

**Comprehensive Annual
Financial Report**

of the

City of Lambertville School District

County of Hunterdon

Lambertville, New Jersey

For the Fiscal Year Ended June 30, 2012

Prepared by

**Lambertville Board of Education
Department of Administration**



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INTRODUCTORY SECTION

**BOARD OF EDUCATION LAMBERTVILLE CITY
200 NORTH MAIN STREET
LAMBERTVILLE, NJ 08530**

**Dr. Michael Kozak
Superintendent
609-397-0183**

**Donna M. Tolley
Business Administrator
609-397-1899 FAX 609-397-4607**

November 19, 2012

Honorable President and
Members of the Board of Education
Lambertville Public School
200 N Main Street
Lambertville, New Jersey 08530

Dear Board Members:

State law requires that school districts publish a complete set of financial statements presented in conformity with accounting principals generally accepted in the United States of America (GAAP) and audited by a firm of licensed certified public accountants in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the comptroller of the United States. Pursuant to that requirement, we hereby issue the comprehensive annual financial report (CAFR) of the Lambertville Public School for the fiscal year ended June 30, 2012.

Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the district. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of management's discussion and analysis (MD&A) and should be read in connection with it. The District's MD&A can be found immediately following the report of the independent auditors.

The comprehensive annual financial report is presented in four sections:

- 1). The Introductory Section: Introduces the reader to the report and includes this transmittal letter, a list of principal officials, the district's organizational charts, certificate of excellence in financial reporting and a map of the district.
- 2). The Financial Section: Consists of the independent auditor's report, management's discussion and analysis, the basic financial statements, and combining individual fund statements and schedules.
- 3). The Statistical Section: Contains selected financial and demographic information, generally presented on a multi-year basis.
- 4). The Single Audit: Includes the auditor's report on the internal control structure, compliance with applicable laws and regulations and findings and recommendations.

The District is required to undergo an annual single audit in conformity with the provisions of the 1996 Single Audit Act and the 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." 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.

DESCRIPTION OF THE DISTRICT

Lambertville Public School is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board (GASB). All funds and account groups of the district are included in this report. The Lambertville Public School and its K-6 comprehensive elementary school constitute the District's reporting entity.

Located in the City of Lambertville, the existing school building was built in 1968 with an enrollment of over 400 students. The State of New Jersey requires submission of enrollment data as of October 15 of each year. The District provides a full range of educational services appropriate to grade levels K through 6. These include regular, as well as special education for handicapped youngsters. The District completed the 2011-2012 fiscal year with an enrollment of 207 ending with the same students less than the previous year. The following details the changes in the student enrollment of the District over the last ten years.

AVERAGE DAILY ENROLLMENT

<u>FISCAL YEAR</u>	<u>STUDENT ENROLLMENT</u>	<u>PERCENT CHANGE</u>
2011-12	207	14.4 %
2010-11	181	19.9 %
2009-10	157	0 %
2008-09	157	(1.26%)
2007-08	159	8.16%
2006-07	147	(11.50%)
2005-06	166	(0.61%)
2004-05	167	(2.40%)
2003-04	171	(7.10%)
2002-03	184	1.60%
2001-02	181	0.00%
2000-01	181	12.06%

ECONOMIC CONDITION AND OUTLOOK

The economic condition for the year ending 2011-12 continued to have high special education expenditures. The projected outlook for the 2012-13 school year has special education needs continuing to play a significant role in affecting the financial status of the District.

The Food Service program continues to be a success. This year we contracted with Maschio's and look for the same service. A satellite breakfast and lunch program provided to ESC has enhanced our ability to offset the deficit that we had for many years.

The Lambertville Education Foundation and PTA continue to be a great support for the school. They contribute to the Fine Arts Program and sponsor major fund-raising events during the year. They also fund multiple grants to the teachers that creatively enhance curriculum. We are fortunate to have a group of unselfish, dedicated people in our District.

The school and community continue to share services in many ways, some of which are City Recreational Areas, Purchasing, Office of Emergency Management and Contracted Services. The shared service for 11-12 was the sharing of a Superintendent, Business Administrator, Three Teaching Staff, and Two Aides between Lambertville and West Amwell. We also continued a shared Teaching Staff service again for 11-12 between Lambertville and Stockton. We plan on continuing most of these same shared service agreements with both West Amwell and Stockton for the 2012-2013 school year.

MAJOR INITIATIVES

In addition to maintaining small class sizes, in the primary grades, Lambertville Public School is committed to maintaining a comprehensive specials program. Every child in Kindergarten through 6th grade has the opportunity to receive a comprehensive program in Art, Music, Media/Technology, Spanish, Physical Education and Health. In addition, a band and chorus continues in the upper grades.

This year we have continued to focus on providing our children with the skills and competencies that they will need in order to be successful for the 21st Century. Each teacher has selected one of the seven survival skills as their instructional focus for the year. It is our belief to provide each child with a well rounded education so in addition to the core academic areas; the students receive weekly instruction in art, music, physical education, spanish, and technology. We all work closely with West Amwell Township School and South Hunterdon Regional High School on curriculum articulation in an effort to ensure that we have a K-12 curriculum, and a seamless transition to the Middle School as seventh graders.

The Responsive Classroom will be expanded to all grade levels, Kindergarten through 6th grade.

Discipline:

Our positive discipline code will continue to be implemented. Staff members continue to implement the responsive classroom.

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 principals (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 required estimates and judgments by management. The establishment of GAAP has been able to give management a day to day actual account of all moneys being received and spent. The preparation of these monthly reports provides a clear picture of all activity generated from this district.

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's management.

As a 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. The last audit performed by the State found us to be in compliance.

BUGETARY 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, the special revenue fund, and the debt service fund. The final budget amount as amended for the fiscal year is reflected in the financial section. Budget costs have been contained while maintaining some educational programs for the children.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either cancelled or are included as a re-appropriation of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance at June 30, 2012.

ACCOUNTING SYSTEM AND REPORTS

The District's accounting records reflect GAAP, 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.

DEBT ADMINISTRATION

In 1993, the District received a loan from the Economic Development Department in the amount of \$288,000 for a new roof payable in 20 years. In 2011-12, this year the debt service was \$20,643.80.

CASH MANAGEMENT

The investment policy of the District is guided in large part of state statute as detailed in "Notes to the Financial Statements", Note 3. 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.

RISK MANAGEMENT

The Board carries various forms of insurance, including but not limited to general liability, comprehensive/collision, hazard and theft, insurance on property and contents, workers compensation and fidelity bonds. We continue to realize broader coverage for our money with the New Jersey School Boards Insurance Group, and have received many cost saving services

through them. The rates for the new school year have increased due largely to workman's compensation.

OTHER INFORMATION

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

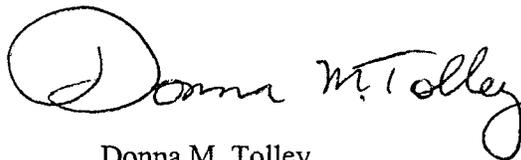
ACKNOWLEDGMENTS

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

Respectfully submitted,



Dr. Michael Kozak
Superintendent



Donna M. Tolley
Business Administrator/
Board Secretary

**LAMBERTVILLE PUBLIC BOARD OF EDUCATION
LAMBERTVILLE, NEW JERSEY**

ROSTER OF OFFICIALS

JUNE 30, 2012

<u>MEMBERS OF THE BOARD OF EDUCATION</u>	<u>TERM EXPIRES</u>
Grant Miller, President	2015
Janine MacGregor, Vice-President	2013
Craig Voorhees	2013
John Woznicki	2015
John Livingston	2014
Anne Nicholas	2014
Marcia O'Connell	2013
Derek Roseman	2015
Nancy Kienzler	2014

OTHER OFFICIALS

Dr. Michael Kozak, Superintendent

Donna M. Tolley, Business Administrator/Board Secretary

Marlene Steele, Treasurer of School Monies

**LAMBERTVILLE PUBLIC SCHOOL
CONSULTANTS AND ADVISORS
JUNE 30, 2012**

AUDIT FIRM

Suplee, Clooney & Company
308 East Broad Street
Westfield, NJ 07090-2122

ATTORNEY

Schwartz, Simon, Edelstein, Celso & Kessler

44 Whippany Road

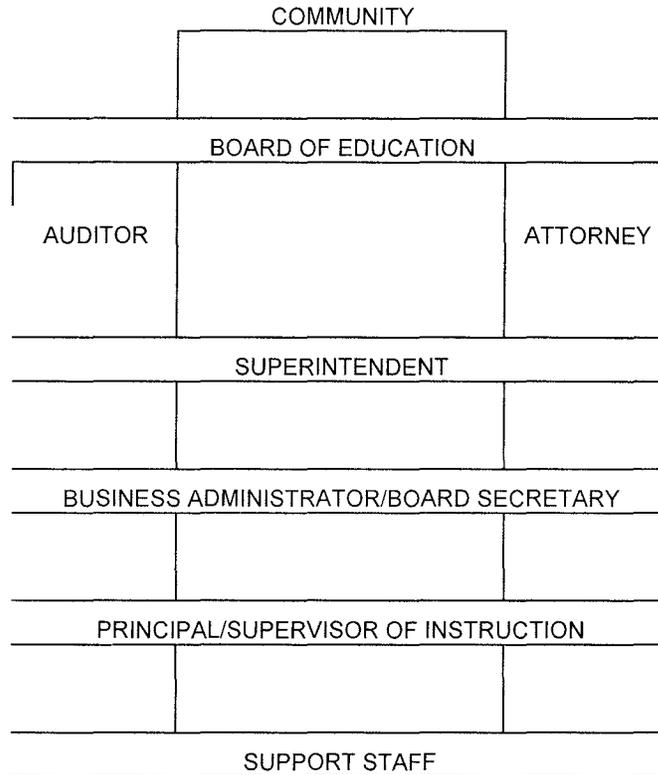
P. O Box 2355

Morristown, NJ 07962

OFFICIAL DEPOSITORY

PNC Bank
333 North Main Street
Lambertville, NJ 08530

LAMBERTVILLE BOARD OF EDUCATION
Organizational Chart
(Unit Control)



FINANCIAL SECTION



SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

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

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INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Education
City of Lambertville School District
County of Hunterdon
Lambertville, New Jersey 08530

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Lambertville School District, County of Hunterdon, New Jersey as of and for the year ended June 30, 2012, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and audit requirements prescribed by the Division of Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

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

SUPLEE, CLOONEY & COMPANY

In accordance with Government Auditing Standards, we have also issued our report dated November 19, 2012 on our consideration of the City of Lambertville School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grants and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

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

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

SUPLEE, CLOONEY & COMPANY

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


CERTIFIED PUBLIC ACCOUNTANTS

November 19, 2012


PUBLIC SCHOOL ACCOUNTANT NO. 93

REQUIRED SUPPLEMENTARY INFORMATION – PART I

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

**LAMBERTVILLE PUBLIC SCHOOL DISTRICT
LAMBERTVILLE BOARD OF EDUCATION**

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

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

Financial Highlights

Key financial highlights for 2012 are as follows:

- In total, net assets increased \$282,833 which represents a 22.57 % increase over 2011.
- General revenues accounted for \$3,332,795 in revenue or 87% of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$485,300 or 13% of total revenues of \$3,818,095.
- Total assets of governmental activities increased by \$277,810 as cash and cash equivalents increased by \$240,368, receivables increased by \$16,698 and capital assets increased by \$20,744.
- The School District had \$3,535,262 in expenses; only \$485,300 of these expenses was offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes) of \$3,332,795 were adequate to provide for these programs.
- Among major funds, the General Fund had \$3,536,672 in revenues and \$3,295,581 in expenditures. The General Fund's balance increased \$241,091 over 2011.

Using this Generally Accepted Accounting Principals Report (GAAP)

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

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

Reporting the School District as a Whole:

Fund Financial Statements

Fund financial reports provide detailed information about the School District's major funds. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School district's most significant funds. The School District's major governmental funds are the General Fund, Special Revenue Fund, Capital Projects Fund and Debt Service Fund.

Governmental Funds

The School District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in the future years. 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 School district's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds is reconciled in the financial statements.

The School District as a Whole:

Recall that the Statement of Net Assets provides the perspective of the School District as a whole.

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

	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>Variance</u>	
			<u>Dollars</u>	<u>Percent</u>
Assets:				
Current and Other Assets	\$ 905,503	\$ 651,145	\$ 254,358	39.06%
Capital Assets	<u>716,922</u>	<u>697,289</u>	<u>19,633</u>	<u>2.82%</u>
Total Assets	<u>1,622,425</u>	<u>1,348,434</u>	<u>273,991</u>	<u>20.32%</u>
Liabilities:				
Long-Term Liabilities	\$ 73,914	\$ 90,406	\$ (16,493)	(18.24%)
Other Liabilities	<u>12,539</u>	<u>4,888</u>	<u>7,651</u>	<u>156.53%</u>
Total Liabilities	<u>86,453</u>	<u>95,295</u>	<u>(8,842)</u>	<u>(9.28%)</u>
Net Assets:				
Invested in Capital Assets,	\$ 673,766	656,931	16,835	2.56%
Net of Debt				
Restricted	673,698	355,777	317,921	89.36%
Unrestricted	<u>188,508</u>	<u>240,431</u>	<u>(15,923)</u>	<u>(21.60%)</u>
Total Net Assets	<u>\$1,535,972</u>	<u>\$1,253,140</u>	<u>\$ 282,833</u>	<u>22.57%</u>

Total assets increased \$273,991. Cash and cash equivalents increased by \$236,898. Unrestricted net assets, the part of net assets that can be used to finance day to day activities without constraints established by grants or legal requirements of the School District decreased by \$51,923.

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

TABLE 2
Changes in Net Assets

	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>Variance</u>	
			<u>Dollars</u>	<u>Percent</u>
REVENUES:				
Program Revenues:				
Charges for Services	\$ 79,841	\$ 83,744	\$ 3,903	4.66%
Operating Grants	405,459	129,012	276,447	214.28%
General Revenues:				
Property Taxes	3,079,716	2,990,829	80,887	2.97%
Unrestricted Grants	213,057	318,916	(105,859)	(33.19%)
Other	40,022	44,798	(4,776)	10.66%
Total Assets	<u>3,818,095</u>	<u>3,567,299</u>	<u>250,796</u>	<u>7.03%</u>
PROGRAM EXPENSES				
Instruction:				
Regular	1,242,400	1,130,151	112,249	9.93%
Special	640,182	561,145	79,037	14.08%
Other	155,446	146,116	9,331	6.39%
Support Services:				
Tuition	112,629	74,018	38,611	52.16%
Student & Instruct Staff	588,234	551,764	36,470	6.61%
General & Bus Admin	262,203	276,134	(13,931)	(5.04%)
School Administration	64,736	52,037	12,699	24.40%
Maintenance	278,586	289,494	(10,908)	(3.77%)
Transportation	65,496	31,338	34,158	(109.00%)
Food Service	123,545	119,029	4,516	3.79%
Interest on Long-Term Debt	1,805	2,636	(831)	(31.53%)
Total Liabilities	<u>\$3,535,262</u>	<u>\$3,233,861</u>	<u>\$ 301,401</u>	<u>9.32%</u>
Inc(decrease) in Net Assets	\$ 282,833	\$ 333,438	\$ 50,605	(15.18%)

Governmental Activities

The unique nature of property taxes in New Jersey creates the need to routinely seek voter approval for the School District operation. Property taxes made up 84% of revenues for governmental activities for the Lambertville Public School district for fiscal year 2012.

Instruction comprises 58 percent of district expenses. Support services expenses make up 42 percent of the expenses.

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

TABLE 3
Cost of Governmental Services

	Total Cost of Services		Net Cost of Services	
	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2012</u>	<u>6/30/2011</u>
INSTRUCTION:	\$2,038,028	\$1,837,411	\$1,781,194	\$1,779,426
Support Services:				
Tuition	112,629	74,018	112,629	74,018
Student & Instructional Staff	588,234	551,764	516,706	515,624
General & Business Administration	262,203	276,134	241,243	276,134
School Administration	64,736	52,037	58,263	52,037
Plant Operations & Maintenance	278,586	289,494	266,328	289,494
Pupil Transportation	65,496	31,338	65,496	31,338
Food Services	123,545	119,029	6,298	398
Interest on Long-Term Debt	<u>1,805</u>	<u>2,636</u>	<u>1,805</u>	<u>2,636</u>
Total	<u>\$3,535,262</u>	<u>\$3,233,861</u>	<u>\$3,049,962</u>	<u>\$3,021,105</u>

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

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

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

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

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

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

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

The dependence upon tax revenue is apparent. For all activities general revenue support is 94%. The community, as a whole, is the primary support for the Lambertville Public School District.

The School District's Funds

Information about the School District's major funds starts in the section entitled fund financials statements. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$3,696,837 and expenses of \$3,449,335. The net positive change in fund balance for the year was most significant in the General Fund, increase of \$247,502.

General Fund Budgeting Highlights

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

During the course of the fiscal 2012 year, the School District amended its General Fund budget as needed. The School district uses program based budgeting systems are designed to tightly control total program budgets but provide flexibility for program management.

For the General Fund, budget basis revenue and other financing sources was \$5,652.35 under the original budgeted estimates of \$3,237,733

The General Fund revenues and other financing sources of the School district exceeded expenditures by approximately \$256,422.

Capital Assets

At the end of the fiscal year 2012, the School District had \$716,922, invested in land, buildings, and furniture and equipment. **Table 4** shows fiscal 2012 balances compared to 2011.

TABLE 4
Capital Assets (Net of Depreciation)

	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>Variance</u>	
			<u>Dollars</u>	<u>Percent</u>
Land	\$ 109,900	\$ 109,900	\$ 0	0.00%
Land Improvements	-	-		
Construction in Progress		8,000	(8,000)	100.00%
Buildings & Improvements	569,830	540,470	29,360	5.24%
Machinery & Equipment	<u>37,192</u>	<u>38,919</u>	<u>(1,727)</u>	<u>(4.43%)</u>
Total Assets	<u>\$ 716,922</u>	<u>\$ 697,289</u>	<u>19,633</u>	<u>2.81%</u>

At June 30, 2012, the School district had \$73,913 as outstanding debt. Of this amount \$35,013 is for compensated absences, and \$38,900 for the EDA loan for the roof.

At June 30, 2012, the School district's overall legal debt margin was \$18,770,301 and the un-voted debt margin was \$18,731,401.

TABLE 5
Outstanding Debt at Year End

	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>Variance</u>	
			<u>Dollars</u>	<u>Percent</u>
NJ EDA Loan	\$ 38,900	\$ 57,358	\$ (18,458)	(32.18%)
Total Assets	\$ 38,900	\$ 57,358	\$ (18,458)	(32.18%)

For the Future:

The Lambertville Public School continues to reduce special education out of district costs, which were proving costly to the district. A major concern is the continued decline of State Aid. The cap on Free Balance and General Fund balances will be a concern for future budgets and maintaining the quality of education that Lambertville has always achieved.

In conclusion, the Lambertville Board of Education has committed itself to financial excellence for many years. The School District plans to continue its sound fiscal management to meet all future challenges.

Contacting the School District's Financial Management:

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School district's finances and to show the School District's accountability for the money it receives. If you have any questions about this report or need additional information contact the School Business Administrator at Lambertville Public School, 200 N. Main Street, Lambertville, NJ 08530

BASIC FINANCIAL STATEMENTS

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

DISTRICT-WIDE FINANCIAL STATEMENTS

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

CITY OF LAMBERTVILLE SCHOOL DISTRICT
STATEMENT OF NET ASSETS
JUNE 30, 2012

	<u>GOVERNMENTAL</u> <u>ACTIVITIES</u>	<u>BUSINESS-TYPE</u> <u>ACTIVITIES</u>	<u>TOTAL</u>
ASSETS:			
Cash and cash equivalents	\$196,364.07	\$15,337.39	\$211,701.46
Receivables, net	36,111.74	14,356.66	50,468.40
Inventory		501.39	501.39
Restricted assets:			
Restricted cash and cash equivalents	642,832.10		642,832.10
Capital assets:			
Land	109,900.00		109,900.00
Other capital assets, net of depreciation	603,953.30	3,068.55	607,021.85
Total Assets	<u>1,589,161.21</u>	<u>33,263.99</u>	<u>1,622,425.20</u>
LIABILITIES:			
Payable to state government	10,444.00		10,444.00
Deferred revenue	1,000.00	283.91	1,283.91
Accrued interest on bonds	811.23		811.23
Noncurrent liabilities:			
Due within one year:			
Loans payable	19,108.43		19,108.43
Due beyond one year:			
Compensated absences payable	35,013.17		35,013.17
Loans payable	19,791.85		19,791.85
Total liabilities	<u>86,168.68</u>	<u>283.91</u>	<u>86,452.59</u>
NET ASSETS:			
Invested in capital assets, net of related debt	670,697.52	3,068.55	673,766.07
Restricted for:			
Capital projects fund	30,866.00		30,866.00
Other purposes	642,832.10		642,832.10
Unrestricted	<u>158,596.91</u>	<u>29,911.53</u>	<u>188,508.44</u>
Total net assets	<u>\$1,502,992.53</u>	<u>\$32,980.08</u>	<u>\$1,535,972.61</u>

See accompanying notes to financial statements.

CITY OF LAMBERTVILLE SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

Functions/Programs	Expenses	Programs Revenues		Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities:						
Instruction:						
Regular	\$ 1,242,400.04	\$	\$ 104,998.92	\$ (1,137,401.12)	\$	\$ (1,137,401.12)
Special	640,182.25		136,482.05	(503,700.19)		(503,700.19)
Other Instruction	155,446.50		15,353.78	(140,092.72)		(140,092.72)
Support services:						
Tuition	112,628.60			(112,628.60)		(112,628.60)
Student & instruction related services	588,233.75		71,527.32	(516,706.44)		(516,706.44)
General administrative services	115,998.32		7,584.38	(108,413.94)		(108,413.94)
School administrative services	64,735.94		6,473.00	(58,262.94)		(58,262.94)
Central services	146,204.80		13,376.03	(132,828.77)		(132,828.77)
Plant operations and maintenance	278,585.66		12,258.11	(266,327.54)		(266,327.54)
Pupil transportation	65,496.16			(65,496.16)		(65,496.16)
Interest on Long-Term Debt	1,804.86			(1,804.86)		(1,804.86)
Total governmental activities	<u>3,411,716.89</u>		<u>368,053.60</u>	<u>(3,043,663.28)</u>		<u>(3,043,663.28)</u>
Business-type activities						
Food Service	123,544.68	79,841.28	37,404.97		(6,298.43)	(6,298.43)
Total business-type activities	<u>123,544.68</u>	<u>79,841.28</u>	<u>37,404.97</u>		<u>(6,298.43)</u>	<u>(6,298.43)</u>
Total primary government	\$ <u>3,535,261.57</u>	\$ <u>79,841.28</u>	\$ <u>405,458.57</u>	\$ <u>(3,043,663.28)</u>	\$ <u>(6,298.43)</u>	\$ <u>(3,049,961.71)</u>
General Revenues:						
Taxes:						
Property taxes, levied for general purposes, net				\$ 3,059,072.00		\$ 3,059,072.00
Taxes levied for debt service				20,644.00		20,644.00
Federal and state aid not restricted				185,391.00		185,391.00
Federal and state aid restricted				27,666.00		27,666.00
Miscellaneous income				36,010.65	4,011.15	40,021.80
Total general revenues and special items				<u>3,328,783.65</u>	<u>4,011.15</u>	<u>3,332,794.80</u>
Change in net assets				285,120.37	(2,287.28)	282,833.09
Net Assets - beginning				1,217,872.16	35,267.36	1,253,139.52
Net Assets ending				<u>\$ 1,502,992.53</u>	<u>\$ 32,980.08</u>	<u>\$ 1,535,972.61</u>

See accompanying notes to financial statements.

MAJOR FUND FINANCIAL STATEMENTS

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

CITY OF LAMBERTVILLE SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2012

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	TOTAL GOVERNMENTAL FUNDS
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
ASSETS:				
Cash and cash equivalents	\$ 184,920.07	\$ 11,444.00	\$	\$ 196,364.07
Cash, Capital Reserve	479,709.74			479,709.74
Cash, Maintenance Reserve	83,074.77			83,074.77
Cash, Emergency Reserve	80,047.59			80,047.59
Due from other funds	4,255.50			4,255.50
Receivables from other governments	<u>5,245.74</u>		<u>30,866.00</u>	<u>36,111.74</u>
 Total assets	 <u>\$ 837,253.41</u>	 <u>\$ 11,444.00</u>	 <u>\$ 30,866.00</u>	 <u>\$ 879,563.41</u>
LIABILITIES AND FUND BALANCES:				
Liabilities:				
Interfund payables	\$	\$	\$ 4,255.50	\$ 4,255.50
Payable to state government		10,444.00		10,444.00
Deferred revenue		<u>1,000.00</u>		<u>1,000.00</u>
 Total liabilities	 <u>-</u>	 <u>11,444.00</u>	 <u>4,255.50</u>	 <u>15,699.50</u>
Fund balances:				
Restricted for:				
Maintenance reserve account	83,074.77			83,074.77
Capital reserve account	479,709.74			479,709.74
Emergency reserve account	80,047.59			80,047.59
Capital projects			26,610.50	26,610.50
Assigned to:				
Other purposes - Encumbrances	1,852.87			1,852.87
Unassigned:				
General fund	<u>192,568.44</u>			<u>192,568.44</u>
 Total fund balances	 <u>837,253.41</u>	 <u>-</u>	 <u>26,610.50</u>	 <u>863,863.91</u>
 Total liabilities and fund balances	 <u>\$ 837,253.41</u>	 <u>\$ 11,444.00</u>	 <u>\$ 30,866.00</u>	

See accompanying notes to financial statements.

CITY OF LAMBERTVILLE SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2012

Total Fund Balances (Brought Forward)		\$863,863.91
Amounts Reported for Governmental Activities in the Statement of Net Assets (A-1) are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		
Cost of Assets	\$1,732,993.50	
Accumulated Depreciation	<u>(1,019,140.20)</u>	713,853.30
Long term liabilities, including bonds payable, and other related amounts that are not due and payable in the current period and therefore are not reported as liabilities in the funds.		
Compensated Absences	(35,013.17)	
Bonds and Loans Payable	<u>(38,900.28)</u>	(73,913.45)
Certain liabilities are not due and payable in the current period and therefore, are not reported in the governmental funds.		
Accrued Interest Payable	<u>(811.23)</u>	<u>(811.23)</u>
Net Assets of Governmental Activities		<u><u>\$1,502,992.53</u></u>

See accompanying notes to financial statements.

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

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTAL GOVERNMENTAL FUNDS
REVENUES:					
Local sources:					
Local tax levy	\$3,059,072.00			\$20,644.00	\$3,079,716.00
Tuition	30,150.00				30,150.00
Interest on emergency reserve	47.49				47.49
Interest on maintenance reserve	21.67				21.67
Interest on capital reserve	186.10				186.10
Miscellaneous	5,605.39	\$13,637.45			19,242.84
Total revenues - local sources	3,095,082.65	13,637.45		20,644.00	3,129,364.10
State sources	432,875.38	6,421.00	\$27,666.00		466,962.38
Federal sources	8,714.00	91,796.77			100,510.77
Total revenues	3,536,672.03	111,855.22	27,666.00	20,644.00	3,696,837.25
EXPENDITURES:					
Current expense:					
Regular instruction	814,947.56				814,947.56
Special instruction	408,858.63	79,908.25			488,766.88
Other Instruction	114,353.31				114,353.31
Support services:					
Tuition	112,628.60				112,628.60
Student & instruction related services	449,720.64	31,946.97			481,667.61
General administrative services	94,528.63				94,528.63
School administrative services	47,411.45				47,411.45
Central services	110,404.91				110,404.91
Plant operations and maintenance	246,100.70				246,100.70
Pupil transportation	65,496.16				65,496.16
Allocated benefits	412,271.66				412,271.66
Unallocated benefits	383,510.59				383,510.59
Debt Service:					
Principal				18,457.58	18,457.58
Interest				2,186.42	2,186.42
Capital outlay	5,348.00		51,255.50		56,603.50
Total expenditures	3,265,580.84	111,855.22	51,255.50	20,644.00	3,449,335.56
Excess (deficiency) of revenues over (under) expenditures	271,091.19		(23,589.50)		247,501.69
Other financing sources (uses):					
Transfers in/(out)	(30,000.00)		30,000.00		
Total other financing sources (uses)	(30,000.00)		30,000.00		
Net change in fund balances	241,091.19		6,410.50		247,501.69
Fund balances, July 1, 2011	596,162.22	-0-	20,200.00		616,362.22
Fund balances, June 30, 2012	<u>\$837,253.41</u>	<u>\$-0-</u>	<u>\$26,610.50</u>	<u>\$-0-</u>	<u>\$863,863.91</u>

See accompanying notes to financial statements.

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

Total net change in fund balances - governmental funds (from B-2)	\$247,501.69
<p>Amounts reported for governmental activities in the statement of activities (A-2) are different because:</p> <p>Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period</p>	
Depreciation expense	(35,859.34)
Capital outlays	56,603.50
<p>Repayment of bond 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>	
	18,457.58
<p>In the statement of activities, interest on long-term debt is accrued, regardless of when due. In governmental funds, interest is reported when due. The accrued interest is an addition in the reconciliation.</p>	
	381.56
<p>In the statement of activities, certain expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In 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 a reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).</p>	
Decrease in Compensated Absences - Net	<u>(1,964.62)</u>
Change in net assets of governmental activities	<u><u>\$285,120.37</u></u>

See accompanying notes to financial statements.

OTHER FUNDS

CITY OF LAMBERTVILLE SCHOOL DISTRICT
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2012

	<u>BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS</u>
ASSETS:	
Current assets:	
Cash and cash equivalents	\$15,337.39
Accounts receivable - other	12,077.48
State	66.52
Federal	2,212.66
Inventories	501.39
Total current assets	<u>30,195.44</u>
Noncurrent assets:	
Furniture, machinery & equipment	52,595.00
Less accumulated depreciation	<u>(49,526.45)</u>
Total noncurrent assets	<u>3,068.55</u>
Total assets	<u>33,263.99</u>
LIABILITIES:	
Current liabilities:	
Deferred revenue	<u>283.91</u>
Total current liabilities	<u>283.91</u>
Total liabilities	<u>283.91</u>
NET ASSETS:	
Invested in capital assets, net	3,068.55
Unrestricted	<u>29,911.53</u>
Total net assets	<u><u>\$32,980.08</u></u>

See accompanying notes to financial statements.

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

	<u>BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS</u>
OPERATING REVENUES:	
Charges for services:	
Daily sales	\$37,770.34
Other sales	42,070.94
	42,070.94
Total operating revenues	79,841.28
OPERATING EXPENSES:	
Salaries	39,427.46
Employee Benefits	14,231.13
Other Purchase Service (Administrative Expenses)	8,572.85
Other Costs	1,042.00
Depreciation	1,111.47
Cost of sales	59,159.77
	59,159.77
Total operating expenses	123,544.68
Operating (loss)	(43,703.40)
NONOPERATING REVENUES (EXPENSES):	
State Sources:	
State School Lunch Program	916.43
Federal Sources:	
National School Lunch Program	27,521.84
National School Breakfast Program	4,285.17
National food distribution commodities	4,681.53
Food Service Management Company guarantee	4,011.15
	4,011.15
Total nonoperating revenues	41,416.12
Total net assets - beginning	35,267.36
Total net assets - ending	\$32,980.08

See accompanying notes to financial statements.

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

	<u>BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS</u>
Cash flows from operating activities:	
Receipts from customers	\$81,602.86
Payments to employees	(39,427.46)
Payments to employee benefits	(14,231.13)
Payments to suppliers	(61,897.39)
	(33,953.12)
Net cash provided by (used for) operating activities	
Cash flows from noncapital financing activities:	
State Sources	888.30
Federal Sources	29,594.35
	30,482.65
Net cash provided by noncapital financing activities:	
Net increase (decrease) in cash and cash equivalents	(3,470.47)
Cash and cash equivalents, July 1, 2011	18,807.86
Cash and cash equivalents, June 30, 2012	\$15,337.39
Reconciliation of operating income (loss) to net cash provided (used) by operating activities	
Operating income (loss)	(\$43,703.40)
Adjustments to reconciling operating income (loss) to net cash provided by (used for) operating activities:	
Depreciation	1,111.47
Federal commodities	4,681.53
Food Service Management Company guarantee	4,011.15
Change in assets and liabilities:	
(Increase) decrease in Accounts Receivable - Other	(2,249.57)
(Increase) decrease in inventories	3,728.31
Increase (decrease) in deferred revenue	(1,532.61)
	9,750.28
Net cash provided by (used for) operating activities	(\$33,953.12)

See accompanying notes to financial statements.

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

	<u>UNEMPLOYMENT COMPENSATION FUND</u>	<u>AGENCY FUNDS</u>
ASSETS:		
Cash and cash equivalents	<u>\$45,767.52</u>	<u>\$15,627.73</u>
Total Assets	<u><u>\$45,767.52</u></u>	<u><u>\$15,627.73</u></u>
LIABILITIES:		
Payroll deductions and withholdings		\$1,522.47
Due to student groups		<u>14,105.26</u>
Total Liabilities		<u>15,627.73</u>
NET ASSETS:		
Held in trust for unemployment claims	<u>\$45,767.52</u>	
Total Net Assets	<u><u>\$45,767.52</u></u>	<u><u>\$-0-</u></u>

See accompanying notes to financial statements.

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

	<u>UNEMPLOYMENT COMPENSATION FUND</u>
ADDITIONS:	
Contributions:	
Plan Members	\$2,916.02
Total contributions	2,916.02
Investment earnings:	
Interest	62.76
Net investment earnings	62.76
Total additions	2,978.78
DEDUCTIONS:	
Unemployment claims	1,283.78
Total deductions	1,283.78
Change in net assets	1,695.00
Net assets beginning of year	44,072.52
Net assets end of year	\$45,767.52

See accompanying notes to financial statements.

City of Lambertville School District
Notes to the Financial Statements
June 30, 2012

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Lambertville School District have been prepared in conformity with U.S. 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 more significant of the Board's accounting policies are described below.

Reporting Entity

The Lambertville School District is a Type II District located in Hunterdon County, New Jersey. The School District is an instrumentality of the State of New Jersey, established to function as an educational institution. The District is governed by a 9 member board elected to three-year terms 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.

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

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

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

The combined financial statements include all funds of the District over which the Board exercises operating control. The operations of the District include an elementary school located in the City of Lambertville. 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.

City of Lambertville School District
Notes to the Financial Statements
June 30, 2012

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation, Basis of Accounting

The District's basic financial statements consist of District-wide statements, including a Statement of Net Assets and a Statement of Activities, and fund financial statements which provide a more detailed level of financial information.

Basis of Presentation

District-wide Statements: The Statement of Net Assets and the Statement of Activities display information about the District as a whole. These statements include the financial activities of the overall District, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. These statements distinguish generally between the governmental and business-type activity 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 Net Assets presents the financial condition of the governmental and business-type activity of the District at fiscal year end. The Statement of Activities presents a comparison between direct expenses and program revenues for the business-type activity of the District and for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirement of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as generally revenues. The comparison of direct expenses with program revenues identifies the extent to which each governmental function or business segment is self-financing or draws from the general revenues of the District.

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

City of Lambertville School District
Notes to the Financial Statements
June 30, 2012

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Governmental Fund Types

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.

Special Revenue Fund - The special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The term "proceeds of specific revenue sources" establishes that one or more specific restricted or committed revenues should be the foundation for a special revenue fund.

Capital Projects Fund - Capital project funds are used to account for and report financial resources that are restricted, committed or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. Capital projects funds exclude those types of capital related outflows financed by proprietary funds or for assets that will be held in trust for individuals, private organizations, or other governments.

Debt Service Fund - Debt service funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

City of Lambertville School District
Notes to the Financial Statements
June 30, 2012

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Proprietary Fund

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

Fiduciary Fund Types

Agency Funds - The agency funds are used to account for assets held by the district on behalf of others and are custodial in nature. The agency funds included in this category are as follows:

Unemployment Compensation Insurance Trust Fund - A trust fund used to account for assets to finance the costs of unemployment benefits. Since the Board has adopted the direct reimbursement method, the District is under obligation to appropriate sufficient funds out of its general fund and hold them in trust for this purpose.

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

City of Lambertville School District
Notes to the Financial Statements
June 30, 2012

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting – Measurement Focus

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

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

The District is entitled to receive monies under the established payment schedule and the unpaid amount is considered to be an “accounts receivable”. Revenue from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied. Governmental Fund Financial Statements: Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. “Measurable” means the amount of the transactions can be determined and “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on 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.

All governmental and business type activities and enterprise funds of the District follow FASB Statements and Interpretations issued on or before November 30, 1989, Accounting Research Bulletins, unless those pronouncements conflict with GASB pronouncements.

City of Lambertville School District
Notes to the Financial Statements
June 30, 2012

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 and transfers must be approved by School Board resolution.

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

Appropriations, except remaining project appropriations, encumbrances, and unexpended grant appropriations, lapse at the end of each fiscal year. The capital projects fund presents the remaining project appropriations compared to current year expenditures.

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

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

City of Lambertville School District
Notes to the Financial Statements
June 30, 2012

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Encumbrance Accounting

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

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

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

Interfunds

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

Inventories and Prepaid Expenses

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

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

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

City of Lambertville School District
Notes to the Financial Statements
June 30, 2012

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets

The District has an established formal system of accounting for its capital assets. Purchased or constructed capital assets are reported at cost. Donated capital assets are valued at their estimated fair market value on the date received. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

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

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
School Buildings	50
Building Improvements	20
Electrical/Plumbing	30
Vehicles	8
Office & Computer Equipment	5-10
Instructional Equipment	10
Grounds Equipment	15

Compensated Absences

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

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

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

City of Lambertville School District
Notes to the Financial Statements
June 30, 2012

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Equity

Fund balance reserves are used to indicate that portion of the fund balance that is not available for expenditures or is legally segregated for a specific future use. Designation of portions of the fund balances is established to indicate tentative plans for financial utilization in a future period. The unreserved fund balances represent the amount available for future budgetary operations.

Unrestricted retained earnings represent the remains of the District's equity in the cumulative earnings of the proprietary funds.

Deferred Revenue

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

Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported on the District-wide financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, contractually required pension contributions and compensated absences that are paid from governmental funds are reported as liabilities on the fund financial statements only to the extent that they are due for payment during the current year. Bonds are recognized as a liability on the fund financial statements when due.

City of Lambertville School District
Notes to the Financial Statements
June 30, 2012

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction, or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The District's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

Fund Balance Reserves

In fiscal year 2011, the District implemented GASB Statement 54, "Fund Balance Reporting and Governmental Fund Type Definitions". This statement modifies fund balance reporting and clarifies fund type definitions. This new Statement aims to enhance the usefulness of fund balance information by providing clearer fund balance clarifications that can be applied more consistently.

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

City of Lambertville School District
Notes to the Financial Statements
June 30, 2012

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balance Reserves (Continued)

The District reserves those portions of fund balance which are legally segregated for a specific future use of which do not represent available expendable resources and, therefore, are not available for appropriation or expenditure. Unreserved fund balance indicates that portion which is available for appropriation in future periods. A fund balance reserve has been established for encumbrances in accordance with N.J.S.A. 18A:7F-7.

Revenues – Exchange and Non-Exchange Transactions

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

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

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

City of Lambertville School District
Notes to the Financial Statements
June 30, 2012

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Operating Revenues and Expenses

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

Allocation of Indirect Expenses

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

Extraordinary and Special Items

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

City of Lambertville School District
Notes to the Financial Statements
June 30, 2012

NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS

The Board considers petty cash, change funds, cash in banks, deposits in the government money market account, and short-term investments with original maturities of three months or less as cash and cash equivalents. Investments are stated at cost, which approximates market.

Deposits

New Jersey statutes permit the deposit of public funds in public depositories which are located in New Jersey and which meet the requirements of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA requires a bank that accepts public funds to be a public depository. A public depository is defined as a state bank, a national bank, or a savings bank, which is located in the State of New Jersey, the deposits of which are insured by the Federal Deposit Insurance Corporation. The statutes also require public depositories to maintain collateral for deposits of public funds that exceed certain insurance limits. All collateral must be deposited with the Federal Reserve Bank or a Banking Institution that is a member of the Federal Reserve System, and has capital funds of not less than \$25,000,000.00. Under (GUDPA), if a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of the deposits to the governmental unit.

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

Fund Type:	<u>Bank Balance</u>	Reconciling Items:		<u>Reconciled Balance</u>
		<u>Additions</u>	<u>Deletions</u>	
Governmental	\$1,005,887.17	\$3,738.75	\$170,429.75	\$839,196.17
Proprietary	22,343.99		7,006.60	15,337.39
Fiduciary	67,269.55		5,874.30	61,395.25
	<u>\$1,095,500.71</u>	<u>\$3,738.75</u>	<u>\$183,310.65</u>	<u>\$915,928.81</u>

Custodial Credit Risk - Deposits Custodial credit risk is the risk that in the event of a bank failure, the deposits may not be returned. The District does not have a specific deposit policy for custodial credit risk other than those policies that adhere to the requirements of statute. As of June 30, 2012, based upon the coverage provided by FDIC and NJGUDPA, no amount of the bank balance was exposed to custodial credit risk. Of the cash on balance in the bank, \$250,000.00 was covered by Federal Depository Insurance and \$845,500.71 was covered by NJGUDPA.

City of Lambertville School District
Notes to the Financial Statements
June 30, 2012

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

Investments

The purchase of investments by the Board is strictly limited by the express authority of the N.J.S.A. 18A:20-37 Education, Administration of School Districts. Permitted investments include any of the following type of securities:

1. Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
2. Government money market mutual funds which are purchased from an investment company or investment trust which is registered with the Securities and Exchange Commission under the "Investment Company Act of 1940," 15 U.S.C. 80a-1 et seq., and operated in accordance with 17 C.F.R. § 270.2a-7 and which portfolio is limited to U.S. Government securities that meet the definition of an eligible security pursuant to 17 C.F.R. § 270.2a-7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 18A:20-37. These funds are also required to be rated by a nationally recognized statistical rating organization.
3. Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor.
4. Bonds or other obligations of the Local Unit or bonds or other obligations of school districts of which the Local Unit is a part or within which the school district is located.
5. Bonds or other obligations, having a maturity date not more than 397 days from date of purchase, approved by the Division of Investment of the Department of Treasury for investment by School Districts.

City of Lambertville School District
Notes to the Financial Statements
June 30, 2012

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

Investments (Continued)

6. Local government investment pools that are fully invested in U.S. Government securities that meet the definition of eligible security pursuant to 17 C.F.R. § 270a-7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 18A:20-37. This type of investment is also required to be rated in the highest category by a nationally recognized statistical rating organization.
7. Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C. 52:18A-90.4); or
8. Agreements for the repurchase of fully collateralized securities if:
 - a. the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection;
 - b. the custody of collateral is transferred to a third party;
 - c. the maturity of the agreement is not more than 30 days;
 - d. the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c.236 (C. 17:19-41); and;
 - e. a master repurchase agreement providing for the custody and security of collateral is executed.

As of June 30, 2012, the Board had no investments.

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

City of Lambertville School District
Notes to the Financial Statements
June 30, 2012

NOTE 3: CHANGE IN CAPITAL ASSETS

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

	<u>Beginning Balance</u>	<u>Transfers/ Additions</u>	<u>Ending Balance</u>
Governmental Activities			
Capital assets not being depreciated:			
Land	\$ 109,900.00	\$	\$ 109,900.00
Construction in Progress	<u>8,000.00</u>	<u>(8,000.00)</u>	<u></u>
Total Capital assets not being depreciated	<u>117,900.00</u>	<u>(8,000.00)</u>	<u>109,900.00</u>
Land Improvements	33,550.00		33,550.00
Building and Building Improvements	1,435,525.00	59,255.50	1,494,780.50
Machinery & Equipment	<u>89,415.00</u>	<u>5,348.00</u>	<u>94,763.00</u>
Totals as historical cost	<u>1,558,490.00</u>	<u>64,603.50</u>	<u>1,623,093.50</u>
Total Gross assets (Memo only)	<u>\$ 1,676,390.00</u>	<u>\$ 56,603.50</u>	<u>\$ 1,732,993.50</u>
Less: Accumulated Depreciation for:			
Land Improvements	\$ (33,550.00)	\$	\$ (33,550.00)
Building and Building Improvements	(895,055.00)	(29,895.61)	(924,950.61)
Machinery & Equipment	<u>(54,675.86)</u>	<u>(5,963.73)</u>	<u>(60,639.59)</u>
Total depreciation	<u>(983,280.86)</u>	<u>(35,859.34)</u>	<u>(1,019,140.20)</u>
Total Capital assets being depreciated net of accumulated depreciation	<u>575,209.14</u>	<u>28,744.16</u>	<u>603,953.30</u>
Governmental activities capital assets, net	<u>\$ 693,109.14</u>	<u>\$ 20,744.16</u>	<u>\$ 713,853.30</u>
Business-type activities:			
Equipment	\$ 52,595.00	\$	\$ 52,595.00
Less: Accumulated Depreciation	<u>(48,414.98)</u>	<u>(1,111.47)</u>	<u>(49,526.45)</u>
Proprietary fund capital assets, net	<u>\$ 4,180.02</u>	<u>\$ (1,111.47)</u>	<u>\$ 3,068.55</u>

City of Lambertville School District
Notes to the Financial Statements
June 30, 2012

NOTE 3: CHANGE IN CAPITAL ASSETS

Depreciation Expense was charged to governmental expenses as follows:

Instruction:		
Regular	\$	14,696.39
Special		7,918.47
Other		2,149.02
Support Services:		
Student & Instruction Related Services		5,539.95
General Administrative Services		1,061.56
School Administrative Services		906.01
Central Service		1,872.21
Plant Operations & Maintenance		<u>1,715.73</u>
	\$	<u><u>35,859.34</u></u>

City of Lambertville School District
Notes to the Financial Statements
June 30, 2012

NOTE 4: LONG-TERM DEBT

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

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

At June 30, 2012, the District had no bonds or notes authorized but not issued.

The following is a summary of changes in liabilities that effect other long-term obligations for the year ended June 30, 2012.

	<u>Loans Payable</u>	<u>Compensated Absences Payable</u>	<u>Sub-Total</u>
Balance June 30, 2011	\$ 57,357.86	\$ 33,048.55	\$ 90,406.41
Additions	<u>57,357.86</u>	<u>9,828.45</u>	<u>9,828.45</u>
Deletions	<u>18,457.58</u>	<u>42,877.00</u>	<u>100,234.86</u>
	<u>18,457.58</u>	<u>7,863.83</u>	<u>26,321.41</u>
Balance June 30, 2012	\$ <u><u>38,900.28</u></u>	\$ <u><u>35,013.17</u></u>	\$ <u><u>73,913.45</u></u>
Amounts due within one year	\$ <u><u>19,108.43</u></u>		

City of Lambertville School District
Notes to the Financial Statements
June 30, 2012

NOTE 4: LONG-TERM DEBT (CONTINUED)

Bonds Payable

The annual requirements to amortize all debt outstanding as of June 30, 2012, with interest payments on issued debt, are as follows:

Fiscal Year Ended <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$ 19,108.43	\$ 1,336.51	\$ 20,444.94
2014	<u>19,791.85</u>	<u>451.51</u>	<u>20,243.36</u>
	<u>\$ 38,900.28</u>	<u>\$ 1,788.02</u>	<u>\$ 40,688.30</u>

City of Lambertville School District
Notes to the Financial Statements
June 30, 2012

NOTE 4: LONG-TERM DEBT (CONTINUED)

Bonds Payable

Under New Jersey Statutes the District may incur debt in an amount not to exceed 2.5% of the averaged equalized valuation basis of real property. For the calendar year ended December 31, 2011, the District borrowing capacity under N.J.S. 18A:24-19 would be as follows:

<u>Year</u>	<u>Equalized Valuation of Real Property</u>
2011	\$731,517,308.00
2010	750,346,362.00
2009	770,572,483.00
	<u>2,252,436,153.00</u>
Average equalized valuation of property	750,812,051.00
School borrowing margin (2.5% of average equalized valuation of property)	18,770,301.28
Net bonded school debt as of June 30, 2012	<u>38,900.28</u>
School borrowing power available	<u>\$18,731,401.00</u>

City of Lambertville School District
Notes to the Financial Statements
June 30, 2012

NOTE 5: PENSION PLANS

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

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

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

Vesting and Benefit Provisions - The vesting and benefit provisions of PERS are set by N.J.S.A. 43:15A and 43.3B, and N.J.S.A. 18A:6C for TPAF. All benefits vest after eight to ten years of service, except for medical benefits that vest after 25 years of service. Retirement benefits for age and service are available at age 55 and are generally determined to be 1/55 of the final average salary for each year of service credit, as defined. Final average salary equals the average salary for the final three years of service prior to retirement (or highest three years' compensation if other than the final three years).

City of Lambertville School District
Notes to the Financial Statements
June 30, 2012

NOTE 5: PENSION PLANS (CONTINUED)

Vesting and Benefit Provisions - Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving eight to ten years of service in which case benefits would begin the first day of the month after the member attains normal retirement age. The TPAF and PERS provides for specified medical benefits for members who retire after achieving 25 years of qualified service, as defined, or under the disability provision of the System.

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

Significant Legislation – Chapter 103, P.L. 2007 changed the contribution rate of the TPAF and PERS to 5.5% of annual compensation; imposed an annual maximum contribution base for members hired on or after July 1, 2007; and amended the early retirement reduction formula for new members. Any members of the system enrolled on or after July 1, 2007 must be at least 60 years of age in order to retire without a reduction in their retirement allowance. In addition, the funding of the post-retirement medical benefits through the TPAF was eliminated. Chapter 92, P.L. 2007 changed the pension loan interest rate to 4.69% per annum. The legislation also removed language from the existing law that permitted the State Treasurer to reduce employer pension contributions needed to fund the system when excess assets are available.

City of Lambertville School District
Notes to the Financial Statements
June 30, 2012

NOTE 5: PENSION PLANS (CONTINUED)

Contribution Requirements - The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 and N.J.S.A. 18:66, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. TPAF and PERS provide for employee contributions of 5% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The actuarially determined contribution includes funding for both cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums. Under current statute the District is a non-contributing employer of TPAF.

<u>Three-Year Trend Information for PERS</u>			
<u>Year</u> <u>June 30,</u>	<u>Annual Pension</u> <u>Cost (APC)</u>	<u>Percentage of</u> <u>APC Contributed</u>	<u>Net Pension</u> <u>Obligation</u>
2012	\$28,216.00	100.00%	\$28,216.00
2011	\$30,176.00	100.00%	\$30,176.00
2010	\$21,178.00	100.00%	\$21,178.00

<u>Three-Year Trend Information for TPAF (Paid on-behalf of the District)</u>			
<u>Year</u> <u>June 30,</u>	<u>Annual Pension</u> <u>Cost (APC)</u>	<u>Percentage of</u> <u>APC Contributed</u>	<u>Net Pension</u> <u>Obligation</u>
2012	\$50,283.00	100.00%	\$50,283.00
2011	None	100.00%	None
2010	None	100.00%	None

During the fiscal year ended June 30, 2012, the State of New Jersey contributed \$50,283.00 to the TPAF pension system on behalf of the District. No such payments were made for the fiscal years ended June 30, 2011 or 2010.

Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$104,833.38 during the year ended June 30, 2012 for the employer's share of social security contributions for TPAF members, as calculated on their base salaries. This amount has been included in the basic financial statements, and the combining and individual fund statements and schedules as a revenue and expenditure in accordance with GASB 27.

City of Lambertville School District
Notes to the Financial Statements
June 30, 2012

NOTE 6: OTHER POST-RETIREMENT BENEFITS

For eligible retired employees, the School District participates in the State Health Benefits Program (SHBP), a cost-sharing, multiple-employer defined benefit post-employment healthcare plan administered by the State of New Jersey Division of Pensions and Benefits. SHBP was established in 1961 under N.J.S.A. 52:14-17.25 *et seq.*, to provide health benefits to State employees, retirees, and their dependents. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. SHBP provides medical, prescription drugs, mental health/substance abuse, and Medicare Part B reimbursement to retirees and their covered dependents.

The State Health Benefits Commission is the executive body established by statute to be responsible for the operation of the SHBP. The State of New Jersey Division of Pensions and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for the SHBP. That report may be obtained by writing to: State of New Jersey Division of Pensions and Benefits, P.O. Box 295, Trenton, NJ 08625-0295.

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

City of Lambertville School District
Notes to the Financial Statements
June 30, 2012

NOTE 6: OTHER POST-RETIREMENT BENEFITS (CONTINUED)

The State is also responsible for the cost attributable to Chapter 126, P.L. 1992, 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.

The State will set the contribution rate based on the annual required contribution of the employers (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The State's contributions to the State Health Benefits Program Fund for TPAF retirees' post-retirement benefits on behalf of the School District for the years ended June 30, 2012, 2011 and 2010 were \$101,082, \$96,197 and \$86,571, respectively, which equaled the required contributions for each year. The State's contributions to the State Health Benefits Program Fund for PERS retirees' post-retirement benefits on behalf of the School District was not determined or made available by the State of New Jersey.

NOTE 7: LITIGATION

The Board attorney's letter advises that there is no litigation, pending litigation, claims, contingent liabilities, unasserted claims or assessments or statutory violations which involve the Board of Education and which might materially affect the Board's financial position.

City of Lambertville School District
Notes to the Financial Statements
June 30, 2012

NOTE 8: CONTINGENCIES

The Board receives financial assistance from the State of New Jersey and the U.S. Government in the form of grants. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditure of the funds for eligible purposes. The State and Federal grants received and expended in the 2011-2012 fiscal year were subject to the U.S. OMB A-133 and New Jersey OMB Circular 04-04 which mandates that grant revenues and expenditures be audited in conjunction with the Board's annual audit. Findings and questioned costs, if any, relative to federal and state financial assistance programs will be discussed in the Single Audit Section, Schedule of Findings and Questioned Costs. In addition, all grants and cost reimbursements are subject to financial and compliance audits by the grantors. Further, the School Child Nutrition Program is a recipient of federal reimbursements and is subject to certain related federal regulations. These federal reimbursements are subject to subsequent audit and interpretation by the New Jersey Department of Education. The Board management does not believe such an audit would result in material amounts of disallowed costs.

NOTE 9: RISK MANAGEMENT

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

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

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

City of Lambertville School District
Notes to the Financial Statements
June 30, 2012

NOTE 9: RISK MANAGEMENT (CONTINUED)

<u>Fiscal</u> <u>Year</u>	<u>Interest</u> <u>Earnings</u>	<u>Employee</u> <u>Contributions</u>	<u>Amount</u> <u>Reimbursed</u>	<u>Ending</u> <u>Balance</u>
2011-12	\$ 62.76	\$ 2,916.02	\$ 1,283.78	\$ 45,767.52
2010-11	99.87	2,709.58	818.41	44,072.52
2009-10	335.22	2,858.58	9,480.32	42,081.48

NOTE 10: INTERFUND RECEIVABLES AND PAYABLES

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

<u>FUND</u>	<u>INTERFUND</u> <u>RECEIVABLE</u>	<u>INTERFUND</u> <u>PAYABLE</u>
General Fund	\$ 4,255.50	
Capital Projects Fund		4,255.50
	\$ <u>4,255.50</u>	\$ <u>4,255.50</u>

The interfund balance resulted from a cash deficit in the Capital Projects Fund.

NOTE 11: FUND BALANCE APPROPRIATED

General Fund – Of the \$837,253.41 General Fund fund balance at June 30, 2012, \$83,074.77.10 has been restricted in a Maintenance Reserve Account; \$479,709.74 has been restricted in the Capital Reserve Account; \$80,047.59 has been reserved in the Emergency Reserve Account, \$1,852.87 is assigned for encumbrances, and \$192,568.44 is unassigned.

City of Lambertville School District
Notes to the Financial Statements
June 30, 2012

NOTE 12: CALCULATION OF EXCESS SURPLUS – BUDGETARY BASIS

Calculation of Excess Surplus In accordance with N.J.S.A. 18A:7F-7, as amended by P.L. 2007, c73 (S1701), the designation for Reserved Fund Balance-Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30 if the District did not appropriate a required minimum amount as budgeted fund balance in the subsequent year's budget.

General Fund Expenditures Fiscal Year Ended June 30, 2012	\$3,265,580.84
Add:	
Transfer to Capital Reserve to Capital Projects Fund	30,000.00
Less:	
On-behalf TPAF Pension and Social Security Reimbursement	<u>256,198.38</u>
Adjusted General Fund Expenditures	\$3,039,382.46
Excess Surplus Percentage	<u>2.00%</u>
2% of Adjusted 2011-12 General Fund Expenditures	60,787.65
Greater of 2% or \$250,000.00	250,000.00
Actual Unreserved/Undesignated General Fund Balance	<u>212,265.44</u>
Excess Surplus	<u>None</u>

City of Lambertville School District
Notes to the Financial Statements
June 30, 2012

NOTE 13: CAPITAL AND OTHER RESERVE ACCOUNTS

Capital Reserve

A capital reserve account was established by the City of Lambertville Board of Education by the inclusion of \$1.00 on October 10, 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, any unanticipated revenue or unexpended line-item appropriation amounts. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6:23A-5.1(d) 7, the balance in the account cannot at any time exceed the local costs of uncompleted capital projects in its approved LRFP.

Maintenance Reserve

A maintenance reserve account was established by the City of Lambertville Board of Education with the initial deposit of \$28,000.00 per board resolution in June 2009. The maintenance reserve account is used to accumulate funds for the required maintenance of a facility in accordance with the EFCFA (N.J.S.A. 18A:7G-9) as amended by P.L. 2004, c. 73 (S1701). Districts may increase the balance in the maintenance reserve account by appropriating funds in the annual general fund budget certified for taxes (N.J.A.C. 6A:23A-14.2) or by deposit of any unanticipated revenue or unexpended line item appropriation by board resolution at year end.

Emergency Reserve

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

City of Lambertville School District
Notes to the Financial Statements
June 30, 2012

NOTE 13: CAPITAL AND OTHER RESERVE ACCOUNTS (CONTINUED)

Emergency Reserve (Continued)

The department has defined year end for the purpose of depositing surplus into reserve accounts as an amount approved by the district board of education between June 1 and June 30. Withdrawals from the reserve require the approval of the Commissioner unless the withdrawal is necessary to meet an increase in total health care costs in excess of 4 percent.

Pursuant to the code, the District established an Emergency Reserve with an initial deposit of \$80,000.00 by board resolution in June 2011.

The following schedule is a summarization of the District's legal reserve accounts:

Capital Reserve Account

Beginning balance, July 1, 2011		\$209,523.64
District contribution per resolution	\$300,000.00	
Interest earnings	186.10	
		300,186.10
		509,709.74
Withdrawals		
Transfer to Capital Projects Fund		30,000.00
Ending balance, June 30, 2012		\$479,709.74

Maintenance Reserve Account

Beginning balance, July 1, 2011		\$63,053.10
District contribution per resolution	\$20,000.00	
Interest earnings	21.67	
		20,021.67
Ending balance, June 30, 2012		\$83,074.77

Emergency Reserve Account

Beginning balance, July 1, 2011		\$80,000.10
Interest earnings	\$47.49	
		47.49
Ending balance, June 30, 2012		\$80,047.59

City of Lambertville School District
Notes to the Financial Statements
June 30, 2012

NOTE 14: DEFERRED COMPENSATION

The District offers its employees a choice of the deferred compensation plans created in accordance with Internal Revenue Code Section 403(b) and 457. The plans permit participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death, or unforeseeable emergency. Since the District does not have any property or rights to the plan assets and no fiduciary relationship exists between the District and the deferred compensation plan, the plan assets are not included in the District's financial statements as of June 30, 2012.

NOTE 15: INVENTORY

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

Food and Supplies	\$217.48
Commodities	<u>283.91</u>
	<u><u>\$501.39</u></u>

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

REQUIRED SUPPLEMENTARY INFORMATION – PART II

BUDGETARY COMPARISON SCHEDULES

CITY OF LAMBERTVILLE SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2012

	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 3,059,072.00	\$	\$ 3,059,072.00	\$ 3,059,072.00	\$
Tuition	21,875.00		21,875.00	30,150.00	8,275.00
Interest Earned on Current Expense Emergency Reserve				47.49	47.49
Interest Earned on Maintenance Reserve				21.67	21.67
Interest Earned on Capital Reserve Funds				186.10	186.10
Unrestricted Miscellaneous Revenues	7,000.00		7,000.00	5,605.39	(1,394.61)
Total Revenues-Local Sources	3,087,947.00		3,087,947.00	3,095,082.65	7,135.65
State Sources:					
School Choice Aid		75,528.00	75,528.00	75,528.00	
Extraordinary Aid	10,000.00		10,000.00		(10,000.00)
Special Education Aid	87,689.00		87,689.00	87,689.00	
Categorical Security Aid	20,219.00		20,219.00	20,219.00	
Adjustment Aid	12,069.00	(12,069.00)			
Categorical Transportation Aid	8,572.00		8,572.00	8,572.00	
Reimbursed TPAF Social Security Contributions (Non-Budgeted)				104,833.38	104,833.38
On-Behalf TPAF Post Retirement Medical (Non-Budgeted)				101,082.00	101,082.00
On-Behalf TPAF Pension Contributions (Non-Budgeted)				50,283.00	50,283.00
Total - State Sources	138,549.00	63,459.00	202,008.00	448,206.38	246,198.38
Federal Sources:					
Education Jobs Fund	8,449.00	265.00	8,714.00	8,714.00	
Medicaid Reimbursement	2,788.00		2,788.00		(2,788.00)
Total - Federal Sources	11,237.00	265.00	11,502.00	8,714.00	(2,788.00)
Total Revenues	3,237,733.00	63,724.00	3,301,457.00	3,552,003.03	250,546.03
EXPENDITURES:					
CURRENT EXPENSE:					
Instruction - Regular Programs:					
Salaries of Teachers:					
Kindergarten	147,954.00	(24,640.87)	123,313.13	122,226.63	1,086.50
Grades 1-5	519,841.00	37,298.82	557,139.82	547,865.20	9,274.62
Grades 6-8	76,149.00	2,260.13	78,409.13	77,422.63	986.50

CITY OF LAMBERTVILLE SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2012

	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
Regular Programs - Home Instruction:					
Salaries of Teachers	\$ 2,500.00	\$	\$ 2,500.00	\$	2,500.00
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	7,550.00		7,550.00	5,037.46	2,512.54
Purchased Professional Educational Services	6,200.00	977.97	7,177.97	7,177.97	
Purchased Technical Services	3,200.00	(3,200.00)			
Other Purchased Services (400-500 series)	14,590.00	(3,886.76)	10,703.24	10,703.24	
General Supplies	39,012.00	1,833.00	40,845.00	39,368.04	1,476.96
Textbooks	10,500.00	(6,887.19)	3,612.81	3,612.81	
Other Objects	1,250.00	298.58	1,548.58	1,533.58	15.00
Total Regular Programs	828,746.00	4,053.68	832,799.68	814,947.56	17,852.12
Special Education - Instruction:					
Multiple Disabilities:					
Salaries of Teachers	30,084.00	(30,084.00)			
General Supplies	1,000.00	(1,000.00)			
Total Multiple Disabilities	31,084.00	(31,084.00)			
Resource Room/Resource Center:					
Salaries of Teachers	194,108.00	33,886.96	227,994.96	223,834.02	4,160.94
Other Salaries for Instruction	121,859.00	3,819.00	125,678.00	119,951.78	5,726.22
General Supplies	4,750.00	157.69	4,907.69	3,047.61	1,860.08
Total Resource Room/Resource Center	320,717.00	37,863.65	358,580.65	346,833.41	11,747.24
Autism:					
Salaries of Teachers	61,244.00	463.00	61,707.00	61,691.92	15.08
General Supplies	3,725.00	(3,391.70)	333.30	333.30	
Total Autism	64,969.00	(2,928.70)	62,040.30	62,025.22	15.08
Total Special Education - Instruction	416,770.00	3,850.95	420,620.95	408,858.63	11,762.32
Basic Skills/ Remedial - Instruction:					
Salaries of Teachers	65,573.00		65,573.00	58,687.20	6,885.80
General Supplies	1,200.00	2,356.68	3,556.68	3,556.68	
Total Basic Skills/Remedial - Instruction	66,773.00	2,356.68	69,129.68	62,243.88	6,885.80

CITY OF LAMBERTVILLE SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2012

	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
Bilingual Education - Instruction:					
Salaries of Teachers	\$ 32,560.00	\$ (200.80)	\$ 32,359.20	\$ 30,502.00	1,857.20
Other Salaries for Instruction	19,250.00	1,000.00	20,250.00	19,654.94	595.06
General Supplies	1,839.00	(1,586.51)	252.49	252.49	
Total Bilingual Education - Instruction	53,649.00	(787.31)	52,861.69	50,409.43	2,452.26
School Sponsored Co/Extra Curricular Activities - Instruction:					
Salaries	1,700.00		1,700.00	1,200.00	500.00
Purchased Services (300-500 Series)	500.00		500.00	500.00	
Total School Sponsored Co/Extra Curricular Activities - Instruction	2,200.00		2,200.00	1,700.00	500.00
Undistributed Expenditures - Instruction					
Tuition to other LEAs Within the State - Special		34,499.00	34,499.00	34,499.00	
Tuition to CSSD and Regular Day Schools	57,707.00	(5,115.00)	52,592.00	52,592.00	
Tuition to Private Schools for the Disabled W/ State	26,500.00	(962.40)	25,537.60	25,537.60	
Total Undistributed Expenditures - Instruction	84,207.00	28,421.60	112,628.60	112,628.60	
Undistributed Expenditures - Attendance and Social Work:					
Salaries	11,373.00	(100.00)	11,273.00	10,299.60	973.40
Total Undistributed Expenditures - Attendance and Social Work	11,373.00	(100.00)	11,273.00	10,299.60	973.40
Undistributed Expenditures - Health Services:					
Salaries	75,845.00	2,029.00	77,874.00	77,721.28	152.72
Purchased Professional and Technical Services	1,500.00	(145.00)	1,355.00	1,355.00	
Other Purchased Services (400-500 Series)	750.00	(418.02)	331.98	331.98	
Supplies and Materials	3,400.00	(2,287.44)	1,112.56	1,112.56	
Total Undistributed Expenditures - Health Services	81,495.00	(821.46)	80,673.54	80,520.82	152.72
Undistributed Expend. - Speech, OT, PT and Related Services:					
Salaries	81,125.00		81,125.00	76,144.02	4,980.98
Purchased Professional - Educational Services	55,703.00	(4,314.89)	51,388.11	15,878.76	35,509.35
Supplies and Materials	425.00	(299.16)	125.84	125.84	
Total Undistributed Expend. - Speech, OT, PT and Related Services	137,253.00	(4,614.05)	132,638.95	92,148.62	40,490.33

CITY OF LAMBERTVILLE SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2012

	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
Undistributed Expenditures - Guidance:					
Purchased Professional - Educational Services	\$ 18,000.00	\$	\$ 18,000.00	\$ 18,000.00	
Other Purchased Professional and Technical Services	3,425.00	795.00	4,220.00	4,220.00	
Total Undistributed Expenditures - Guidance	21,425.00	795.00	22,220.00	22,220.00	
Undistributed Expenditures - Child Study Teams:					
Other Purchased Professional and Technical Services	100,325.00	7,236.80	107,561.80	107,561.80	
Total Undistributed Expenditures - Child Study Teams	100,325.00	7,236.80	107,561.80	107,561.80	
Undistributed Expenditures - Improvement of Instr. Serv.					
Salaries of Supervisors of Instruction	75,380.00	(100.00)	75,280.00	70,729.12	4,550.88
Salaries of Other Professional Staff	1,500.00	100.00	1,600.00	1,600.00	
Salaries of Secretarial and Clerical Assistants	15,232.00		15,232.00	15,175.20	56.80
Other Purchased Services (400-500 Series)	1,000.00	1,752.00	2,752.00	2,128.60	623.40
Supplies and Materials		179.47	179.47	179.47	
Other Objects	600.00	79.50	679.50	679.50	
Total Undistributed Expenditures - Improvement of Instr. Serv.	93,712.00	2,010.97	95,722.97	90,491.89	5,231.08
Undistributed Expend. - Educational Media Serv./School Library:					
Salaries	30,887.00	1,125.40	32,012.40	32,012.40	
Purchased Professional and Technical Services	7,000.00	442.50	7,442.50	7,442.50	
Other Purchased Services (400-500 Series)	750.00	(750.00)			
Supplies and Materials	4,000.00	(1,084.01)	2,915.99	2,915.99	
Total Undistributed Expend. - Educational Media Serv./School Library	42,637.00	(266.11)	42,370.89	42,370.89	
Undistributed Expend.- Instructional Staff Training Services:					
Other Purchased Services (400-500 Series)	5,000.00	(617.42)	4,382.58	3,876.35	506.23
Supplies and Materials	475.00	(244.33)	230.67	230.67	
Total Undistributed Expend.- Instructional Staff Training Services	5,475.00	(861.75)	4,613.25	4,107.02	506.23

CITY OF LAMBERTVILLE SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2012

	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
Undistributed Expend.-Support Services-General Administration:					
Salaries	\$ 74,788.00	\$ (645.60)	\$ 74,142.40	\$ 54,359.04	19,783.36
Legal Services	12,750.00	(2,362.23)	10,387.77	546.16	9,841.61
Audit Fees	15,000.00	(3,100.00)	11,900.00	11,900.00	
Architectural/Engineering Services	5,000.00	7,064.12	12,064.12	11,525.00	539.12
Other Purchased Professional Services	1,800.00	1,263.29	3,063.29	3,063.29	
Communications/Telephone	6,100.00		6,100.00	6,083.81	16.19
BOE Other Purch Serv	2,000.00		2,000.00		2,000.00
Misc. Purchased Services (400-500 Series, O/T 530 and 585)	6,772.00	(124.48)	6,647.52	2,670.60	3,976.92
General Supplies		945.49	945.49	942.50	2.99
Judgements Against the School District	80,000.00		80,000.00		80,000.00
Miscellaneous Expenditures	1,285.00	(299.89)	985.11	974.88	10.23
BOE Membership Dues and Fees	2,725.00	(261.65)	2,463.35	2,463.35	
Total Undistributed Expend.-Support Services-General Administration	208,220.00	2,479.05	210,699.05	94,528.63	116,170.42
Undistributed Expend.-Support Services- School Administration:					
Salaries of Principals/Assistant Principals	30,191.00	(50.12)	30,140.88	30,140.88	
Salaries of Secretarial and Clerical Assistants	16,039.00	428.16	16,467.16	16,252.66	214.50
Other Purchased Services (400-500 Series)	500.00	(390.00)	110.00	110.00	
Supplies and Materials	275.00	33.91	308.91	308.91	
Other Objects	600.00	(1.00)	599.00	599.00	
Total Undistributed Expend.-Support Services- School Administration	47,605.00	20.95	47,625.95	47,411.45	214.50
Undistributed Expend. - Central Services					
Salaries	98,121.00		98,121.00	95,869.12	2,251.88
Purchased Technical Services	11,600.00		11,600.00	8,949.66	2,650.34
Miscellaneous Purchased Services (400-500 Series, O/T 594)	5,470.00		5,470.00	2,845.52	2,624.48
Supplies and Materials	2,250.00		2,250.00	2,245.61	4.39
Other Objects	1,025.00		1,025.00	495.00	530.00
Total Undistributed Expend. - Central Services	118,466.00		118,466.00	110,404.91	8,061.09
Undistributed Expend.-Required Maintenance for School Facilities:					
Cleaning, Repair and Maintenance Services	35,000.00	26,143.48	61,143.48	61,143.48	
Total Undistributed Expend.-Required Maintenance for School Facilities	35,000.00	26,143.48	61,143.48	61,143.48	

CITY OF LAMBERTVILLE SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2012

	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
Undistributed Expend.-Custodial Services:					
Salaries	\$ 89,853.00	\$	89,853.00	\$ 87,856.78	\$ 1,996.22
Purchased Professional and Technical Services	166.00	277.67	443.67	443.67	
Other Purchased Property Services	9,750.00	1,939.69	11,689.69	6,513.44	5,176.25
Insurance	14,386.00	(630.00)	13,756.00	13,756.00	
Miscellaneous Purchased Services	2,500.00	(2,500.00)			
General Supplies	13,500.00	1,559.82	15,059.82	15,059.82	
Energy (Electricity)	101,500.00	(10,000.00)	91,500.00	61,327.51	30,172.49
Total Undistributed Expend.-Custodial Services:	231,655.00	(9,352.82)	222,302.18	184,957.22	37,344.96
Care and Upkeep of Grounds:					
Cleaning, Repair and Maintenance Services	1,250.00	(750.00)	500.00		500.00
Total Care and Upkeep of Grounds	1,250.00	(750.00)	500.00		500.00
Total Undistributed Expend.- Oper. and Maintenance of Plant Serv.	267,905.00	16,040.66	283,945.66	246,100.70	37,844.96
Undistributed Expend.-Student Transportation Services:					
Management Fee - ESC Transportation Programs	1,200.00		1,200.00	1,194.50	5.50
Contracted Services - Special Ed. Students - Vendors	2,500.00	(1,150.00)	1,350.00	1,350.00	
Contracted Services - Special Ed. Students - Joint Agreements	15,000.00	22,255.85	37,255.85	37,255.85	
Contracted Services - Reg. Students - ESC and CTSA	41,500.00	(16,492.85)	25,007.15	21,717.81	3,289.34
Contracted Services - Aid in Lieu of Payments - Non-Public Schools	2,742.00	1,678.00	4,420.00	3,978.00	442.00
Total Undistributed Expend.-Student Transportation Services	62,942.00	6,291.00	69,233.00	65,496.16	3,736.84
Allocated Benefits:					
Regular Programs - Instruction:					
Social Security Contributions - Other	21,000.00		21,000.00	17,680.36	3,319.64
Other Retirement Contributions - PERS	30,700.00	(2,782.96)	27,917.04	23,300.00	4,617.04
Other Retirement Contributions - Regular	2,750.00	(2,750.00)			
Health Benefits	442,338.00	(6,565.21)	435,772.79	360,144.15	75,628.64
Tuition Reimbursement	15,000.00	(1,000.00)	14,000.00	9,775.00	4,225.00
Other Employee Benefits	4,000.00	1,379.81	5,379.81	1,372.15	4,007.66
Total Regular Programs - Instruction	515,788.00	(11,718.36)	504,069.64	412,271.66	91,797.98
Total Allocated Benefits	515,788.00	(11,718.36)	504,069.64	412,271.66	91,797.98

CITY OF LAMBERTVILLE SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2012

	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
Unallocated Benefits:					
Social Security Contributions - Other	\$ 17,600.00	\$	\$ 17,600.00	\$ 12,859.36	\$ 4,740.64
Other Retirement Contributions - PERS	13,750.00	(2,229.35)	11,520.65	4,916.00	6,604.65
Unemployment Compensation	125.00	(23.00)	102.00	102.00	
Workmen's Compensation	18,766.00	781.71	19,547.71	19,547.71	
Health Benefits	96,735.00	8,138.00	104,873.00	89,887.14	14,985.86
Other Employee Benefits	5,240.00	(1,240.00)	4,000.00		4,000.00
Total Unallocated Benefits	152,216.00	5,427.36	157,643.36	127,312.21	30,331.15
Total Personal Services - Employee	668,004.00	(6,291.00)	661,713.00	539,583.87	122,129.13
Reimbursed TPAF Social Security Contributions (Non-Budgeted)				104,833.38	(104,833.38)
On-Behalf TPAF Post Retirement Medical (Non-Budgeted)				101,082.00	(101,082.00)
On-Behalf TPAF Pension Contributions (Non-Budgeted)				50,283.00	(50,283.00)
TOTAL UNDISTRIBUTED EXPENDITURES	1,951,044.00	50,341.66	2,001,385.66	1,922,073.34	79,312.32
TOTAL GENERAL CURRENT EXPENSE	3,319,182.00	59,815.66	3,378,997.66	3,260,232.84	118,764.82
CAPITAL OUTLAY:					
EQUIPMENT:					
Grades 1-5	5,000.00	348.00	5,348.00	5,348.00	
Undistributed:					
Undist. Expend. - Support Serv. - Related and Extra	2,000.00	(348.00)	1,652.00		1,652.00
TOTAL EQUIPMENT	7,000.00		7,000.00	5,348.00	1,652.00
TOTAL CAPITAL OUTLAY	7,000.00		7,000.00	5,348.00	1,652.00
TOTAL EXPENDITURES	3,326,182.00	59,815.66	3,385,997.66	3,265,580.84	120,416.82
Excess (Deficiency) of Revenues Over (Under) Expenditures	(88,449.00)	3,908.34	(84,540.66)	286,422.19	370,962.85
Other Financing Sources (Use)					
Transfer of Funds:					
Transfer to Capital Projects Fund	(30,000.00)		(30,000.00)	(30,000.00)	
Total Other Financing Sources	(30,000.00)		(30,000.00)	(30,000.00)	

CITY OF LAMBERTVILLE SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2012

	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
Excess/Deficit of Revenues and other Financing Sources Over Expenditures and Other Expenditures and Other Financing Sources	\$ (118,449.00)	\$ 3,908.34	\$ (114,540.66)	\$ 256,422.19	\$ 370,962.85
Fund Balances, July 1,	<u>600,528.22</u>		<u>600,528.22</u>	<u>600,528.22</u>	
Fund Balances, June 30,	<u>\$ 482,079.22</u>	<u>\$ 3,908.34</u>	<u>\$ 485,987.56</u>	<u>\$ 856,950.41</u>	<u>\$ 370,962.85</u>
Recapitulation:					
Restricted Fund Balance:					
Capital Reserve				\$ 479,709.74	
Maintenance Reserve				83,074.77	
Emergency Reserve				80,047.59	
Assigned Fund Balance:					
Year-end Encumbrances				1,852.87	
Unassigned Fund Balance				<u>212,265.44</u>	
				856,950.41	
Reconciliation to Governmental Funds Statements (GAAP):					
Last State Aid Payment Not Recognized on GAAP Basis				<u>(19,697.00)</u>	
Fund Balance per Governmental Funds (GAAP)				<u>\$ 837,253.41</u>	

CITY OF LAMBERTVILLE SCHOOL DISTRICT
 BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND - EDUCATION JOBS FUND
 FISCAL YEAR ENDED JUNE 30, 2012

	<u>ORIGINAL BUDGET</u>	<u>BUDGET TRANSFERS/ AMENDMENTS</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FINAL TO ACTUAL</u>
REVENUES:					
Federal Sources:					
Education Jobs Fund	\$ 8,449.00	\$ 265.00	\$ 8,714.00	\$ 8,714.00	\$ _____
Total - Federal Sources	<u>8,449.00</u>	<u>265.00</u>	<u>8,714.00</u>	<u>8,714.00</u>	<u>_____</u>
 Total Revenues	 <u>8,449.00</u>	 <u>265.00</u>	 <u>8,714.00</u>	 <u>8,714.00</u>	 <u>_____</u>
EXPENDITURES:					
CURRENT EXPENSE:					
Resource Room/Resource Center:					
Other Salaries for Instruction	8,449.00	265.00	8,714.00	8,714.00	_____
Total Resource Room/Resource Center	\$ <u>8,449.00</u>	\$ <u>265.00</u>	\$ <u>8,714.00</u>	\$ <u>8,714.00</u>	\$ <u>_____</u>

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

	<u>ORIGINAL BUDGET</u>	<u>BUDGET TRANSFERS/ AMENDMENTS</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FINAL TO ACTUAL</u>
REVENUES:					
State Aid	\$ 5,000.00	\$ 11,865.00	\$ 16,865.00	\$ 6,421.00	\$ 10,444.00
Federal Aid	67,000.00	24,796.77	91,796.77	91,796.77	
Local Sources	1,000.00	13,637.45	14,637.45	13,637.45	1,000.00
	<u>73,000.00</u>	<u>50,299.22</u>	<u>123,299.22</u>	<u>111,855.22</u>	<u>11,444.00</u>
Total Revenues					
EXPENDITURES:					
Instruction:					
Salaries of Teachers	60,000.00	(35,983.20)	24,016.80	24,016.80	
Other Salaries for Instruction		10,000.00	10,000.00	10,000.00	
Purchased Professional and Technical Services		386.00	386.00	386.00	
Other purchased services		36,354.00	36,354.00	36,354.00	
General Supplies	1,000.00	9,151.45	10,151.45	9,151.45	1,000.00
	<u>61,000.00</u>	<u>19,908.25</u>	<u>80,908.25</u>	<u>79,908.25</u>	<u>1,000.00</u>
Total Instruction					
Support Services:					
Personal Services - Employee Benefits		4,130.90	4,130.90	4,130.90	
Purchased Professional and Technical Services					
Purchased Professional - Educational Services	6,000.00	26,052.07	32,052.07	21,608.07	10,444.00
Other Purchased Services (400-500 Series)	5,000.00	(1,586.00)	3,414.00	3,414.00	
Supplies and Materials		2,354.00	2,354.00	2,354.00	
Textbooks	1,000.00	(560.00)	440.00	440.00	
	<u>12,000.00</u>	<u>30,390.97</u>	<u>42,390.97</u>	<u>31,946.97</u>	<u>10,444.00</u>
Total Support Services					
Total Expenditures					
	<u>73,000.00</u>	<u>50,299.22</u>	<u>123,299.22</u>	<u>111,855.22</u>	<u>11,444.00</u>
Excess (Deficiency) of Revenues Over (Under)					
Expenditures and Other Financing Sources (Uses)	\$	\$	\$	\$	\$

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

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

	<u>GENERAL FUND</u>	<u>SPECIAL REVENUE FUND</u>
Sources/inflows of resources		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	\$3,552,003.03	\$111,855.22
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.	N/A	
The last State aid payment of the current year is recognized as revenue for budgetary purposes and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expense (GASB 33)	(19,697.00)	
The last State aid payment of the prior year is recognized as revenue under GAAP when the State recognizes the related expense (GASB 33). (This revenue was recognized during the previous fiscal year for budgetary purposes.)	4,366.00	
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	<u>\$3,536,672.03</u>	<u>\$111,855.22</u>
Uses/outflows of resources		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule.	\$3,265,580.84	\$111,855.22
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.	N/A	
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$3,265,580.84</u>	<u>\$111,855.22</u>

OTHER SUPPLEMENTARY INFORMATION

SPECIAL REVENUE FUND DETAIL STATEMENTS

Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The term "proceeds of specific revenue sources" establishes that one or more specific restricted or committed revenues should be the foundation for a special revenue fund.

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

	NONPUBLIC <u>TEXTBOOK</u>	NONPUBLIC <u>NURSING</u>	NON PUBLIC CHAPTER 193 <u>EXAM & CLASS.</u>	NON PUBLIC CHAPTER 193 <u>SPEECH</u>	TITLE I <u>CURRENT YEAR</u>	TITLE I <u>PRIOR YEAR</u>
Revenues:						
State Aid	\$ 440.00	\$ 628.00	\$ 3,378.00	\$ 1,975.00	\$ 27,914.00	\$ 1,147.70
Federal Aid						
Local Sources						
Total Revenues	<u>\$ 440.00</u>	<u>\$ 628.00</u>	<u>\$ 3,378.00</u>	<u>\$ 1,975.00</u>	<u>\$ 27,914.00</u>	<u>\$ 1,147.70</u>
Expenditures:						
Instruction:						
Salaries of Teachers	\$	\$	\$	\$	23,037.53	979.27
Other Salaries for Instruction						
Purchased Professional and Technical Services						
Other purchased services						
General Supplies						
Total Instruction					<u>23,037.53</u>	<u>979.27</u>
Support Services:						
Personal Services - Employee Benefits					3,962.47	168.43
Purchased Professional - Educational Services		628.00	3,378.00	1,975.00		
Other Purchased Services (400-500 Series)					914.00	
Supplies and Materials						
Textbooks	440.00					
Total Support Services	<u>440.00</u>	<u>628.00</u>	<u>3,378.00</u>	<u>1,975.00</u>	<u>4,876.47</u>	<u>168.43</u>
Total Expenditures	<u>440.00</u>	<u>628.00</u>	<u>3,378.00</u>	<u>1,975.00</u>	<u>27,914.00</u>	<u>1,147.70</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

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

	TITLE II A CURRENT YEAR	IDEA BASIC CURRENT YEAR	IDEA BASIC PRIOR YEAR	IDEA PSH CURRENT YEAR	LOCAL GRANTS	TOTAL
Revenues:						
State Aid	\$	\$	\$	\$	\$	\$6,421.00
Federal Aid	4,854.00	52,254.00	3,549.07	2,078.00		91,796.77
Local Sources					13,637.45	13,637.45
Total Revenues	\$ 4,854.00	\$ 52,254.00	\$ 3,549.07	\$ 2,078.00	\$ 13,637.45	\$ 111,855.22
Expenditures:						
Instruction:						
Salaries of Teachers	\$	\$	\$	\$	\$	24,016.80
Other Salaries for Instruction		10,000.00				10,000.00
Purchased Professional and Technical Services					386.00	386.00
Other Purchased Services		32,254.00			4,100.00	36,354.00
General Supplies					9,151.45	9,151.45
Total Instruction		42,254.00			13,637.45	79,908.25
Support Services:						
Personal Services - Employee Benefits						4,130.90
Purchased Professional - Educational Services		10,000.00	3,549.07	2,078.00		21,608.07
Other Purchased Services (400-500 Series)	2,500.00					3,414.00
Supplies and Materials	2,354.00					2,354.00
Textbooks						440.00
Total Support Services	4,854.00	10,000.00	3,549.07	2,078.00		31,946.97
Total Expenditures	4,854.00	52,254.00	3,549.07	\$2,078.00	13,637.45	\$111,855.22
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	\$	\$	\$	\$	\$	\$

CAPITAL PROJECTS FUND DETAIL STATEMENTS

Capital project funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets. Capital project funds exclude those types of capital related outflows financed by proprietary funds or for assets that will be held in trust for individuals, private organizations, or other governments.

CITY OF LAMBERTVILLE SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2012

Revenues and Other Financing Sources:	
Capital Reserve	<u>\$30,000.00</u>
Total revenues	30,000.00
Expenditures and Other Financing Uses:	
Purchased professional and technical services	
Construction services	<u>20,455.50</u>
Total expenditures	20,455.50
Net change in fund balances	<u>9,544.50</u>
Fund balance - beginning	<u>17,066.00</u>
Fund balance - ending	<u><u>\$26,610.50</u></u>

CITY OF LAMBERTVILLE SCHOOL DISTRICT
 CAPITAL PROJECTS FUND
 SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS
 NEW ADA COMPLIANT TOILET ROOM
 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	\$ 30,866.00	\$ 30,000.00	\$ 30,866.00	\$ 30,866.00
Capital Reserve	25,000.00	30,000.00	55,000.00	55,000.00
Total Revenues	<u>55,866.00</u>	<u>30,000.00</u>	<u>85,866.00</u>	<u>85,866.00</u>
Expenditures and Other Financing Uses:				
Purchased Professional and Technical Services	9,800.00		9,800.00	9,800.00
Construction Services	29,000.00	20,455.50	49,455.50	76,066.00
Total Expenditures	<u>38,800.00</u>	<u>20,455.50</u>	<u>59,255.50</u>	<u>85,866.00</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ <u>17,066.00</u>	\$ <u>9,544.50</u>	\$ <u>26,610.50</u>	

Additional Project Information:

Project Number	2530-050-10-GOIZ
Grant Date	2011
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$77,165.00
Additional Authorized Cost	
Revised Authorized Cost	\$88,866.00
Percentage Increase Over Original Authorized Cost	N/A
Percentage Completion	100%
Original Target Completion Date	9/1/2011
Revised Target Completion Date	9/1/2011

CITY OF LAMBERTVILLE SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY STATEMENT OF PROJECT EXPENDITURES - BUDGETARY BASIS
AS OF JUNE 30, 2012

<u>ISSUE/PROJECT TITLE</u>	<u>ORIGINAL DATE</u>	<u>REVISED BUDGETARY APPROPRIATIONS</u>	<u>EXPENDITURES TO DATE</u>		<u>(MEMO ONLY) UNEXPENDED PROJECT BALANCE</u>
			<u>PRIOR YEAR</u>	<u>CURRENT YEAR</u>	
New ADA Compliant Toilet Room	2011	\$85,866.00	\$38,800.00	\$20,455.50	\$26,610.50
Totals			<u>\$38,800.00</u>	<u>\$20,455.50</u>	<u>\$26,610.50</u>

PROPRIETARY FUND DETAIL STATEMENTS

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

Food Services Fund: This fund provides for the operation of food services within the District.

CITY OF LAMBERTVILLE SCHOOL DISTRICT
COMBINING STATEMENT OF NET ASSETS
PROPRIETARY FUNDS - ENTERPRISE FUNDS
JUNE 30, 2012

	<u>FOOD SERVICE FUND</u>	<u>TOTAL</u>
ASSETS:		
Current assets:		
Cash and cash equivalents	\$15,337.39	\$15,337.39
Accounts receivable - other	12,077.48	12,077.48
Intergovernmental Receivables:		
State	66.52	66.52
Federal	2,212.66	2,212.66
Inventories	501.39	501.39
 Total current assets	 <u>30,195.44</u>	 <u>30,195.44</u>
Noncurrent assets:		
Furniture, machinery & equipment	52,595.00	52,595.00
Less accumulated depreciation	(49,526.45)	(49,526.45)
 Total noncurrent assets	 <u>3,068.55</u>	 <u>3,068.55</u>
 Total assets	 <u>33,263.99</u>	 <u>33,263.99</u>
LIABILITIES:		
Current liabilities:		
Deferred revenue	283.91	283.91
 Total current liabilities	 <u>283.91</u>	 <u>283.91</u>
 Total liabilities	 <u>283.91</u>	 <u>283.91</u>
NET ASSETS:		
Invested in capital assets, net	3,068.55	3,068.55
Unrestricted	29,911.53	29,911.53
 Total net assets	 <u>\$32,980.08</u>	 <u>\$32,980.08</u>

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

	FOOD SERVICE FUND	TOTAL
OPERATING REVENUES:		
Charges for services:		
Daily sales	\$37,770.34	\$37,770.34
Other sales	42,070.94	42,070.94
Total operating revenues	79,841.28	79,841.28
OPERATING EXPENSES:		
Salaries	39,427.46	39,427.46
Employee Benefits	14,231.13	14,231.13
Other Purchase Service (Administrative Expenses)	8,572.85	8,572.85
Other Costs	1,042.00	1,042.00
Depreciation	1,111.47	1,111.47
Cost of sales	59,159.77	59,159.77
Total operating expenses	123,544.68	123,544.68
Operating (loss)	(43,703.40)	(43,703.40)
NONOPERATING REVENUES (EXPENSES):		
State Sources:		
State School Lunch Program	916.43	916.43
Federal Sources:		
National School Lunch Program	27,521.84	27,521.84
National School Breakfast Program	4,285.17	4,285.17
National food distribution commodities	4,681.53	4,681.53
Food Service Management Company guarantee	4,011.15	4,011.15
Total nonoperating revenues	41,416.12	41,416.12
Total net assets - July 1, 2011	35,267.36	35,267.36
Total net assets - June 30, 2012	\$32,980.08	\$32,980.08

CITY OF LAMBERTVILLE SCHOOL DISTRICT
COMBINING STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS - ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	FOOD SERVICE FUND	TOTAL
Cash flows from operating activities:		
Receipts from customers	\$81,602.86	\$81,602.86
Payments to employees	(39,427.46)	(39,427.46)
Payments to employee benefits	(14,231.13)	(14,231.13)
Payments to suppliers	(61,897.39)	(61,897.39)
Net cash provided by (used for) operating activities)	(33,953.12)	(33,953.12)
Cash flows from noncapital financing activities:		
State Sources	888.30	888.30
Federal Sources	29,594.35	29,594.35
Net cash provided by noncapital financing activities:	30,482.65	30,482.65
Net increase in cash and cash equivalents	(3,470.47)	(3,470.47)
Cash and cash equivalents, July 1, 2011	18,807.86	18,807.86
Cash and cash equivalents, June 30, 2012	\$15,337.39	\$15,337.39
Reconciliation of operating income (loss) to net cash provided (used) by operating activities		
Operating income (loss)	(\$43,703.40)	(\$43,703.40)
Adjustments to reconciling operating income (loss) to net cash provided by (used for) operating activities:		
Depreciation	1,111.47	1,111.47
Federal commodities	4,681.53	4,681.53
Food Service Management Company guarantee	4,011.15	4,011.15
Change in assets and liabilities:		
(Increase) decrease in Accounts Receivable - Other	(2,249.57)	(2,249.57)
(Increase) decrease in inventories	3,728.31	3,728.31
Increase (decrease) in deferred revenue	(1,532.61)	(1,532.61)
	9,750.28	9,750.28
Net cash provided by (used for) operating activities	(\$33,953.12)	(\$33,953.12)

FIDUCIARY FUND DETAIL STATEMENTS

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

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

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

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

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

CITY OF LAMBERTVILLE SCHOOL DISTRICT
 COMBINING STATEMENT OF FIDUCIARY NET ASSETS
 TRUST AND AGENCY FUNDS
 JUNE 30, 2012

	AGENCY FUNDS		TRUST FUNDS	TOTALS
	STUDENT ACTIVITY	PAYROLL AGENCY	UNEMPLOYMENT COMPENSATION	
ASSETS:				
Cash and cash equivalents	\$14,105.26	\$1,522.47	\$45,767.52	\$61,395.25
Total assets	\$14,105.26	\$1,522.47	\$45,767.52	\$61,395.25
LIABILITIES:				
Payroll deductions and withholdings		\$1,522.47		\$1,522.47
Due to student groups	\$14,105.26			14,105.26
Total liabilities	14,105.26	1,522.47		15,627.73
NET ASSETS:				
Held in trust for unemployment claims			\$45,767.52	45,767.52
Total net assets	\$-0-	\$-0-	\$45,767.52	\$45,767.52

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

	<u>UNEMPLOYMENT COMPENSATION TRUST FUND</u>	<u>TOTAL</u>
ADDITIONS:		
Contributions:		
Plan Members	\$2,916.02	\$2,916.02
Total contributions	<u>2,916.02</u>	<u>2,916.02</u>
Investment earnings:		
Interest	62.76	62.76
Net investment earnings	<u>62.76</u>	<u>62.76</u>
Total additions	<u>2,978.78</u>	<u>2,978.78</u>
DEDUCTIONS:		
Unemployment claims	1,283.78	1,283.78
Total deductions	<u>1,283.78</u>	<u>1,283.78</u>
Change in net assets	1,695.00	1,695.00
Net assets end of year	<u>44,072.52</u>	<u>44,072.52</u>
Net assets end of year	<u>\$45,767.52</u>	<u>\$45,767.52</u>

CITY OF LAMBERTVILLE SCHOOL DISTRICT
STUDENT ACTIVITY 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>DISBURSE-</u> <u>MENTS</u>	<u>BALANCE</u> <u>JUNE 30, 2012</u>
PROGRAMS:				
Student Activity Fund	<u>\$13,891.43</u>	<u>\$12,534.06</u>	<u>\$12,320.23</u>	<u>\$14,105.26</u>
Total all schools	<u><u>\$13,891.43</u></u>	<u><u>\$12,534.06</u></u>	<u><u>\$12,320.23</u></u>	<u><u>\$14,105.26</u></u>

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

	<u>BALANCE</u> <u>JULY 1, 2011</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE</u> <u>JUNE 30, 2012</u>
ASSETS:				
Cash and cash equivalents	<u>\$236.50</u>	<u>\$1,976,499.80</u>	<u>\$1,975,213.83</u>	<u>\$1,522.47</u>
Total assets	<u><u>\$236.50</u></u>	<u><u>\$1,976,499.80</u></u>	<u><u>\$1,975,213.83</u></u>	<u><u>\$1,522.47</u></u>
LIABILITIES:				
Payroll deductions and withholdings	<u>\$236.50</u>	<u>\$765,311.95</u>	<u>\$764,025.98</u>	<u>\$1,522.47</u>
Net payroll		<u>1,211,187.85</u>	<u>1,211,187.85</u>	
Total liabilities	<u><u>\$236.50</u></u>	<u><u>\$1,976,499.80</u></u>	<u><u>\$1,975,213.83</u></u>	<u><u>\$1,522.47</u></u>

LONG-TERM DEBT SCHEDULES

The long-term debt schedules are used to reflect the outstanding principal balances of the long-term liabilities of the District. This includes obligations under serial bonds and capital leases.

CITY OF LAMBERTVILLE SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS
JUNE 30, 2012

ISSUE	DATE OF ISSUE	AMOUNT OF ISSUE	MATURITIES		RATE OF INTEREST	BALANCE JULY 1, 2011	RETIRED	BALANCE JUNE 30, 2012
			DATE	AMOUNT				
NJ EDA - Small Projects Loan	8/16/1993	\$216,000.00	7/15/13	\$15,318.96	5.290%	\$45,989.45	\$14,668.12	\$31,321.33
			7/15/14	16,002.36				
NJ EDA - Low Interest Loan	8/16/1993	72,000.00	7/15/13	3,789.47	1.500%	11,368.41	3,789.46	7,578.95
			7/15/14	3,789.47				
						<u>\$57,357.86</u>	<u>\$18,457.58</u>	<u>\$38,900.28</u>

CITY OF LAMBERTVILLE SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	<u>ORIGINAL</u> <u>BUDGET</u>	<u>BUDGET</u> <u>TRANSFER</u>	2012 <u>FINAL</u> <u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u> <u>FINAL TO ACTUAL</u>
REVENUES:					
Local sources:					
Local tax levy	\$20,644.00		\$20,644.00	\$20,644.00	
Total revenues	20,644.00		20,644.00	20,644.00	
EXPENDITURES:					
Regular debt service:					
Interest	885.00	\$1,301.42	2,186.42	2,186.42	
Redemption of principal	19,759.00	(1,301.42)	18,457.58	18,457.58	
Total regular debt service-expenditures	20,644.00		20,644.00	20,644.00	
Excess (deficiency) of revenues over (under) expenditures					
Fund balance, July 1					
Fund balance, June 30					

STATISTICAL SECTION (UNAUDITED)



CITY OF LAMBERTVILLE SCHOOL DISTRICT
STATISTICAL SECTION

<u>Contents</u>	<u>Page</u>
Financial Trends:	
These schedules contain trend information to help the reader understand how the district's financial performance and well being have changed over time.	J-1 to J-5
Revenue Capacity:	
These schedules contain information to help the reader assess the district's most significant local revenue source, the property tax.	J-6 to J-9
Debt Capacity:	
These schedules present information to help the reader assess the affordability of the district's current levels of outstanding debt and the district's ability to issue additional debt in the future.	J-10 to J-13
Demographic and Economic Information:	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place.	J-14 to J-15
Operating Information:	
These schedules contain service and infrastructure data to help the reader understand how the information in the district's financial report relates to the services the district provides and the activities it performs.	J-16 to J-20

Sources

Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports (CAFR) for the relevant year. The district implemented GASB Statement 34 in the fiscal year ending June 30, 2003; schedules presenting district-wide information include information beginning in that year.

CITY OF LAMBERTVILLE SCHOOL DISTRICT
NET ASSETS BY COMPONENT
UNAUDITED

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Governmental activities									
Invested in capital assets, net of related debt	\$670,697.52	\$652,751.28	\$624,318.71	\$625,021.00	\$639,178.00	\$644,714.00	\$660,944.00	\$679,866.00	\$699,773.00
Restricted	673,698.10	355,776.84	62,504.90	62,328.00	33,750.00	32,495.00	31,227.00	30,831.00	30,581.00
Unrestricted	158,596.91	209,344.04	197,211.92	64,647.00	65,346.00	99,426.00	176,710.00	276,376.00	200,599.00
Total governmental activities net assets	<u>\$1,502,992.53</u>	<u>\$1,217,872.16</u>	<u>\$884,035.53</u>	<u>\$751,996.00</u>	<u>\$738,274.00</u>	<u>\$776,635.00</u>	<u>\$868,881.00</u>	<u>\$987,073.00</u>	<u>\$930,953.00</u>
Business-type activities									
Invested in capital assets, net of related debt	\$3,068.55	\$4,180.02	\$8,167.01	\$12,154.00	\$11,215.00	\$15,140.00	\$19,066.00	\$23,162.00	\$27,258.00
Unrestricted	29,911.53	31,087.34	27,498.68	21,554.00	22,182.00	17,759.00	18,363.00	19,346.00	16,677.00
Total business-type activities net assets	<u>\$32,980.08</u>	<u>\$35,267.36</u>	<u>\$35,665.69</u>	<u>\$33,708.00</u>	<u>\$33,397.00</u>	<u>\$32,899.00</u>	<u>\$37,429.00</u>	<u>\$42,508.00</u>	<u>\$43,935.00</u>
District-wide									
Invested in capital assets, net of related debt	\$673,766.07	\$656,931.30	\$632,485.72	\$637,175.00	\$650,393.00	\$659,854.00	\$680,010.00	\$703,028.00	\$727,031.00
Restricted	673,698.10	355,776.84	62,504.90	62,328.00	33,750.00	32,495.00	31,227.00	30,831.00	30,581.00
Unrestricted	188,508.44	240,431.38	224,710.60	86,201.00	87,528.00	117,185.00	195,073.00	295,722.00	217,276.00
Total district net assets	<u>\$1,535,972.61</u>	<u>\$1,253,139.52</u>	<u>\$919,701.22</u>	<u>\$785,704.00</u>	<u>\$771,671.00</u>	<u>\$809,534.00</u>	<u>\$906,310.00</u>	<u>\$1,029,581.00</u>	<u>\$974,888.00</u>

Source: CAFR Schedule A-1

CITY OF LAMBERTVILLE SCHOOL DISTRICT
CHANGES IN NET ASSETS
UNAUDITED

	2012	2011	2010	2009	2008	2007	2006	2005	2004
EXPENSES									
Governmental activities									
Instruction									
Regular	\$1,242,400.04	\$1,130,150.68	\$1,285,982.54	\$1,068,206.00	\$1,319,973.00	\$1,244,229.00	\$1,149,419.00	\$1,121,566.00	\$1,279,952.00
Special education	640,182.25	561,144.61	640,932.63	564,760.00	345,398.00	397,590.00	443,200.00	404,485.00	391,440.00
Other instruction	155,446.50	146,116.20	200,013.28	196,690.00	75,611.00	89,925.00	108,066.00	96,899.00	67,273.00
Support Services:									
Tuition	112,628.60	74,018.24	79,718.86	151,049.00	202,035.00	236,090.00	221,469.00	100,905.00	55,554.00
Student & instruction related services	588,233.75	551,763.54	550,410.79	542,577.00	624,401.00	464,405.00	440,629.00	322,852.00	320,766.00
General administrative services	115,998.32	143,584.37	125,563.85	258,326.00	253,660.00	255,940.00	217,463.00	243,476.00	227,478.00
School administrative services	64,735.94	52,036.59	48,832.09	45,012.00	62,445.00	86,431.00	90,946.00	102,239.00	115,469.00
Central services	146,204.80	132,549.26	127,812.70						
Plant operations and maintenance	278,585.66	289,493.73	256,626.12	287,538.00	264,338.00	260,033.00	254,866.00	244,695.00	204,988.00
Student transportation services	65,496.16	31,337.93	55,194.69	135,988.00	181,839.00	143,376.00	85,836.00	64,488.00	57,592.00
Interest on long-term debt	1,804.86	2,636.10	3,458.54	4,180.00	4,945.00	5,659.00	6,648.00	5,992.00	4,415.00
Total governmental activities expenses	<u>3,411,716.89</u>	<u>3,114,831.25</u>	<u>3,374,546.09</u>	<u>3,254,326.00</u>	<u>3,334,645.00</u>	<u>3,183,678.00</u>	<u>3,018,542.00</u>	<u>2,707,597.00</u>	<u>2,724,927.00</u>
Business-type activities:									
Food Service	123,544.68	119,029.26	114,523.33	115,300.00	121,888.00	116,274.00	120,968.00	119,353.00	114,932.00
Total business-type activities expense	<u>123,544.68</u>	<u>119,029.26</u>	<u>114,523.33</u>	<u>115,300.00</u>	<u>121,888.00</u>	<u>116,274.00</u>	<u>120,968.00</u>	<u>119,353.00</u>	<u>114,932.00</u>
Total district expenses	<u>\$3,535,261.57</u>	<u>\$3,233,860.51</u>	<u>\$3,489,069.42</u>	<u>\$3,369,626.00</u>	<u>\$3,456,533.00</u>	<u>\$3,299,952.00</u>	<u>\$3,139,510.00</u>	<u>\$2,826,950.00</u>	<u>\$2,839,859.00</u>
PROGRAM REVENUES									
Governmental activities:									
Instruction (tuition)						\$7,423.00	\$4,686.00	\$4,400.00	
Operating grants and contributions	\$368,053.60	\$94,124.92	\$138,961.79	\$84,859.00	\$81,441.00	87,839.00	87,096.00	91,231.00	\$89,380.00
Total governmental activities program revenues	<u>368,053.60</u>	<u>94,124.92</u>	<u>138,961.79</u>	<u>84,859.00</u>	<u>81,441.00</u>	<u>95,262.00</u>	<u>91,782.00</u>	<u>95,631.00</u>	<u>89,380.00</u>
Business-type activities:									
Charges for services									
Food Service	79,841.28	83,744.23	86,365.27	87,972.00	97,577.00	89,371.00	90,454.00	94,523.00	100,077.00
Operating grants and contributions	37,404.97	34,886.70	30,115.75	23,639.00	21,613.00	19,923.00	22,913.00	21,562.00	18,908.00
Total business type activities program revenues	<u>117,246.25</u>	<u>118,630.93</u>	<u>116,481.02</u>	<u>111,611.00</u>	<u>119,190.00</u>	<u>109,294.00</u>	<u>113,367.00</u>	<u>116,085.00</u>	<u>118,985.00</u>
Total district program revenues	<u>\$485,299.85</u>	<u>\$212,755.85</u>	<u>\$255,442.81</u>	<u>\$196,470.00</u>	<u>\$200,631.00</u>	<u>\$204,556.00</u>	<u>\$205,149.00</u>	<u>\$211,716.00</u>	<u>\$208,365.00</u>
NET (EXPENSE)/REVENUE									
Governmental activities	(\$3,043,663.29)	(\$3,020,706.33)	(\$3,235,584.30)	(\$3,169,467.00)	(\$3,253,204.00)	(\$3,088,416.00)	(\$2,926,760.00)	(\$2,611,966.00)	(\$2,635,547.00)
Business-type activities	(6,298.43)	(398.33)	1,957.69	(3,689.00)	(2,698.00)	(6,980.00)	(7,601.00)	(3,268.00)	4,053.00
Total district-wide net expense	<u>(\$3,049,961.72)</u>	<u>(\$3,021,104.66)</u>	<u>(\$3,233,626.61)</u>	<u>(\$3,173,156.00)</u>	<u>(\$3,255,902.00)</u>	<u>(\$3,095,396.00)</u>	<u>(\$2,934,361.00)</u>	<u>(\$2,615,234.00)</u>	<u>(\$2,631,494.00)</u>

CITY OF LAMBERTVILLE SCHOOL DISTRICT
CHANGES IN NET ASSETS
UNAUDITED

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
<u>GENERAL REVENUES AND OTHER CHANGES</u>									
<u>IN NET ASSETS</u>									
Governmental activities:									
Property taxes levied for general purposes, net	\$3,059,072.00	\$2,969,973.00	\$2,855,743.00	\$2,717,682.00	\$2,613,156.00	\$2,418,317.00	\$2,305,818.00	\$2,241,715.00	\$2,197,979.00
Taxes levied for debt service	20,644.00	20,856.00	21,067.00	21,288.00	21,490.00	21,696.00	21,893.00	11,654.00	22,318.00
Unrestricted grants and contributions	185,391.00	315,716.36	476,965.34	441,447.00	568,348.00	536,979.00	463,248.00	400,831.00	404,908.00
Restricted grants and contributions	27,666.00	3,200.00							
Miscellaneous income	36,010.65	44,797.60	16,197.59	6,772.00	15,045.00	21,628.00	20,131.00	15,727.00	3,320.00
Operating Transfer				(4,000.00)	(3,196.00)	(2,450.00)	(2,522.00)	(1,841.00)	
Total governmental activities	<u>3,328,783.65</u>	<u>3,354,542.96</u>	<u>3,369,972.93</u>	<u>3,183,189.00</u>	<u>3,214,843.00</u>	<u>2,996,170.00</u>	<u>2,808,568.00</u>	<u>2,668,086.00</u>	<u>2,628,525.00</u>
Business-type activities:									
Transfers				4,000.00	3,196.00	2,450.00	2,522.00	1,841.00	
Miscellaneous Income	4,011.15								
Total business-type activities	<u>4,011.15</u>	<u>-</u>	<u>-</u>	<u>4,000.00</u>	<u>3,196.00</u>	<u>2,450.00</u>	<u>2,522.00</u>	<u>1,841.00</u>	<u>-</u>
Total district-wide	<u>\$3,332,794.80</u>	<u>\$3,354,542.96</u>	<u>\$3,369,972.93</u>	<u>\$3,187,189.00</u>	<u>\$3,218,039.00</u>	<u>\$2,998,620.00</u>	<u>\$2,811,090.00</u>	<u>\$2,669,927.00</u>	<u>\$2,628,525.00</u>
<u>CHANGE IN NET ASSETS</u>									
Governmental activities	285,120.37	\$333,836.63	\$134,388.63	\$13,722.00	(\$38,361.00)	(\$92,246.00)	(\$118,192.00)	\$56,120.00	(\$7,022.00)
Business-type activities	(2,287.28)	(398.33)	1,957.69	311.00	498.00	(4,530.00)	(5,079.00)	(1,427.00)	4,053.00
Total district	<u>\$282,833.09</u>	<u>\$333,438.30</u>	<u>\$136,346.32</u>	<u>\$14,033.00</u>	<u>(\$37,863.00)</u>	<u>(\$96,776.00)</u>	<u>(\$123,271.00)</u>	<u>\$54,693.00</u>	<u>(\$2,969.00)</u>

Source: CAFR Schedule A-2

CITY OF LAMBERTVILLE SCHOOL DISTRICT
FUND BALANCES - GOVERNMENTAL FUNDS
UNAUDITED

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
General Fund									
Restricted	\$642,832.10	\$352,576.84	\$64,498.81	\$63,677.00	\$34,950.00	\$51,749.00	\$88,329.00	\$195,377.00	\$121,310.00
Assigned	1,852.87	4,540.66							
Unassigned	192,568.44	239,044.72	230,778.95	113,097.00	105,121.00	125,181.00	165,504.00	167,106.00	171,329.00
Total general fund	<u>\$837,253.41</u>	<u>\$596,162.22</u>	<u>\$295,277.76</u>	<u>\$176,774.00</u>	<u>\$140,071.00</u>	<u>\$176,930.00</u>	<u>\$253,833.00</u>	<u>\$362,483.00</u>	<u>\$292,639.00</u>
All Other Governmental Funds									
Restricted	\$26,610.50								
Committed		\$20,200.00							
Assigned									
Unreserved, reported in:									
Special revenue fund						(\$316.00)		(\$531.00)	(\$316.00)
Capital projects fund									
Debt service fund									
Total all other governmental funds	<u>\$26,610.50</u>	<u>\$20,200.00</u>	<u></u>	<u></u>	<u></u>	<u>(\$316.00)</u>	<u></u>	<u>(\$531.00)</u>	<u>(\$316.00)</u>

Source: CAFR Schedule B-1

CITY OF LAMBERTVILLE SCHOOL DISTRICT
 CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
 UNAUDITED

	2012	2011	2010	2009	2008	2007	2006	2005	2004
Revenues									
Tax levy	\$3,079,716.00	\$2,990,829.00	\$2,876,810.00	\$2,738,970.00	\$2,634,646.00	\$2,440,013.00	\$2,327,711.00	\$2,253,369.00	\$2,220,297.00
Tuition charges	30,150.00	37,476.40				7,423.00	4,686.00	4,400.00	
Interest earnings	255.26	71.94	176.90	5,822.00	14,711.00	20,880.00	15,933.00	8,492.00	1,792.00
Miscellaneous	19,242.84	16,248.17	28,493.39	6,472.00	334.00	748.00	4,198.00	757.00	1,528.00
State sources	466,962.38	323,725.23	479,622.34	443,164.00	581,120.00	551,950.00	474,644.00	413,395.00	418,716.00
Federal sources	100,510.77	80,317.14	123,832.09	77,620.00	68,669.00	72,868.00	75,700.00	78,667.00	75,572.00
Total revenue	<u>3,696,837.25</u>	<u>3,448,667.88</u>	<u>3,508,934.72</u>	<u>3,272,048.00</u>	<u>3,299,480.00</u>	<u>3,093,882.00</u>	<u>2,902,872.00</u>	<u>2,759,080.00</u>	<u>2,717,905.00</u>
Expenditures									
Instruction									
Regular Instruction	814,947.56	722,496.00	819,694.87	781,509.00	862,747.00	868,322.00	851,105.00	870,708.00	947,130.00
Special education instruction	488,766.88	441,135.92	519,284.63	391,291.00	183,756.00	206,346.00	241,044.00	239,069.00	224,029.00
Other instruction	114,353.31	110,821.78	158,081.81	140,133.00	74,169.00	65,143.00	55,807.00	51,419.00	48,666.00
Support Services:									
Tuition	112,628.60	74,018.24	79,718.86	114,779.00	202,035.00	236,090.00	221,469.00	100,905.00	55,554.00
Student & instruction related services	481,667.61	466,838.69	466,394.49	437,849.00	492,361.00	360,962.00	356,904.00	270,241.00	272,113.00
General administrative services	94,528.63	118,735.90	107,813.92	121,014.00	115,912.00	104,315.00	113,396.00	113,297.00	117,678.00
School Administrative services	47,411.45	39,573.45	37,936.62	32,771.00	45,187.00	76,777.00	77,157.00	77,206.00	86,711.00
Central services	110,404.91	102,060.01	100,403.59	105,689.00	106,179.00	77,224.00	76,742.00	76,212.00	78,170.00
Administration Information Technology	0.00	0.00						8,800.00	
Plant operations and maintenance	246,100.70	262,004.55	227,062.00	249,961.00	236,800.00	231,030.00	233,367.00	213,914.00	195,151.00
Student transportation services	65,496.16	31,337.93	55,194.69	135,988.00	181,839.00	143,376.00	85,836.00	64,488.00	57,592.00
Allocated employee benefits	412,271.66	393,520.05	425,591.91						
Unallocated employee benefits	383,510.59	324,478.81	318,006.87	409,390.00	403,394.00	380,443.00	372,494.00	318,752.00	320,890.00
On-Behalf TPAF Pension Contributions				204,824.00	316,317.00	308,772.00	214,690.00	179,499.00	183,692.00
Capital outlay	56,603.50	19,706.09	54,179.70		9,516.00			21,798.00	
Special Revenue Funds				84,859.00	81,125.00	88,155.00	86,565.00	91,446.00	89,029.00
Debt service:									
Principal	18,457.58	17,853.00	17,279.14	16,744.00	16,218.00	15,722.00	15,245.00	8,335.00	14,391.00
Interest and other charges	2,186.42	3,003.00	3,787.86	4,544.00	5,272.00	5,974.00	6,648.00	3,319.00	7,927.00
Total expenditures	<u>3,449,335.56</u>	<u>3,127,583.42</u>	<u>3,390,430.96</u>	<u>3,231,345.00</u>	<u>3,332,827.00</u>	<u>3,168,651.00</u>	<u>3,008,469.00</u>	<u>2,709,408.00</u>	<u>2,698,723.00</u>
Excess (Deficiency) of revenues over (under) expenditures	247,501.69	321,084.46	118,503.76	40,703.00	(33,347.00)	(74,769.00)	(105,597.00)	49,672.00	19,182.00
Other financing sources (uses)									
Capital leases (non-budgeted)								21,798.00	
Transfers in									
Transfers out				(4,000.00)	(3,196.00)	(2,450.00)	(2,522.00)		
Total other financing sources (uses)	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>(4,000.00)</u>	<u>(3,196.00)</u>	<u>(2,450.00)</u>	<u>(2,522.00)</u>	<u>21,798.00</u>	<u>0.00</u>
Net change in fund balances	<u>\$247,501.69</u>	<u>\$321,084.46</u>	<u>\$118,503.76</u>	<u>\$36,703.00</u>	<u>(\$36,543.00)</u>	<u>(\$77,219.00)</u>	<u>(\$108,119.00)</u>	<u>\$71,470.00</u>	<u>\$19,182.00</u>
Debt service as a percentage of noncapital expenditures	0.61%	0.67%	0.63%	0.66%	0.65%	0.68%	0.73%	0.43%	0.83%

Source: CAFR Schedule B-2

LAMBERTVILLE PUBLIC SCHOOL DISTRICT
GENERAL FUND OTHER LOCAL REVENUE BY SOURCE
UNAUDITED

<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>Tuition</u>	<u>Interest on</u> <u>Investments</u>	<u>Prior Year</u> <u>Refunds</u>	<u>Rentals</u>	<u>Medicaid</u> <u>Reimbursement</u>	<u>Miscellaneous</u>	<u>Total</u>
2012	\$30,150.00	\$710.12	\$158.78	\$1,480.00		\$3,511.75	\$36,010.65
2011	37,476.40	1,328.66	4,667.54	1,325.00			44,797.60
2010		1,529.04	2,942.18	1,340.00		3,611.37	9,422.59
2009		5,822.00	285.00	600.00		65.00	6,772.00
2008		14,711.00				334.00	15,045.00
2007	7,423.00	20,880.00			\$480.00	268.00	29,051.00
2006	4,686.00	15,933.00	743.00			3,455.00	24,817.00
2005	4,400.00	8,492.00	389.00		333.00	35.00	13,649.00
2004		1,792.00	1,198.00		29.00	301.00	3,320.00

Source: District Records

CITY OF LAMBERTVILLE SCHOOL DISTRICT
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
UNAUDITED

Fiscal Year Ended June 30.	Vacant Land	Residential	Farm Req.	Q-Farm	Commercial	Industrial	Apartment	Total Assessed Value	Less: Tax Exempt Property	Public Utilities (a)	Net Valuation Taxable	Est. Actual (County Equalized Value)	Total Direct School Tax Rate (b)
2012	\$5,153,800	\$571,035,300	\$1,343,800	\$128,562	\$107,764,800	\$11,326,900	\$22,192,600	\$718,945,762		\$1,490,108	\$720,435,870	\$737,421,307	\$0.447
2011	6,006,398	572,636,300	1,343,800	128,264	106,465,700	10,261,700	22,166,200	719,008,362		1,505,848	720,514,210	754,013,659	0.422
2010	5,325,998	575,236,700	1,343,800	128,264	107,012,000	10,261,700	22,224,600	721,533,062		1,551,451	723,084,513	787,661,253	0.406
2009	6,859,698	592,959,600	1,353,800	128,264	110,241,900	10,401,500	22,890,600	744,835,362		1,512,179	746,347,541	782,581,043	0.380
2008	8,043,498	582,142,900	1,337,300	128,264	111,347,700	10,002,300	22,130,000	735,131,962		1,415,703	736,547,665	769,209,089	0.360
2007	12,609,598	561,320,700	1,338,700	128,264	111,651,900	10,326,600	20,567,900	717,943,662		1,452,801	719,396,463	748,118,472	0.350
2006	15,469,298	502,223,400	1,282,500	128,264	103,813,471	9,867,050	19,397,300	652,181,283		1,432,045	653,613,328	674,871,790	0.370
2005	18,672,298	419,401,000	1,229,500	128,264	98,120,071	9,459,550	18,561,500	565,572,183		1,436,649	567,008,832	611,792,007	0.400
2004	12,496,898	375,208,100	1,196,100	78,264	88,701,671	8,937,050	16,565,900	503,183,983		1,263,138	504,447,121	558,600,597	0.440
2003	5,454,798	303,941,900	1,063,000	78,264	78,732,671	8,367,250	13,672,000	411,309,883		1,255,553	412,565,436	471,988,830	0.530

Source: District records Tax list summary & Municipal Tax Assessor

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

Reassessment occurs when ordered by the County Board of Taxation:

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

(b) Tax rates are per \$100

CITY OF LAMBERTVILLE SCHOOL DISTRICT
DIRECT AND OVERLAPPING PROPERTY TAX RATES
UNAUDITED

Fiscal Year Ended June 30,	School District Direct Rate			Regional School Debt	Overlapping Rates			Total Direct and Overlapping Tax Rate
	Basic Rate (a)	General Obligation Debt Service (b)	Total Direct School Tax Rate		Municipality	County	Fire District	
2012	\$0.444	\$0.003	\$0.447	\$0.650	\$0.350	\$0.331	\$0.071	\$1.849
2011	0.419	0.003	0.422	0.679	0.350	0.334	0.069	1.854
2010	0.403	0.003	0.406	0.698	0.252	0.342	0.067	1.765
2009	0.377	0.003	0.380	0.650	0.250	0.340	0.070	1.690
2008	0.357	0.003	0.360	0.650	0.220	0.320	0.080	1.630
2007	0.347	0.003	0.350	0.630	0.190	0.330	0.080	1.580
2006	0.367	0.003	0.370	0.610	0.190	0.340	0.080	1.590
2005	0.398	0.002	0.400	0.660	0.220	0.380	0.070	1.730
2004	0.436	0.004	0.440	0.720	0.210	0.420	0.070	1.860
2003	0.520	0.010	0.530	0.840	0.240	0.470	0.090	2.170

Source: District Records and Municipal Tax Collector
(Rates are per \$100 of assessed value)

NJSA 18A:7F-5d limits the amount that the district can submit for a general fund tax levy. The levy when added to other components of the district's net budget may not exceed the prebudget year net budget by more than the spending growth limitation calculated as follows: the prebudget year net budget increased by the cost of living or 2.5 percent, whichever is greater, plus any spending growth adjustments.

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

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

CITY OF LAMBERTVILLE SCHOOL DISTRICT
 PRINCIPAL PROPERTY TAX PAYERS - CURRENT YEAR AND TEN YEARS AGO
 UNAUDITED

Taxpayer	2012			2003		
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
DelCampo LLC	\$4,700,000.00	1	0.65%			
Swan Creek Holding Company LP	4,002,500.00	2	0.56%	\$3,120,000.00	2	0.91%
Hart Venture Group LLC	3,142,100.00	3	0.44%			
Individual Property Owner	2,968,400.00	4	0.41%	2,107,700.00	4	0.61%
BC Property Management	2,987,400.00	5	0.41%			
Woodrose Properties LLC	2,680,800.00	6	0.37%			
Allied Village Square LLC	2,596,800.00	7	0.36%			
DeMarco Investment Company	2,574,400.00	8	0.36%	1,974,700.00	5	0.57%
Diamond Silver LLC	2,349,800.00	9	0.33%	1,918,250.00	6	0.56%
Individual Property Owner	2,218,100.00	10	0.31%	1,650,000.00	8	0.48%
Original Lambertville House				3,596,000.00	1	1.04%
Lambertville Cracker Company				2,499,848.00	3	0.73%
Lambertville Village Realty				1,662,500.00	7	0.48%
LD Group				1,615,900.00	9	0.47%
Verizon				384,400.00	10	0.11%
Total	<u>\$30,220,300.00</u>		<u>2.99%</u>	<u>\$20,529,298.00</u>		<u>5.97%</u>

Source: Municipal Tax Assessor

CITY OF LAMBERTVILLE SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS
CITY OF LAMBERTVILLE
UNAUDITED

<u>Fiscal Year</u> <u>Ended</u> <u>June 30,</u>	<u>Taxes Levied</u> <u>for the</u> <u>Fiscal Year</u>	<u>Collected within the Fiscal Year of the Levy (a)</u>		<u>Collections in</u> <u>Subsequent Years</u>
		<u>Amount</u>	<u>Percentage</u> <u>of Levy</u>	
2012	\$3,079,716.00	\$3,079,716.00	100.00%	-
2011	2,990,829.00	2,990,829.00	100.00%	-
2010	2,876,810.00	2,876,810.00	100.00%	-
2009	2,738,970.00	2,738,970.00	100.00%	-
2008	2,634,646.00	2,634,646.00	100.00%	-
2007	2,440,013.00	2,440,013.00	100.00%	-
2006	2,327,711.00	2,327,711.00	100.00%	-
2005	2,253,369.00	2,253,369.00	100.00%	-
2004	2,220,297.00	2,220,297.00	100.00%	-
2003	2,115,986.00	2,115,986.00	100.00%	-

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

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

CITY OF LAMBERTVILLE SCHOOL DISTRICT
RATIOS OF OUTSTANDING DEBT BY TYPE
UNAUDITED

Fiscal Year Ended June 30,	Governmental Activities			Business-Type Activities		Total District	Percentage of Personal Income (a)	Per Capita (a)
	General Obligation Bonds (b)	Certificates of Participation	Capital Leases	Bond Anticipation Notes	Capital Leases			
2012	\$38,900.28					\$38,900.28	*	*
2011	57,357.86					57,357.86	*	14.72
2010	75,210.86					75,210.86	0.03%	19.26
2009	92,490.00					92,490.00	0.04%	24.43
2008	109,234.00					109,234.00	0.04%	28.93
2007	125,452.00					125,452.00	0.05%	33.34
2006	141,174.00					141,174.00	0.06%	37.41
2005	156,419.00		\$7,264.00			163,683.00	0.07%	43.11
2004	171,233.00					171,233.00	0.07%	44.72
2003	185,623.00					185,623.00	0.08%	48.10

Source: District CAFR Schedules I-1, I-2

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

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

(b) Includes Early Retirement Incentive Plan (ERIP) refunding

*- Not available at time of audit

CITY OF LAMBERTVILLE SCHOOL DISTRICT
RATIOS OF NET BONDED DEBT OUTSTANDING
UNAUDITED

Fiscal Year Ended June 30,	General Bonded Debt Outstanding		Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value (a) of Property	Per Capita (b)
	General Obligation Bonds	Deductions			
2012	\$38,900.28		\$38,900.28	0.01%	*
2011	57,357.86		57,357.86	0.01%	14.72
2010	75,210.86		75,210.86	0.01%	19.26
2009	92,490.00		92,490.00	0.01%	24.43
2008	109,234.00		109,234.00	0.01%	28.93
2007	125,452.00		125,452.00	0.02%	33.34
2006	141,174.00		141,174.00	0.02%	37.41
2005	156,419.00		156,419.00	0.03%	41.20
2004	171,233.00		171,233.00	0.03%	44.72
2003	185,623.00		185,623.00	0.04%	48.10

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

(a) See Exhibit NJ J-6 for property tax data.

(b) Population data can be found in Exhibit NJ J-14.

*- Not available at time of audit

CITY OF LAMBERTVILLE SCHOOL DISTRICT
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
 AS OF DECEMBER 31, 2011
UNAUDITED

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable (a)</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Municipality	\$11,592,712.63	100.00%	\$11,592,712.63
Regional High School	17,892,000.00	53.61%	9,591,816.52
County General Obligation Debt	83,175,409.70	3.28%	<u>2,728,824.65</u>
Subtotal, Overlapping Debt			\$23,913,353.79
Lambertville Public School District Direct Debt			<u>38,900.28</u>
Total Direct and Overlapping Debt			<u><u>\$23,952,254.07</u></u>

Source: Municipal Chief Financial Officer, County Treasurer's Office

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

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

CITY OF LAMBERTVILLE SCHOOL DISTRICT
LEGAL DEBT MARGIN INFORMATION
UNAUDITED

Legal Debt Margin Calculation for Fiscal Year 2012:

Equalized Valuation Basis

Calendar Year

2011	\$731,517,308.00
2010	750,346,362.00
2009	770,572,483.00
	<u>\$2,252,436,153.00</u>

Average Equalized Valuation of Taxable Property

\$750,812,051.00

Debt Limit (2.5% (a) of average equalization value)

\$18,770,301.28

Total Net Debt Applicable to Limit

38,900.28

Legal Debt Margin

\$18,731,401.00

	Fiscal Year Ending June 30,									
	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Debt Limit	\$18,770,301.28	\$19,266,871.33	\$19,407,056.53	\$19,092,185.00	\$17,777,467.00	\$16,142,367.00	\$14,281,536.00	\$12,629,785.00	\$11,245,463.00	\$9,913,111.00
Total Net Debt Applicable To Limit	<u>38,900.28</u>	<u>57,357.86</u>	<u>75,210.86</u>	<u>92,490.00</u>	<u>109,234.00</u>	<u>125,452.00</u>	<u>141,174.00</u>	<u>156,419.00</u>	<u>171,232.00</u>	<u>185,623.00</u>
Legal Debt Margin	<u>\$18,731,401.00</u>	<u>\$19,209,513.47</u>	<u>\$19,331,845.67</u>	<u>\$18,999,695.00</u>	<u>\$17,668,233.00</u>	<u>\$16,016,915.00</u>	<u>\$14,140,362.00</u>	<u>\$12,473,366.00</u>	<u>\$11,074,231.00</u>	<u>\$9,727,488.00</u>
Total Net Debt Applicable to the Limit as a % of Debt Limit	0.21%	0.30%	0.39%	0.48%	0.61%	0.78%	0.99%	1.24%	1.52%	1.87%

Source: Equalized valuation bases were obtained from the Annual Report of the State of New Jersey, Department of Treasury, Division of Taxation
(a) Limit set by N.J.S.A. 18A:24-19 for a K through 12 district; other % limits would be applicable for other district types.

CITY OF LAMBERTVILLE SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
UNAUDITED

<u>Year</u>	<u>Population (a)</u>	<u>Personal Income (b)</u>	<u>Per Capita Personal Income (c)</u>	<u>Unemployment Rate (d)</u>
2012	*	*	*	*
2011	3,896	*	*	7.70%
2010	3,906	\$261,909,018.00	\$67,053.00	7.80%
2009	3,786	\$248,986,290.00	\$65,765.00	7.60%
2008	3,776	\$263,440,192.00	\$69,767.00	4.20%
2007	3,763	\$257,344,044.00	\$68,388.00	3.20%
2006	3,774	\$244,124,964.00	\$64,686.00	3.70%
2005	3,797	\$227,364,360.00	\$59,880.00	2.80%
2004	3,829	\$230,348,811.00	\$60,159.00	2.90%
2003	3,859	\$227,048,124.00	\$58,836.00	3.50%

Source:

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

*- Not available at time of audit

CITY OF LAMBERTVILLE SCHOOL DISTRICT
PRINCIPAL EMPLOYERS - CURRENT YEAR AND TEN YEARS AGO
UNAUDITED

<u>Employer</u>	<u>2012</u>			<u>2003</u>		
	<u># of Employees</u>	<u>Rank (Optional)</u>	<u>Percentage of Total Employment</u>	<u># of Employees</u>	<u>Rank (Optional)</u>	<u>Percentage of Total Employment</u>
(1)	<u>0</u>		<u>0.00%</u>	<u>0</u>		<u>0.00%</u>

Source: Municipal Records

(1) - Data not available

CITY OF LAMBERTVILLE SCHOOL DISTRICT
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
UNAUDITED

Function/Program	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Instruction:										
Regular	11.0	10.3	11.3	13.2	18.0	19.0	19.0	20.0	19.0	20.0
Special education	4.0	4.0	4.0	3.0	3.0	3.0	2.5	3.0	3.0	4.0
Other instruction	9.5	5.0	9.5	9.0	3.0	2.0	2.0	2.0	1.0	2.0
Support Services:										
Student & instruction related services	3.3	5.9	4.0	4.0	5.0	5.0	5.0	6.0	6.0	6.0
General administrative services	1.7	2.2	1.0	1.1	2.5	2.0	2.0	2.0	2.0	2.0
Plant operations and maintenance	2.0	2.0	2.0	2.0	2.0	1.5	1.5	1.5	1.5	1.5
Central services	1.5	1.5	1.5	1.0	2.0	3.0	3.0	3.0	3.0	3.0
Total	<u>33.0</u>	<u>30.9</u>	<u>33.3</u>	<u>33.3</u>	<u>35.5</u>	<u>35.5</u>	<u>35.0</u>	<u>37.5</u>	<u>35.5</u>	<u>38.5</u>

Source: District Personnel Records

CITY OF LAMBERTVILLE SCHOOL DISTRICT
OPERATING STATISTICS
UNAUDITED

<u>Fiscal Year</u>	<u>Enrollment</u>	<u>Operating Expenditures (a)</u>	<u>Cost Per Pupil</u>	<u>% Change</u>	<u>Teaching Staff (b)</u>	<u>Pupil/Teacher Ratio</u>	<u>Average Daily Enrollment (c)</u>	<u>Average Daily Attendance (c)</u>	<u>% Change in Average Daily Enrollment</u>	<u>Student Attendance Percentage</u>
2012	207	\$3,106,727.42	\$15,008	-12.56%	19	10.8	207	196	14.36%	94.69%
2011	181	3,106,727.42	17,164	-19.51%	19	9.5	181	169	14.70%	93.37%
2010	158	3,369,363.96	21,325	4.83%	25	6.3	158	149	0.38%	94.61%
2009	158	3,214,057.00	20,342	-2.75%	25	6.3	157	150	4.17%	95.17%
2008	158	3,305,017.00	20,918	6.27%	24	6.6	151	144	0.94%	95.36%
2007	160	3,149,405.00	19,684	11.38%	24	6.7	150	144	-10.75%	96.12%
2006	169	2,986,576.00	17,672	10.29%	24	7.0	168	159	0.90%	94.63%
2005	167	2,675,956.00	16,024	2.38%	26	6.4	166	157	-2.92%	94.52%
2004	171	2,676,405.00	15,651	4.93%	26	6.6	171	162	-5.52%	94.91%
2003	179	2,669,944.00	14,916	12.97%	26	6.9	181	172	0.64%	94.92%

Sources: District records

Note: Enrollment based on annual October district count.

(a) Operating expenditures equal total expenditures less debt service and capital outlay.

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

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

CITY OF LAMBERTVILLE SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
UNAUDITED

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
<u>District Building</u>										
Elementary School (1968)										
Square Feet	32,301	32,301	32,301	32,301	32,301	32,301	32,301	32,301	32,301	32,301
Capacity (Students)	982	982	982	982	982	982	982	982	982	982
Enrollment	207	181	158	158	158	160	169	167	171	179

Number of Schools at June 30, 2012

- Elementary = 1
- Middle School = 0
- Intermediate = 0

Source: District records

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

CITY OF LAMBERTVILLE SCHOOL DISTRICT
SCHEDULE OF REQUIRED MAINTENANCE
UNAUDITED

Undistributed expenditures - Required maintenance for school facilities - 11-000-261-XXX

School Facilities * Project #(s)	<u>Amount</u>	<u>Total</u>
2012	\$61,143.48	\$61,143.48
2011	30,558.86	30,558.86
2010	19,555.51	19,555.51
2009	29,298.00	29,298.00
2008	121,107.00	121,107.00
2007	125,875.00	125,875.00
2006	148,110.00	148,110.00
2005	44,319.00	44,319.00
2004	31,638.00	31,638.00
2003	22,753.00	22,753.00
	<hr/>	<hr/>
Total School Facilities	<u>\$634,357.85</u>	<u>\$634,357.85</u>

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

Source: District records

CITY OF LAMBERTVILLE SCHOOL DISTRICT
INSURANCE SCHEDULE
6/30/2012
UNAUDITED

COVERAGE

School Package Policy - School Alliance Insurance Fund:

Property - Blanket Building & Contents (Policy Limit)	\$250,000,000.00
Comprehensive General Liability	5,000,000
Workmen's Compensation	5,000,000
Blanket Employees Dishonesty	400,000.00

School Board Legal Liability - School Alliance Insurance Fund:

Directors and Officers Policy	5,000,000
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Public Employees' Faithful Performance - Selective Insurance Co.:

Treasurer of School Monies	250,000
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Source: District Records

SINGLE AUDIT SECTION



SUPLEE, CLOONEY & COMPANY

EXHIBIT "K-1"

CERTIFIED PUBLIC ACCOUNTANTS

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

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

Honorable President and Members
of the Board of Education
City of Lambertville School District
County of Hunterdon
Lambertville, New Jersey 08530

We have audited the basic financial statements of the City of Lambertville School District, County of Hunterdon, New Jersey as of and for the fiscal year ended June 30, 2012, and have issued our report thereon dated November 19, 2012. We conducted our audit in accordance with U.S. generally accepted auditing standards, audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

SUPLEE, CLOONEY & COMPANY

Our consideration of the internal control over financial reporting was limited for the purposes described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be 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 City of Lambertville School District's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of basic financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

This report is intended for the information of the City of Lambertville School District, County of Hunterdon, New Jersey, the New Jersey State Department of Education and federal and state audit awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.


CERTIFIED PUBLIC ACCOUNTANTS


PUBLIC SCHOOL ACCOUNTANT NO. 93

November 19, 2012

CITY OF LAMBERTVILLE SCHOOL DISTRICT
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2012

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	FEDERAL CFDA NUMBER	GRANT OR STATE PROJECT NUMBER	GRANT PERIOD	AWARD AMOUNT	BALANCE AT JUNE 30, 2011	CARRYOVER/ (WALKOVER) AMOUNT	CASH RECEIVED	BUDGETARY EXPENDITURES	REPAYMENT OF PRIOR YEAR BALANCES	BALANCE AT JUNE 30, 2012		
										(ACCOUNTS RECEIVABLE)	DEFERRED REVENUE	DUE TO GRANTOR
General Funds												
U.S. Department of Education												
Passed-through State Department of Education:												
Education Jobs Fund	84 410A		8/10/10-9/30/12	\$ 8,714.00	\$ _____	\$ _____	\$ 8,714.00	\$ (8,714.00)	\$ _____	\$ _____	\$ _____	\$ _____
Special Revenue Funds												
U.S. Department of Education												
Passed-through State Department of Education:												
I.D.E.A. Part B, Basic	84 027	IDEA253011	9/1/10-8/31/11	47,372.00	(5,233.93)		8,793.00	(3,549.07)				
I.D.E.A. Part B, Basic	84 027	IDEA253012	9/1/11-8/31/12	52,254.00			52,254.00	(52,254.00)				
I.D.E.A. Part B-Preschool	84 173	IDEA253012	9/1/11-8/31/12	2,078.00			2,078.00	(2,078.00)				
Title I	84 010A	NCLB253011	9/1/10-8/31/11	27,052.00	(4,138.30)		5,286.00	(1,147.70)				
Title I	84 010A	NCLB253012	9/1/11-8/31/12	27,914.00			27,914.00	(27,914.00)				
Title II, Part A	84 367A	NCLB253011	9/1/10-8/31/11	5,566.00	(5,566.00)		5,566.00					
Title II, Part A	84 367A	NCLB253010	9/1/11-8/31/12	4,854.00			4,854.00	(4,854.00)				
Total U.S. Department of Education					(14,938.23)		106,735.00	(91,798.77)				
Enterprise Funds												
U.S. Department of Agriculture												
Passed-through State Department of Education:												
Food Distribution Program	10 550	N/A	7/1/11-6/30/12	3,148.92			3,148.92	(2,865.01)			283.91	
Food Distribution Program	10 550	N/A	7/1/10-6/30/11	7,677.77	1,816.52			(1,816.52)				
School Breakfast Program	10 553	N/A	7/1/11-6/30/12	4,285.17			4,007.99	(4,285.17)		(277.18)		
National School Lunch Program	10 555	N/A	7/1/11-6/30/12	27,521.84			25,586.36	(27,521.84)		(1,935.48)		
Total U.S. Department of Agriculture					1,816.52	-0-	32,743.27	(36,488.54)	-0-	(2,212.66)	283.91	
Total Federal Financial Assistance					\$ (13,121.71)	\$ -0-	\$ 148,192.27	\$ (136,999.31)	\$ -0-	\$ (2,212.66)	\$ 283.91	\$ _____

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See accompanying notes to schedules of financial assistance.

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

STATE GRANTOR/PROGRAM TITLE	GRANT OR STATE PROJECT NUMBER	AWARD AMOUNT	GRANT PERIOD	BALANCE AT JUNE 30, 2011		CASH RECEIVED	BUDGETARY EXPENDITURES	ADJUSTMENTS/ REPAYMENT OF PRIOR YEAR BALANCES	BALANCE AT JUNE 30, 2012			MEMO	
				DEFERRED REVENUE (ACCTS.REC.)	DUE TO GRANTOR				(ACCOUNTS RECEIVABLE)	DEFERRED REVENUE	DUE TO GRANTOR	BUDGETARY RECEIVABLE	CUMULATIVE TOTAL EXPENDITURES
State Department of Education													
General Funds:													
Special Education Aid	12-495-034-5120-089	87,689.00	7/1/11-6/30/12	\$	\$	\$ 78,693.49	\$ (87,689.00)	\$	\$	\$	\$	(8,995.51)	(87,689.00)
Security Aid	12-495-034-5120-084	20,219.00	7/1/11-6/30/12			18,144.85	(20,219.00)					(2,074.15)	(20,219.00)
Transportation Aid	12-495-034-5120-014	8,572.00	7/1/11-6/30/12			7,682.65	(8,572.00)					(879.35)	(8,572.00)
School Choice	12-495-034-5120-088	75,528.00	7/1/11-6/30/12			67,780.01	(75,528.00)					(7,747.99)	(75,528.00)
Extraordinary Special Education Costs Aid	11-100-034-5120-473	1,275.00	7/1/10-6/30/11	(1,275.00)		1,275.00							
Reimbursed TPAF Social Security Contributions	12-495-034-5095-002	104,833.38	7/1/11-6/30/12			99,587.64	(104,833.38)			(5,245.74)			(104,833.38)
				(1,275.00)		273,173.64	(296,841.38)			(5,245.74)		(19,697.00)	(296,841.38)
Special Revenue Fund:													
N.J. Nonpublic Aid:													
Textbook Aid	12-100-034-5120-064	440.00	7/1/11-6/30/12			440.00	(440.00)						(440.00)
Nursing Aid	12-100-034-5120-070	628.00	7/1/11-6/30/12			628.00	(628.00)						(628.00)
Handicapped Services:													
Examination and Classification	11-100-034-5120-066	1,755.00	7/1/10-6/30/11		322.77			322.77					
Examination and Classification	12-100-034-5120-066	3,378.00	7/1/11-6/30/12			3,378.00	(3,378.00)						(3,378.00)
Corrective Speech	12-100-034-5120-066	1,975.00	7/1/11-6/30/12			1,975.00	(1,975.00)						(1,975.00)
Supplementary Instruction	11-100-034-5120-066	1,668.00	7/1/10-6/30/11		556.27			556.27					
Supplementary Instruction	12-100-034-5120-068	10,444.00	7/1/11-6/30/12			10,444.00				(10,444.00)			
Auxiliary Services:													
English as a Second Language	11-100-034-5120-087	1,110.00	7/1/10-6/30/11		0.09			0.09					
					879.13	16,865.00	(6,421.00)	879.13			(10,444.00)		(6,421.00)
Capital Project Fund:													
EDA Grant	2830-050-10-1001	30,866.00	7/1/10-6/30/11	(15,520.00)			(15,346.00)			(30,866.00)			(15,346.00)
Enterprise Fund:													
State School Lunch Program	11-100-010-3350-023	816.83	7/1/10-6/30/11	(38.39)		38.39							
State School Lunch Program	12-100-010-3350-023	916.41	7/1/11-6/30/12			849.91	(916.43)			(68.52)			(916.43)
				(38.39)		888.30	(916.43)			(68.52)			(916.43)
Total State Financial Assistance Subject to Single Audit													
				(16,833.39)	879.13	260,926.94	(319,524.81)	679.13	(36,178.26)	(10,444.00)	(19,697.00)	(319,524.81)	
General Fund:													
On-Behalf TPAF Pension Contribution	12-495-034-5095-007	50,283.00	7/1/11-6/30/12			50,283.00	(50,283.00)						(50,283.00)
On-Behalf TPAF Post-Retirement Medical	12-495-034-5095-001	101,082.00	7/1/11-6/30/12			101,082.00	(101,082.00)						(101,082.00)
Total State Financial Assistance													
				\$ (16,833.39)	\$ 879.13	\$ 442,291.94	\$ (470,889.81)	\$ 879.13	\$ (36,178.26)	\$ (10,444.00)	\$ (19,697.00)	\$ (470,889.81)	

See accompanying notes to schedules of financial assistance.

City of Lambertville School District
Notes to the Schedules of Expenditures of Awards and Financial Assistance
Year Ended June 30, 2012

NOTE 1. GENERAL

The accompanying schedules of expenditures of federal awards and state financial assistance present the activity of all federal and state financial assistance programs of the Board of Education, City of Lambertville School District. The Board of Education is defined in Note 1 to the District's basic financial statements. All federal and state awards 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 schedules 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 on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 1 of the District's basic financial statements. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

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

City of Lambertville School District
Notes to the Schedules of Expenditure of Awards and Financial Assistance
Year Ended June 30, 2012

NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (CONTINUED)

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$15,331.00) for the general fund, \$-0- for the special revenue fund and \$11,920.00 for the capital projects fund. See the notes to the required supplementary information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented below:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$8,714.00	\$432,875.38	\$441,589.38
Special Revenue Fund	91,796.77	6,421.00	98,217.77
Capital Projects Fund		27,266.00	27,266.00
Food Service Fund	<u>36,488.54</u>	<u>916.43</u>	<u>37,404.97</u>
 Total Awards & Financial Assistance	 <u><u>\$136,999.31</u></u>	 <u><u>\$467,478.81</u></u>	 <u><u>\$604,478.12</u></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 the year ended June 30, 2012. TPAF Social Security contributions represent the amount reimbursed by the state for the employer's share of Social Security contributions for TPAF members for the year ended June 30, 2012.

City of Lambertville School District
Hunterdon County, New Jersey

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

Section I - Summary of Auditor's Results

Financial Statements

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

Federal Program(s) – Not Applicable

State Program(s) – Not Applicable

Section II - Financial Statement Audit - Reported Findings Under Government Auditing Standards

Internal Control Findings

None Reported

Compliance Findings

None Reported

Section III - Findings and Questioned Costs Relative to Major Federal and State Programs

Federal Programs – Not Applicable

State Programs – Not Applicable

City of Lambertville School District
Hunterdon County, New Jersey
Summary Schedule of Prior Audit Findings
For the Fiscal Year Ended June 30, 2012

Status of Prior Year Audit Findings

Not Applicable



