00	21,722 00	16,783 72	4,938 28
Total Undist. Expend. - Care and Upkeep of Grounds		<u>121,793 00</u>	<u>13,207 00</u>	<u>135,000 00</u>	<u>128,991 72</u>	<u>6,008 28</u>
Undist. Expend. - Student Transportation Serv.						
Salaries for Pupil Trans. (Between Home & School) - Special	000-270-161	152,100 00	-	152,100 00	152,100 00	-
Salaries for Pupil Trans. (Other than Between Home & School)	000-270-162	50,000 00	-	50,000 00	50,000 00	-
Lease Purchase Payments - School Buses	000-270-443	27,162 00	-	27,162 00	27,161 10	0 90
Contracted Services (Between Home and School) - Vendors	000-270-511	9,000 00	-	9,000 00	522 52	8,477 48
Contracted Services (Other than Between Home and School) - Vend	000-270-512	62,000 00	1,554 00	63,554 00	48,405 80	15,148 20
Contracted Services (Between Home and School) - Joint Agreement	000-270-513	439,000 00	(1,288 00)	437,712 00	264,761 85	172,950 15
Contracted Services (Special Education Students) - Joint Agreement	000-270-515	7,301 17	7,301 17	14,602 34	1,175 00	13,427 34
Supplies and Materials	000-270-600	40,000 00	6,793 39	46,793 39	46,308 67	484 72
Total Undist. Expend. - Student Transportation Serv.		<u>779,262 00</u>	<u>14,360 56</u>	<u>793,622 56</u>	<u>590,434 94</u>	<u>203,187 62</u>
UNALLOCATED BENEFITS						
Social Security Contributions	000-291-220	450,000 00	13,908 00	463,908 00	459,526 60	4,381 40
Other Retirement Contributions - Regular	000-291-241	493,000 00	(59,578 00)	433,422 00	433,062 65	359 35
Unemployment Compensation	000-291-250	75,000 00	1,283 27	76,283 27	75,550 27	733 00
Workmen's Compensation	000-291-260	230,084 00	(24,672 00)	205,412 00	205,210 00	202 00
Health Benefits	000-291-270	5,054,232 00	(25,494 00)	5,028,738 00	4,422,831 91	605,906 09
Other Employee Benefits	000-291-290	-	340,000 00	340,000 00	215,000 00	125,000 00
TOTAL UNALLOCATED BENEFITS		<u>6,302,316 00</u>	<u>245,247 27</u>	<u>6,547,563 27</u>	<u>5,811,181 43</u>	<u>736,381 84</u>
On-behalf TPAF Pension Contributions (non-budgeted)					1,881,857 00	(1,881,857 00)
Reimbursed TPAF Social Security Contributions (non-budgeted)					1,417,329 43	(1,417,329 43)
TOTAL ON-BEHALF CONTRIBUTIONS					<u>3,299,186 43</u>	<u>(3,299,186 43)</u>
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS		<u>6,302,316 00</u>	<u>245,247 27</u>	<u>6,547,563 27</u>	<u>9,110,367 86</u>	<u>(2,562,804 59)</u>
TOTAL UNDISTRIBUTED EXPENDITURES		<u>21,962,228 00</u>	<u>468,994 63</u>	<u>22,431,222 63</u>	<u>23,732,892 54</u>	<u>(1,301,669 91)</u>
TOTAL GENERAL CURRENT EXPENSE		<u>40,126,087 00</u>	<u>1,092,407 38</u>	<u>41,218,494 38</u>	<u>41,430,578 10</u>	<u>(212,083 72)</u>

BOARD OF EDUCATION
 BOROUGH OF DUMONT
 Budgetary Comparison Schedule
 General Fund
 Fiscal Year Ended June 30, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
CAPITAL OUTLAY					
Equipment					
Undistributed Expenditures - Required Maint. for School Facilities 000-261-730	\$ -	\$ 51,321.60	\$ 51,321.60	\$ 51,321.60	\$ -
Undistributed Expenditures - Care and Upkeep of Grounds 000-263-730	10,090.00	-	10,090.00	10,089.64	0.36
Undistributed Expenditures - Student Transportation: School Buses - Regular 000-270-733	-	19,467.00	19,467.00	19,467.00	-
Total Equipment	<u>10,090.00</u>	<u>70,788.60</u>	<u>80,878.60</u>	<u>80,878.24</u>	<u>0.36</u>
Facilities Acquisition and Construction Services					
Other Purchased Professional and Technical Services 000-400-390	-	28,847.00	28,847.00	20,954.17	7,892.83
Construction Services 000-400-450	-	250,000.00	250,000.00	2,500.00	247,500.00
Lease Purchase Agreements - Principal 000-400-721	357,247.00	-	357,247.00	356,836.85	610.15
Debt Service Assessment 000-400-800	56,880.00	-	56,880.00	56,880.00	-
Total Facilities Acquisition and Construction Services	<u>414,127.00</u>	<u>278,847.00</u>	<u>692,974.00</u>	<u>436,971.02</u>	<u>256,002.98</u>
Assets Acquired Under Capital Leases (non-budgeted)					
Undistributed Expenditures:					
Land Improvements	-	-	-	234,847.00	(234,847.00)
Assets Acquired Under Capital Leases (non-budgeted)	<u>-</u>	<u>-</u>	<u>-</u>	<u>234,847.00</u>	<u>(234,847.00)</u>
TOTAL CAPITAL OUTLAY	<u>424,217.00</u>	<u>349,635.60</u>	<u>773,852.60</u>	<u>752,696.26</u>	<u>21,156.34</u>
SPECIAL SCHOOLS					
Summer School - Instruction					
Salaries of Teachers 422-100-101	-	40,000.00	40,000.00	36,613.00	3,387.00
General Supplies 422-100-610	-	5,825.00	5,825.00	4,125.43	1,699.57
Total Summer School - Instruction	<u>-</u>	<u>45,825.00</u>	<u>45,825.00</u>	<u>40,738.43</u>	<u>5,086.57</u>
Total Summer School	<u>-</u>	<u>45,825.00</u>	<u>45,825.00</u>	<u>40,738.43</u>	<u>5,086.57</u>
TOTAL SPECIAL SCHOOLS	<u>-</u>	<u>45,825.00</u>	<u>45,825.00</u>	<u>40,738.43</u>	<u>5,086.57</u>
Transfer of Funds to Charter Schools 000-100-56X	-	9,718.00	9,718.00	9,718.00	-
TOTAL EXPENDITURES	<u>40,550,304.00</u>	<u>1,497,585.98</u>	<u>42,047,889.98</u>	<u>42,233,730.79</u>	<u>(185,840.81)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures					
	<u>(500,000.00)</u>	<u>(1,163,236.98)</u>	<u>(1,663,236.98)</u>	<u>2,093,235.02</u>	<u>3,756,472.00</u>
Other Financing Sources (Uses):					
Capital Leases (non-budgeted)	-	-	-	234,847.00	234,847.00
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>234,847.00</u>	<u>234,847.00</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)					
	<u>(500,000.00)</u>	<u>(1,163,236.98)</u>	<u>(1,663,236.98)</u>	<u>2,328,082.02</u>	<u>3,991,319.00</u>
Fund Balance, July 1	<u>3,173,040.25</u>	<u>-</u>	<u>3,173,040.25</u>	<u>3,173,040.25</u>	<u>-</u>
Fund Balance, June 30	<u>\$ 2,673,040.25</u>	<u>\$ (1,163,236.98)</u>	<u>\$ 1,509,803.27</u>	<u>\$ 5,501,122.27</u>	<u>\$ 3,991,319.00</u>
Recapitulation of Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing (Uses):					
Increase in Capital Reserve	\$ -	\$ -	\$ -	\$ 450,000.00	\$ 450,000.00
Adjustment for Prior Year Encumbrances	-	(1,163,236.98)	(1,163,236.98)	(1,163,236.98)	-
Budgeted Fund Balance	<u>(500,000.00)</u>	<u>-</u>	<u>(500,000.00)</u>	<u>3,041,319.00</u>	<u>3,541,319.00</u>
Total	<u>\$ (500,000.00)</u>	<u>\$ (1,163,236.98)</u>	<u>\$ (1,663,236.98)</u>	<u>\$ 2,328,082.02</u>	<u>\$ 3,991,319.00</u>
Analysis of Fund Balance June 30, 2012:					
Restricted Fund Balance:					
Reserved Excess Surplus - Designated for Subsequent Year's Expenditures				\$ 577,936.90	
Reserve for Excess Surplus				837,225.24	
Capital Reserve Account				450,001.00	
Assigned Fund Balance:					
Year-end Encumbrances				2,066,873.08	
Designated for Subsequent Year's Expenditures				615,674.10	
Unassigned Fund Balance				<u>953,411.95</u>	
				<u>\$ 5,501,122.27</u>	
Reconciliation of Budgetary Fund Balance to GAAP Fund Balance:					
Fund Balance June 30, 2012				\$ 5,501,122.27	
Last Two Current Year State Aid Payments Not Realized on GAAP Basis				<u>(698,184.00)</u>	
				<u>\$ 4,802,938.27</u>	

BOARD OF EDUCATION
BOROUGH OF DUMONT
Education Jobs Fund Program - Budget and Actual
General Fund
Fiscal Year Ended June 30, 2012

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES:					
Federal Sources:					
American Recovery and Reinvestment Act:					
Education Jobs Fund	\$ 309,109.00	\$ 9,677.00	\$ 318,786.00	\$ 318,786.00	\$ -
Total - Federal Sources	<u>309,109.00</u>	<u>9,677.00</u>	<u>318,786.00</u>	<u>318,786.00</u>	<u>-</u>
TOTAL REVENUES	<u>\$ 309,109.00</u>	<u>\$ 9,677.00</u>	<u>\$ 318,786.00</u>	<u>\$ 318,786.00</u>	<u>\$ -</u>
EXPENDITURES:					
Current Expense:					
Regular Programs - Instruction					
American Recovery and Reinvestment Act:					
Education Jobs Fund					
Preschool/Kindergarten - Salaries of Teachers 110-100-101	\$ 309,109.00	\$ 9,677.00	\$ 318,786.00	\$ 318,786.00	\$ -
TOTAL REGULAR PROGRAMS - INSTRUCTION	<u>309,109.00</u>	<u>9,677.00</u>	<u>318,786.00</u>	<u>318,786.00</u>	<u>-</u>
TOTAL GENERAL CURRENT EXPENSE	<u>309,109.00</u>	<u>9,677.00</u>	<u>318,786.00</u>	<u>318,786.00</u>	<u>-</u>
TOTAL EXPENDITURES	<u>\$ 309,109.00</u>	<u>\$ 9,677.00</u>	<u>\$ 318,786.00</u>	<u>\$ 318,786.00</u>	<u>\$ -</u>

**BOARD OF EDUCATION
BOROUGH OF DUMONT
Budgetary Comparison Schedule
Special Revenue Fund
For the Fiscal Year Ended June 30, 2012**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES:					
State Sources	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Sources	698,450.00	218,357.43	916,807.43	916,807.43	-
Local Sources	-	2,000.00	2,000.00	2,000.00	-
Total Revenues	<u>\$ 698,450.00</u>	<u>\$ 220,357.43</u>	<u>\$ 918,807.43</u>	<u>\$ 918,807.43</u>	<u>\$ -</u>
EXPENDITURES:					
Instruction					
Personal Services - Salaries	\$ 114,500.00	\$ (24,500.00)	\$ 90,000.00	\$ 90,000.00	\$ -
Purchased Professional and Technical Services	583,950.00	(564,583.50)	19,366.50	19,366.50	-
Other Purchased Services (400-500 series)		487,735.00	487,735.00	487,735.00	-
General Supplies	-	128,309.00	128,309.00	128,309.00	-
Total Instruction	<u>698,450.00</u>	<u>26,960.50</u>	<u>725,410.50</u>	<u>725,410.50</u>	<u>-</u>
Support Services					
Personal Services - Employee Benefits		18,000.00	18,000.00	18,000.00	-
Purchased Professional - Educational Services		114,250.90	114,250.90	114,250.90	-
Other Purchased Services (400-500 series)		10,787.43	10,787.43	10,787.43	-
Travel		2,000.00	2,000.00	2,000.00	-
Supplies and Materials		48,358.60	48,358.60	48,358.60	-
Total Support Services	<u>-</u>	<u>193,396.93</u>	<u>193,396.93</u>	<u>193,396.93</u>	<u>-</u>
Total Expenditures	<u>698,450.00</u>	<u>220,357.43</u>	<u>918,807.43</u>	<u>918,807.43</u>	<u>-</u>
Total Outflows	<u>\$ 698,450.00</u>	<u>\$ 220,357.43</u>	<u>\$ 918,807.43</u>	<u>\$ 918,807.43</u>	<u>\$ -</u>

**NOTES TO REQUIRED SUPPLEMENTARY
INFORMATION**

BOARD OF EDUCATION
BOROUGH OF DUMONT
Required Supplementary Information
Budgetary Comparison Schedule
Note to RSI
For the Fiscal Year Ended June 30, 2012

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

	<u>Exhibit</u>	General <u>Fund</u>	Special Revenue <u>Fund</u>
Sources/inflows of resources			
Actual amounts (budgetary basis) "revenue"			
from the budgetary comparison schedule	[C-1&C-2]	\$ 44,326,965.81	\$ 918,807.43
Difference - budget to GAAP:			
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 in accordance with GASB 33.		(75,944.00)	
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		-	61,739.93
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2]	<u>\$ 44,251,021.81</u>	<u>\$ 980,547.36</u>
Uses/outflows of resources			
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1&C-2]	\$ 42,233,730.79	\$ 918,807.43
Differences - budget to GAAP			
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for <i>financial reporting</i> purposes.			61,739.93
Transfers to and from other funds are presented as outflows of budgetary resources but are not expenditures for financial reporting purposes.	\$	-	
Net transfers (outflows) to general fund		-	-
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	[B-2]	<u>\$ 42,233,730.79</u>	<u>\$ 980,547.36</u>

OTHER SUPPLEMENTARY INFORMATION

Section D
SCHOOL LEVEL SCHEDULES

Section E
SPECIAL REVENUE FUND

BOARD OF EDUCATION
BOROUGH OF DUMONT
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2012

		<u>Total</u>	<u>State</u> <u>Aid</u>	<u>Federal</u> <u>Aid</u>	<u>Local</u> <u>Aid</u>
REVENUES					
State Sources		\$ -	\$ -	\$ -	\$ -
Federal Sources		916,807.43	-	916,807.43	-
Local Sources		<u>2,000.00</u>	<u>-</u>	<u>-</u>	<u>2,000.00</u>
Total Revenues		<u>\$ 918,807.43</u>	<u>\$ -</u>	<u>\$ 916,807.43</u>	<u>\$ 2,000.00</u>
EXPENDITURES:					
Instruction:					
Personal Services - Salaries	100-100	\$ 90,000.00	\$ -	\$ 90,000.00	\$ -
Purchased Professional and Technical Services	100-300	19,366.50	-	17,366.50	2,000.00
Other Purchased Services (400-500 series)	100-500	487,735.00	-	487,735.00	-
General Supplies	100-610	<u>128,309.00</u>	<u>-</u>	<u>128,309.00</u>	<u>-</u>
Total Instruction		<u>725,410.50</u>	<u>-</u>	<u>723,410.50</u>	<u>2,000.00</u>
Support Services:					
Personal Services - Employee Benefits	200-200	18,000.00	-	18,000.00	-
Purchased Professional - Educational Services	200-320	114,250.90	-	114,250.90	-
Other Purchased Services (400-500 series)	200-500	10,787.43	-	10,787.43	-
Travel	200-580	2,000.00	-	2,000.00	-
Supplies and Materials	200-600	<u>48,358.60</u>	<u>-</u>	<u>48,358.60</u>	<u>-</u>
Total Support Services		<u>193,396.93</u>	<u>-</u>	<u>193,396.93</u>	<u>-</u>
Total Expenditures		<u>\$ 918,807.43</u>	<u>\$ -</u>	<u>\$ 916,807.43</u>	<u>\$ 2,000.00</u>

**BOARD OF EDUCATION
BOROUGH OF DUMONT
Special Revenue Fund
Combining Schedule of Federal Program Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2012**

	E.S.E.A.			I.D.E.A. Part B		ARRA I.D.E.A. Part B	
	Total	Title I	Title II	Title III	Basic	Preschool	Basic
REVENUES							
Federal Sources	\$ 916,807.43	\$ 130,752.00	\$ 62,437.00	\$ 31,561.00	\$ 569,485.00	\$ 20,111.00	\$ 102,461.43
Total Federal Revenues	\$ 916,807.43	\$ 130,752.00	\$ 62,437.00	\$ 31,561.00	\$ 569,485.00	\$ 20,111.00	\$ 102,461.43
EXPENDITURES:							
Instruction:							
100-100 Personal Services - Salaries	\$ 90,000.00	\$ 40,000.00	\$ 30,000.00	\$ 20,000.00	\$ -	\$ -	\$ -
100-300 Purchased Professional and Technical Services	17,366.50					12,111.00	5,255.50
100-500 Other Purchased Services (400-500 series)	487,735.00	37,250.00		450,485.00			
100-610 General Supplies	128,309.00	35,750.00	-	7,561.00	20,000.00	6,000.00	58,998.00
Total Instruction	723,410.50	113,000.00	30,000.00	27,561.00	470,485.00	18,111.00	64,253.50
Support Services:							
200-200 Personal Services - Employee Benefits	18,000.00	8,000.00	6,000.00	4,000.00			
200-320 Purchased Professional - Educational Services	114,250.90		25,000.00		79,000.00		10,250.90
200-500 Other Purchased Services (400-500 series)	10,787.43				10,000.00		787.43
200-580 Travel	2,000.00					2,000.00	
200-600 Supplies and Materials	48,358.60	9,752.00	1,437.00	-	10,000.00		27,169.60
Total Support Services	193,396.93	17,752.00	32,437.00	4,000.00	99,000.00	2,000.00	38,207.93
Total Expenditures	\$ 916,807.43	\$ 130,752.00	\$ 62,437.00	\$ 31,561.00	\$ 569,485.00	\$ 20,111.00	\$ 102,461.43

Section F
CAPITAL PROJECTS FUND

BOARD OF EDUCATION
BOROUGH OF DUMONT
Capital Projects Fund
Summary Schedule of Project Expenditures
For the Year Ended June 30, 2012

Project Title/Issue	Approval Date	Revised Budgetary Appropriations	GAAP Expenditures to Date		Unexpended Appropriations 6/30/2012
			Prior Years	Current Year	
Additions and Renovations to High School	9/30/2003	\$ 7,010,000.00	\$ 7,278,970.28	\$ -	\$ (268,970.28)
Additions and Renovations to Grant Elementary School	9/30/2003	6,160,000.00	6,049,269.29	-	110,730.71
Additions and Renovations to Honiss Elementary School	9/30/2003	3,350,000.00	3,316,108.97	-	33,891.03
Additions and Renovations to Lincoln Elementary School	9/30/2003	6,280,000.00	6,011,311.63	-	268,688.37
Additions and Renovations to Selzer Elementary School	9/30/2003	3,619,398.60	3,763,738.43	-	(144,339.83)
Field Improvements	9/25/2007	3,355,000.00	3,355,000.00	-	-
Building Envelope Improvements at Honiss Elementary School	6/30/2009	148,477.23	148,477.23	-	-
Boiler Replacement at High School	6/30/2009	502,842.24	502,842.24	-	-
High School Doors	2/22/2011	172,664.89	23,792.24	117,445.17	31,427.48
Honiss Elementary School Doors	2/22/2011	104,012.48	16,778.42	66,561.80	20,672.26
Selzer Elementary School Doors	2/22/2011	76,686.03	11,583.20	39,919.58	25,183.25
High School Windows	10/6/2011	388,112.00	-	36,698.48	351,413.52
Totals		\$ 31,167,193.47	\$ 30,477,871.93	\$ 260,625.03	\$ 428,696.51

**BOARD OF EDUCATION
BOROUGH OF DUMONT**
Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budgetary Basis
For the Year Ended June 30, 2012

REVENUES AND OTHER FINANCING SOURCES

State Sources - SDA Grants	\$ 51,011.40
Bond Proceeds	-
Lease-Purchase Agreements	232,053.00
Transfer from capital reserve	-
Transfer from capital outlay	-
Total Revenues	<u>283,064.40</u>

EXPENDITURES AND OTHER FINANCING USES

Equipment (73X)	-
Salaries (100)	-
Legal Services (331)	-
Other Purchased Professional and Technical Services (390)	28,590.03
Construction Services (450)	232,035.00
General Supplies (610)	-
Land and Improvements (710)	-
Lease Purchase Agreements - Principal (721)	-
Buildings other than Lease Purchase Agreements - Principal (722)	-
Other Objects (800)	-
Total Expenditures	<u>260,625.03</u>
Excess (deficiency) of revenues over (under) expenditures	22,439.37
Fund Balance - July 1	<u>406,257.14</u>
Fund Balance - June 30	<u>\$ 428,696.51</u>

**BOARD OF EDUCATION
BOROUGH OF DUMONT**
Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis
Additions and Renovations to High School
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 - SCC Grant	\$ 2,458,068.00	\$ -	\$ 2,458,068.00	\$ 2,458,068.00
Bond Proceeds	4,551,932.00		4,551,932.00	4,551,932.00
Contribution from private sources			-	
Transfer from capital reserve			-	
Transfer from capital outlay	-	-	-	-
Total Revenues	<u>7,010,000.00</u>	<u>-</u>	<u>7,010,000.00</u>	<u>7,010,000.00</u>
EXPENDITURES AND OTHER FINANCING USES				
Equipment (73X)			-	
Salaries (100)			-	
Legal Services (331)	16,029.51		16,029.51	21,000.00
Other Purchased Professional and Technical Services (390)	773,884.88		773,884.88	750,000.00
Construction Services (450)	6,362,879.66		6,362,879.66	6,139,000.00
General Supplies (610)	126,176.23		126,176.23	100,000.00
Land and Improvements (710)			-	
Lease Purchase Agreements - Principal (721)			-	
Buildings other than Lease Purchase Agreements - Principal (722)			-	
Other Objects (800)	-	-	-	-
Total Expenditures	<u>7,278,970.28</u>	<u>-</u>	<u>7,278,970.28</u>	<u>7,010,000.00</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(268,970.28)</u>	<u>-</u>	<u>(268,970.28)</u>	<u>-</u>
ADDITIONAL PROJECT INFORMATION				
Project Number	SP1130-040-03-0700			
Grant Date	2/4/05			
Bond Authorization Date	9/30/03			
Bonds Authorized	\$ 4,551,932.00			
Bonds Issued	\$ 4,551,932.00			
Original Authorized Cost	\$ 7,010,000.00			
Additional Authorized Cost	\$ -			
Revised Authorized Cost	\$ 7,010,000.00			
Percentage Increase over Original Authorized Cost	0.00%			
Percentage Completed	103.84%			
Original Target Completion Date	9/1/06			
Revised Target Completion Date	9/1/06			

**BOARD OF EDUCATION
BOROUGH OF DUMONT**
Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis
Additions and Renovations to Grant Elementary School
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 - SCC Grant	\$ 1,750,696.00	\$ -	\$ 1,750,696.00	\$ 1,750,696.00
Bond Proceeds	4,409,304.00		4,409,304.00	4,409,304.00
Contribution from private sources			-	
Transfer from capital reserve			-	
Transfer from capital outlay	-	-	-	-
Total Revenues	<u>6,160,000.00</u>	<u>-</u>	<u>6,160,000.00</u>	<u>6,160,000.00</u>
EXPENDITURES AND OTHER FINANCING USES				
Equipment (73X)			-	
Salaries (100)			-	
Legal Services (331)	7,141.37		7,141.37	20,000.00
Other Purchased Professional and Technical Services (390)	503,837.32		503,837.32	580,756.00
Construction Services (450)	5,470,413.59		5,470,413.59	5,459,244.00
General Supplies (610)	67,877.01		67,877.01	100,000.00
Land and Improvements (710)			-	
Lease Purchase Agreements - Principal (721)			-	
Buildings other than Lease Purchase Agreements - Principal (722)			-	
Other Objects (800)	-	-	-	-
Total Expenditures	<u>6,049,269.29</u>	<u>-</u>	<u>6,049,269.29</u>	<u>6,160,000.00</u>
Excess (deficiency) of revenues over (under) expenditures	<u>110,730.71</u>	<u>-</u>	<u>110,730.71</u>	<u>-</u>
ADDITIONAL PROJECT INFORMATION				
Project Number	SP1130-050-03-0670			
Grant Date	2/4/05			
Bond Authorization Date	9/30/03			
Bonds Authorized	\$ 4,409,304.00			
Bonds Issued	\$ 4,409,304.00			
Original Authorized Cost	\$ 6,160,000.00			
Additional Authorized Cost	\$ -			
Revised Authorized Cost	\$ 6,160,000.00			
Percentage Increase over Original Authorized Cost	0.00%			
Percentage Completed	98.20%			
Original Target Completion Date	1/1/07			
Revised Target Completion Date	1/1/07			

**BOARD OF EDUCATION
BOROUGH OF DUMONT**
Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis
Additions and Renovations to Honiss Elementary School
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 - SCC Grant	\$ 1,146,623.00	\$ -	\$ 1,146,623.00	\$ 1,146,623.00
Bond Proceeds	2,203,377.00		2,203,377.00	2,203,377.00
Contribution from private sources			-	
Transfer from capital reserve			-	
Transfer from capital outlay	-	-	-	-
Total Revenues	<u>3,350,000.00</u>	<u>-</u>	<u>3,350,000.00</u>	<u>3,350,000.00</u>
EXPENDITURES AND OTHER FINANCING USES				
Equipment (73X)			-	
Salaries (100)			-	
Legal Services (331)	7,141.37		7,141.37	20,000.00
Other Purchased Professional and Technical Services (390)	306,412.30		306,412.30	416,647.00
Construction Services (450)	2,928,413.70		2,928,413.70	2,813,353.00
General Supplies (610)	74,141.60		74,141.60	100,000.00
Land and Improvements (710)			-	
Lease Purchase Agreements - Principal (721)			-	
Buildings other than Lease Purchase Agreements - Principal (722)			-	
Other Objects (800)	-	-	-	-
Total Expenditures	<u>3,316,108.97</u>	<u>-</u>	<u>3,316,108.97</u>	<u>3,350,000.00</u>
Excess (deficiency) of revenues over (under) expenditures	<u>33,891.03</u>	<u>-</u>	<u>33,891.03</u>	<u>-</u>
ADDITIONAL PROJECT INFORMATION				
Project Number	SP1130-060-03-0699			
Grant Date	2/4/05			
Bond Authorization Date	9/30/03			
Bonds Authorized	\$ 2,203,377.00			
Bonds Issued	\$ 2,203,377.00			
Original Authorized Cost	\$ 3,350,000.00			
Additional Authorized Cost	\$ -			
Revised Authorized Cost	\$ 3,350,000.00			
Percentage Increase over Original Authorized Cost	0.00%			
Percentage Completed	98.99%			
Original Target Completion Date	9/1/06			
Revised Target Completion Date	9/1/06			

**BOARD OF EDUCATION
BOROUGH OF DUMONT**
Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis
Additions and Renovations to Lincoln Elementary School
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 - SCC Grant	\$ 1,712,380.00	\$ -	\$ 1,712,380.00	\$ 1,712,380.00
Bond Proceeds	4,567,620.00		4,567,620.00	4,567,620.00
Contribution from private sources			-	
Transfer from capital reserve			-	
Transfer from capital outlay	-	-	-	-
Total Revenues	<u>6,280,000.00</u>	<u>-</u>	<u>6,280,000.00</u>	<u>6,280,000.00</u>
EXPENDITURES AND OTHER FINANCING USES				
Equipment (73X)			-	
Salaries (100)			-	
Legal Services (331)	7,141.37		7,141.37	20,000.00
Other Purchased Professional and Technical Services (390)	470,071.50		470,071.50	589,657.00
Construction Services (450)	5,476,860.84		5,476,860.84	5,588,343.00
General Supplies (610)	57,237.92		57,237.92	82,000.00
Land and Improvements (710)			-	
Lease Purchase Agreements - Principal (721)			-	
Buildings other than Lease Purchase Agreements - Principal (722)			-	
Other Objects (800)	-	-	-	-
Total Expenditures	<u>6,011,311.63</u>	<u>-</u>	<u>6,011,311.63</u>	<u>6,280,000.00</u>
Excess (deficiency) of revenues over (under) expenditures	<u>268,688.37</u>	<u>-</u>	<u>268,688.37</u>	<u>-</u>
ADDITIONAL PROJECT INFORMATION				
Project Number	SP1130-070-03-0669			
Grant Date	2/4/05			
Bond Authorization Date	9/30/03			
Bonds Authorized	\$ 4,567,620.00			
Bonds Issued	\$ 4,567,620.00			
Original Authorized Cost	\$ 6,280,000.00			
Additional Authorized Cost	\$ -			
Revised Authorized Cost	\$ 6,280,000.00			
Percentage Increase over Original Authorized Cost	0.00%			
Percentage Completed	95.72%			
Original Target Completion Date	1/1/07			
Revised Target Completion Date	1/1/07			

**BOARD OF EDUCATION
BOROUGH OF DUMONT**
Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis
Additions and Renovations to Selzer Elementary School
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 - SCC Grant	\$ 1,101,631.60	\$ -	\$ 1,101,631.60	\$ 1,101,631.60
Bond Proceeds	2,517,767.00		2,517,767.00	2,518,368.40
Contribution from private sources			-	
Transfer from capital reserve			-	
Transfer from capital outlay	-	-	-	-
Total Revenues	<u>3,619,398.60</u>	<u>-</u>	<u>3,619,398.60</u>	<u>3,620,000.00</u>
EXPENDITURES AND OTHER FINANCING USES				
Equipment (73X)			-	
Salaries (100)			-	
Legal Services (331)	7,141.37		7,141.37	20,000.00
Other Purchased Professional and Technical Services (390)	398,244.87		398,244.87	416,205.00
Construction Services (450)	3,310,996.58		3,310,996.58	3,083,795.00
General Supplies (610)	47,355.61		47,355.61	100,000.00
Land and Improvements (710)			-	
Lease Purchase Agreements - Principal (721)			-	
Buildings other than Lease Purchase Agreements - Principal (722)			-	
Other Objects (800)	-	-	-	-
Total Expenditures	<u>3,763,738.43</u>	<u>-</u>	<u>3,763,738.43</u>	<u>3,620,000.00</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(144,339.83)</u>	<u>-</u>	<u>(144,339.83)</u>	<u>-</u>
ADDITIONAL PROJECT INFORMATION				
Project Number	SP1130-080-03-0701			
Grant Date	2/4/05			
Bond Authorization Date	9/30/03			
Bonds Authorized	\$ 2,518,368.40			
Bonds Issued	\$ 2,517,767.00			
Original Authorized Cost	\$ 3,620,000.00			
Additional Authorized Cost	\$ -			
Revised Authorized Cost	\$ 3,620,000.00			
Percentage Increase over Original Authorized Cost	0.00%			
Percentage Completed	103.97%			
Original Target Completion Date	9/1/06			
Revised Target Completion Date	9/1/06			

**BOARD OF EDUCATION
BOROUGH OF DUMONT**
Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis
Field Improvements
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 - SCC Grant	\$ -	\$ -	\$ -	\$ -
Bond Proceeds	3,355,000.00		3,355,000.00	3,355,863.00
Contribution from private sources			-	
Transfer from capital reserve			-	
Transfer from capital outlay	-	-	-	-
Total Revenues	<u>3,355,000.00</u>	<u>-</u>	<u>3,355,000.00</u>	<u>3,355,863.00</u>
EXPENDITURES AND OTHER FINANCING USES				
Equipment (73X)			-	
Salaries (100)			-	
Legal Services (331)	23,293.21		23,293.21	35,000.00
Other Purchased Professional and Technical Services (390)	326,768.76		326,768.76	362,880.00
Construction Services (450)	3,004,938.03		3,004,938.03	2,957,983.00
General Supplies (610)			-	
Land and Improvements (710)			-	
Lease Purchase Agreements - Principal (721)			-	
Buildings other than Lease Purchase Agreements - Principal (722)			-	
Other Objects (800)	-	-	-	-
Total Expenditures	<u>3,355,000.00</u>	<u>-</u>	<u>3,355,000.00</u>	<u>3,355,863.00</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
ADDITIONAL PROJECT INFORMATION				
Project Number	N/A			
Grant Date	N/A			
Bond Authorization Date	9/25/07			
Bonds Authorized	\$ 3,355,863.00			
Bonds Issued	\$ 3,355,000.00			
Original Authorized Cost	\$ 3,355,863.00			
Additional Authorized Cost	\$ -			
Revised Authorized Cost	\$ 3,355,863.00			
Percentage Increase over Original Authorized Cost	0.00%			
Percentage Completed	99.97%			
Original Target Completion Date	9/1/08			
Revised Target Completion Date	10/31/08			

**BOARD OF EDUCATION
BOROUGH OF DUMONT**
Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis
Building Envelope Improvements at Honiss Elementary School
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	\$ 61,437.00	\$ -	\$ 61,437.00	\$ 61,437.00
Bond Proceeds			-	
Lease-Purchase Agreement	87,040.23		87,040.23	87,040.23
Transfer from capital reserve			-	
Transfer from capital outlay	-	-	-	-
Total Revenues	<u>148,477.23</u>	<u>-</u>	<u>148,477.23</u>	<u>148,477.23</u>
EXPENDITURES AND OTHER FINANCING USES				
Equipment (73X)			-	
Salaries (100)			-	
Legal Services (331)			-	
Other Purchased Professional and Technical Services (390)	13,477.23		13,477.23	13,477.23
Construction Services (450)	135,000.00		135,000.00	135,000.00
General Supplies (610)			-	
Land and Improvements (710)			-	
Lease Purchase Agreements - Principal (721)			-	
Buildings other than Lease Purchase Agreements - Principal (722)			-	
Other Objects (800)	-	-	-	-
Total Expenditures	<u>148,477.23</u>	<u>-</u>	<u>148,477.23</u>	<u>148,477.23</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
ADDITIONAL PROJECT INFORMATION				
Project Number	SP1130-060-09-1001			
Grant Date	6/30/09			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$ 167,547.00			
Additional Authorized Cost	\$ (19,069.77)			
Revised Authorized Cost	\$ 148,477.23			
Percentage Increase over Original Authorized Cost	-11.38%			
Percentage Completed	100.00%			
Original Target Completion Date	9/1/09			
Revised Target Completion Date	9/1/09			

**BOARD OF EDUCATION
BOROUGH OF DUMONT**
Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis
Boiler Replacement at High School
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	\$ 207,942.00	\$ -	\$ 207,942.00	\$ 207,942.00
Bond Proceeds			-	
Lease-Purchase Agreement	294,900.24		294,900.24	294,900.24
Transfer from capital reserve			-	
Transfer from capital outlay	-	-	-	-
Total Revenues	<u>502,842.24</u>	<u>-</u>	<u>502,842.24</u>	<u>502,842.24</u>
EXPENDITURES AND OTHER FINANCING USES				
Equipment (73X)			-	
Salaries (100)			-	
Legal Services (331)			-	
Other Purchased Professional and Technical Services (390)	70,883.24		70,883.24	70,883.24
Construction Services (450)	431,959.00		431,959.00	431,959.00
General Supplies (610)			-	
Land and Improvements (710)			-	
Lease Purchase Agreements - Principal (721)			-	
Buildings other than Lease Purchase Agreements - Principal (722)			-	
Other Objects (800)	-	-	-	-
Total Expenditures	<u>502,842.24</u>	<u>-</u>	<u>502,842.24</u>	<u>502,842.24</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
ADDITIONAL PROJECT INFORMATION				
Project Number	SP1130-040-09-1002			
Grant Date	6/30/09			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$ 760,241.00			
Additional Authorized Cost	\$ (257,398.76)			
Revised Authorized Cost	\$ 502,842.24			
Percentage Increase over Original Authorized Cost	-33.86%			
Percentage Completed	100.00%			
Original Target Completion Date	10/1/09			
Revised Target Completion Date	10/1/09			

**BOARD OF EDUCATION
BOROUGH OF DUMONT**
Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis
High School Doors
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	\$ 103,867.00	\$ (35,963.91)	\$ 67,903.09	\$ 67,903.09
Bond Proceeds			-	
Lease-Purchase Agreement	104,761.80		104,761.80	104,761.80
Transfer from capital reserve			-	
Transfer from capital outlay	-	-	-	-
Total Revenues	<u>208,628.80</u>	<u>(35,963.91)</u>	<u>172,664.89</u>	<u>172,664.89</u>
EXPENDITURES AND OTHER FINANCING USES				
Equipment (73X)			-	
Salaries (100)			-	
Legal Services (331)			-	
Other Purchased Professional and Technical Services (390)	16,617.24	1,617.17	18,234.41	18,693.75
Construction Services (450)	7,175.00	115,828.00	123,003.00	153,971.14
General Supplies (610)			-	
Land and Improvements (710)			-	
Lease Purchase Agreements - Principal (721)			-	
Buildings other than Lease Purchase Agreements - Principal (722)			-	
Other Objects (800)	-	-	-	-
Total Expenditures	<u>23,792.24</u>	<u>117,445.17</u>	<u>141,237.41</u>	<u>172,664.89</u>
Excess (deficiency) of revenues over (under) expenditures	<u>184,836.56</u>	<u>(153,409.08)</u>	<u>31,427.48</u>	<u>-</u>
ADDITIONAL PROJECT INFORMATION				
Project Number	SP1130-040-10-1003			
Grant Date	2/22/11			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$ 208,628.80			
Additional Authorized Cost	\$ -			
Revised Authorized Cost	\$ 208,628.80			
Percentage Increase over Original Authorized Cost	0.00%			
Percentage Completed	81.80%			
Original Target Completion Date	9/1/11			
Revised Target Completion Date	9/1/11			

**BOARD OF EDUCATION
BOROUGH OF DUMONT**
Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis
Honiss Elementary School Doors
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	\$ 74,192.00	\$ (40,050.12)	\$ 34,141.88	\$ 34,141.88
Bond Proceeds			-	
Lease-Purchase Agreement	69,870.60		69,870.60	69,870.60
Transfer from capital reserve			-	
Transfer from capital outlay	-		-	-
Total Revenues	<u>144,062.60</u>	<u>(40,050.12)</u>	<u>104,012.48</u>	<u>104,012.48</u>
 EXPENDITURES AND OTHER FINANCING USES				
Equipment (73X)			-	
Salaries (100)			-	
Legal Services (331)			-	
Other Purchased Professional and Technical Services (390)	11,978.42	5,947.80	17,926.22	17,225.00
Construction Services (450)	4,800.00	60,614.00	65,414.00	86,787.48
General Supplies (610)			-	
Land and Improvements (710)			-	
Lease Purchase Agreements - Principal (721)			-	
Buildings other than Lease Purchase Agreements - Principal (722)			-	
Other Objects (800)	-	-	-	-
Total Expenditures	<u>16,778.42</u>	<u>66,561.80</u>	<u>83,340.22</u>	<u>104,012.48</u>
 Excess (deficiency) of revenues over (under) expenditures	<u>127,284.18</u>	<u>(106,611.92)</u>	<u>20,672.26</u>	<u>-</u>

ADDITIONAL PROJECT INFORMATION

Project Number	SP1130-060-10-1004
Grant Date	2/22/11
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 144,062.60
Additional Authorized Cost	\$ -
Revised Authorized Cost	\$ 144,062.60
 Percentage Increase over Original Authorized Cost	0.00%
Percentage Completed	80.13%
Original Target Completion Date	9/1/11
Revised Target Completion Date	9/1/11

**BOARD OF EDUCATION
BOROUGH OF DUMONT**
Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis
Seizer Elementary School Doors
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	\$ 51,977.00	\$ (29,033.57)	\$ 22,943.43	\$ 22,943.43
Bond Proceeds			-	
Lease-Purchase Agreement	53,742.60		53,742.60	53,742.60
Transfer from capital reserve			-	
Transfer from capital outlay	-	-	-	-
Total Revenues	<u>105,719.60</u>	<u>(29,033.57)</u>	<u>76,686.03</u>	<u>76,686.03</u>
EXPENDITURES AND OTHER FINANCING USES				
Equipment (73X)			-	
Salaries (100)			-	
Legal Services (331)			-	
Other Purchased Professional and Technical Services (390)	8,733.20	2,236.58	10,969.78	11,310.00
Construction Services (450)	2,850.00	37,683.00	40,533.00	65,376.03
General Supplies (610)			-	
Land and Improvements (710)			-	
Lease Purchase Agreements - Principal (721)			-	
Buildings other than Lease Purchase Agreements - Principal (722)			-	
Other Objects (800)	-	-	-	-
Total Expenditures	<u>11,583.20</u>	<u>39,919.58</u>	<u>51,502.78</u>	<u>76,686.03</u>
Excess (deficiency) of revenues over (under) expenditures	<u>94,136.40</u>	<u>(68,953.15)</u>	<u>25,183.25</u>	<u>-</u>

ADDITIONAL PROJECT INFORMATION

Project Number	SP1130-080-10-1005
Grant Date	2/22/11
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 105,719.60
Additional Authorized Cost	\$ -
Revised Authorized Cost	\$ 105,719.60
Percentage Increase over Original Authorized Cost	0.00%
Percentage Completed	67.16%
Original Target Completion Date	9/1/11
Revised Target Completion Date	9/1/11

**BOARD OF EDUCATION
BOROUGH OF DUMONT**
Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis
High School Windows
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	\$ -	\$ 156,059.00	\$ 156,059.00	\$ 156,059.00
Bond Proceeds			-	
Lease-Purchase Agreement		232,053.00	232,053.00	232,053.00
Transfer from capital reserve			-	
Transfer from capital outlay	-	-	-	-
Total Revenues	<u>-</u>	<u>388,112.00</u>	<u>388,112.00</u>	<u>388,112.00</u>
EXPENDITURES AND OTHER FINANCING USES				
Equipment (73X)			-	
Salaries (100)			-	
Legal Services (331)			-	
Other Purchased Professional and Technical Services (390)		18,788.48	18,788.48	24,545.00
Construction Services (450)		17,910.00	17,910.00	363,567.00
General Supplies (610)			-	
Land and Improvements (710)			-	
Lease Purchase Agreements - Principal (721)			-	
Buildings other than Lease Purchase Agreements - Principal (722)			-	
Other Objects (800)	-	-	-	-
Total Expenditures	<u>-</u>	<u>36,698.48</u>	<u>36,698.48</u>	<u>388,112.00</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>351,413.52</u>	<u>351,413.52</u>	<u>-</u>
ADDITIONAL PROJECT INFORMATION				
Project Number	SP1130-040-10-1002			
Grant Date	10/6/11			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$ 388,112.00			
Additional Authorized Cost	\$ -			
Revised Authorized Cost	\$ 388,112.00			
Percentage Increase over Original Authorized Cost	0.00%			
Percentage Completed	9.46%			
Original Target Completion Date	9/1/12			
Revised Target Completion Date	9/1/12			

Section G
PROPRIETARY FUNDS

ENTERPRISE FUND

INTERNAL SERVICE FUND

Section H
FIDUCIARY FUND

**BOARD OF EDUCATION
BOROUGH OF DUMONT
Student Activity Agency Fund
Schedule of Receipts and Disbursements
For the Fiscal Year Ended June 30, 2012**

<u>Schools</u>	<u>Balance June 30, 2011</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Balance June 30, 2012</u>
Elementary Schools:				
Honiss	\$ 35,698.99	\$ 164,983.54	\$ 154,683.56	\$ 45,998.97
Selzer	36,768.47	88,946.08	77,640.62	48,073.93
Lincoln	6,278.58	10,434.57	11,008.42	5,704.73
Grant	5,086.82	21,794.20	22,455.67	4,425.35
High School	69,667.16	166,281.21	164,865.55	71,082.82
Athletic Fund	<u>2,649.38</u>	<u>41,375.61</u>	<u>41,831.00</u>	<u>2,193.99</u>
	<u>\$ 156,149.40</u>	<u>\$ 493,815.21</u>	<u>\$ 472,484.82</u>	<u>\$ 177,479.79</u>

BOARD OF EDUCATION
BOROUGH OF DUMONT
Payroll Agency Fund
Schedule of Receipts and Disbursements
For the Fiscal Year Ended June 30, 2012

	<u>Balance</u> <u>June 30, 2011</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursements</u>	<u>Balance</u> <u>June 30, 2012</u>
Payroll Deductions and Withholdings	\$ 230,239.70	\$ 13,365,829.52	\$ 13,316,364.27	\$ 279,704.95
Net Salaries and Wages		16,367,336.29	16,367,336.29	-
Interfund Accounts Payable	<u>2,930.88</u>	<u>250.71</u>	<u>2,985.45</u>	<u>196.14</u>
	<u>\$ 233,170.58</u>	<u>\$ 29,733,416.52</u>	<u>\$ 29,686,686.01</u>	<u>\$ 279,901.09</u>

Section I
LONG – TERM DEBT

**BOARD OF EDUCATION
BOROUGH OF DUMONT
Long - Term Debt
Schedule of Serial Bonds
For the Fiscal Year Ended June 30, 2012**

<u>Purpose</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities of Bonds Outstanding June 30, 2012</u>			<u>Retired Current Year</u>	<u>Balance June 30, 2011</u>	<u>Balance June 30, 2012</u>
			<u>Date</u>	<u>Amount</u>	<u>Interest Rate</u>			
Improvements to Honiss and Selzer Schools	05/15/01	\$ 1,700,000.00	5/15/13-15	\$ 90,000.00	4.875%	\$ 80,000.00	\$ 940,000.00	
			5/15/16-17	100,000.00	4.875%			
			05/15/18	110,000.00	5.00%			
			5/15/19-21	120,000.00	5.00%			
Additions and Renovations to Various Schools	3/15/05	18,250,000.00	03/15/13	810,000.00	4.00%	775,000.00	13,540,000.00	
			03/15/14	850,000.00	4.00%			
			03/15/15	890,000.00	4.00%			
			03/15/16	945,000.00	4.00%			
			03/15/17	990,000.00	4.00%			
			03/15/18	1,035,000.00	4.00%			
			03/15/19	1,085,000.00	4.00%			
		03/15/20	1,135,000.00	4.25%				
		3/15/21-25	1,160,000.00	4.25%				
Improvements to Athletic Fields and Recreation Areas	2/1/09	3,355,000.00	2/1/13	190,000.00	3.00%	180,000.00	3,005,000.00	
			2/1/14	200,000.00	3.00%			
			2/1/15	210,000.00	3.00%			
			2/1/16	220,000.00	3.00%			
			2/1/17	230,000.00	3.00%			
			2/1/18	240,000.00	3.05%			
			2/1/19	255,000.00	3.20%			
			2/1/20	270,000.00	3.40%			
			2/1/21	280,000.00	3.60%			
			2/1/22	295,000.00	3.80%			
			2/1/23	305,000.00	3.90%			
			2/1/24	310,000.00	4.00%			
						<u>\$ 1,035,000.00</u>	<u>\$ 17,485,000.00</u>	
						<u>\$ 18,520,000.00</u>	<u>\$ 17,485,000.00</u>	

**BOARD OF EDUCATION
BOROUGH OF DUMONT
Long - Term Debt
Schedule of Obligations Under Capital Leases
For the Fiscal Year Ended June 30, 2012**

<u>Purpose</u>	<u>Amount of Original Issue</u>	<u>Amount Outstanding June 30, 2011</u>	<u>Issued Current Year</u>	<u>Retired Current Year</u>	<u>Amount Outstanding June 30, 2012</u>
School Buses	\$ 120,746.73	\$ 26,103.87	\$ -	\$ 26,103.87	\$ -
Roof, HVAC, CAD Room, Façade	595,237.50	217,118.07		107,155.30	109,962.77
Rotary Mower	45,426.25	18,619.32		9,058.93	9,560.39
Honiss Façade & H.S. Boilers	456,750.00	274,637.92		89,073.98	185,563.94
H.S., Honiss & Selzer Doors	228,375.00	180,188.80		43,231.01	136,957.79
H.S., Honiss & Selzer Doors	466,900.00	-	466,900.00	98,980.34	367,919.66
		<u>\$ 716,667.98</u>	<u>\$ 466,900.00</u>	<u>\$ 373,603.43</u>	<u>\$ 809,964.55</u>

**BOARD OF EDUCATION
BOROUGH OF DUMONT
Budgetary Comparison Schedule
Debt Service Fund
For the Fiscal Year Ended June 30, 2012**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 1,731,646.00	\$ -	\$ 1,731,646.00	\$ 1,731,646.00	\$ -
State Sources:					
Debt Service Aid Type II	50,444.00	-	50,444.00	50,444.00	-
Total - State Sources	50,444.00	-	50,444.00	50,444.00	-
Total Revenues	<u>1,782,090.00</u>		<u>1,782,090.00</u>	<u>1,782,090.00</u>	
EXPENDITURES:					
Regular Debt Service:					
Interest	747,395.00		747,395.00	747,395.00	-
Redemption of Principal	1,035,000.00		1,035,000.00	1,035,000.00	-
Total Regular Debt Service	1,782,395.00		1,782,395.00	1,782,395.00	-
Total Expenditures	<u>1,782,395.00</u>		<u>1,782,395.00</u>	<u>1,782,395.00</u>	
Excess (Deficiency) of Revenues Over (Under) Expenditures	(305.00)		(305.00)	(305.00)	-
Other Financing Sources:					
Operating Transfers In:					
Interest Earned in Capital Projects Fund					
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	(305.00)		(305.00)	(305.00)	-
Fund Balance, July 1	305.42		305.42	305.42	-
Fund Balance, June 30	0.42		0.42	0.42	-
Recapitulation of Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures: Budgeted Fund Balance	\$ (305.00)	\$ -	\$ (305.00)	\$ (305.00)	\$ -

STATISTICAL SECTION (UNAUDITED)

GASB requires that ten years of statistical data be presented. Pursuant to State of New Jersey Department of Education requirements issued for the fiscal year ended June 30, 1994, only two years statistical data needed to be presented. Additional year's data will be included each year thereafter until ten years of data is presented.

**BOARD OF EDUCATION
BOROUGH OF DUMONT**

**Net Assets by Component
Last Ten Fiscal Years
(accrual basis of accounting)
Unaudited**

	Fiscal Year Ending June 30,									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Governmental activities										
Invested in capital assets, net of related debt	\$ (17,064,870.98)	\$ 13,923,315.41	\$ 12,906,174.19	\$ 11,734,211.60	\$ 11,241,475.01	\$ 5,859,057.60	\$ (3,925,854.99)	\$ (15,968,333.12)	\$ 862,491.48	\$ 619,433.54
Restricted	4,149,514.40	1,942,337.59	1,451,495.45	486,967.33	132,882.63	4,739,641.50	11,748,729.19	24,955,809.37	6,953.98	271,247.63
Unrestricted	(532,958.95)	(755,802.20)	(770,543.37)	(1,265,300.95)	(1,204,407.18)	(1,189,347.06)	859,422.06	(1,339,297.70)	(1,372,245.85)	(1,782,126.62)
Total governmental activities net assets	\$ (13,448,315.53)	\$ 15,109,850.80	\$ 13,587,126.27	\$ 10,955,877.98	\$ 10,169,960.46	\$ 9,409,352.04	\$ 8,652,296.26	\$ 7,648,178.55	\$ (502,800.39)	\$ (891,445.45)
Business-type activities										
Invested in capital assets, net of related debt	\$ 46,122.90	\$ 17,843.93	\$ 2,537.33	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	105,493.18	111,812.45	72,043.88	49,746.20	23,997.21	27,206.21	26,178.80	12,728.24	12,895.70	7,021.84
Unrestricted	(51,616.08)	(129,656.36)	(74,581.21)	(49,746.20)	(23,997.21)	(27,206.21)	(26,178.80)	(12,728.24)	(12,895.70)	(7,021.84)
Total business-type activities net assets	\$ (5,000.00)	\$ (10,000.00)	\$ (72,043.88)	\$ (49,746.20)	\$ (23,997.21)	\$ (27,206.21)	\$ (26,178.80)	\$ (12,728.24)	\$ (12,895.70)	\$ (7,021.84)
District-wide										
Invested in capital assets, net of related debt	\$ (17,018,748.08)	\$ 13,941,159.34	\$ 12,908,711.52	\$ 11,734,211.60	\$ 11,241,475.01	\$ 5,859,057.60	\$ (3,925,854.99)	\$ (15,968,333.12)	\$ 862,491.48	\$ 619,433.54
Restricted	4,149,514.40	1,942,337.59	1,451,495.45	486,967.33	132,882.63	4,739,641.50	11,748,729.19	24,955,809.37	6,953.98	271,247.63
Unrestricted	(427,465.77)	(643,989.75)	(698,499.49)	(1,215,354.75)	(1,180,409.97)	(1,162,140.85)	855,600.86	(1,326,569.46)	(1,359,350.15)	(1,775,104.78)
Total district net assets	\$ (13,296,699.45)	\$ 15,239,507.18	\$ 13,661,707.48	\$ 11,005,824.18	\$ 10,193,957.67	\$ 9,436,558.25	\$ 8,678,475.06	\$ 7,660,906.79	\$ (489,904.69)	\$ (884,423.61)

Source: District records

BOARD OF EDUCATION
BOROUGH OF DUJOMONT

Changes in Net Assets
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year Ending June 30									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Expenses										
Governmental activities										
Instruction										
Regular	\$ 18,514,772.35	\$ 19,150,502.71	\$ 18,469,207.68	\$ 19,240,156.58	\$ 19,102,862.81	\$ 18,682,662.79	\$ 17,196,613.64	\$ 16,526,814.57	\$ 15,751,604.52	\$ 16,065,228.22
Special education	3,725,725.26	3,324,528.70	2,979,900.90	2,779,363.43	2,867,223.37	2,786,089.24	2,635,974.34	2,331,288.60	2,145,966.95	1,511,689.32
Other instruction	2,385,494.57	2,189,141.01	2,019,074.74	1,977,524.99	2,034,494.98	1,890,254.30	1,451,735.14	1,329,449.67	1,271,820.54	1,176,924.33
Support Services:										
Tuition	4,056,891.95	3,717,704.84	4,388,349.89	3,659,234.91	3,457,434.72	3,313,633.99	3,152,581.83	2,922,194.36	2,541,885.39	2,365,903.54
Student and instruction related services	4,151,147.32	4,151,562.63	4,272,900.58	4,089,628.39	4,032,856.49	3,783,565.03	3,604,304.14	3,485,630.95	3,750,018.16	3,614,307.65
School administrative services	3,109,606.11	3,165,319.40	2,821,535.74	2,790,517.08	2,933,319.54	2,865,101.26	2,668,663.09	2,485,815.98	2,091,683.91	1,997,533.63
Administrative information technology	1,408,866.82	1,422,547.63	1,518,283.85	1,361,696.82	1,401,557.64	1,431,359.46	1,255,580.27	1,255,580.27	1,255,580.27	1,255,580.27
Plant operations and maintenance	4,438,096.08	4,452,080.50	4,462,821.72	4,684,231.54	4,480,569.11	4,243,020.68	3,890,278.02	3,525,666.42	3,422,144.31	3,351,291.54
Pupil transportation	656,515.58	672,297.62	891,859.64	738,775.34	811,827.63	735,804.06	682,092.85	820,452.97	756,574.14	691,250.17
Special Schools	54,364.34	50,704.64	51,623.64	49,224.91	49,434.38	40,460.39	53,136.83	48,332.30	49,716.89	50,297.66
Charter Schools	9,718.00				8,953.00	17,218.00		24,464.64		
Interest on long-term debt	735,615.83	774,749.17	809,382.52	879,066.02	900,333.99	785,002.61	811,906.79	315,321.33	77,559.03	90,383.77
Total governmental activities expenses	43,246,814.21	43,271,138.85	42,684,940.90	42,249,420.01	42,080,867.65	40,574,201.81	37,401,845.94	33,795,431.79	31,858,973.84	30,914,809.83
Business-type activities:										
Food service	512,856.49	417,811.45	431,566.60	414,156.90	385,367.38	325,635.84	283,669.33	324,611.17	321,559.45	287,181.75
Total business-type activities expense	512,856.49	417,811.45	431,566.60	414,156.90	385,367.38	325,635.84	283,669.33	324,611.17	321,559.45	287,181.75
Total district-wide expenses	43,759,670.70	43,688,950.30	43,116,507.50	42,663,576.91	42,466,235.04	40,899,837.65	37,685,515.27	34,120,042.96	32,180,533.29	31,201,991.58
Program Revenues										
Governmental activities										
Charges for services:										
Pupil transportation		13,441.37		13,301.00						
Special Schools	45,825.00	38,585.00	41,380.00	37,912.29	30,124.27	29,934.63	41,465.00	34,270.61	40,526.00	39,365.50
Interest on long-term debt	685,171.83	705,448.17	796,575.52	879,066.02	900,333.99	785,002.61	811,906.79	134,613.00	5,208,694.53	4,613,488.06
Operating grants and contributions	6,471,079.21	6,094,775.42	6,093,029.32	5,837,978.85	7,112,933.45	6,915,008.00	5,749,748.28	6,109,599.36	5,249,220.53	4,652,853.96
Total governmental activities program revenues	7,202,076.04	6,852,249.96	6,930,964.84	6,769,256.16	8,043,391.71	7,729,945.24	6,603,120.07	6,278,482.97	5,249,220.53	4,652,853.96

**BOARD OF EDUCATION
BOROUGH OF DUMONT**

**Changes in Net Assets
Last Ten Fiscal Years
(accrual basis of accounting)
Unaudited**

	Fiscal Year Ending June 30									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Business-type activities:										
Charges for services										
Food service	\$ 401,362.35	\$ 346,901.90	\$ 336,132.16	\$ 349,481.45	\$ 288,815.26	\$ 247,537.72	\$ 254,708.79	\$ 259,211.45	\$ 261,311.72	\$ 226,575.25
Operating grants and contributions	133,196.76	123,984.72	120,269.45	90,424.44	93,363.09	78,882.63	50,966.90	40,826.80	47,617.71	47,510.77
Total business-type activities program revenues	534,559.11	472,886.62	456,401.61	439,905.89	382,178.35	326,420.35	305,695.69	306,038.25	308,929.43	274,086.02
Total district-wide program revenues	7,736,635.15	7,325,196.58	7,387,386.45	7,208,164.05	8,425,570.06	8,056,365.59	6,908,815.76	6,594,521.22	5,558,149.96	4,926,939.58
Net (Expense)/Revenue	(36,044,738.17)	(36,418,888.89)	(35,753,956.06)	(35,481,161.85)	(34,037,475.95)	(32,844,256.57)	(30,798,725.87)	(27,516,948.82)	(26,609,753.31)	(26,261,956.27)
Governmental activities	21,702.62	55,075.17	24,835.01	25,748.99	(3,209.03)	784.51	12,026.36	(18,572.92)	(12,630.02)	(13,095.73)
Business-type activities	(36,023,035.55)	(36,363,813.72)	(35,729,121.05)	(35,455,412.86)	(34,040,684.98)	(32,843,472.06)	(30,786,699.51)	(27,535,521.74)	(26,622,383.33)	(26,275,052.00)
Total district-wide net expense										
General Revenues and Other Changes in Net Assets										
Governmental activities:										
Taxes:										
Property taxes, levied for general purposes	31,518,332.00	30,900,326.00	29,674,983.00	28,810,663.00	28,428,915.00	27,173,953.00	25,337,106.00	24,088,071.00	22,823,934.00	22,113,266.00
Property taxes, levied for debt service principal	1,046,474.17	997,297.83	725,255.48	636,056.96	499,541.01	612,485.39	657,193.21	4,357,487.25	5,027,030.49	19,094.23
Federal and State aid not restricted	6,779,311.17	5,922,683.77	7,430,659.16	6,670,611.81	5,572,721.22	5,288,149.41	5,196,346.87	4,357,487.25	5,027,030.49	4,666,418.01
Tuition (other than special schools)	60,613.10	18,914.80	23,042.00	23,042.00	7,470.00	18,433.00	29,180.25	29,390.99	3,330.20	3,330.20
Investment earnings	6,354.24	23,845.28	22,381.37	40,420.61	149,564.42	443,951.52	448,506.09	126,534.99	5,082.62	15,158.12
Miscellaneous income	400,498.45	144,025.27	139,648.34	84,284.97	139,872.72	64,340.03	46,941.16	55,084.30	274,862.87	107,993.21
Special item - proceeds from sale of assets	(56,880.00)	(97,808.00)								(43,901.08)
Debt Service Assessment										
Lease/Purchase Agreement Canceled										
N.J. School Development Authority grants	156,059.00	(74,808.53)	392,277.00				86,340.00	8,169,398.60		
N.J. School Development Authority grants canceled	(105,047.60)	107,136.00								
Adjustments to Capital Assets	(32,319,142.69)									
Transfers										
Total governmental activities	7,466,571.84	37,941,613.42	38,385,204.35	36,267,079.37	34,796,084.37	33,601,312.35	(770.00)	(18,000.00)	(18,500.00)	(18,000.00)
Business-type activities:										
Investment earnings	257.08				0.03	242.90	654.20	405.46	3.88	31.25
Transfers							770.00	18,000.00	18,500.00	18,000.00
Total business-type activities	257.08				0.03	242.90	1,424.20	18,405.46	18,503.88	18,031.25
Total district-wide general revenues	7,466,828.92	37,941,613.42	38,385,204.35	36,267,079.37	34,796,084.40	33,601,555.25	31,804,287.78	36,826,352.59	28,149,366.03	26,878,079.74
Change in Net Assets										
Governmental activities	(28,556,166.33)	1,522,724.53	2,631,248.29	785,917.52	760,608.42	757,055.78	1,004,117.71	9,290,998.31	1,521,108.84	598,092.22
Business-type activities	21,959.70	55,075.17	24,835.01	25,748.99	(3,209.00)	1,027.41	13,450.56	(167.46)	5,873.86	4,935.52
Total district-wide change in net assets	\$ (28,536,206.63)	\$ 1,577,799.70	\$ 2,656,083.30	\$ 811,666.51	\$ 757,399.42	\$ 758,083.19	\$ 1,017,568.27	\$ 9,290,830.85	\$ 1,526,982.70	\$ 603,027.74

Source: District records

BOARD OF EDUCATION
BOROUGH OF DUMONT

Fund Balances - Governmental Funds,
Last Nine Fiscal Years
(modified accrual basis of accounting)
Unaudited

	Fiscal Year Ending June 30,									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
General Fund										
Restricted	\$ 1,865,163.14	\$ 596,535.97	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Assigned	2,682,547.18	1,645,638.91								
Unassigned	255,227.95	309,625.37								
Reserved			1,455,405.87	556,797.12	374,727.90	164,148.02	299,833.31	87,418.22	26,053.56	26,053.56
Unreserved			803,983.63	370,304.05	5,16,856.82	491,480.94	405,696.91	364,034.80	544,781.65	185,513.88
Total general fund	\$ 4,802,938.27	\$ 2,550,800.25	\$ 2,259,389.50	\$ 927,101.17	\$ 891,584.72	\$ 655,628.96	\$ 705,529.22	\$ 451,453.02	\$ 570,835.21	\$ 211,567.44
All Other Governmental Funds										
Restricted, reported in:										
Capital projects fund	\$ 41,545.99	\$ 153,663.14	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Debt service fund	0.42	305.42								
Assigned, reported in:										
Capital projects fund	387,150.52	252,594.00	5,300.00	304,450.02	2,759,205.40	3,900,149.77	11,668,646.40	5,340,280.51		
Reserved										
Unreserved, reported in:										
Special revenue fund										
Capital projects fund			220,779.91	(203,728.77)	(2,920,066.80)	601,468.69	1,915,363.00	19,755,064.37	(2,793.36)	(5,970.93)
Debt service fund	\$ 428,696.93	\$ 406,562.56	\$ 230,333.33	\$ 173,126.44	\$ (37,404.54)	\$ 4,787,759.11	\$ 13,796,980.55	\$ 25,085,334.88	\$ (9,320.24)	\$ 245,194.07
Total all other governmental funds	\$ 5,231,635.20	\$ 2,957,362.81	\$ 2,489,722.83	\$ 1,100,227.61	\$ 854,180.18	\$ 5,443,388.07	\$ 14,502,509.77	\$ 25,546,787.90	\$ 561,514.97	\$ 456,761.51

Source: District records

BOARD OF EDUCATION
BOROUGH OF DUMONT

Changes in Fund Balances - Governmental Funds,
Last Ten Fiscal Years
(modified accrual basis of accounting)
Unaudited

	Fiscal Year Ending June 30,									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Revenues										
Tax levy	33,249,978.00	32,603,072.00	31,196,814.00	30,327,786.00	29,828,790.00	28,571,441.00	26,806,206.00	24,222,684.00	22,916,605.00	22,222,764.00
Tuition charges	60,613.10	18,914.80		23,042.00	7,470.00	18,433.00	70,645.25	63,661.60	3,330.20	
Transportation fees		13,441.37		13,301.00						
Interest earnings	6,354.24	23,845.28	22,381.37	40,420.61	149,564.42	443,951.52	448,506.09	126,534.99	5,092.62	15,158.12
Miscellaneous	448,323.45	183,667.00	181,028.34	126,197.26	172,996.99	174,791.06	48,211.73	59,527.67	315,388.87	151,350.71
State sources	11,929,592.43	10,951,915.58	11,152,144.58	11,719,702.62	11,961,878.70	11,423,730.72	10,162,929.67	9,736,449.80	9,477,977.39	8,577,212.59
Federal sources	1,318,797.95	1,064,486.88	2,371,543.90	784,888.04	700,775.97	698,910.29	783,894.91	726,173.44	680,188.60	608,317.71
Total revenues	47,013,659.17	44,859,342.91	44,923,912.19	43,035,337.53	42,841,478.08	41,331,257.59	38,320,393.65	34,935,031.50	33,336,562.68	31,574,803.13
Expenditures										
Instruction										
Regular instruction	13,831,986.26	14,277,262.58	14,438,070.28	14,930,693.26	13,891,434.28	13,829,059.36	13,344,093.27	13,049,924.60	12,347,631.09	12,862,912.41
Special education instruction	2,883,291.59	2,781,214.45	2,421,496.44	2,262,613.54	2,207,289.14	2,176,321.47	2,136,066.98	1,879,489.03	1,716,787.91	1,204,980.64
Other instruction	1,724,808.22	1,680,567.48	1,603,467.02	1,572,413.37	1,529,415.76	1,449,059.77	1,115,238.40	1,074,488.43	1,027,228.11	977,604.23
Support Services:										
Tuition	4,056,891.95	3,717,704.84	4,388,349.89	3,659,234.91	3,457,434.72	3,313,633.99	3,152,581.83	2,922,194.36	2,541,885.39	2,365,903.54
Student and instruction related services	3,132,174.94	3,212,254.55	3,371,060.90	3,244,866.98	2,988,655.36	2,856,463.11	2,743,377.66	2,765,835.84	3,102,307.43	3,008,587.87
School administrative services	2,271,962.87	2,322,884.79	2,158,532.14	2,210,815.96	2,159,874.08	2,112,823.57	2,080,117.50	2,063,644.56	1,643,365.88	1,597,253.63
General and business administrative services	1,123,342.09	1,133,697.64	1,254,889.10	1,148,140.29	1,165,081.00	1,216,559.75	1,048,845.19	998,117.14	959,591.50	862,678.91
Plant operations and maintenance	3,662,724.74	3,701,410.84	3,775,097.62	4,035,607.27	3,654,657.01	3,465,551.30	3,124,393.75	2,973,499.00	2,900,268.82	2,918,569.39
Pupil transportation	590,434.94	602,528.11	834,988.73	662,028.32	744,818.10	699,377.13	859,776.23	798,633.07	741,265.81	695,441.84
Employee benefits	9,128,367.86	8,917,487.26	7,495,633.37	7,519,995.51	9,170,479.91	8,534,936.94	6,813,304.30	6,144,095.34	5,817,516.79	5,133,110.68
Special Schools	40,738.43	38,541.02	40,643.70	37,912.29	36,395.00	29,934.63	41,056.74	38,167.91	39,466.63	40,108.78
Charter Schools	9,718.00				8,953.00	17,210.00		24,464.64		
Capital outlay	1,018,441.29	510,857.84	988,109.78	332,484.13	5,388,265.22	9,342,749.50	11,592,524.81	1,515,945.31	298,551.36	442,296.74
Debt service:										
Principal	1,035,000.00	990,000.00	785,000.00	740,000.00	705,000.00	675,000.00	650,000.00	60,000.00	60,000.00	60,000.00
Interest and other charges	747,395.00	785,995.00	818,095.00	840,540.52	908,168.89	792,487.50	819,100.00	98,156.94	77,462.50	90,740.02
Total expenditures	45,257,298.18	44,852,406.40	44,383,443.97	46,189,716.35	48,025,921.47	50,511,128.02	49,520,475.66	36,405,566.17	33,275,329.22	32,260,208.68
Excess (Deficiency) of revenues over (under) expenditures	1,756,360.99	206,936.51	540,468.22	(3,154,378.82)	(5,184,445.39)	(9,179,868.43)	(11,200,082.01)	(1,470,524.67)	123,253.46	(685,405.55)

BOARD OF EDUCATION
BOROUGH OF DUMONT

Changes in Fund Balances - Governmental Funds,
Last Ten Fiscal Years
(modified accrual basis of accounting)
Unaudited

	Fiscal Year Ending June 30									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Other Financing sources (uses)										
Capital leases (non-budgeted)	466,900.00			45,426.25	595,237.50	120,746.73	70,233.88	54,399.00		196,000.00
Lease-Purchase Agreements	153,565.47	107,138.00	456,750.00							
N.J. School Development Authority Grants	156,059.00		392,277.00				86,340.00	8,169,396.60		(43,901.08)
N.J. School Development Authority Grants canceled	(105,047.60)									
Serial Bond Proceeds				3,355,000.00				18,250,000.00		
Transfers in			305.23	12,365.85	54,477.10	271,602.04	619,165.97	203,034.99	70.77	3,828.16
Transfers out			(305.23)	(12,365.85)	(54,477.10)	(271,602.04)	(619,165.97)	(221,034.99)	(18,570.77)	(21,828.16)
Total other financing sources (uses)	517,911.40	260,703.47	849,027.00	3,400,426.25	595,237.50	120,746.73	155,803.88	26,455,797.60	(18,500.00)	134,098.92
Net change in fund balances	\$ 2,274,272.39	\$ 467,639.98	\$ 1,389,495.22	\$ 246,047.43	\$ (4,589,207.89)	\$ (9,059,121.70)	\$ (11,044,278.13)	\$ 24,985,272.93	\$ 104,753.46	\$ (551,306.63)
Debt service as a percentage of non-capital expenditures	4.03%	4.02%	3.70%	3.69%	3.78%	3.56%	3.87%	0.45%	0.42%	0.47%

Source: District records

BOARD OF EDUCATION
BOROUGH OF DUMONT

General Fund - Other Local Revenue by Source
Last Ten Fiscal Years
(modified accrual basis of accounting)
Unaudited

Fiscal Year Ended June 30,	Total	Tuition	Transportation Fees	Interest	Summer Enrichment	Rentals	Lease Purchase Proceeds	Health Benefits Rebate	Pre-School Inclusion Fees	Miscellaneous
2003	\$ 158,688.67	\$ -	\$ -	\$ 11,329.96	\$ 39,365.50	\$ -	\$ -	\$ -	\$ -	\$ 107,993.21
2004	321,162.92	3,330.20	-	5,021.85	40,526.00	-	-	-	-	38,785.31
2005	215,210.07	63,661.60	-	96,464.17	34,270.61	-	-	-	-	20,813.69
2006	198,057.68	70,645.25	-	80,471.27	41,465.00	-	-	-	-	5,476.16
2007	341,410.73	18,433.00	-	228,703.07	29,934.63	-	-	-	-	64,340.03
2008	276,421.31	7,470.00	-	98,954.32	30,124.27	-	-	-	-	81,372.72
2009	202,960.87	23,042.00	13,301.00	40,420.61	37,912.29	-	-	-	58,500.00	29,584.97
2010	203,104.48	-	-	22,076.14	41,380.00	25,000.00	-	-	58,700.00	55,028.34
2011	238,811.72	18,914.80	13,441.37	23,845.28	38,585.00	25,000.00	-	-	61,000.00	58,025.27
2012	511,347.52	60,613.10	-	6,354.24	45,825.00	25,000.00	278,847.00	-	68,620.00	26,088.18

Source: District records

BOARD OF EDUCATION
BOROUGH OF DUMONT

Assessed Value and Estimated Actual Value of Taxable Property,
Last Ten Fiscal Years
Unaudited

Fiscal Year Ended December 31,	Vacant Land	Residential	Farm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate
2003	\$ 1,165,900	\$ 875,343,356	\$ 10,500	\$ 52,284,100	\$ 4,188,900	\$ 28,352,100	\$ 961,344,856	\$ 2,878,915	\$ 964,223,771	\$ 1,309,852,978	2.347
2004	1,427,300	879,006,556	10,500	51,887,400	4,188,900	28,352,100	964,872,756	2,478,291	967,351,047	1,503,140,619	2.437
2005	1,181,800	1,898,270,100	10,500	103,507,200	7,064,200	69,375,100	2,079,408,900	4,108,834	2,083,517,734	1,678,736,308	1.225
2006	1,591,400	1,898,568,500	10,500	101,037,000	6,762,200	69,375,100	2,077,344,700	3,279,421	2,080,624,121	1,962,536,536	1.331
2007	1,141,800	1,903,953,900	10,500	99,752,100	6,762,200	69,306,500	2,080,927,000	3,358,426	2,084,285,426	2,192,985,501	1.401
2008	1,141,800	1,907,992,400	10,500	98,896,200	6,762,200	69,306,500	2,084,109,600	2,943,172	2,087,052,772	2,282,621,432	1.441
2009	1,141,800	1,910,674,700	10,500	99,463,500	6,762,500	65,295,700	2,083,348,700	2,943,172	2,086,291,872	2,362,073,016	1.475
2010	1,091,400	1,910,771,200	10,500	100,789,900	6,762,200	65,245,700	2,084,670,900	6,385,805	2,091,056,705	2,264,781,906	1.526
2011	1,091,400	1,910,303,100	10,500	103,644,800	5,710,900	65,083,900	2,085,844,600	5,145,503	2,090,990,103	2,133,727,587	1.575
2012	896,500	1,528,027,300	1,100	94,785,200	6,056,100	61,131,600	1,690,897,900	100	1,690,897,900	1,862,289,135	1.972

Source: Municipal Tax Assessor

**BOARD OF EDUCATION
BOROUGH OF DUMONT**

**Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years
(rate per \$100 of assessed value)
Unaudited**

Fiscal Year Ended December 31,	School District Direct Rate			Overlapping Rates			Total Direct and Overlapping Tax Rate
	Basic Rate	General Obligation Debt Service		Municipality	County	Total Direct School Tax Rate	
		0.016	0.014				
2003	2.331	0.016	0.014	0.008	0.900	0.283	3.530
2004	2.423	0.014	0.008	0.008	1.012	0.321	3.770
2005	1.217	0.071	0.070	0.070	0.552	0.163	1.940
2006	1.260	0.070	0.070	0.070	0.612	0.177	2.120
2007	1.331	0.070	0.070	0.070	0.638	0.191	2.230
2008	1.371	0.076	0.077	0.082	0.667	0.203	2.311
2009	1.402	0.077	0.082	0.103	0.692	0.218	2.385
2010	1.402	0.082	0.103		0.724	0.213	2.463
2011	1.493				0.753	0.213	2.541
2012	1.869				0.968	0.242	3.182

Source: Municipal Tax Collector

**BOARD OF EDUCATION
BOROUGH OF DUMONT**

**Principal Property Taxpayers
Current Year and Ten Years Ago
Unaudited**

Fiscal Year Ended June 30,	2012		2002	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
Dumont Terrace Apartments	\$ 18,031,100	1.07%		0.73%
Etc. Properties, LP	9,717,097	0.57%		0.31%
Merrit Associates	9,000,000	0.53%		0.42%
Bell Atlantic	7,895,503	0.47%		0.86%
Walfield Realty	4,916,500	0.29%		0.20%
Kent Apartments of Dumont	3,570,000	0.21%		0.20%
Withinvestors Dumont LLC	3,422,100	0.20%	-	0.00%
Adamiak Family LTD Partnership	3,342,000	0.20%	-	0.00%
375 Franklin LP	3,289,400	0.19%	-	0.00%
Birchwood Gardens	2,950,000	0.17%		0.00%
Total	\$ 66,133,700	3.91%	\$ -	2.72%

Source: Municipal Tax Assessor

**BOARD OF EDUCATION
BOROUGH OF DUMONT**

**Property Tax Levies and Collections
Last Ten Fiscal Years
Unaudited**

Fiscal Year Ended December 31,	Taxes Levied for the Fiscal Year		Collected within the Fiscal Year of the Levy		Collections in Subsequent Years		Total Collections to Date	
	Amount	Percentage of Levy	Amount	Percentage of Levy	Amount	Percentage of Levy	Amount	Percentage of Levy
2002	\$ 33,067,375	98.80%	\$ 32,672,593	98.80%	\$ 394,782	100.00%	\$ 33,067,375	100.00%
2003	34,129,591	98.75%	33,704,913	98.75%	424,678	100.00%	34,129,591	100.00%
2004	36,314,452	98.90%	35,916,540	98.90%	397,912	100.00%	36,314,452	100.00%
2005	40,454,718	98.61%	39,894,835	98.61%	559,883	100.00%	40,454,718	100.00%
2006	44,159,100	98.53%	43,513,861	98.53%	645,239	100.00%	44,159,100	100.00%
2007	46,540,968	98.57%	45,878,659	98.57%	662,309	100.00%	46,540,968	100.00%
2008	48,285,235	98.34%	47,484,460	98.34%	800,775	100.00%	48,285,235	100.00%
2009	49,385,141	98.84%	48,812,405	98.84%	572,736	100.00%	49,385,141	100.00%
2010	51,484,241	98.88%	50,908,783	98.88%	575,458	100.00%	51,484,241	100.00%
2011	53,153,045	99.00%	52,624,617	99.00%			52,624,617	99.00%

Source: Municipal Tax Collector

**BOARD OF EDUCATION
BOROUGH OF DUMONT**

**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	Per Capita
	General Obligation Bonds	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases				
2003	\$ 1,580,000	\$ -	\$ 207,000	\$ -	\$ -	\$ 1,787,000	0.36%	103	
2004	1,520,000	-	147,000	2,000,000	-	3,667,000	0.73%	212	
2005	19,710,000	-	128,399	-	-	19,838,399	3.91%	1,154	
2006	19,060,000	-	107,381	-	-	19,167,381	3.74%	1,127	
2007	18,385,000	-	156,705	4,000,000	-	22,541,705	4.33%	1,331	
2008	17,680,000	-	618,713	4,355,000	-	22,653,713	4.28%	1,340	
2009	20,295,000	-	533,931	-	-	20,828,931	3.84%	1,228	
2010	19,510,000	-	761,260	-	-	20,271,260	3.66%	1,193	
2011	18,520,000	-	716,668	-	-	19,236,668	3.37%	1,132	
2012	17,485,000	-	809,965	-	-	18,294,965	3.11%	1,077	

**BOARD OF EDUCATION
BOROUGH OF DUMONT**

**Ratios of Net General Bonded Debt Outstanding
Last Ten Fiscal Years
Unaudited**

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value of Property	Per Capita
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2003	\$ 1,580,000	\$ -	\$ 1,580,000	0.16%	91
2004	1,520,000		1,520,000	0.16%	88
2005	19,710,000		19,710,000	0.95%	1,147
2006	19,060,000		19,060,000	0.92%	1,121
2007	18,385,000		18,385,000	0.88%	1,086
2008	17,680,000		17,680,000	0.85%	1,046
2009	20,295,000		20,295,000	0.97%	1,196
2010	19,510,000		19,510,000	0.93%	1,148
2011	18,520,000		18,520,000	0.89%	1,090
2012	17,485,000		17,485,000	1.03%	1,029

**BOARD OF EDUCATION
BOROUGH OF DUMONT**

**Direct and Overlapping Governmental Activities Debt
As of December 31, 2011
Unaudited**

Net Direct Debt of School District as of December 31, 2011	\$	18,521,464
Net Overlapping Debt of School District: Borough of Dumont (100%)	\$	22,911,590
County of Bergen - Borough's share of \$698,412,830 at December 31, 2011 (1.2315%)		8,600,954
Bergen County Utilities Authority - Water Pollution Control System - Borough's share of \$268,704,631 at December 31, 2011 (2.58%)		<u>6,932,579</u>
Total Direct and Overlapping Bonded Debt as of December 31, 2011		<u>38,445,123</u>
	\$	<u>56,966,588</u>

Source: Borough of Dumont Chief Financial Officer and Bergen County Treasurer's Office.

**BOARD OF EDUCATION
BOROUGH OF DUMONT**

**Legal Debt Margin Information
Last Ten Fiscal Years
Unaudited**

Legal Debt Margin Calculation for Fiscal Year 2012

Equalized valuation basis	
2009	2,253,730,420
2010	2,124,397,126
2011	2,033,581,554
	<u>\$ 6,411,709,100</u>
Average equalized valuation of taxable property	<u>\$ 2,137,236,367</u>
Debt limit (4 % of average equalization value)	85,489,455
Total Net Debt Applicable to Limit	17,486,464
Legal debt margin	<u>\$ 68,002,991</u>

	Fiscal Year				
	2008	2009	2010	2011	2012
Debt limit	\$ 85,525,041	\$ 90,919,108	\$ 91,862,154	\$ 89,880,848	\$ 85,489,455
Total net debt applicable to limit	21,036,464	20,386,589	20,296,464	18,521,464	17,486,464
Legal debt margin	<u>\$ 64,488,577</u>	<u>\$ 70,532,519</u>	<u>\$ 71,565,690</u>	<u>\$ 71,359,384</u>	<u>\$ 68,002,991</u>
Total net debt applicable to the limit as a percentage of debt limit	24.60%	22.42%	22.09%	20.61%	20.45%

	Fiscal Year				
	2003	2004	2005	2006	2007
Debt limit	\$ 52,804,610	\$ 47,302,462	\$ 59,664,455	\$ 66,241,157	\$ 77,407,074
Total net debt applicable to limit	1,670,125	19,860,727	19,800,727	19,150,727	18,385,601
Legal debt margin	<u>\$ 51,134,485</u>	<u>\$ 27,441,735</u>	<u>\$ 39,863,728</u>	<u>\$ 49,090,430</u>	<u>\$ 59,021,473</u>
Total net debt applicable to the limit as a percentage of debt limit	3.16%	41.99%	33.19%	28.06%	23.75%

Source: Equalized valuation bases were obtained from the Annual Report of the State of New Jersey, Department of Treasury, Division of Taxation

**BOARD OF EDUCATION
BOROUGH OF DUMONT**

**Demographic and Economic Statistics
Last Ten Fiscal Years
Unaudited**

Year	Population	Personal Income	Per Capita Personal Income	Unemployment Rate
2003	17,367	\$ 492,978,451	\$ 28,386	4.5%
2004	17,332	501,824,642	28,954	3.7%
2005	17,191	507,697,021	29,533	2.7%
2006	17,007	512,308,261	30,123	2.9%
2007	16,935	520,342,165	30,726	2.6%
2008	16,907	529,871,478	31,340	3.4%
2009	16,967	542,386,938	31,967	6.1%
2010	16,988	553,791,812	32,599	6.3%
2011	16,988 (Est.)	570,405,566 (Est.)	33,577 (Est.)	7.9%
2012	16,988 (Est.)	587,517,733 (Est.)	34,584 (Est.)	N/A

Sources:

Population information provided by the NJ Dept of Labor and Workforce Development
 Personal income has been estimated based upon the municipal population and per capita personal income presented
 Per capita personal income by municipality estimated based upon the 2000 Census published by the US Bureau of Economic Analysis.
 Unemployment data provided by the NJ Dept of Labor and Workforce Development

BOARD OF EDUCATION
BOROUGH OF DUMONT

Full-time Equivalent District Employees by Function/Program
Last Ten Fiscal Years
Unaudited

Function/Program	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Instruction	181	178	184	185	189	192	193	192	185	185
Regular	3	3	3	3	4	4	4	4	4	5
Special education	16	16	16	16	16	16	16	16	15	15
Other instruction										
Support Services:										
Student and instruction related services	50	50	50	50	50	50	50	50	48	49
General administrative services	4	4	4	4	4	4	4	4	3	3
School administrative services	23	23	23	23	23	23	23	23	22	22
Other administrative services	2	2	2	2	2	2	2	2	2	2
Central Services	2	2	2	2	2	2	2	2	2	2
Administrative information technology	1	1	1	1	1	1	1	1	1	1
Plant operations and maintenance	38	35	35	35	35	35	35	35	34	34
Pupil transportation	1	1	1	1	3	3	4	4	5	6
Other support services	4	4	4	4	4	4	4	4	4	4
Total	325	319	325	326	333	336	339	338	327	330

Source: District Personnel Records

BOARD OF EDUCATION
BOROUGH OF DUMONT

Operating Statistics
Last Ten Fiscal Years
Unaudited

Fiscal Year	Enrollment	Operating Expenditures	Cost Per Pupil	Percentage Change	Teaching Staff	Pupil/Teacher Ratio			Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Senior High School					
2003	2,692	31,215,540	11,598	9.06%	213	1:14.9	1:11.2	2,650.6	2,533.2	0.59%	95.57%	
2004	2,663	32,060,394	12,039	3.81%	204	1:14.7	1:9.9	2,623.7	2,502.3	-1.01%	95.37%	
2005	2,698	33,926,887	12,575	4.45%	210	1:13.3	1:11.6	2,640.4	2,513.3	0.64%	95.19%	
2006	2,741	36,458,850	13,301	5.78%	212	1:14.1	1:12.2	2,664.0	2,545.1	0.89%	95.54%	
2007	2,679	39,700,889	14,819	11.41%	211	1:13.1	1:11.9	2,687.7	2,564.0	0.89%	95.40%	
2008	2,860	41,014,487	14,341	-3.23%	212	1:12.1	1:11.4	2,812.9	2,690.2	4.66%	95.64%	
2009	2,831	41,284,321	14,583	1.69%	214	1:12.7	1:11.6	2,803.0	2,676.4	-0.35%	95.48%	
2010	2,851	41,782,239	14,655	0.50%	217	1:12.3	1:11.9	2,805.9	2,690.5	0.10%	95.89%	
2011	2,786	42,465,554	15,242	4.01%	210	1:11.6	1:11.5	2,752.7	2,638.4	-1.90%	95.85%	
2012	2,713	42,456,462	15,649	2.67%	210	1:11.6	1:11.5	2,691.1	2,593.4	-2.24%	96.37%	

Source: District records

Note: Enrollment based on annual October district count.

BOARD OF EDUCATION
BOROUGH OF DUMONT

School Building Information
Last Ten Fiscal Years
Unaudited

District Building	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Elementary										
Lincolph Elementary School (K-5)(1911)										
Square Feet	30,350	30,350	30,350	30,350	30,350	40,900	40,900	40,900	40,900	40,900
Capacity (students)	209	209	209	209	217	234	234	234	234	234
Enrollment	238	204	219	203	201	205	208	216	216	216
Grant Elementary School(K-5)(1911)										
Square Feet	48,890	48,890	48,890	48,890	48,890	55,880	55,880	55,880	55,880	55,880
Capacity (students)	428	428	428	428	446	446	446	446	446	446
Enrollment ^a	452	418	408	384	389	433	415	421	421	421
Lovell J. Honiss School(K-8) (1955)										
Square Feet	64,308	64,308	64,308	64,308	68,452	68,452	68,452	68,452	68,452	68,452
Capacity (students)	502	502	502	502	519	519	519	519	519	519
Enrollment	719	715	718	698	691	700	716	712	712	712
Charles A. Selzer School(K-8) (1961)										
Square Feet	52,912	52,912	52,912	52,912	58,612	58,612	58,612	58,612	58,612	58,612
Capacity (students)	505	505	505	505	514	514	514	514	514	514
Enrollment	526	556	537	552	547	597	574	537	537	537
High School										
Dumont High School (1929)										
Square Feet	137,356	137,356	137,356	137,356	142,756	142,756	142,756	142,756	142,756	142,756
Capacity (students)	530	530	530	530	530	530	530	530	530	530
Enrollment	744	766	793	828	841	880	875	914	914	914
Other										
Central Administration (1977)										
Square Feet	6,501	6,501	6,501	6,501	6,501	6,501	6,501	6,501	6,501	6,501
Maintenance Building(1992)										
Square Feet	2,160	2,160	2,160	2,160	2,160	2,160	2,160	2,160	2,160	2,160
Number of Schools at June 30, 2012										
Elementary K-5 = 2										
Elementary K-8 = 2										
Senior High School = 1										
Other = 0										

Source: District Facilities Office

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

**BOARD OF EDUCATION
BOROUGH OF DUMONT**
General Fund
Schedule of Required Maintenance for School Facilities
Last Ten Fiscal Years
Unaudited

Undistributed Expenditures--Required
Maintenance for School Facilities
11-000-261-xxx

*School Facility	Pending Projects (w/DOE Project #)	Gross Building Area (SF)	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Dumont High School	SP1130-040-03-0700 SP1130-040-09-1002 SP1130-040-10-1003	142,756	\$ 162,793	\$ 198,616	\$ 158,827	\$ 193,773	\$ 171,933	\$ 179,471	\$ 155,237	\$ 243,257	\$ 245,025	\$ 243,621
Grant School	SP1130-050-03-0670	55,880	63,723	62,088	62,171	75,850	67,301	70,251	60,765	56,061	55,962	58,809
Honiss School	SP1130-060-03-0699 SP1130-060-09-1001 SP1130-060-10-1004	68,452	78,060	76,057	76,158	92,915	82,442	86,057	74,437	111,380	121,359	112,910
Lincoln School	SP1130-070-03-0669	40,900	46,641	45,444	45,504	55,516	49,259	51,419	44,476	30,932	34,620	32,832
Charles A. Seizer School	SP1130-080-03-0701 SP1130-080-10-1005	58,612	66,839	65,124	65,210	79,558	70,591	73,686	63,736	74,370	72,941	77,409
District Total		366,600	\$ 418,055	\$ 447,330	\$ 407,870	\$ 497,612	\$ 441,526	\$ 460,884	\$ 398,651	\$ 516,000	\$ 529,907	\$ 525,581

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

**BOARD OF EDUCATION
BOROUGH OF DUMONT**

**Insurance Schedule
As of June 30, 2012
Unaudited**

	<u>Coverage</u>	<u>Deductible</u>
Northeast Bergen County School Board Insurance Group:		
Property - Blanket Building & Contents	\$ 92,369,767	\$ -
Comprehensive General Liability	2,000,000	
Employee Benefits Liability	1,000,000	1,000
Boiler and Machinery	100,000,000	1,000
Environmental Legal Liability	1,000,000	15,000
Commercial Automobile Liability	1,000,000	1,000/1,000
Workers' Compensation (Employer's Liability)	1,000,000	
Commercial Umbrella Liability	9,000,000	10,000
Excess Liability (Excess of 10,000,000)	50,000,000	
School Board Legal Liability	1,000,000	
Employee Dishonesty	500,000	5,000
Surety Bonds:		
Board Secretary	500,000	
School Accident Insurance through Bollingers/Monumental Life Insurance	5,000,000	
Volunteers of Boards of Education through National Union Fire Insurance	250,000	

Source: District records.

Single Audit Section

T. M. Vrabel & Associates, LLC
Accountants and Auditors

K-1
Sheet 1

Timothy M. Vrabel, RMA, PSA
Chris C. Hwang, CPA

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

The Honorable President
Members of the Board of Education
Borough of Dumont School District
County of Bergen, New Jersey

We have audited the basic financial statements of the Borough of Dumont School District as of and for the year ended June 30, 2012, and have issued our report thereon dated August 10, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States; and in compliance with audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey.

Internal Control Over Financial Reporting

Management of Borough of Dumont is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Borough of Dumont School District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Borough of Dumont School District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Borough of Dumont 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 reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

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

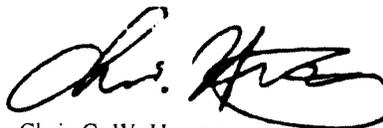
Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Borough of Dumont School District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Governmental Auditing Standards and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey. (However, we noted certain immaterial instances of noncompliance that we have reported to the Board of Education of the Borough of Dumont School District in a separate Auditors Management Report on Administrative Findings – Financial, Compliance and performance dated August 10, 2012.)

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



Timothy M. Vrabel
Public School Accountant
License No. CS000698



Chris C. W. Hwang
Certified Public Accountant
License No. CC033704

August 10, 2012

T. M. Vrabel & Associates, LLC
Accountants and Auditors

K-2
Sheet 1

Timothy M. Vrabel, RMA, PSA
Chris C. Hwang, CPA

REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL
EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
IN ACCORDANCE WITH OMB CIRCULAR A-133 AND
NEW JERSEY OMB CIRCULAR LETTER 04-04

The Honorable President
Members of the Board of Education
Borough of Dumont School District
County of Bergen, New Jersey

Compliance

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

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations; and New Jersey Office of Management and Budget Circular Letter 04-04 Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Those standards, OMB Circular A-133 and New Jersey OMB's Circular Letter 04-04 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal and state program occurred. An audit includes examining, on a test basis, evidence about Borough of Dumont School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Borough of Dumont School District's compliance with those requirements.

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In our opinion, except for the noncompliance described in the preceding paragraph, the Board of Education of the Borough of Dumont School District, in the County of Bergen, State of New Jersey, complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2012.

Internal Control Over Compliance

The management of Borough of Dumont School District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal and state programs. In planning and performing our audit, we considered Borough of Dumont School District's internal control over compliance with requirements that could have a direct and material effect on a major federal or state program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133 and New Jersey OMB's Circular 04-04, but not for the purpose of expressing an opinion on the effectiveness of the Borough of Dumont School District's internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Borough of Dumont School District's internal control over compliance.

A deficiency in internal control over compliance 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, noncompliance with a type of compliance requirement of a federal or state program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state will not be prevented or detected and corrected, on a timely basis.

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

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

Timothy M. Vrabel
Public School Accountant
License No. CS000698



Chris C. W. Hwang
Certified Public Accountant
License No. CC033704

August 10, 2012

BOARD OF EDUCATION
BOROUGH OF DUJONT

Schedule of Expenditures of Federal Awards, Schedule A
For the Fiscal Year Ended June 30, 2012

Federal CFDA or Grant Number	Grant Period	Award Amount	Balance July 1, 2011	Adjustments	Cash Received	Disbursements	BUDGETARY EXPENDITURES: Accounts Payable	Encumbrances	Total	Repayment of Prior Years' Balances	Accounts Receivable	Balance June 30, 2012 Deferred Revenue	Due to Grantor
U.S. Department of Treasury: Medicaid Reimbursement Total U.S. Department of Treasury	93.778 7/1/11-6/30/12	\$ 23,407.86	\$ -	\$ -	\$ 23,407.86	\$ 23,407.86	\$ -	\$ -	\$ 23,407.86	\$ -	\$ -	\$ -	\$ -
U.S. Department of Agriculture Passed - Through State Department of Education:													
Food Distribution Program	10.550 7/1/11-6/30/12	22,222.13	4,444.27		22,222.13	24,371.85			24,371.85			2,294.55	
National School Lunch Program	10.555 7/1/11-6/30/12	106,037.80	(6,529.56)		100,289.94	106,037.80			106,037.80		(5,747.86)		
National School Lunch Program	10.555 7/1/10-6/30/11	113,414.04	(2,085.29)		6,529.56								
Total U.S. Department of Agriculture					129,041.63	130,409.65			130,409.65		(5,747.86)	2,294.55	
U.S. Department of Education Passed - Through State Department of Education:													
General Funds: ARRA Education Jobs Fund	84.410A 7/1/11-6/30/12	318,786.00			286,907.40	318,786.00			318,786.00		(31,878.60)		
Total U.S. Department of Education (Fund 10)					286,907.40	318,786.00			318,786.00		(31,878.60)		
Special Revenue Funds:													
E.S.E.A. Title I	84.010A 9/1/11-8/31/12	130,752.00			116,771.00	130,752.00			130,752.00		(13,981.00)		
E.S.E.A. Title II	84.010A 9/1/10-8/31/11	134,561.00	(26,062.00)		26,062.00								
E.S.E.A. Title II A	84.367A 9/1/11-8/31/12	62,437.00			58,887.00	62,437.00			62,437.00		(3,550.00)		
E.S.E.A. Title II B	84.367A 9/1/10-8/31/11	67,102.00	(17,402.00)		17,402.00								
E.S.E.A. Title III	84.367A 9/1/10-8/31/11	265.00	(265.00)		265.00								
E.S.E.A. Title III	84.365A 9/1/11-8/31/12	31,561.00			25,631.00	29,515.55		2,045.45	31,561.00		(5,930.00)		
E.S.E.A. Title III	84.365A 9/1/10-8/31/11	33,786.00	(4,236.00)		4,236.00								
I.D.E.A. Part B, Basic	84.027A 9/1/11-8/31/12	569,485.00			473,433.00	562,724.59		6,760.41	569,485.00		(96,052.00)		
I.D.E.A. Part B, Basic	84.027A 9/1/10-8/31/11	564,800.00	(73,140.00)		73,140.00								
I.D.E.A. Part B, Preschool	84.173A 9/1/11-8/31/12	20,111.00			12,632.00	15,903.57		4,207.43	20,111.00		(7,479.00)		
I.D.E.A. Part B, Preschool	84.173A 9/1/10-8/31/11	20,243.00	(7,821.00)		7,821.00								
ARRA Title I Part A	84.389 7/1/09-8/31/11	39,805.00	(0.05)		0.05								
ARRA Title I Part A	84.391 7/1/09-8/31/11	597,112.00	(52,350.73)		154,812.16	102,461.43			102,461.43				
ARRA Title I Part A - Preschool	84.392 7/1/09-8/31/11	21,588.00	(696.79)		696.79								
Total U.S. Department of Education (Fund 20)			(181,973.57)		971,789.00	903,784.14		13,013.29	916,807.43		(126,992.00)		
Total Federal Financial Assistance			\$ (184,058.86)		\$ 1,411,145.89	\$ 1,376,397.65		\$ 13,013.29	\$ 1,389,410.94		\$ (164,618.46)	\$ 2,294.55	\$ -

The accompanying Notes to Schedules of Awards and Financial Assistance are an integral part of this schedule.

BOARD OF EDUCATION
BOROUGH OF DUMONT

Schedule of Expenditures of State Financial Assistance, Schedule B
For the Fiscal Year Ended June 30, 2012

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance July 1, 2011	Adjustments	Cash Received	BUDGETARY EXPENDITURES			Total	Repayment of Prior Years' Balances	Accounts Receivable	Balance June 30, 2012	Due to Grantor
							Disbursements	Accounts Payable	Encumbrances					
State Department of Education:														
General Funds:														
Equalization Aid	12-495-034-5120-078	7/1/11-6/30/12	\$ 6,507,080.00	\$ -	\$ -	\$ 5,949,532.69	\$ 6,507,080.00	\$ -	\$ -	\$ 6,507,080.00	\$ -	\$ (557,547.31)	\$ -	\$ -
Equalization Aid	11-495-034-5120-078	7/1/10-6/30/11	5,719,859.00	(483,496.89)	-	483,496.89	-	-	-	-	-	-	-	-
Categorical Special Education Aid	12-495-034-5120-089	7/1/11-6/30/12	1,641,357.00	(138,743.11)	-	1,500,720.31	1,641,357.00	-	-	1,641,357.00	(140,636.69)	-	-	-
Categorical Special Education Aid	11-495-034-5120-089	7/1/10-6/30/11	1,641,357.00	(138,743.11)	-	138,743.11	-	-	-	-	-	-	-	-
Extraordinary Aid	12-100-034-5120-473	7/1/11-6/30/12	506,558.00	-	-	-	506,558.00	-	-	506,558.00	(506,558.00)	-	-	-
Extraordinary Aid	11-100-034-5120-473	7/1/10-6/30/11	481,729.00	(481,729.00)	-	481,729.00	-	-	-	-	-	-	-	-
Bullying Prevention State Aid Grant	12-100-034-5064-201	7/1/11-6/30/12	911.00	-	-	911.00	911.00	-	-	911.00	-	-	-	-
Bullying Prevention State Aid Grant	12-495-034-5095-002	7/1/11-6/30/12	1,417,329.43	(71,872.75)	-	1,417,329.43	1,417,329.43	-	-	1,417,329.43	-	-	-	-
Reimbursed TPAF Social Security Contribution	11-495-034-5095-002	7/1/10-6/30/11	1,483,119.58	-	-	71,872.75	-	-	-	-	-	-	-	-
Reimbursed TPAF Social Security Contribution	12-495-034-5095-001	7/1/11-6/30/12	1,881,857.00	-	-	1,881,857.00	1,881,857.00	-	-	1,881,857.00	-	-	-	-
On-Behalf TPAF Pension Contributions				(1,175,841.75)	-	11,926,192.18	11,955,092.43	-	-	11,955,092.43	(1,204,742.00)	-	-	-
Total General Funds														
Capital Project Funds:														
N.J. Schools Development Authority Grant	SP1130-040-10-1003		103,867.00	(103,867.00)	35,963.91 (1)	-	-	-	-	-	(67,903.09)	-	-	-
N.J. Schools Development Authority Grant	SP1130-060-10-1004		74,192.00	(74,192.00)	40,050.12 (1)	-	-	-	-	-	(34,141.88)	-	-	-
N.J. Schools Development Authority Grant	SP1130-080-10-1005		51,977.00	(51,977.00)	29,033.57 (1)	-	-	-	-	-	(22,943.43)	-	-	-
N.J. Schools Development Authority Grant	SP1130-040-10-1002		156,059.00	(230,036.00)	105,047.60	-	156,059.00	-	-	156,059.00	(156,059.00)	-	-	-
Total Capital Project Funds														
Enterprise Funds:														
State School Lunch Program	12-100-010-3350-023	7/1/11-6/30/12	4,936.83	-	-	4,662.79	4,936.83	-	-	4,936.83	(274.04)	-	-	-
State School Lunch Program	11-100-010-3350-023	7/1/10-6/30/11	4,860.37	(331.04)	-	331.04	-	-	-	-	-	-	-	-
Total Enterprise Funds														
Total All Funds														
				\$ (1,406,208.79)	\$ 105,047.60	\$ 11,931,186.01	\$ 12,116,088.26	\$ -	\$ -	\$ 12,116,088.26	\$ -	\$ (1,486,063.44)	\$ -	\$ -

(1) Canceled

The accompanying Notes to Schedules of Awards and Financial Assistance are an integral part of this schedule

BOARD OF EDUCATION
BOROUGH OF DUMONT
NOTES TO SCHEDULES OF EXPENDITURES OF AWARDS AND FINANCIAL ASSISTANCE
YEARS ENDED JUNE 30, 2012 AND 2011

Note 1: General

The accompanying schedules of expenditures of awards and financial assistance present the activity of all federal and state programs of the Borough of Dumont School District Board of Education. The Board of Education is defined in Note I:B. to the Board's basic financial statements. All federal awards and state financial assistance received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies is included on the schedule of expenditures of federal awards and state financial assistance.

Note 2: Basis of Accounting

The accompanying schedules of expenditures of awards and financial assistance are presented using the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Notes I:E and Note I:F. to the Board's basic financial statements. The information in the schedules is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in the schedules 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 statements or schedules are presented for the general fund and special revenue fund to demonstrate finance-related legal compliance in which certain revenue is permitted by law or grant agreement to be recognized in the audit year, whereas for GAAP reporting, revenue is not recognized until the subsequent year or when expenditures have been made.

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

BOARD OF EDUCATION
BOROUGH OF DUMONT
NOTES TO SCHEDULES OF EXPENDITURES OF AWARDS AND FINANCIAL ASSISTANCE
YEARS ENDED JUNE 30, 2012 AND 2011
(CONCLUDED)

Note 3: Relationship to Basic Financial Statements (Continued)

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$(75,944.00) for the general fund and \$61,739.93 for the special revenue fund. See the Notes to Required Supplementary Information for a reconciliation of the budgetary basis to the GAAP basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 342,193.86	\$11,879,148.43	\$ 12,221,342.29
Special Revenue Fund	976,604.09		976,604.09
Debt Service Fund		50,444.00	50,444.00
Food Service Fund	<u>128,259.93</u>	<u>4,936.33</u>	<u>133,196.76</u>
Total Awards and Financial Assistance	<u>\$1,447,057.88</u>	<u>\$11,934,529.26</u>	<u>\$ 13,381,587.14</u>

Note 4: Relationship to Federal and State Financial Reports

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

Note 5: Other

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the district for post-retirement medical benefits and the normal and accrued liability pension costs for the year ended June 30, 2012. TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2012.

BOARD OF EDUCATION
BOROUGH OF DUMONT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEARS ENDED JUNE 30, 2012 AND 2011

Part I – Summary of Auditor’s Results

Financial Statement Section

- A) Type of auditor’s report issued: Unqualified
- B) Internal Control over financial reporting:
- 1) Material weakness(es) identified? yes X no
- 2) Were significant deficiencies identified that were not considered to be material weaknesses? yes X none reported
- C) Noncompliance material to basic financial statements noted? yes X no

Federal Awards Section

- D) Dollar threshold used to determine Type A programs \$ 300,000.00
- E) Auditee qualified as low-risk auditee? X yes no
- F) Type of auditor’s report on compliance for major programs Unqualified
- G) Internal Control over compliance:
- 1) Material weakness(es) identified? yes X no
- 2) Were significant deficiencies identified that were not considered to be material weaknesses? yes X none reported
- H) Any audit findings disclosed that are required to be reported in accordance with OMB Circular A-133 (section .510 (a))? yes X no

I) Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.027A	I.D.E.A. Part B, Basic
84.410A	A.R.R.A. Education Jobs Fund

BOARD OF EDUCATION
BOROUGH OF DUMONT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEARS ENDED JUNE 30, 2012 AND 2011

Part I – Summary of Auditor’s Results (Continued)

State Financial Assistance Section

- J) Dollar threshold used to determine Type A Programs \$ 307,026.94
- K) Auditee qualified as low-risk auditee? X yes no
- L) Type of auditor’s report on compliance for major programs. Unqualified
- M) Internal Control over compliance:
- 1) Material weakness(es) identified? yes X no
- 2) Were significant deficiencies identified that were not considered to be material weaknesses? yes X none reported
- N) Any audit findings disclosed that are required to be reported in accordance with N.J. OMB Circular 04-04? yes X no

O) Identification of major programs:

<u>GMS Number(s)</u>	<u>Name of State Program</u>
12-495-034-5120-078	Equalization Aid
12-495-034-5120-089	Special Education Aid
12-100-034-5120-473	Extraordinary Aid
12-495-034-5095-002	Reimbursed T.P.A.F. Social
	Security Contribution

BOARD OF EDUCATION
BOROUGH OF DUMONT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEARS ENDED JUNE 30, 2012 AND 2011
(CONTINUED)

Part 2 – Schedule of Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the basic financial statements that are required to be reported in accordance with Chapter 5.18 of Government Auditing Standards.

Not Applicable

BOARD OF EDUCATION
BOROUGH OF DUMONT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEARS ENDED JUNE 30, 2012 AND 2011
(CONTINUED)

Part 3 – Schedule of Federal Awards and State Financial Assistance Findings and Questioned Costs

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major federal and state programs, as required by OMB Circular A-133 and New Jersey OMB's Circular 04-04.

FEDERAL AWARDS – Not Applicable

STATE FINANCIAL ASSISTANCE – Not Applicable

BOARD OF EDUCATION
BOROUGH OF DUMONT
SUMMARY SCHEDULE OF PRIOR-YEAR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT
YEARS ENDED JUNE 30, 2012 AND 2011

This section identifies the status of prior-year findings related to the basic financial statements and federal and state awards that are required to be reported in accordance with Chapter 6.12 of Government Auditing Standards, U.S. OMB Circular A-133 (section .315 (a) (b)) and New Jersey OMB's Circular 04-04.

Not Applicable