

***LITTLE FERRY BOARD OF EDUCATION***

***COMPREHENSIVE ANNUAL  
FINANCIAL REPORT***

***FISCAL YEAR ENDED JUNE 30, 2012***

***LITTLE FERRY BOARD OF EDUCATION***

***Little Ferry Board of Education  
Little Ferry, New Jersey***

***Comprehensive Annual Financial Report  
For The Fiscal Year Ended June 30, 2012***

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT  
OF THE  
LITTLE FERRY BOARD OF EDUCATION  
LITTLE FERRY, NEW JERSEY  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

**Prepared by  
Little Ferry Board of Education  
Finance Department**

**And  
Barre & Company, CPAs**

**STATE BOARD OF EDUCATION**

ARCELIO APONTE.....Middlesex  
President

ILAN PLAWKER.....Bergen  
Vice President

MARK W. BIEDRON.....Hunterdon

RONALD K. BUTCHER.....Gloucester

CLAIRE CHAMBERLAIN.....Somerset

JOSEPH FISICARO.....Burlington

JACK FORNARO.....Warren

EDITHE FULTON.....Ocean

ROBET P. HANEY.....Monmouth

ERNEST P. LEPORE.....Hudson

ANDREW J. MULVIHILL.....Sussex

J. PETER SIMON.....Morris

DOROTHY S. STRICKLAND.....Essex

**Christopher D. Cerf, Acting Commissioner of Education  
Secretary, State Board of Education**

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***INTRODUCTORY SECTION***

***LITTLE FERRY BOARD OF EDUCATION  
130 LIBERTY STREET  
LITTLE FERRY, NEW JERSEY 07643  
201-641-6192***

September 25, 2012

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

Dear Board Members:

The Comprehensive Annual Financial Report (CAFR) of the Little Ferry School District (the "District") for the fiscal year ended June 30, 2012 is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Little Ferry 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 of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

Governmental Accounting Standards Board (GASB) requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statement in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The MD&A can be found immediately following the "Independent Auditor's Report."

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

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

- The Single Audit Section — The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act Amendments of 1996, the U.S. Office of Management and Budget (OMB) Circular A-133, “Audits of States, Local Governments and Non-Profit Organizations”, and the New Jersey State Office of Management and Budget (OMB) Circular 04-04, “Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid”. Information related to this single audit, including the independent auditor’s report on the internal control structure and compliance with applicable laws, regulations, contracts and grants, along with findings, questioned costs and recommendations, are included in the single audit section of this report.

**1) REPORTING ENTITY AND ITS SERVICES:** The Little Ferry School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board’s (GASB) as established by Statement No. 14. All funds of the District are included in this report. The Little Ferry Board of Education and all its schools constitute the District’s reporting entity.

The District provides a full range of educational services appropriate to grade levels Pre-K through 8 for regular and special education handicapped youngsters. The District completed the 2011-2012 fiscal year with an enrollment of 975 students, which is an increase of 8 students compared to the previous year’s average daily enrollment. In addition, the District is in a sending/receiving relationship for its 9-12<sup>th</sup> grade students with the Ridgefield Park Jr./Sr. High School District. The following details the changes in the student enrollment of the Little Ferry District over the last five years.

Average Daily Enrollment

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2011-2012	975	83.00%
2010-2011	967	0.73%
2009-2010	960	-0.41%
2008-2009	964	0.94%
2007-2008	955	-2.35%

**2) ECONOMIC CONDITION AND OUTLOOK:** The Little Ferry Borough and surrounding area is substantially developed with both residential and industrial taxpayers. The situation is expected to continue, which suggests that the tax base will remain stable.

**3) MAJOR INITIATIVES:** The district has moved to a more child-centered curriculum using arts integration and multiple intelligences with a thematic-based approach that leads to a more cohesive, authentic learning. Professional Development is focused on differential instruction, math, using Bloom’s Taxonomy to stimulate critical thinking, and using the Arts and Intelligences across all disciplines to teach the core curriculum.

## **MAJOR INITIATIVES (CONTINUED):**

The district has just completed an extensive five year internal rehabilitation project which included new paint, carpeting and other interior upgrades.

The district will also be embarking on a project which has received NJDOE approval, to add small group instruction space that will be paid for out of our capital improvement account.

**4) INTERNAL ACCOUNTING CONTROLS:** Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

As a recipient of federal and state financial assistance, the District is also 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 subject to periodic evaluation by the District management.

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

**5) BUDGETARY CONTROLS:** In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the general fund, the special revenue fund and the debt service fund. Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount, as amended for the fiscal year, is reflected in the financial section.

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

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

**7) DEBT ADMINISTRATION:** At June 30, 2012, the District's outstanding debt issues included \$669,164 of Bonds, Loans and Compensated Absences Payable. The proceeds of these bonds and loans were placed in the District's capital projects fund for use to provide funds for capital improvements to the District's buildings and grounds.

**8) CASH MANAGEMENT:** The investment policy of the District is guided in large part by state statute as detailed in "Notes to Financial Statements", Note 2. The District has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 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.

**9) RISK MANAGEMENT:** The Board carries various forms of insurance, including but not limited to general liability, automobile, hazard and theft insurance on property and contents, and fidelity bonds. A schedule of insurance coverage is found in J-20.

**10) OTHER INFORMATION:**

**Independent Audit** – State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Barre & Company, Certified Public Accountants, 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 Single Audit Act Amendment of 1996 and the related OMB Circular A-133, "*Audits of State, Local Governments and Non-Profit Organizations*" and State Treasury Circular Letter 04-04 OMB, "*Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid.*" The auditor's report on the basic financial statements and specific required supplemental information 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.

**11) ACKNOWLEDGEMENTS:**

We would like to express our appreciation to the members of the Little Ferry Board of Education 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,

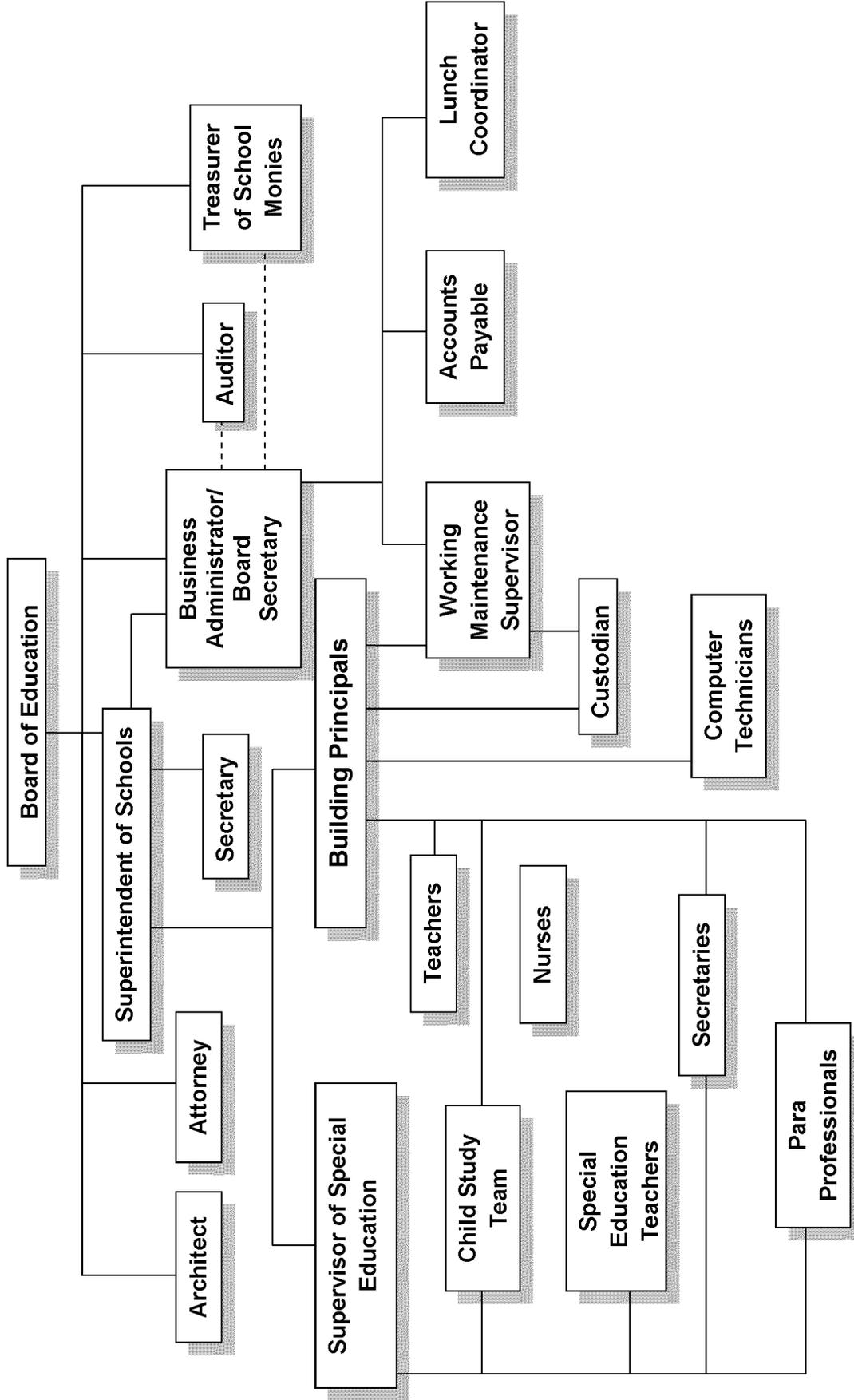


**Frank R. Scarafile**  
*Superintendent of Schools*



**R. Paul Vizzuso**  
*Business Administrator/  
Board Secretary*

**Little Ferry Board of Education  
Table of Organization**



**LITTLE FERRY BOARD OF EDUCATION  
LITTLE FERRY, NEW JERSEY**

**ROSTER OF OFFICIALS  
JUNE 30, 2012**

<b><u>MEMBERS OF THE BOARD OF EDUCATION</u></b>	<b><u>TERM EXPIRES</u></b>
Anna DeLuca, President	2014
Deanne Wallace, Vice President	2012
Johanna Jentz	2013
Susan Ferrante	2014
A.J. Joshi	2014
Jill Pasechnick	2013
Jody Pasqua	2012
John Tronlone	2013
Anthony DiBlasio	2012

**OTHER OFFICIALS**

Frank Scarafile, Superintendent

R. Paul Vizzuso, Business Administrator/Board Secretary

Stephen Sanzari, Treasurer of School Moneys

**LITTLE FERRY BOARD OF EDUCATION  
LITTLE FERRY, NEW JERSEY**

**CONSULTANTS AND ADVISORS**

***Audit Firm***

Barre & Company  
Certified Public Accountants  
2204 Morris Avenue  
Union, New Jersey 07083

***Attorney***

Ferrara, Turitz, Harraka & Goldberg  
505 Main Street  
Hackensack, NJ 07601

***Official Depositories***

TD Bank North  
PNC Bank  
State of New Jersey Cash Management Fund

***FINANCIAL SECTION***

***BARRE & COMPANY***  
***CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS***

*2204 Morris Avenue, Suite 206*

*Union, New Jersey 07083*

*(908) 686-3484*

*FAX – (908) 686-6055*

**Independent Auditor's Report**

Honorable President  
Members of the School District  
Little Ferry Board of Education  
County of Bergen  
Little Ferry, New Jersey

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the Little Ferry Board of Education (School District), in the County of Bergen, State of New Jersey, as of and for the fiscal year ended June 30, 2012, which collectively comprise the School District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the School District's management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

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

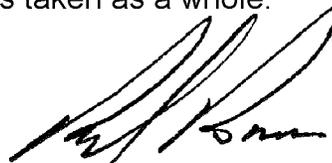
In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information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

In accordance with *Government Auditing Standards*, we have also issued our report dated September 25, 2012 on our consideration of the School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of our audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis and the Budgetary Comparison Information starting on pages 14 and 69, respectively, are not a required part of the basic financial statements but are supplementary information required by the accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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

The accompanying schedules of expenditures of federal awards and state financial assistance are presented for purposes of additional analysis as required by U.S. Office of Management and Budget (OMB) 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,"* respectively, and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relations to the basic financial statements taken as a whole.



Richard M. Barre  
Licensed Public School Accountant  
No. CS-01181  
Barre & Company, CPA's

September 25, 2012

***REQUIRED SUPPLEMENTARY INFORMATION – PART I***

**LITTLE FERRY BOARD OF EDUCATION  
LITTLE FERRY, NEW JERSEY**

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

As management of the Little Ferry Board of Education, we offer readers of the Board's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2012. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal and financial statements, which immediately follow this section.

The Management's Discussion and Analysis (MD&A) is an element of the new reporting model Required Supplementary Information specified in the Governmental Accounting Standards Board's (GASB) Statement No. 34 — *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments* issued in June 1999. Certain comparative information between the current year (2012-2012) and the prior year (2011-2012) is required to be presented in the MD&A.

**Financial Highlights**

Key financial highlights for 2012 are as follows:

- ❖ In total, net assets increased by \$604,901.
- ❖ General revenues accounted for \$19,253,332 in revenue or 94% of all revenues. Program specific revenues in the form of charges for services and operating grants and contributions accounted for \$1,145,474 or 6% of total revenues of \$20,398,806.
- ❖ The School District had \$19,726,655 in expenses; only \$1,145,474 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily taxes) of \$19,253,332 were not adequate to provide for these programs.
- ❖ Among governmental funds, the General Fund had \$18,727,513 in revenues and \$18,417,404 in expenditures. The General Fund's fund balance increased \$310,109 over 2011. This increase was anticipated by the Board of Education.
- ❖ Net assets increased in the Business-Type Activities by \$67,250.
- ❖ For Governmental Activities, total assets decreased by \$131,811 and total liabilities decreased by \$736,712.
- ❖ For Business-Type Activities, total assets increased by \$12,808 and total liabilities decreased by \$54,442.

**LITTLE FERRY BOARD OF EDUCATION  
LITTLE FERRY, NEW JERSEY**

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

**Financial Highlights (Continued)**

- ❖ Amount of repayment in bond principal was \$500,000.
- ❖ The amount invested in Capital Assets, net of related debt, increased as a result of scheduled debt payments and adjustments due to a capital asset appraisal.

**Overview of the Financial Statements**

This annual report consists of five parts: introduction, management's discussion and analysis, the basic financial statements, supplementary information and statistical section. The basic financial statements include two kinds of statements that present different views of the District.

- The first two statements are district-wide financial statements that provide both short-term and long-term information about the District's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the District, reporting the District's operations in more detail than the district-wide statements.
- The governmental funds statements tell how basic services such as instruction were financed in the short-term as well as what remains for future spending.
- Proprietary funds statements offer short and long-term financial information about the activities the District operates like businesses, such as nutritional services.
- Fiduciary funds statements provide information about the financial relationships in which the District acts solely as a trustee or agent for the benefit of others.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplemental information that further explains and supports the financial statements with a comparison of the District's budget for the year.

**LITTLE FERRY BOARD OF EDUCATION  
LITTLE FERRY, NEW JERSEY**

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

**Overview of the Financial Statements (Continued)**

**Figure A-1  
Major Features of District-Wide and Fund Financial Statements**

	District-wide Statements	Fund Financial Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire district (except fiduciary funds)	The activities of the district that are not proprietary or fiduciary, such as special education and building maintenance	Activities the district operates similar to private businesses: food services	Instances in which the district administers resources on behalf of someone else, such as scholarship programs and student activities monies
Required financial statements	*Statement of net assets *Statement of activities	*Balance sheet *Statement of revenues, expenditures, and changes in fund balances	*Statement of net assets *Statement of revenues, expenses, and changes in fund net assets *State of cash flows	*Statement of fiduciary net assets *Statement of changes in fiduciary net assets
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resource focus
Type of assets/liability information	All assets and liabilities, both financial and capital, short-term and long-term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter, no capital assets or long-term liabilities included	All assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both short-term, and long-term. Union Beach School District’s funds do not currently contain capital assets, although they can
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year, expenditures when goods or services have been received and the related liability is due and payable	All revenues and expenses during the year, regardless of when cash is received or paid	All additions and deductions, during the year, regardless of when cash is received or paid

Figure A-1 summarizes the major features of the District’s financial statements, including the portion of the District’s activities they cover and the types of information they contain. The remainder of this overview section of management’s discussion and analysis highlights the structure and contents of each of the statements.

**LITTLE FERRY BOARD OF EDUCATION  
LITTLE FERRY, NEW JERSEY**

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

**Overview of the Financial Statements (Continued)**

***District-wide Statements***

The district-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net assets includes all the District's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two district-wide statements report the District's *net assets* and how they have changed. Net assets – the difference between the District's assets and liabilities – is one way to measure the District's financial health or *position*.

- Over-time, increases or decreases in the District's net assets are an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the District's overall health, one must consider additional nonfinancial factors such as changes in the District's property tax base and the condition of school buildings and other facilities.

In the district-wide financial statements, the District's activities are divided into two categories:

- *Governmental activities*: Most of the District's basic services are included here, such as instruction, transportation, maintenance and operations, and administration. Property taxes and state aid, finances most of these activities.
- *Business-type activities*: The District charges fees to help cover the costs of certain services it provides. The District's nutritional services program is included here.

***Fund Financial Statements***

The fund financial statements provide more detailed information about the District's funds, focusing on its most significant or "major" funds – not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs:

- Some funds are required by state law and by bond covenants.
- The District establishes other funds to control and manage money for particular purposes (such as repaying its long-term debts) or to show that it is properly using certain revenues (such as federal grants).

**LITTLE FERRY BOARD OF EDUCATION  
LITTLE FERRY, NEW JERSEY**

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

**Overview of the Financial Statements (Continued)**

The District has three kinds of funds:

- *Governmental funds*: Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spend in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the district-wide statements, additional information at the bottom of the governmental funds statements explains the relationship (or differences) between them.
- *Proprietary funds*: Services for which the district charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the district-wide statements. The District's *enterprise funds* (one type of proprietary fund) are the same as its business-type activities but provide more detail and additional information such as cash flows. The District uses *internal service funds* (the other kind of proprietary funds) to report activities that provide supplies and services for its other programs and activities.
- *Fiduciary funds*: The District is the agent, or *fiduciary*, for assets that belong to others, such as the student activities funds. The District is responsible for ensuring that the student activities funds. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. The District excludes these activities from the district-wide financial statements because it cannot use these assets to finance its operations.

**Financial Analysis of the School District as a Whole**

Recall that the *Statement of Net Assets* provides the perspective of the School District as a whole. Net assets may serve over time as a useful indicator of a government's financial position. The District's financial position is the product of several financial transactions including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets, and the depreciation of capital assets.

**LITTLE FERRY BOARD OF EDUCATION  
LITTLE FERRY, NEW JERSEY**

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

**Financial Analysis of the School District as a Whole (Continued)**

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

**Table 1  
Net Assets**

	2012	2011
<b>Assets</b>		
Current and Other Assets	\$ 2,056,924	\$ 1,861,575
Capital Assets	<u>6,297,342</u>	<u>6,611,694</u>
<b>Total Assets</b>	<u>8,354,266</u>	<u>8,473,269</u>
<b>Liabilities</b>		
Account and Other Payables	1,212,015	1,396,662
Other Current Liabilities	2,364	8,520
Long-Term Liabilities	<u>669,164</u>	<u>1,269,515</u>
<b>Total Liabilities</b>	<u>1,883,543</u>	<u>2,674,697</u>
<b>Net Assets</b>		
Invested in Capital Assets, Net of Debt	5,628,178	5,342,179
Restricted	411,692	535,327
Unrestricted	<u>430,853</u>	<u>(78,934)</u>
<b>Total Net Assets</b>	<u>\$ 6,470,723</u>	<u>\$ 5,798,572</u>

The District's combined net assets were \$6,470,723 on June 30, 2012, and \$5,798,572 for 2011.

**LITTLE FERRY BOARD OF EDUCATION  
LITTLE FERRY, NEW JERSEY**

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

**Financial Analysis of the School District as a Whole (Continued)**

Table 2 shows changes in net assets for fiscal year 2012 with comparative amounts for 2011.

**Table 2  
Changes in Net Assets**

	2012	2011
<b>Revenues</b>		
Program Revenues:		
Charges for Services	\$ 279,351	\$ 295,263
Operating Grants and Contributions	866,123	886,491
General Revenues:		
Property Taxes	16,548,204	16,296,035
Grants and Entitlements	2,685,580	2,150,288
Other	<u>19,548</u>	<u>34,242</u>
Total Revenues	<u>20,398,806</u>	<u>19,662,319</u>
<b>Program Expenses</b>		
Instruction	7,994,299	7,717,393
Support Services:		
Tuition	6,781,408	6,525,640
Student and Instruction Related	1,405,875	1,466,877
General and Business Administrative	705,203	734,516
School Administrative	424,520	516,693
Plant Operations and Maintenance	1,116,424	1,155,018
Pupil Transportation	628,474	624,349
Capital Outlay	-	9,000
Interest on Long-Term Debt	35,855	47,071
Unallocated Depreciation	307,610	314,872
Food Service/EDCP	<u>326,987</u>	<u>280,654</u>
Total Program Expenses	<u>19,726,655</u>	<u>19,392,083</u>
<b>Changes in Net Assets</b>	<u>\$ 672,151</u>	<u>\$ 270,236</u>

**LITTLE FERRY BOARD OF EDUCATION  
LITTLE FERRY, NEW JERSEY**

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

**Financial Analysis of the School District as a Whole (Continued)**

***Governmental Activities***

The unique nature of property taxes in New Jersey creates the legal requirements to annually seek voter approval for the School District operations. Property taxes made up 83% for 2012 and 84% for 2011 of revenues for governmental activities for the Little Ferry School District. The District's total revenues were \$20,004,569 for the year ended June 30, 2012, and \$19,318,481 for 2011. Federal, state, and local grants and state aid accounted for another 17% for 2012 and 15% for 2011 of revenues which includes \$1,058,105 for 2012 and \$884,155 for 2011 of state reimbursed TPAF pension, social security and post-retirement medical contributions.

The total cost of all programs and services was \$19,399,668 for 2012 and \$19,111,429 for 2011. Instruction comprises 41% for 2012 and 40% for 2011 of District's expenses.

***Business-Type Activities***

Business-type activities are made up of the nutritional services fund and after school program. Revenues for the District's business-type activities (food service and Extended Day Care Program (EDCP)) were comprised of charges for services and federal and state reimbursements.

**FOOD SERVICE**

Revenues exceeded expenses by \$10,429 for 2012 and \$38,045 for 2011.

Charges for services represent \$93,787 for 2012 and \$101,282 for 2011 of revenue. This represents amounts paid by patrons for daily food service.

Federal and state reimbursements for meals, including payments for free and reduced lunches and breakfast, were \$142,430 for 2012 and \$102,621 for 2011.

**EXTENDED DAY CARE PROGRAM**

Revenues exceeded expenses by \$56,821 for 2012 and \$25,139 for 2011.

Charges for services represent \$157,846 for 2012 and \$139,816 for 2011 of revenue. This represents tuition paid by parents for before and after school hours care program.

**LITTLE FERRY BOARD OF EDUCATION  
LITTLE FERRY, NEW JERSEY**

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

**Financial Analysis of the School District as a Whole (Continued)  
Governmental Activities**

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

**Table 3**

	<b>Total Cost of Services</b>	
	<b>2012</b>	<b>2011</b>
Instruction	\$ 7,994,299	\$ 7,717,393
Support Services:		
Tuition	6,781,408	6,525,640
Student and Instruction Related	1,405,875	1,466,877
General and Business Administrative	705,203	734,516
School Administrative	424,520	516,693
Plant Operations and Maintenance	1,116,424	1,155,018
Pupil Transportation	628,474	624,349
Capital Outlay	-	9,000
Interest on Long-Term Debt	35,855	47,071
Unallocated Depreciation	307,610	314,872
<b>Total Expenses</b>	<b>\$ 19,399,668</b>	<b>\$ 19,111,429</b>

	<b>Net Cost of Services</b>	
	<b>2012</b>	<b>2011</b>
Instruction	\$ 7,242,888	\$ 6,906,755
Support Services:		
Tuition	6,781,408	6,525,640
Student and Instruction Related	1,405,875	1,466,877
General and Business Administrative	705,203	734,516
School Administrative	424,520	516,693
Plant Operations and Maintenance	1,116,424	1,155,018
Pupil Transportation	628,474	596,952
Capital Outlay	-	9,000
Interest on Long-Term Debt	35,855	47,071
Unallocated Depreciation	307,610	314,872
<b>Total Expenses</b>	<b>\$ 18,648,257</b>	<b>\$ 18,273,394</b>

**LITTLE FERRY BOARD OF EDUCATION  
LITTLE FERRY, NEW JERSEY**

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

**Financial Analysis of the School District as a Whole (Continued)  
Governmental Activities (Continued)**

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

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

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

Operation and maintenance of facilities 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, as well as to and from school activities, as provided by State law.

“Other” includes special schools and unallocated depreciation.

**Financial Analysis of the School District's Funds**

Information about the District's major funds starts on page 32. All governmental funds (i.e., general fund, special revenue fund, capital projects fund, and debt service fund presented in the fund-based statements) are accounted for using the modified accrual basis of accounting. Total revenues amounted to \$20,004,569 for 2012 and \$19,318,481 for 2011 and expenditures were \$19,719,714 for 2012 and \$19,499,929 for 2011. The net change in fund balance for the year was an increase of \$284,855 for 2012 and a decrease of \$181,448 for 2011. The positive change is most significant in the General Fund, an increase of \$310,109 for 2012 and a decrease of \$196,174 for 2011.

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

**LITTLE FERRY BOARD OF EDUCATION  
LITTLE FERRY, NEW JERSEY**

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

**Financial Analysis of the School District's Funds (Continued)**

<u>Revenues</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) From 2011</u>	<u>Percent of Increase/ (Decrease)</u>
Local Sources	\$ 16,595,296	82.96%	\$ 210,973	1.27%
State Sources	2,712,310	13.56%	442,411	16.31%
Federal Sources	696,963	3.48%	32,704	4.69%
 Total	 <u>\$ 20,004,569</u>	 <u>100.00%</u>	 <u>\$ 686,088</u>	

Local Sources increased by \$210,973. The increase in local revenue was due to a tax increase needed to fund the additional expenditures associated with an increase in enrollment and higher operating costs.

State Sources increased due to additional State aid.

Federal Sources increased due to additional Federal grants funding.

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

<u>Expenditures</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) From 2011</u>	<u>Percent of Increase/ (Decrease)</u>
Current Expense:				
Instruction	\$ 6,751,335	34.24%	\$ 150,171	2.22%
Undistributed	12,378,801	62.77%	104,300	0.84%
Capital Outlay	15,484	0.08%	6,484	41.88%
Debt Service	574,094	2.91%	(41,170)	-7.17%
 Total	 <u>\$ 19,719,714</u>	 <u>100.00%</u>	 <u>\$ 219,785</u>	

Changes in expenditures were the results of varying factors. Current expense decreased due to salaries being frozen, loss of staff and students and reduced health benefits and utility costs.

**LITTLE FERRY BOARD OF EDUCATION  
LITTLE FERRY, NEW JERSEY**

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

**Financial Analysis of the School District's Funds (Continued)**

***General Fund Budgeting Highlights***

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

Over the course of the year, the District revised the annual operating budget several times. Revisions in the budget were made to recognize revenues that were not anticipated and to prevent over-expenditures in specific line item accounts. Several of these revisions bear notation:

- ♣ Interest income was significantly over estimated during budget preparation. Interest rates fell to very low levels during the past year which was attributed to unanticipated economic events.
- ♣ Extraordinary aid, which is state aid for special education students whose individual program cost exceeds \$40,000 per year, was not anticipated as there is no guarantee from the Department of Education that these funds would be available.
- ♣ TPAF, which is the state's contribution to the pension fund, is neither a revenue item nor an expenditure item to the district but is required to be reflected in the financial statements.
- ♣ Tuition for special education students is budgeted based on the existing and known incoming students at the time the budget is submitted. Students move into the District during the summer as well as the school year which necessitates transferring funds to the appropriate account to pay these special education costs.

**LITTLE FERRY BOARD OF EDUCATION  
LITTLE FERRY, NEW JERSEY**

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

**Capital Assets**

At the end of the fiscal year 2012, the School District had \$6,297,342 invested in land, buildings, equipment, and transportation vehicles. Table 4 shows the balances of capital assets (net of depreciation) for fiscal years 2012 and 2011.

**Table 4  
Capital Assets (Net of Depreciation) at June 30,**

	2012	2011
Land	\$ 2,473,220	\$ 2,473,220
Land Improvements	15,963	19,140
Buildings and Buildings Improvements	3,670,052	3,903,745
Machinery and Equipment	138,107	182,930
<b>Total</b>	<b>\$ 6,297,342</b>	<b>\$ 6,579,035</b>

For more detailed information, please refer to the Notes to the Financial Statements.

**Debt Administration**

At June 30, 2012, the School District had \$669,164 of outstanding debt. Of this amount, \$41,500 is for compensated absences; \$77,664 is for intergovernmental loans payable, and \$550,000 is for serial bonds for school construction.

**Table 5  
Outstanding Debt at June 30,**

	2012	2011
2008 General Obligation Bonds	\$ 550,000	\$ 1,050,000
<b>Total</b>	<b>\$ 550,000</b>	<b>\$ 1,050,000</b>

For more detailed information, please refer to the Notes to the Financial Statements.

**Factors Bearing on the District's Future**

At the time these financial statements were prepared and audited, the District was aware of two existing circumstances that could significantly affect its financial health in the future:

- State law and policies regarding taxation and educational funding
- Local property tax pressures

**LITTLE FERRY BOARD OF EDUCATION  
LITTLE FERRY, NEW JERSEY**

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

**Major District Initiatives**

The Little Ferry Public Schools have entered the 21st Century! Over the past several years the district has upgraded its technology infrastructure, upgraded computers and eliminated obsolescent machines, added ceiling projectors Smart boards and added a mobile technology lab.

The district has invested in a new student information system which will be able to provide teachers and administration student data at their fingertips in order to properly track student progress.

The Board of Education and the Borough of Little Ferry are actively engaging in shared services. The board supplies the borough with technology support services when needed and borough has been gracious in the lending of equipment and services through the Department of Public Works. Solar project both at Washington and Memorial Schools in a co-op with the New Jersey Meadowlands Commission consisting of the Little Ferry Board of Education, the Borough of Little Ferry, the Secaucus Board of Education and the Town of Secaucus with no cost to the taxpayers. This initiative will no doubt expand as the year goes on.

The district has commissioned their architect to render drawings and provide us a cost estimate for additional small-group instructional space for our needy and specialized populations.

We are in the planning stages of attempting to add a kitchen area to our existing structure to provide our students with a fresher, more nutritious lunch program.

Despite deep cuts in state aid, the district has been able to maintain most programs with minimal cuts in staff.

**Contracting the District's Financial Management**

This financial report is designed to provide the District's citizen, taxpayers, parents, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Board offices at 130 Liberty Street, Little Ferry, New Jersey 07643.

***BASIC FINANCIAL STATEMENTS***

**SECTION A - 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.*

LITTLE FERRY BOARD OF EDUCATION  
STATEMENT OF NET ASSETS  
JUNE 30, 2012

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS:</b>			
Cash and Cash Equivalents	\$ 689,369	\$ 78,605	\$ 767,974
Capital Reserve	144,828		144,828
Interfund Receivables	561,636	79,659	641,295
Receivables	484,636	18,191	502,827
Capital Assets, Net	6,297,342		6,297,342
<b>Total Assets</b>	<b>8,177,811</b>	<b>176,455</b>	<b>8,354,266</b>
<b>LIABILITIES:</b>			
Interfund Payable	607,273	34,145	641,418
Payable to Federal Government	1,163		1,163
Accounts Payable	564,263	5,171	569,434
Accrued Interest	2,364		2,364
Noncurrent Liabilities:			
Due Within One Year	588,151		588,151
Due Beyond One Year	81,013		81,013
<b>Total Liabilities</b>	<b>1,844,227</b>	<b>39,316</b>	<b>1,883,543</b>
<b>NET ASSETS:</b>			
Invested in Capital Assets, Net of Related Debt	5,628,178		5,628,178
Restricted for:			
General Fund	338,586		338,586
Debt Service Fund	73,106		73,106
Unrestricted	293,714	137,139	430,853
<b>Total Net Assets</b>	<b>\$ 6,333,584</b>	<b>\$ 137,139</b>	<b>\$ 6,470,723</b>

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

LITTLE FERRY BOARD OF EDUCATION  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

Functions/Programs	Expenses	Indirect Expenses Allocation	Program Revenues			Net (Expense) Revenue and Changes In Net Assets		
			Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<b>GOVERNMENTAL ACTIVITIES:</b>								
Instruction:								
Regular	\$ 5,635,246	\$ 1,001,577	\$ 27,718	\$ -	\$ -	\$ (6,609,105)	\$ -	\$ (6,609,105)
Special Education	847,206	175,395		723,693		(298,908)		(298,908)
Other Special Education	239,143	59,668				(298,811)		(298,811)
Other Instruction	29,740	6,324				(36,064)		(36,064)
Support Services:								
Tuition	6,781,408					(6,781,408)		(6,781,408)
Student and Instruction Related Services	1,193,748	212,127				(1,405,875)		(1,405,875)
General and Business Administrative Services	599,590	105,613				(705,203)		(705,203)
School Administrative Services	344,295	80,225				(424,520)		(424,520)
Plant Operations and Maintenance	979,976	136,448				(1,116,424)		(1,116,424)
Pupil Transportation	618,478	9,996				(628,474)		(628,474)
Interest on Long-Term Debt	35,855					(35,855)		(35,855)
Unallocated Depreciation	307,610					(307,610)		(307,610)
Total Governmental Activities	\$ 17,612,295	\$ 1,787,373	\$ 27,718	\$ 723,693	\$ -	\$ (18,648,257)	\$ -	\$ (18,648,257)
<b>BUSINESS-TYPE ACTIVITIES:</b>								
Food Service/EDCP	326,987		251,633	142,430			67,076	67,076
Total Business-Type Activities	326,987		251,633	142,430			67,076	67,076
Total Primary Government	\$ 17,939,282		\$ 279,351	\$ 866,123	\$ -	\$ (18,648,257)	\$ 67,076	\$ (18,581,181)
<b>GENERAL REVENUES:</b>								
Property Taxes Levied For:								
General Purposes						\$ 16,183,644	\$ -	\$ 16,183,644
Debt Service						364,560		364,560
Federal and State Aid Not Restricted						2,685,580		2,685,580
Investment Earnings						826	23	849
Miscellaneous Income						18,548	151	18,699
Total General Revenues						19,253,158	174	19,253,332
Change in Net Assets						604,901	67,250	672,151
Net Assets - Beginning						5,728,683	69,889	5,798,572
Net Assets - Ending						\$ 6,333,584	\$ 137,139	\$ 6,470,723

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

**SECTION B - FUND FINANCIAL STATEMENTS**

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

***GOVERNMENTAL FUNDS***

LITTLE FERRY BOARD OF EDUCATION  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
JUNE 30, 2012

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total
<b>ASSETS:</b>					
Cash and Cash Equivalents	\$ 338,284	\$ 277,979	\$ -	\$ 73,106	\$ 689,369
Capital Reserve Account	144,828				144,828
Interfund Receivables	561,636				561,636
Receivables From Other Governments	149,743	334,893			484,636
<b>Total Assets</b>	<b>\$ 1,194,491</b>	<b>\$ 612,872</b>	<b>\$ -</b>	<b>\$ 73,106</b>	<b>\$ 1,880,469</b>
<b>LIABILITIES AND FUND BALANCES:</b>					
<b>Liabilities:</b>					
Interfund Payables	\$ -	\$ 607,273	\$ -	\$ -	\$ 607,273
Payable to Federal Government		1,163			1,163
Accounts Payable	559,827	4,436			564,263
<b>Total Liabilities</b>	<b>559,827</b>	<b>612,872</b>	<b>-</b>	<b>-</b>	<b>1,172,699</b>
<b>Fund Balances:</b>					
<b>Reserved For:</b>					
Encumbrances	43,758				43,758
Capital Reserve Account	144,828				144,828
Tuition Reserve	150,000				150,000
<b>Unreserved:</b>					
General Fund	296,078				296,078
Debt Service Fund				73,106	73,106
<b>Total Fund Balances</b>	<b>634,664</b>	<b>-</b>	<b>-</b>	<b>73,106</b>	<b>707,770</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 1,194,491</b>	<b>\$ 612,872</b>	<b>\$ -</b>	<b>\$ 73,106</b>	

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 governmental funds. The cost of the assets is \$12,031,405 and the accumulated depreciation is \$5,734,063.	6,297,342
Some liabilities are not due and payable in the current year and therefore are not reported in the funds. Those liabilities consist of accrued interest on bond.	(2,364)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds.	(669,164)
<b>Net Assets of Governmental Activities</b>	<b>\$ 6,333,584</b>

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

LITTLE FERRY BOARD OF EDUCATION  
GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 16,183,644	\$ -	\$ -	\$ 364,560	\$ 16,548,204
Tuition	27,718				27,718
Miscellaneous	18,548				18,548
Total Local Sources	16,230,736	-	-	364,560	16,595,296
State Sources	2,435,630	92,400		184,280	2,712,310
Federal Sources	61,147	635,816			696,963
Total Revenues	18,727,513	728,216	-	548,840	20,004,569
EXPENDITURES:					
Current:					
Instruction:					
Regular	4,955,119	680,127			5,635,246
Special Education	847,206				847,206
Other Special Education	239,143				239,143
Other	29,740				29,740
Support Services and Undistributed Costs:					
Tuition	6,781,408				6,781,408
Student and Instruction Related Services	1,145,659	48,089			1,193,748
General and Business Administrative Services	673,523				673,523
School Administrative Services	344,295				344,295
Plant Operations and Maintenance	979,976				979,976
Pupil Transportation	618,478				618,478
Employee Benefits	1,787,373				1,787,373
Capital Outlay	15,484				15,484
Debt Service:					
Interest				37,243	37,243
Principal				536,851	536,851
Total Expenditures	18,417,404	728,216	-	574,094	19,719,714
Excess (Deficiency) of Revenues Over (Under) Expenditures	310,109	-	-	(25,254)	284,855
OTHER FINANCING SOURCES (USES):					
Interfund Transfers:					
Transfers In				83,043	83,043
Transfers Out			(83,043)		(83,043)
Total Other Financing Sources (Uses)	-	-	(83,043)	83,043	-
NET CHANGE IN FUND BALANCES	310,109	-	(83,043)	57,789	284,855
FUND BALANCES, JULY 1	324,555	-	83,043	15,317	422,915
FUND BALANCES, JUNE 30	\$ 634,664	\$ -	\$ -	\$ 73,106	\$ 707,770

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

LITTLE FERRY BOARD OF EDUCATION  
 RECONCILIATION OF THE STATEMENTS 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 (B-2) \$ 284,855

Amounts reported for governmental activities in the statement of activities  
 (A-2) are different because:

Capital outlays are reported in governmental funds as expenditures. However, on the statement of activities, the cost of those assets which are capitalized are allocated over their estimated useful lives as depreciation expense in the current fiscal year.

Depreciation Expense	\$ (307,610)	
Capital Outlay	<u>25,917</u>	(281,693)

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.

536,851

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

63,500

In the statement of activities, interest on long-term debt is accrued, regardless of when due. In the governmental funds, interest is reported when due. The accrued interest net is an addition in the reconciliation.

1,388

Change in net assets of governmental activities

\$ 604,901

***PROPRIETARY FUNDS***

LITTLE FERRY BOARD OF EDUCATION  
 PROPRIETARY FUND  
 STATEMENT OF NET ASSETS  
 JUNE 30, 2012

	Business- Type Activities - Enterprise Funds		
	Food Service	EDCP	Totals
ASSETS:			
Cash and Cash Equivalents	\$ 4,944	\$ 73,661	\$ 78,605
Due From Other Funds	79,659		79,659
Receivables from Other Governments	18,191		18,191
 Total Assets	 <u>\$ 102,794</u>	 <u>\$ 73,661</u>	 <u>\$ 176,455</u>
LIABILITIES AND NET ASSETS:			
Liabilities:			
Interfund Accounts Payable	\$ -	\$ 34,145	\$ 34,145
Accounts Payable	5,171		5,171
 Total Liabilities	 <u>5,171</u>	 <u>34,145</u>	 <u>39,316</u>
Net Assets:			
Unrestricted	<u>97,623</u>	<u>39,516</u>	<u>137,139</u>
 Total Net Assets	 <u>97,623</u>	 <u>39,516</u>	 <u>137,139</u>
 Total Liabilities and Net Assets	 <u>\$ 102,794</u>	 <u>\$ 73,661</u>	 <u>\$ 176,455</u>

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

LITTLE FERRY BOARD OF EDUCATION  
 PROPRIETARY FUND  
 STATEMENT OF REVENUES, EXPENSES,  
 AND CHANGES IN FUND NET ASSETS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Business-Type Activities - Enterprise Funds		
	Food Service	EDCP	Totals
OPERATING REVENUES:			
Charges for Services:			
Tuition	\$ -	\$ 157,846	\$ 157,846
Daily Sales Reimbursable Program	93,787		93,787
Miscellaneous	151		151
Total Operating Revenues	<u>93,938</u>	<u>157,846</u>	<u>251,784</u>
OPERATING EXPENSES:			
Salaries		90,071	90,071
Other Purchased Services	3,663	369	4,032
Supplies and Materials	4,471	10,604	15,075
Cost of Sales	216,524		216,524
Miscellaneous Expenditures	1,285		1,285
Total Operating Expenses	<u>225,943</u>	<u>101,044</u>	<u>326,987</u>
OPERATING INCOME (LOSS)	<u>(132,005)</u>	<u>56,802</u>	<u>(75,203)</u>
NONOPERATING REVENUES:			
Interest Earned	4	19	23
State Sources:			
State Lunch Program	3,492		3,492
Federal Sources:			
Federal Lunch Program	127,944		127,944
Federal Breakfast Program	10,994		10,994
Total Nonoperating Revenues	<u>142,434</u>	<u>19</u>	<u>142,453</u>
CHANGE IN NET ASSETS	10,429	56,821	67,250
TOTAL NET ASSETS - JULY 1	<u>87,194</u>	<u>(17,305)</u>	<u>69,889</u>
TOTAL NET ASSETS - JUNE 30	<u>\$ 97,623</u>	<u>\$ 39,516</u>	<u>\$ 137,139</u>

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

LITTLE FERRY BOARD OF EDUCATION  
 PROPRIETARY FUND  
 STATEMENT OF CASH FLOWS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Business-Type Activities - Enterprise Funds		
	Food Service	EDCP	Totals
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Cash Received from Customers	\$ 76,784	\$ 157,846	\$ 234,630
Cash Payments to Suppliers and Employees	(228,212)	(153,217)	(381,429)
Net Cash Provided By (Used In) Operating Activities	(151,428)	4,629	(146,799)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>			
Cash Received From State And Federal Reimbursements	142,430		142,430
Net Cash Provided By Noncapital Financing Activities	142,430	-	142,430
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Interest on Deposits and Investments	4	19	23
Net Cash Provided By Investing Activities	4	19	23
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>			
Write Off of Fixed Assets	32,659	-	32,659
Net Cash Provided By Capital And Related Financing Activities	32,659	-	32,659
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>23,665</b>	<b>4,648</b>	<b>28,313</b>
<b>CASH AND CASH EQUIVALENTS (DEFICIT), JULY 1</b>	<b>(18,721)</b>	<b>69,013</b>	<b>50,292</b>
<b>CASH AND CASH EQUIVALENTS, JUNE 30</b>	<b>\$ 4,944</b>	<b>\$ 73,661</b>	<b>\$ 78,605</b>
<b>Reconciliation of Operating Income (Loss) to</b>			
<b>Net Cash Provided By (Used In) Operating Activities:</b>			
Operating Income (Loss)	\$ (132,005)	\$ 56,802	\$ (75,203)
<b>Change In Assets And Liabilities:</b>			
Increase In Due From Other Funds	(19,006)		(19,006)
Increase In Receivables From Other Governments	1,852		1,852
Decrease In Interfund Payable		(52,024)	(52,024)
Decrease In Accounts Payable	(2,269)	(149)	(2,418)
Net Cash Provided By (Used In) Operating Activities	\$ (151,428)	\$ 4,629	\$ (146,799)

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

***FIDUCIARY FUNDS***



LITTLE FERRY BOARD OF EDUCATION  
 FIDUCIARY NET ASSETS  
 STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Unemployment Compensation Insurance
ADDITIONS:	
Interest	<u>\$          1</u>
Total Additions	<u>          1</u>
DEDUCTIONS:	
Expenditures	<u>          -</u>
Total Deductions	<u>          -</u>
CHANGE IN NET ASSETS	1
NET ASSETS - BEGINNING OF YEAR	<u>         1,033</u>
NET ASSETS - END OF YEAR	<u><u>         \$  1,034</u></u>

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

***NOTES TO THE FINANCIAL STATEMENTS***

**LITTLE FERRY BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2012**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**A. Reporting Entity**

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

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

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

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

During the fiscal year ended June 30, 2003, the District implemented a new financial reporting model, as required by the Provisions of Governmental Accounting Standards Board (GASB) Statement No. 34, Basic Financial Statements and Management's Discussion and Analysis – for State and Local Governments.

LITTLE FERRY BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2012

NOTE 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**B. Government-wide and Fund Financial Statements**

The Government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the Board of Education. For the most part, the effect of interfund activity has been removed from these statements. *Government activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segments are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or other governmental entities, including other school districts, who purchase, use, or directly benefit from goods or services provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes unrestricted state aid and other items not properly included among program revenues are reported instead as *general revenues*.

Special financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise fund are reported as separate columns in the fund financial statements.

**C. Measurement Focus, Basis of Accounting and Financial Statement Presentation**

The government-wide financial statements are reported using the *economic resources measurement focus* and *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. All assets and all liabilities associated with these operations (with the exception of the fiduciary funds) are included on the Statement of Net Assets. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year of which they are levied. Grants and similar items are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

LITTLE FERRY BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2012

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Under this measurement focus and basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they are both measurable and available). Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Board considers revenues to be available if they are collected within 60 days after year-end. Expenditures are recorded when a liability is incurred, as under accrual basis of accounting, with the exception of debt service expenditures, which are recorded when payment is due and compensated absences and claims and judgments which are recorded only to the extent that there are expendable financial resources available.

Property taxes, tuition, unrestricted state aid, and interest associated with current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the District.

The District reports the following major governmental funds:

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

LITTLE FERRY BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2012

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

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

Capital Projects Fund: The capital project fund account for the proceeds from the sale of bonds, lease purchases, and other revenues used for the acquisition or construction of major capital facilities.

Debt Service Fund: .The debt service fund account for the accumulation of resources for and the payment of principal and interest on long-term general obligation debt of governmental funds.

The District reports the following major proprietary funds, which are organized to be self-supporting through user charges:

Food Service Fund: The food service fund account for the activities of the school cafeteria, which provides food service to students as well as a la carte and catering services for teachers and special events.

Extended Day Care Program Fund: The extended day care program fund account for the activities of the District's before and after school hours care program.

Additionally, the District reports the following fund type:

Fiduciary Funds: The fiduciary funds are used to account for assets held by the District on behalf of others and include the Student Activities Fund, Payroll Agency Fund, and Unemployment Compensation Trust Fund. There is no requirement that any portion of these resources be preserved as capital.

LITTLE FERRY BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2012

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

Private-sector standards of accounting and financial reporting issued by the Financial Accounting Standards Board (FASB) prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board (GASB). Governments also have the *option* of the following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The Board has elected not to follow FASB guidance issued subsequent to December 1, 1989.

As general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges to the Board's proprietary funds and fiduciary funds. Elimination of these charges would distort costs and program revenues reported for the various functions concerned.

Amounts reported as *program revenues* in the District-wide statement of activities include 1) charges to customers or applicants for goods or services, provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes and unrestricted state aid.

Proprietary funds distinguish *operating* revenues and expense from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the food service enterprise fund and of the extended day care program enterprise fund are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. Federal and State subsidies for the food service operation are considered nonoperating revenues.

LITTLE FERRY BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2012

NOTE 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Assets, Liabilities and Net Assets or Equity**

**1. Deposits and Investments**

Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Investments are reported at fair value and are limited by N.J.S.A. 18A:20-37.

**2. Receivables and Payables**

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the non-current portion of interfund-loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds". Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

All receivables are reported at their gross value, and where appropriate, are reduced by the estimated portion that is expected to be uncollectable.

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

*Tuition Expenditures* – Tuition charges for the fiscal year 2011-2012 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been certified by the state.

Property taxes are levied pursuant to law, are collected by the municipality, and are transferred to the Board of Education. The tax bills are mailed by the municipal tax collector and are due in four quarterly installments on February 1, May 1, August 1, and November 1.

**LITTLE FERRY BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2012**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Assets, Liabilities, and Net Assets or Equity (Continued)**

**3. Inventories and Prepaid Items**

The costs of inventories of the governmental fund types are recorded as expenditures at the time individual inventory items are purchased.

Food Service Enterprise Fund inventories, exclusive of the federal commodities, are valued at cost, using the first-in first-out (FIFO) method. The United States Department of Agriculture (USDA) commodity portion of the Food Service Fund inventory consists of food donated by the USDA. It is valued at estimated market prices by the USDA. The amount of unused commodities at year-end is reported as deferred revenue.

**4. Capital Assets**

Capital assets, which include property, plant, and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Board as assets with an initial, individual cost of \$2,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost of estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The cost normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Property, plant, and equipment of the primary government, as well as the component units, are depreciated using the straight line method over the following estimated useful lives.

<b><u>Asset Class</u></b>	<b><u>Estimated Useful Lives</u></b>
School Buildings	40
Building	15
Improvements	10
Vehicles	5 – 10
Office equipment	5
Computer Equipment	

LITTLE FERRY BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2012

NOTE 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Assets, Liabilities, and Net Assets or Equity (Continued)**

**5. Compensated Absences**

The District accounts for compensated absences as directed by Governmental Accounting Standards Board Statement No. 16 (GASB 16), "Accounting for Compensated Absences". Accumulated sick leave and vacation benefits are accrued as a liability as the benefits are earned if the employee's rights to receive compensation are attributable to services already rendered and it is probably that the School District will compensate the employee for the benefits. Sick leave, vacation benefits and salary related payments are expected to be liquidated with expendable available financial resources are reported as an expenditure and a fund liability by the governmental fund that will pay it. Accumulated sick leave, vacation benefits and salary related payments are accrued when incurred in the government-wide and proprietary fund financial statements.

**6. Long Term Obligations**

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets.

**7. Fund Equity**

Reservations/Designations of fund balances of governmental funds are created to either 1) satisfy legal covenants that require a portion of the fund balance to be segregated or 2) identify the portion of the fund balance that is appropriated for future expenditures. Specific reservations/designations of the fund balance accounts are summarized below:

**Reserved for Encumbrances** – This reserve was created to represent encumbrances outstanding at the end of the year based on purchase orders and contracts awarded for which the goods or services have not yet been received at June 30.

**Reserved for Capital Reserve Account** – This reserve was created by budget appropriation to fund future capital expenditures (See Note 2C).

LITTLE FERRY BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2012

NOTE 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Assets, Liabilities, and Net Assets or Equity (Continued)**

**Fund Equity (Continued)**

**Reserved for Obligations Under Capital Leases** – Proceeds of the lease purchase certificates of participation held by the Trustee to offset final principal payments due on the certificates.

**Designated for Subsequent Year's Budget** – This designation was created to dedicate the portion of fund balance utilized in the adopted subsequent year's budget.

NOTE 2: **STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

**A. Budgetary Information**

In accordance with the requirement of the New Jersey Department of Education, the District annually prepares its operating budget for the forthcoming year. The budget, except for the special revenue fund, which is more fully explained below, is prepared in accordance with accounting principles generally accepted in the United States of America and reserves as a formal plan for expenditures and the proposed means for financing them.

The annual budget is adopted in the spring of the preceding year for the general, special revenue and debt service funds. The budget is submitted to the county superintendent and is voted upon at the annual school election on the third Tuesday in April. Budget adoptions and amendments are recorded in the District's board minutes. The budget is amended by the Board of Trustees as needed throughout the year. The budget for revenues, other sources, other uses, and fund balances is prepared by fund source and amount. The budget for expenditures is prepared by fund, program, function, object, and amount. The legal level of budgetary control is established at the line item account 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. The Board approved several budget transfers during 2011-2012.

**LITTLE FERRY BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2012**

**NOTE 2: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

**Budgetary Information (Continued)**

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

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

The following presents a reconciliation of the special revenue funds from the budgetary basis of accounting:

Total Revenues & Expenditures (Budgetary Basis)	\$ 728,216
Adjustments:	
Less Encumbrances at June 30, 2012	-
Plus Encumbrances at June 30, 2011	-
Total Revenues and Expenditures (GAAP Basis)	<u>\$ 728,216</u>

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

**LITTLE FERRY BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2012**

**NOTE 2: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

**B. Capital Reserve Account**

A capital reserve account was established by the District on December 15, 2000. The accumulation of funds will be used for 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 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) and updated annually in the Quality Assurance Annual Report (QAAR). Upon submission of the LRFP to the department, a district may deposit funds into the capital reserve at any time upon board resolution through the transfer of undesignated, unreserved general fund balance or of excess undesignated, unreserved general fund balance that is anticipated in the budget certified for taxes. Pursuant to N.J.A.C. 6-23A-5.1(d)7, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

**NOTE 3: DETAILED NOTES ON ALL FUNDS**

**A. Deposits and Investments**

Deposits

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

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

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

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

**LITTLE FERRY BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2012**

**NOTE 3: DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**Deposits and Investments (Continued)**

Deposits (Continued)

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

Investments

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

- a. Bonds or other obligations of the United States or obligations guaranteed by the United States of America.
- b. Government Money Market Mutual Funds.
- c. Any obligations that a federal agency or a federal instrumentality has issued, 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.
- d. Bonds or other obligations of the school district or bonds or other obligations of the local unit or units which the school district is located.
- e. Bonds or other obligations, having a maturity date of not more than 397 days from the date of purchase that are approved by the New Jersey Department of Treasury, Division of Investments.
- f. Local Government investment pools.
- g. Agreements or the repurchase of fully collateralized securities, if transacted in accordance with N.J.S.A. 18A:20-37.

As of June 30, 2012, cash and cash equivalents and investments of the District consisted of the following:

	<u>General Fund</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Proprietary Fund</u>	<u>Fiduciary Funds</u>	<u>Total</u>
Operating Account	<u>\$483,112</u>	<u>\$277,979</u>	<u>\$73,106</u>	<u>\$ 78,605</u>	<u>\$74,413</u>	<u>\$987,215</u>

LITTLE FERRY BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2012

NOTE 3: **DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**Deposits and Investments (Continued)**

Investments (Continued)

The investments recorded in the District-wide statements have been recorded at amortized cost. In accordance with GASB 31, participating interest earning investment contracts that have a remaining maturity at the time of purchase of one year or less may be reported at amortized cost. For those securities purchased more than one year from the maturity date, the difference between the carrying amount and market value is not material to the District-wide statements. The carrying amount of the Board's cash and cash equivalents at June 30, 2012 was \$987,215 and the bank balance was \$1,716,361. All bank balances were covered by federal depository insurance and/or covered by a collateral pool maintained by the banks as required by New Jersey statutes.

Risk Category

All bank deposits, as of the balance sheet date, are entirely insured or collateralized by a collateral pool maintained by public depositories as required by the Governmental Unit Deposit Protection Act. In general, bank deposits are classified as to credit risk by three categories described below:

Category 1 — Insured or collateralized with securities held by the Board or by its agent in the Board's name.

Category 2 — Collateralized with securities held by the pledging public depository's trust department or agent in the Board's name.

Category 3 — Uncollateralized, including any deposits that are collateralized with securities held by the pledging public depository, or by its trust department or agent, but not in the Board's name.

As of June 30, 2012, the Board had funds invested and on deposit in checking accounts and New Jersey ARM. These funds constitute "deposits with financial institutions" as defined by GASB Statement No. 3 and are classified as Category 1, both at year-end and throughout the year.

LITTLE FERRY BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2012

NOTE 3: DETAILED NOTES ON ALL FUNDS (CONTINUED)

Deposits and Investments (Continued)

New Jersey Cash Management Fund

All investments in the Fund are governed by the regulations of the Investment Council, which prescribe specific standards designed to insure the quality of investments and to minimize the risks related to investments. In all the years of the Division of Investment's existence, the Division has never suffered a default of principal or interest on any short-term security held by it due to the bankruptcy of a securities issuer; nevertheless, the possibility always exists, and for this reason a reserve is being accumulated as additional protection for the "Other-than-State" participants. In addition to the Council regulations, the Division sets further standards for specific investments and monitors the credit of all eligible securities issuers on a regular basis.

As of June 30, 2012, the District had \$144,828 on deposit with the New Jersey Cash Management Fund.

**B. Receivables**

Receivables at June 30, 2012, consisted of accounts (tuition), intergovernmental, grants, and miscellaneous.

All receivables are considered collectible in full. A summary of the principal items of intergovernmental receivables follows:

	Governmental Fund Financial Statements	Governmental Wide Financial Statements
State Aid	\$ 154,628	\$ 155,044
Federal Aid	330,008	347,783
Other	-	-
Gross Receivables	484,636	502,827
Less: Allowance for Uncollectibles	-	-
Total Receivables, Net	<u>\$ 484,636</u>	<u>\$ 502,827</u>

**LITTLE FERRY BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2012**

**NOTE 3: DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**C. Capital Assets**

Capital asset activity based on an independent appraisal for the year ended June 30, 2012 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
<b>Governmental Activities:</b>				
<i>Capital Assets Not Being Depreciated:</i>				
Land	\$ 2,473,220	\$ -	\$ -	\$ 2,473,220
Total Capital Assets Not Being Depreciated	<u>2,473,220</u>	<u>-</u>	<u>-</u>	<u>2,473,220</u>
<i>Capital Assets Being Depreciated:</i>				
Site Improvements	170,968	-	-	170,968
Building and Building Improvements	8,192,912	-	-	8,192,912
Machinery and Equipment	1,168,388	25,917	-	1,194,305
Totals at Historical Cost	<u>9,532,268</u>	<u>25,917</u>	<u>-</u>	<u>9,558,185</u>
Less Accumulated Depreciation For:				
Site Improvements	151,828	3,177	-	155,005
Building and Building Improvements	4,289,167	233,693	-	4,522,860
Machinery and Equipment	985,458	70,740	-	1,056,198
Total Accumulated Depreciation	<u>5,426,453</u>	<u>307,610</u>	<u>-</u>	<u>5,734,063</u>
Total Capital Assets Being Depreciated, Net of Accumulated Depreciation	<u>4,105,815</u>	<u>(281,693)</u>	<u>-</u>	<u>3,824,122</u>
Government Activity Capital Assets, Net	<u>\$ 6,579,035</u>	<u>\$ (281,693)</u>	<u>\$ -</u>	<u>\$ 6,297,342</u>
<b>Business-Type Activities:</b>				
<i>Capital Assets Being Depreciated:</i>				
Machinery and Equipment	\$ 39,209	\$ -	\$ 39,209	\$ -
Less Accumulated Depreciation	(6,550)	-	(6,550)	-
Enterprise Fund Capital Assets, Net	<u>\$ 32,659</u>	<u>\$ -</u>	<u>\$ 32,659</u>	<u>\$ -</u>

On January 11, 2001, the NJ State Department of Education announced that effective July 1, 2001, the capitalization threshold used by school districts in the State of New Jersey is increased to \$2,000. The previous threshold was \$500. Applying the higher capitalization threshold retroactively (removal of old assets from the General Fixed Assets Account Group) will be permitted by the State regulations in situations where (1) the assets have been fully depreciated, or (2) the assets have exceeded their useful lives. The retirement of machinery and equipment is due to the retroactive application of the higher threshold of equipment capitalization. That is, the District has removed from their records assets with a historical cost greater than \$500 but not greater than \$2,000 that were fully depreciated or had exceeded their useful lives.

Depreciation expense was charged to functions as follows:

Unallocated	<u>\$ 307,610</u>
Total	<u>\$ 307,610</u>

It was decided to write off the fixed assets of the Food Service Fund because they do not belong to the school but to the Carlstadt-East Rutherford Regional Board of Education who provides the lunch service.

**LITTLE FERRY BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2012**

**NOTE 3: DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**D. Interfund Receivables, Payables, and Transfers**

The following interfund balances remained on the fund financial statements at June 30, 2012:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 561,636	\$ -
Special Revenue Fund		607,273
Proprietary Fund	79,659	34,145
Fiduciary Fund	123	
Total	<u>\$ 641,418</u>	<u>\$ 641,418</u>

**E. Long-Term Obligations**

Long-Term Obligation Activity

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

	Balance			Balance	Amounts
	July 1, 2011	Increase	Decrease	June 30, 2012	Due Within One Year
Bonds Payable	\$ 1,050,000	\$ -	\$ 500,000	\$ 550,000	\$ 550,000
Intergovernmental					
Loans Payable	114,515	-	36,851	77,664	38,151
Compensated Absences					
Payable	105,000	9,000	72,500	41,500	-
Total	<u>\$ 1,269,515</u>	<u>\$ 9,000</u>	<u>\$ 609,351</u>	<u>\$ 669,164</u>	<u>\$ 588,151</u>

Compensated absences have been liquidated in the General Fund.

**LITTLE FERRY BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2012**

**NOTE 3: DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**Long-Term Obligation (Continued)**

Debt Service Requirements

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

Bonds payable at June 30, 2012 are comprised of the following issues:

\$2,400,000 Bonds dated June 15, 2008 with interest rates between 2.5% and 3.25% and due on June 15, 2013. \$ 550,000

With Debt Service Aid assumed at 40%, total aid for the issue is estimated at \$1,231,600.

Principal and interest due on these bonds outstanding are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2013	<u>\$ 550,000</u>	<u>\$ 17,855</u>	<u>\$ 567,855</u>
	<u>\$ 550,000</u>	<u>\$ 17,855</u>	<u>\$ 567,855</u>

Loans Payable at June 30, 2012 were:

\$431,250, Small Project Loan due semi-annually with installments of \$16,029 to \$31,949 through July 2013 with interest at 5.288%. \$ 62,534

\$143,750, Safe Project Loan due semi-annually with installments of \$7,566 through July 2013 with interest at 1.5%. \$ 15,130

LITTLE FERRY BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2012

NOTE 3: **DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**Long-Term Obligation (Continued)**

Debt Service Requirements (Continued)

Principal and interest due on loans outstanding is as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2013	\$ 38,151	\$ 2,668	\$ 40,819
2014	39,513	901	40,414
	<u>\$ 77,664</u>	<u>\$ 3,569</u>	<u>\$ 81,233</u>

**F. Bonds Authorized But Not Issued**

As of June 30, 2012, the District had no authorized but not issued bonds.

**G. Risk Management**

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

Property and Liability Insurance

The district maintains commercial insurance coverage for property, liability, student accident, and surety bonds. A complete schedule of insurance coverage can be found in the Statistical Section of this report.

**H. Contingent Liabilities**

Grant Programs

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

**LITTLE FERRY BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2012**

**NOTE 4: OTHER INFORMATION**

**A. Employee Retirement Systems and Pension Plans**

Description of Plans

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

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 coverage including post retirement health care to substantially all full time public school employees in the State. Membership is mandatory for such employees and vesting occurs after 8 to 10 years of service for pension benefits and 25 years for health care coverage. Members are eligible for retirement at age 60 (55 for Veterans of military service, Ch. 133, P.L. 2001) with an annual benefit generally determined to be 1/60<sup>th</sup> (amended to 1/55<sup>th</sup> as of November 1, 2001), Ch. 133 P.L. 2001) of the average annual compensation for the highest three fiscal years' compensation for each year of membership during years of creditable service. Early retirement is available to those under age 60 with 25 or more years of credited service. Anyone who retires early and is under age 55 receives retirement benefits as calculated in the above-mentioned formula but at a reduced rate (one quarter of one percent for each month the member lacks of attaining age 55).

Public Employees' Retirement System (PERS)

The Public Employees' Retirement System was established as of January 1, 1955 under the provisions of N.J.S.A. 43:15A to provide coverage including post-retirement health care to substantially all full time employees of the State or any county, municipality, school district or public agency provided the employee is not a member of another State administered retirement system. Membership is mandatory for such employees and vesting occurs after 8 to 10 years of service and 25 years for health care coverage. Members are eligible for retirement at age 60

LITTLE FERRY BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2012

NOTE 4: OTHER INFORMATION (CONTINUED)

Employee Retirement Systems and Pension Plans (Continued)

Public Employees' Retirement System (PERS) (Continued)

(55 for Veterans of military service, Ch. 133, P.L. 2001) with an annual benefit generally determined to be  $1/60^{\text{th}}$  (amended to  $1/55^{\text{th}}$  as of November 1, 2001, Ch. 133, P.L. 2001) of the coverage annual compensation for the highest three fiscal years' compensation for each year of membership during years of creditable service. Early retirement is available to those under age 60 with 25 or more years of credited service. Anyone who retires early and is under 55 receives retirement benefits as calculated in the above-mentioned formula but at a reduced rate (one quarter of one percent for each month the member lacks of attaining age 55).

The State of New Jersey, Department of the Treasury, Division of Pensions, and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information for TPAF and PERS. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey 08625-0295.

Significant Legislation

Effective November 1, 2001, Chapter 133, Public Law of 2001 increases the retirement benefits under the Teachers' Pension and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS) for service, deferred and early retirement by changing the formula from  $1/70$  to  $1/64$  of final compensation for each year of Class A Service and from  $1/60$  to  $1/55$  of final compensation for each year of Class B Service. The law also, increases the retirement benefit for TPAF and PERS veteran member with 35 or more years of service and reduces the age qualification for this veteran retirement benefit from 60 to 55. The law further provides that existing retirees and beneficiaries whose retirement allowance is based on a service, deferred, early, or 35-year veteran retirement, would also receive a comparable percentage increase in their retirement allowances (9/09%). This law also provides up to a 2% reduction in TPAF member contributions from the normal contribution rate of 5% beginning with calendar year 2002. After calendar year 2002, the rate of contribution will be reduced equally with employer normal contributions, but not by more than 2%, from excess valuation assets if the State Treasurer determines that excess valuation assets will be used to reduce normal contributions by the State. This change provides that future reductions in TPAF and PERS member contribution rates will be calculated in a similar fashion.

LITTLE FERRY BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2012

NOTE 4: OTHER INFORMATION (CONTINUED)

Employee Retirement Systems and Pension Plans (Continued)

Significant Legislation (Continued)

To fund the additional accrued liability for the increase benefits, the law provides that the actuarial value of assets for both TPAF and PERS, for the valuation period ending June 30, 1999, will be the full market value of the assets as of that date.

To fund the additional annual employer normal contribution for the increase benefits, the law establishes a benefit enhancement fund for both TPAF which would be funded by excess valuation assets beginning with the valuation period ending June 30, 1999. The amount of excess assets credited to the fund cannot exceed the amount of member contributions for the fiscal year in which the normal contributions are payable.

From fiscal year 1997 to fiscal year 2003, State and local government employers were not required to make contributions to the pension funds. The use of surplus pension assets replaced the annual payments that would otherwise have been made by employers. Subsequent law, P.L.2003, c.108, led to the resumption of contributions, on a phased-in approach. In 2009, employer contributions to PERS were further amended by P.L.2009, c.19.

Funding Policy

The contribution policy is set by New Jersey State Statutes and contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. TPAF provides for a current employee contribution rate of 4/5% of employees' annual compensation, as define. Chapter 415, P.L. 1999 provided for a reduction in the PERS employee contributions rate from 5% to 3%. Prior to January 1, 2001, the employee contribution rate was set at 4.5% in accordance with Chapter 115, P.L. 1997 which lowered the contribution rate by ½ to 1% for calendar years 1998 and 1999. Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The actuarially determined contribution includes funding for cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums. Under current statute, the Board is a non-contributing employer of the TPAF.

LITTLE FERRY BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2012

NOTE 4: OTHER INFORMATION (CONTINUED)

Employee Retirement Systems and Pension Plans (Continued)

Funding Policy (Continued)

Three-Year Trend Information for PERS			
Year Funding	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/12	\$134,954	100%	\$134,954
6/30/11	\$116,148	100%	\$116,148
6/30/10	\$85,010	100%	\$85,010

Three-Year Trend Information for TPAF (Paid on-behalf of the District)			
Year Funding	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/12	\$611,240	100%	None
6/30/11	\$430,451	100%	None
6/30/10	\$392,330	100%	None

During the year ended June 30, 2012, the State of New Jersey contributed \$203,052 to the TPAF for normal cost pension contribution and \$408,188 to the post-retirement medical benefits on behalf of the District. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$446,865 during the year ended June 30, 2012 for the employer's share of social security contributions for TPAF members, as calculated on their base salaries. These amounts have been included in the basic financial statements, and the combining and individual fund statements and schedules as a revenue and expenditure in accordance with GASB No. 24.

**B. Post-Retirement Benefits**

P.L. 1987, c. 384 and P.L. 1990, c.6 required Teachers' Pensions and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retire educational employees. As of June 30, 2011,

LITTLE FERRY BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2012

NOTE 4: **OTHER INFORMATION (CONTINUED)**

**Post-Retirement Benefits (Continued)**

there were 93,323 retirees receiving post-retirement medical benefits. The cost of these benefits is funded through contributions by the State in accordance by the State in accordance with P.L. 1994, c.62. Funding of post-retirement premiums changed from a pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

The State is also responsible for the cost attributable to P.L. 1992 c.126, which provides free health benefits to member 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.

**C. Fund Balance Appropriated**

**General Fund**

Of the \$634,664 General Fund fund balance at June 30, 2012, \$43,758 is reserved for encumbrances; \$144,828 is reserved for capital reserve account; \$150,000 is reserved for future tuition adjustments; and \$296,078 is an unreserved and undesignated.

**Debt Service Fund**

Of the \$73,106 Debt Service Fund fund balance at June 30, 2012, this amount is unreserved and designated.

**D. Calculation of Excess Surplus**

In accordance with N.J.S.A. 18A:7F-7, the Reserved Fund Balance – Excess Surplus is required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. At June 30, 2012, there is no excess fund balance.

***REQUIRED SUPPLEMENTARY INFORMATION – PART II***

***SECTION C - BUDGETARY COMPARISON SCHEDULES***

LITTLE FERRY BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
<b>REVENUES:</b>					
Local Sources:					
Local Tax Levy	\$ 16,183,641	\$ 3	\$ 16,183,644	\$ 16,183,644	\$ -
Tuition	27,118		27,118	27,718	600
Earnings on Investments	2,600		2,600	826	(1,774)
Other Revenues from Local Sources	10,000		10,000	18,548	8,548
<b>Total Local Sources</b>	<b>16,223,359</b>	<b>3</b>	<b>16,223,362</b>	<b>16,230,736</b>	<b>7,374</b>
State Sources:					
Special Education Aid	731,643		731,643	731,643	-
Extraordinary Aid	64,769	84,974	149,743	149,743	-
Equalization Aid	529,198	(10,792)	518,406	518,406	-
Security Aid		10,792	10,792	10,792	-
Other Unrestricted State Aid		342	342	342	-
On-Behalf TPAF Pension Contributions				203,052	203,052
On-Behalf TPAF Post Retirement Medical Contributions				408,188	408,188
Reimbursed TPAF Social Security Contributions				446,865	446,865
<b>Total State Sources</b>	<b>1,325,610</b>	<b>85,316</b>	<b>1,410,926</b>	<b>2,469,031</b>	<b>1,058,105</b>
Federal Sources:					
Education Jobs Grant	59,290	1,857	61,147	61,147	-
<b>Total Federal Sources</b>	<b>59,290</b>	<b>1,857</b>	<b>61,147</b>	<b>61,147</b>	<b>-</b>
<b>Total Revenues</b>	<b>17,608,259</b>	<b>87,176</b>	<b>17,695,435</b>	<b>18,760,914</b>	<b>1,065,479</b>
<b>EXPENDITURES:</b>					
Current Expenses:					
Instruction:					
Regular Programs - Instruction:					
Salaries of Teachers:					
Preschool/Kindergarten	163,536	(105,572)	57,964	57,964	-
Kindergarten	259,686	(4,500)	255,186	255,032	154
Grades 1-5	1,983,717	4,500	1,988,217	1,956,342	31,875
Grades 6-8	1,475,244	(103,877)	1,371,367	1,370,965	402
Home Instruction	15,000	(3,805)	11,195	8,061	3,134
<b>Total Regular Programs - Instruction</b>	<b>3,897,183</b>	<b>(213,254)</b>	<b>3,683,929</b>	<b>3,648,364</b>	<b>35,565</b>
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	338,857	23,766	362,623	362,623	-
Purchased Technical Services	51,177	7,017	58,194	57,424	770
Other Purchased Services	5,500	13,082	18,582	18,582	-
General Supplies	176,528	(15,326)	161,202	140,639	20,563
Textbooks	28,835	(15,487)	13,348	9,635	3,713
Miscellaneous Expenditures	4,132		4,132	3,609	523
<b>Total Regular Programs - Undistributed Instruction</b>	<b>605,029</b>	<b>13,052</b>	<b>618,081</b>	<b>592,512</b>	<b>25,569</b>
<b>Total Regular Programs</b>	<b>4,502,212</b>	<b>(200,202)</b>	<b>4,302,010</b>	<b>4,240,876</b>	<b>61,134</b>
Special Education:					
Multiple Disabilities:					
Salaries of Teachers	107,568	16,409	123,977	123,977	-
Other Salaries for Instruction	50,062	5,006	55,068	55,068	-
General Supplies	3,710		3,710	1,917	1,793
Textbooks	6,236		6,236	3,884	2,352
<b>Total Multiple Disabilities</b>	<b>167,576</b>	<b>21,415</b>	<b>188,991</b>	<b>184,846</b>	<b>4,145</b>
Resource Room/Resouce Center:					
Salaries of Teachers	414,442	40,771	455,213	455,213	-
General Supplies	3,615		3,615	1,497	2,118
Textbooks	194		194		194
<b>Total Resource Room/Resouce Center</b>	<b>418,251</b>	<b>40,771</b>	<b>459,022</b>	<b>456,710</b>	<b>2,312</b>

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

LITTLE FERRY BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

(Continued from Prior Page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Preschool Disabilities - Part-Time:					
Salaries of Teachers	\$ 61,051	\$ 100	\$ 61,151	\$ 61,151	\$ -
Other Salaries for Instruction	13,206		13,206	6,990	6,216
General Supplies	2,772	2,378	5,150	4,681	469
Other Objects	477		477		477
Total Preschool Disabilities - Part-Time	77,506	2,478	79,984	72,822	7,162
Basic Skills/Remedial:					
Salaries of Teachers	64,724	21,095	85,819	85,819	-
Total Basic Skills/Remedial	64,724	21,095	85,819	85,819	-
Bilingual Education:					
Salaries of Teachers	153,130		153,130	153,130	-
General Supplies	275		275	194	81
Total Bilingual Education	153,405	-	153,405	153,324	81
Total Special Education	881,462	85,759	967,221	953,521	13,700
Other Instructional Programs:					
School-Sponsored Co-Curricular and Extra-Curricular Activities:					
Salaries	27,772		27,772	25,326	2,446
Other Objects	18,000		18,000	2,624	15,376
Total School-Sponsored Co-Curricular and Extra-Curricular Activities	45,772	-	45,772	27,950	17,822
School-Sponsored Athletics:					
Salaries	4,639		4,639		4,639
Purchased Services	2,324		2,324	1,790	534
Total School-Sponsored Athletics	6,963	-	6,963	1,790	5,173
Total Other Instructional Programs	52,735	-	52,735	29,740	22,995
Total Instruction	5,436,409	(114,443)	5,321,966	5,224,137	97,829
Undistributed Expenditures:					
Instruction:					
Tuition to Other LEAs Within the State - Regular	3,935,880	(179,288)	3,756,592	3,755,873	719
Tuition to Other LEAs Within the State - Special Education	1,138,349	(130,912)	1,007,437	1,006,797	640
Tuition to County Vocational School Districts - Regular	548,360	(9,690)	538,670	538,340	330
Tuition to County Vocational School Districts - Special Education	391,500	29,690	421,190	421,190	-
Tuition to County Special Services and Regional Day School Within the State	514,360	122,976	637,336	637,336	-
Tuition to Private Schools for the Disabled Within the State	366,711	16,000	382,711	379,531	3,180
Transfer of Funds to Charter Schools	63,756	(21,415)	42,341	42,341	-
Total Instruction	6,958,916	(172,639)	6,786,277	6,781,408	4,869
Attendance and Social Work Services:					
Salaries	10,400		10,400	10,400	-
Total Attendance and Social Work Services	10,400	-	10,400	10,400	-
Health Services:					
Salaries	119,983	5,207	125,190	125,190	-
Purchased Prof/Tech Services	3,960	565	4,525	4,525	-
Supplies and Materials	2,083	(565)	1,518	887	631
Total Health Services	126,026	5,207	131,233	130,602	631

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

LITTLE FERRY BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

(Continued from Prior Page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Other Support Services Students - Related Services:					
Salaries	\$ 172,739	\$ -	\$ 172,739	\$ 172,739	\$ -
Supplies and Materials	2,233		2,233	1,619	614
Total Other Support Services Students - Related Services	<u>174,972</u>	<u>-</u>	<u>174,972</u>	<u>174,358</u>	<u>614</u>
Other Support Services Students - Extraordinary Services:					
Salaries	<u>32,702</u>	<u>236</u>	<u>32,938</u>	<u>32,938</u>	<u>-</u>
Total Other Support Services Students - Extraordinary Services	<u>32,702</u>	<u>236</u>	<u>32,938</u>	<u>32,938</u>	<u>-</u>
Other Support Services Students - Regular Services:					
Salaries of Other Professional Staff	65,241		65,241	65,241	-
Other Purchased Prof/Tech Services	2,213		2,213	1,415	798
Supplies and Materials	1,824		1,824	398	1,426
Total Other Support Services Students - Regular Services	<u>69,278</u>	<u>-</u>	<u>69,278</u>	<u>67,054</u>	<u>2,224</u>
Other Support Services Students - Special Services:					
Salaries of Other Professional Staff	388,548		388,548	388,548	-
Salaries of Secretarial and Clerical Assistants	36,238		36,238	36,238	-
Purchased Prof/Ed Services	183,271	43,938	227,209	227,209	-
Other Purchased Prof/Tech Services	16,877	14,491	31,368	31,368	-
Travel	1,800	(640)	1,160	577	583
Miscellaneous Purchased Services	6,450		6,450	6,450	-
Supplies and Materials	2,272		2,272	2,070	202
Other Objects	3,989	(1,983)	2,006	1,838	168
Total Other Support Services Students - Special Services	<u>639,445</u>	<u>55,806</u>	<u>695,251</u>	<u>694,298</u>	<u>953</u>
Improvement of Instruction Services:					
Salaries of Supervisors of Instruction	17,500	(17,500)	-	-	-
Total Improvement of Instruction Services	<u>17,500</u>	<u>(17,500)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Educational Media/Library:					
Salaries	18,203		18,203	18,203	-
Supplies and Materials	10,280		10,280	8,998	1,282
Total Educational Media/Library	<u>28,483</u>	<u>-</u>	<u>28,483</u>	<u>27,201</u>	<u>1,282</u>
Instructional Staff Training Services:					
Purchased Prof/Ed Services	4,500	(1,636)	2,864	2,864	-
Other Purchased Services	2,500	3,440	5,940	5,940	-
Other Objects	3,200	(1,804)	1,396	4	1,392
Total Instructional Staff Training Services	<u>10,200</u>	<u>-</u>	<u>10,200</u>	<u>8,808</u>	<u>1,392</u>
Support Services General Administration:					
Salaries	197,751		197,751	197,751	-
Legal Fees	50,380	41,512	91,892	91,892	-
Audit Fees	30,000	7,535	37,535	37,535	-
Other Purchased Professional Fees	55,184	(22,164)	33,020	33,020	-
Purchased Technical Services	12,900	266	13,166	13,166	-
Travel	1,000	(831)	169	38	131
Communications/Telephone	35,624	(14,278)	21,346	21,346	-
BOE Other Purchased Services	6,033	(2,405)	3,628	2,061	1,567
Other Purchased Services	34,630	(9,762)	24,868	19,446	5,422
General Supplies	3,000		3,000	2,009	991
Judgments Against the School District		74,280	74,280		74,280
Miscellaneous Expenditures	3,549	10,292	13,841	13,841	-
BOE Membership Dues and Fees	12,173		12,173	12,161	12
Total Support Services General Administration	<u>442,224</u>	<u>84,445</u>	<u>526,669</u>	<u>444,266</u>	<u>82,403</u>

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

LITTLE FERRY BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

(Continued from Prior Page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Support Services School Administration:					
Salaries of Principals/Assistant Principals/Program Directors	\$ 274,370	\$ (10,114)	\$ 264,256	\$ 264,256	\$ -
Salaries of Secretarial and Clerical Assistants	56,909	111	57,020	57,020	-
Other Purchased Services	17,980		17,980	13,747	4,233
Supplies and Materials	8,015		8,015	7,645	370
Other Objects	1,650		1,650	1,627	23
<b>Total Support Services School Administration</b>	<b>358,924</b>	<b>(10,003)</b>	<b>348,921</b>	<b>344,295</b>	<b>4,626</b>
Central Services:					
Salaries	166,336	836	167,172	167,172	-
Miscellaneous Purchased Services	1,000		1,000	190	810
Supplies and Materials	3,000	(1,137)	1,863	956	907
Miscellaneous Expenditures	1,777	1,137	2,914	2,914	-
<b>Total Central Services</b>	<b>172,113</b>	<b>836</b>	<b>172,949</b>	<b>171,232</b>	<b>1,717</b>
Administrative Information Technology Services:					
Salaries	58,025		58,025	58,025	-
<b>Total Administrative Information Technology Services</b>	<b>58,025</b>	<b>-</b>	<b>58,025</b>	<b>58,025</b>	<b>-</b>
Required Maintenance for School Facilities:					
Salaries	38,829	3,261	42,090	42,090	-
Cleaning, Repair and Maintenance Services	33,570	2,270	35,840	35,550	290
General Supplies	9,000		9,000	6,728	2,272
<b>Total Required Maintenance for School Facilities</b>	<b>81,399</b>	<b>5,531</b>	<b>86,930</b>	<b>84,368</b>	<b>2,562</b>
Other Operation and Maintenance of Plant Services:					
Salaries	494,896	9,442	504,338	504,338	-
Purchased Prof/Tech Services	13,400	1,007	14,407	14,407	-
Cleaning, Repair and Maintenance Services	33,300		33,300	33,290	10
Other Purchased Property Services	16,900	4,168	21,068	21,068	-
Insurance	54,401		54,401	54,401	-
Miscellaneous Purchased Services	200	45	245	245	-
General Supplies	26,500		26,500	26,440	60
Energy (Heat and Electricity)	296,400	(31,250)	265,150	241,009	24,141
Other Objects	800	(45)	755	410	345
<b>Total Other Operation and Maintenance of Plant Services</b>	<b>936,797</b>	<b>(16,633)</b>	<b>920,164</b>	<b>895,608</b>	<b>24,556</b>
Student Transportation Services:					
Salaries for Pupil Transportation (B/T Home & School) - Regular	44,696	(4,665)	40,031	40,031	-
Cleaning, Repair and Maintenance Services	5,200	725	5,925	2,604	3,321
Contracted Services - Aid In Lieu of Payment for Non-public School Students	57,460	(16,796)	40,664	36,244	4,420
Contracted Services - Aid In Lieu of Payment for Charter School Students	6,188		6,188	3,536	2,652
Contracted Services - Transportation (B/T Home & School) - Vendors	146,700		146,700	143,722	2,978
Contracted Services - Transport (Other Than B/T Home & School) - Vendors	12,401	(12,401)	-	-	-
Contracted Services (B/T Home & School) - Joint Agreements	36,322		36,322	34,207	2,115
Contracted Services (Special Ed Students) - Joint Agreements	387,352	(21,682)	365,670	349,693	15,977
Miscellaneous Purchased Services - Transportation	3,350	(336)	3,014	1,758	1,256
Supplies and Materials	5,512	1,046	6,558	6,558	-
Other Objects		125	125	125	-
<b>Total Student Transportation Services</b>	<b>705,181</b>	<b>(53,984)</b>	<b>651,197</b>	<b>618,478</b>	<b>32,719</b>
Other Support Services:					
Employee Benefits	4,977		4,977	-	4,977
<b>Total Other Support Services</b>	<b>4,977</b>	<b>-</b>	<b>4,977</b>	<b>-</b>	<b>4,977</b>

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

LITTLE FERRY BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
(Continued from Prior Page)					
Allocated Employee Benefits - Regular Programs:					
Social Security Contribution	\$ 25,083	\$ (12,410)	\$ 12,673	\$ 12,673	\$ -
Workmen's Compensation	64,871		64,871	64,871	-
Health Benefits	636,699		636,699	636,699	-
Total Allocated Employee Benefits - Regular Programs	726,653	(12,410)	714,243	714,243	-
Allocated Employee Benefits - Health Services:					
Social Security Contribution	16,058		16,058	16,058	-
Workmen's Compensation	968		968		968
Health Benefits	216,378		216,378	116,770	99,608
Total Allocated Employee Benefits - Health Services	233,404	-	233,404	132,828	100,576
Total Allocated Employee Benefits	960,057	(12,410)	947,647	847,071	100,576
Unallocated Benefits - Employee Benefits:					
Social Security Contribution	89,273	9,880	99,153	99,153	-
Other Retirement Contributions - Regular	13,662	(3,106)	10,556	2,356	8,200
Other Retirement Contributions - ERIP	120,000	22,212	142,212	142,212	-
Unemployment Compensation	21,000	5,191	26,191	26,191	-
Workmen's Compensation	30,983	(21,666)	9,317	5,471	3,846
Health Benefits	332,117	152,285	484,402	358,528	125,874
Tuition Reimbursement	12,326	10,889	23,215	20,009	3,206
Other		75,348	75,348	75,348	-
Total Unallocated Benefits - Employee Benefits	619,361	251,033	870,394	729,268	141,126
On-Behalf TPAF Pension Contributions (Non-Budgeted)				203,052	(203,052)
On-Behalf TPAF Post Retirement Medical Contributions (Non-Budgeted)				408,188	(408,188)
Reimbursed TPAF Social Security Contributions (Non-Budgeted)				446,865	(446,865)
Total Contributions	-	-	-	1,058,105	(1,058,105)
Total Undistributed Expenditures	12,406,980	119,925	12,526,905	13,177,783	(650,878)
Total Expenditures - Current Expenses	17,843,389	5,482	17,848,871	18,401,920	(553,049)
Capital Outlay:					
Facilities Acquisition and Construction Services:					
Construction Services		15,484	15,484	15,484	-
Other Objects	590		590		590
Total Capital Outlay	590	15,484	16,074	15,484	590
Total Expenditures	17,843,979	20,966	17,864,945	18,417,404	(552,459)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(235,720)	66,210	(169,510)	343,510	513,020
FUND BALANCES, JULY 1	362,687	-	362,687	362,687	-
FUND BALANCES, JUNE 30	\$ 126,967	\$ 66,210	\$ 193,177	\$ 706,197	\$ 513,020
RECAPITULATION:					
Reserved For:					
Encumbrances - Current Year				\$ 43,758	
Capital Reserve Account				144,828	
Tuition Reserve				150,000	
Unreserved:					
Unreserved Fund Balance				367,611	
				706,197	
Reconciliation to Governmental Funds Statement (GAAP):					
Last State Aid Payment Not Recognized on GAAP Basis					(71,533)
Fund Balance Per Governmental Funds (GAAP)				\$ 634,664	

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

LITTLE FERRY BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
EDUCATION JOBS FUND PROGRAM  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
REVENUES:					
Federal Sources:					
Education Jobs Grant	\$ 59,290	\$ 1,857	\$ 61,147	\$ 61,147	\$ -
Total Revenues	59,290	1,857	61,147	61,147	-
EXPENDITURES:					
Current Expenses:					
Instruction:					
Regular Programs - Instruction:					
Salaries of Teachers:					
Grades 1-5	59,290		59,290	59,290	-
Total Expenditures	59,290	-	59,290	59,290	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	1,857	1,857	1,857	-
FUND BALANCES, JULY 1	-	-	-	-	-
FUND BALANCES, JUNE 30	\$ -	\$ 1,857	\$ 1,857	\$ 1,857	\$ -

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

LITTLE FERRY BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>REVENUE SOURCES:</b>					
State	\$ 92,400	\$ -	\$ 92,400	\$ 92,400	\$ -
Federal	666,029		666,029	635,816	(30,213)
<b>Total Revenues</b>	<b>758,429</b>	<b>-</b>	<b>758,429</b>	<b>728,216</b>	<b>(30,213)</b>
<b>EXPENDITURES:</b>					
Instruction:					
Salaries	31,875		31,875	31,875	-
Salaries of Teachers	296,124		296,124	296,124	-
Purchased Prof/Tech Services	73,999		73,999	73,999	-
Other Purchased Services	298,648		298,648	277,668	20,980
General Supplies	592		592	461	131
<b>Total Instruction</b>	<b>701,238</b>	<b>-</b>	<b>701,238</b>	<b>680,127</b>	<b>21,111</b>
Support Services:					
Personal Services - Employee Benefits	47,119		47,119	47,119	-
Other Purchased Services	10,072		10,072	970	9,102
<b>Total Support Services</b>	<b>57,191</b>	<b>-</b>	<b>57,191</b>	<b>48,089</b>	<b>9,102</b>
<b>Total Expenditures</b>	<b>758,429</b>	<b>-</b>	<b>758,429</b>	<b>728,216</b>	<b>30,213</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

***NOTES TO THE REQUIRED SUPPLEMENTAL INFORMATION***

LITTLE FERRY BOARD OF EDUCATION  
 REQUIRED SUPPLEMENTARY INFORMATION  
 BUDGETARY COMPARISON SCHEDULE  
 NOTE TO RSI  
 FISCAL YEAR ENDED JUNE 30, 2012

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

	General Fund	Special Revenue Fund
<b>Sources/Inflows of Resources</b>		
Actual amounts (budgetary) "revenues" from the budgetary comparison schedules	[C-1] \$ 18,760,914	[C-2] \$ 728,216
Difference - Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized		-
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	38,132	
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	(71,533)	
Total revenues as reports on the statement of revenues, expenditures and changes in fund balance - governmental funds.	[B-2] \$ 18,727,513	[B-2] \$ 728,216
<b>Uses/Outflows of resources</b>		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1] \$ 18,417,404	[C-2] \$ 728,216
Differences - Budget to GAAP:		
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 accounting purposes.		-
Total expenditures as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2] \$ 18,417,404	[B-2] \$ 728,216

***OTHER SUPPLEMENTAL INFORMATION***

**SECTION E - SPECIAL REVENUE FUND  
DETAIL STATEMENTS**

*The Special Revenue Fund is used to account for the proceeds of specific sources (other than expandable trusts or major capital projects) that are legally restricted to expenditures for specific purposes.*

LITTLE FERRY BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Preschool Education Aid	NCLB Title I	NCLB Title III	I.D.E.A. Part B	NCLB Title II Part A	NCLB Title II Part D	ARRA Title I	Grand Total
<b>REVENUE SOURCES:</b>								
State	\$ 92,400	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 92,400
Federal	239,416	38,250	277,668	79,051	461	970		635,816
<b>Total Revenues</b>	<b>92,400</b>	<b>239,416</b>	<b>38,250</b>	<b>277,668</b>	<b>79,051</b>	<b>461</b>	<b>970</b>	<b>728,216</b>
<b>EXPENDITURES:</b>								
Instruction:								
Salaries			31,875					31,875
Salaries of Teachers	92,400	141,219			62,505			296,124
Purchased Prof/Tech Services		69,954			4,045			73,999
Other Purchased Services				277,668				277,668
General Supplies						461		461
<b>Total Instruction</b>	<b>92,400</b>	<b>211,173</b>	<b>31,875</b>	<b>277,668</b>	<b>66,550</b>	<b>461</b>	<b>-</b>	<b>680,127</b>
Support Services:								
Personal Services - Employee Benefits		28,243	6,375		12,501		970	47,119
Other Purchased Services								970
<b>Total Support Services</b>	<b>-</b>	<b>28,243</b>	<b>6,375</b>	<b>-</b>	<b>12,501</b>	<b>-</b>	<b>970</b>	<b>48,089</b>
<b>Total Expenditures</b>	<b>92,400</b>	<b>239,416</b>	<b>38,250</b>	<b>277,668</b>	<b>79,051</b>	<b>461</b>	<b>970</b>	<b>728,216</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

LITTLE FERRY BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
PRESCHOOL EDUCATION AID  
SCHEDULE OF EXPENDITURES  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
EXPENDITURES:			
Instruction:			
Salaries of Teachers	\$ 92,400	\$ 92,400	\$ -
Total Expenditures	<u>\$ 92,400</u>	<u>\$ 92,400</u>	<u>\$ -</u>

CALCULATION OF BUDGET AND CARRYOVER

Total Revised 2011-2012 Preschool Education Aid Allocation	\$ 92,400
Add: Actual ECPA/PEA Carryover (June 30, 2011)	-
Add: Budgeted Transfer from the General Fund 2011-2012	-
Total Preschool Education Aid Funds Available for 2011-2012 Budget	<u>92,400</u>
Less: 2011-2012 Budgeted Preschool Education Aid (Including Prior Year Budgeted Carryover)	<u>(92,400)</u>
Available and Unbudgeted Preschool Education Aid Funds as of June 30, 2012	-
Add: June 30, 2012 Unexpended Preschool Education Aid 2011-2012 Carryover - Preschool Education Aid/Preschool	<u>\$ -</u>
2011-2012 Preschool Education Aid Carryover Budgeted for Preschool Programs 2011-2012	<u>\$ -</u>

**SECTION F – CAPITAL PROJECTS FUND  
DETAIL STATEMENTS**

*The capital projects fund is used to account for the acquisition and construction of major capital facilities and equipment purchases other than those financed by proprietary funds.*

LITTLE FERRY BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF PROJECT EXPENDITURES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

<u>Issue/Project Title</u>	Revised Budgetary <u>Appropriations</u>	GAAP <u>Expenditures to Date</u>		Unexpended Appropriations <u>June 30, 2012</u>
		<u>Prior Years</u>	<u>Current Year</u>	
Memorial Elementary School HVAC Unit Replacement	\$ 54,345	\$ 54,330	\$ -	\$ 15
Pre-development Costs for LRF Projects 1, 2, and 2	120,500	63,728	-	56,772
Roof and Air Conditioning	2,460,172	2,434,266	-	25,906
Total	<u>\$ 2,635,017</u>	<u>\$ 2,552,324</u>	<u>\$ -</u>	<u>\$ 82,693</u>

LITTLE FERRY BOARD OF EDUCATION  
 CAPITAL PROJECTS FUND  
 SUMMARY SCHEDULE OF REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND BALANCE - BUDGETARY BASIS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2012

Revenues and Other Financing Sources:	
Contribution from Private Source	<u>\$ -</u>
Total Revenues and Other Financing Sources	<u>-</u>
Expenditures and Other Financing Uses:	
Transfers	<u>83,043</u>
Total Expenditures and Other Financing Uses	<u>83,043</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u><u>\$ (83,043)</u></u>

LITTLE FERRY BOARD OF EDUCATION  
 CAPITAL PROJECTS FUND  
 SCHEDULE OF PROJECT REVENUES, EXPENDITURES,  
 PROJECT BALANCE, AND PROJECT STATUS - BUDGETARY BASIS  
 MEMORIAL ELEMENTARY SCHOOL HVAC  
 FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Prior Periods	Current Period	Totals	Revised Authorized Cost
Revenues and Other Financing Sources:				
State Sources - SCC Grant	\$ 20,604	\$ -	\$ 20,604	\$ 20,604
Transfer from Capital Reserve	33,741	-	33,741	33,741
<b>Total Revenues</b>	<b>54,345</b>	<b>-</b>	<b>54,345</b>	<b>54,345</b>
Expenditures and Other Financing Uses:				
Construction Services	54,330	-	54,330	54,345
<b>Total Expenditures</b>	<b>54,330</b>	<b>-</b>	<b>54,330</b>	<b>54,345</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 15</u>	<u>\$ -</u>	<u>\$ 15</u>	<u>\$ -</u>

## Additional Project Information:

Project Number	Memorial Elementary School HVAC Unit Replacement
Grant Date/Letter of Notification	2/8/2005
Bond Authorization/Referendum Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Project Authorized Cost	\$54,345
Additional Authorized Cost	\$0
Revised Authorized Cost	\$54,345
Percentage Increase Over Original Authorized Cost	0%
Percentage Completion	100%
Original Target Completion Date	N/A
Revised Target Completion Date	N/A

LITTLE FERRY BOARD OF EDUCATION  
 CAPITAL PROJECTS FUND  
 SCHEDULE OF PROJECT REVENUES, EXPENDITURES,  
 PROJECT BALANCE, AND PROJECT STATUS - BUDGETARY BASIS  
 PRE-DEVELOPMENT COSTS  
 FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Prior Periods	Current Period	Totals	Revised Authorized Cost
Revenues and Other Financing Sources:				
Transfer from Capital Reserve	\$ 120,500	\$ -	\$ 120,500	\$ 120,500
Total Revenues	120,500	-	120,500	120,500
Expenditures and Other Financing Uses:				
Construction Services	63,728	-	63,728	120,500
Total Expenditures	63,728	-	63,728	120,500
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 56,772</u>	<u>\$ -</u>	<u>\$ 56,772</u>	<u>\$ -</u>

## Additional Project Information:

Project Number	N/A
Grant Date/Letter of Notification	N/A
Bond Authorization/Referendum Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Project Authorized Cost	\$45,500
Additional Authorized Cost	\$75,000
Revised Authorized Cost	\$120,500
Percentage Increase Over Original Authorized Cost	0%
Percentage Completion	100%
Original Target Completion Date	N/A
Revised Target Completion Date	N/A

LITTLE FERRY BOARD OF EDUCATION  
 CAPITAL PROJECTS FUND  
 SCHEDULE OF PROJECT REVENUES, EXPENDITURES,  
 PROJECT BALANCE, AND PROJECT STATUS - BUDGETARY BASIS  
 \$2,400,000 BOND SALE  
 FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Prior Periods	Current Period	Totals	Revised Authorized Cost
Revenues and Other Financing Sources:				
Bond Proceeds and Transfers	\$ 2,400,172	\$ -	\$ 2,400,172	\$ 2,400,172
Transfer from Capital Reserve	60,000	-	60,000	60,000
<b>Total Revenues</b>	<b>2,460,172</b>	<b>-</b>	<b>2,460,172</b>	<b>2,460,172</b>
Expenditures and Other Financing Uses:				
Construction Services	2,434,266	-	2,434,266	2,460,172
<b>Total Expenditures</b>	<b>2,434,266</b>	<b>-</b>	<b>2,434,266</b>	<b>2,460,172</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 25,906</u>	<u>\$ -</u>	<u>\$ 25,906</u>	<u>\$ -</u>

## Additional Project Information:

Project Number	N/A
Grant Date/Letter of Notification	N/A
Bond Authorization/Referendum Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Project Authorized Cost	\$2,400,000
Additional Authorized Cost	\$60,172
Revised Authorized Cost	\$2,460,172
Percentage Increase Over Original Authorized Cost	0%
Percentage Completion	1%
Original Target Completion Date	N/A
Revised Target Completion Date	N/A

**SECTION G – 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 in all schools within the school district.*

*Extended Day Care Program Fund – This fund provides for the operation of before and after school hours care program in all schools within the school district.*

**THIS SECTION HAS ALREADY BEEN INCLUDED IN STATEMENTS B-4, B-5, AND  
B-6.**

**SECTION H - FIDUCIARY FUNDS  
DETAIL STATEMENTS**

***Fiduciary Funds are used to account for funds received by the school district for a specific purpose.***

***Unemployment Insurance Compensation Trust Fund – This expendable trust fund is used to account for deductions from employees' salaries which are utilize to pay unemployment compensation claims as they arise.***

***Agency Funds are used to account for assets held by the school district as an agent for individuals, private organizations, other governments and/or other funds.***

***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.***

LITTLE FERRY BOARD OF EDUCATION  
 FIDUCIARY FUNDS  
 COMBINING STATEMENTS OF FIDUCIARY NET ASSETS  
 TRUST AND AGENCY FUNDS  
 JUNE 30, 2012

	Trust	Agency			Total
	Unemployment Compensation Insurance	Student Activity	Payroll Agency	Payroll Account	Agency Fund
<b>ASSETS:</b>					
Cash and Cash Equivalents	\$ 1,034	\$ 41,185	\$ 27,545	\$ 4,649	\$ 73,379
Interfund Accounts Receivable		123			123
<b>Total Assets</b>	<u>1,034</u>	<u>41,185</u>	<u>27,668</u>	<u>4,649</u>	<u>73,502</u>
<b>LIABILITIES:</b>					
Payable to Student Groups		\$ 41,185	\$ -	\$ -	\$ 41,185
Accrued Salaries and Benefits				4,649	4,649
Payroll Deductions and Withholdings			27,668		27,668
<b>Total Liabilities</b>	<u>-</u>	<u>41,185</u>	<u>27,668</u>	<u>4,649</u>	<u>73,502</u>
<b>NET ASSETS:</b>					
Reserved Net Assets	<u>1,034</u>				
<b>Total Net Assets</b>	<u>\$ 1,034</u>				

LITTLE FERRY BOARD OF EDUCATION  
 FIDUCIARY FUNDS  
 COMBINING STATEMENTS OF CHANGES IN FIDUCIARY NET ASSETS  
 TRUST FUNDS  
 JUNE 30, 2012

	Unemployment Compensation Insurance
ADDITIONS:	
Interest	\$ 1
Total Additions	1
DEDUCTIONS:	
Expenditures	-
Total Deductions	-
CHANGE IN NET ASSETS	1
NET ASSETS - BEGINNING OF YEAR	1,033
NET ASSETS - END OF YEAR	\$ 1,034

LITTLE FERRY BOARD OF EDUCATION  
 FIDUCIARY FUNDS  
 STUDENT ACTIVITY AGENCY FUND  
 SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
 JUNE 30, 2012

	<u>Balance July 1, 2011</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Balance June 30, 2012</u>
Memorial Middle School	\$ 31,273	\$ 94,931	\$ 85,019	\$ 41,185
Total	<u>\$ 31,273</u>	<u>\$ 94,931</u>	<u>\$ 85,019</u>	<u>\$ 41,185</u>

LITTLE FERRY BOARD OF EDUCATION  
 FIDUCIARY FUNDS  
 PAYROLL AGENCY AND PAYROLL ACCOUNT FUNDS  
 SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
 JUNE 30, 2012

	Balance July 1, 2011	Receipts	Disbursements	Balance June 30, 2012
<b>ASSETS:</b>				
Cash and Cash Equivalents	\$ 18,171	\$ 8,384,629	\$ 8,370,606	\$ 32,194
Interfund Accounts Receivable	-	123	-	123
<b>Total Assets</b>	<b>\$ 18,171</b>	<b>\$ 8,384,752</b>	<b>\$ 8,370,606</b>	<b>\$ 32,317</b>
<b>LIABILITIES:</b>				
Interfund Accounts Payable	\$ 2,979	\$ 38	\$ 3,017	\$ -
Accrued Salaries and Benefits	4,341	4,915,895	4,915,587	4,649
Payroll Deductions and Withholding Payable	10,851	3,468,819	3,452,002	27,668
<b>Total Liabilities</b>	<b>\$ 18,171</b>	<b>\$ 8,384,752</b>	<b>\$ 8,370,606</b>	<b>\$ 32,317</b>

**SECTION I – LONG-TERM DEBT SCHEDULES**

***The Long-Term Debt Schedules are used to reflect the outstanding principal balances of the general long-term liabilities of the school district. This includes serial bonds outstanding and obligations under capital leases.***

LITTLE FERRY BOARD OF EDUCATION  
 LONG-TERM DEBT  
 SCHEDULE OF SERIAL BONDS  
 YEAR ENDED JUNE 30, 2012

Purpose	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance		Retired	Balance June 30, 2012
			Date	Amount		July 1, 2011	Issued		
Roof and Air Conditioning	6/15/2008	\$ 2,400,000	6/15/2013	\$ 550,000	2.5% to 3.25%	\$ 1,050,000	\$ -	\$ 500,000	\$ 550,000
<b>Total</b>				<b>\$ 1,050,000</b>		<b>\$ -</b>	<b>\$ -</b>	<b>\$ 500,000</b>	<b>\$ 550,000</b>

LITTLE FERRY BOARD OF EDUCATION  
 LONG-TERM DEBT  
 SCHEDULE OF INTERGOVERNMENTAL LOANS PAYABLE  
 YEAR ENDED JUNE 30, 2012

Issue	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance July 1, 2011	Issued	Retired	Balance June 30, 2012
			Date	Amount					
NJ EDA- Small Project Loan	8/18/1993	\$ 431,250	7/15/2012	\$ 30,585	5.288%	\$ 91,819	\$ -	\$ 29,285	\$ 62,534
			7/15/2013	31,949					
NJ EDA- Safe Program Loan	8/18/1993	\$ 143,750	7/15/2012	\$ 7,566	1.500%	22,696	\$ -	7,566	15,130
			7/15/2013	7,566					
Total						\$ 114,515	\$ -	\$ 36,851	\$ 77,664

LITTLE FERRY BOARD OF EDUCATION  
DEBT SERVICE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR FISCAL YEAR ENDED JUNE 30, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 364,557	\$ 3	\$ 364,560	\$ 364,560	\$ -
Total Local Sources	364,557	3	364,560	364,560	-
State Sources	184,280		184,280	184,280	-
Total Revenues	548,837	3	548,840	548,840	-
EXPENDITURES:					
Debt Service - Regular:					
Bonds:					
Interest	32,878		32,878	32,878	-
Redemption of Principal	500,000		500,000	500,000	-
Loans:					
Interest	4,362		4,362	4,365	(3)
Redemption of Principal	36,851		36,851	36,851	-
Total Expenditures	574,091	-	574,091	574,094	(3)
Excess of Revenues Over Expenditures	(25,254)	3	(25,251)	(25,254)	(3)
OTHER FINANCING SOURCES:					
Operating Transfer In				83,043	83,043
Total Other Financing Sources	-	-	-	83,043	83,043
Excess of Expenditures Over Revenues And Other Financing Sources	(25,254)	3	(25,251)	57,789	83,040
FUND BALANCE, JULY 1	15,317	-	15,317	15,317	-
FUND BALANCE, JUNE 30	\$ (9,937)	\$ 3	\$ (9,934)	\$ 73,106	\$ 83,040

**STATISTICAL SECTION (UNAUDITED)**

***GASB requires that ten years of statistical data be presented. The following information is presented utilizing information available. Each year thereafter, an additional year's data will be included until ten years of data is presented.***

**Contents**

**Financial Trends**

These schedules contain trend information to help the reader understand how the charter school's financial performance and well being have changed over time.

**Revenue Capacity**

These schedules contain information to help the reader assess the district's most significant local revenue source, the property tax.

**Debt Capacity**

These schedules present information to help the reader assess the affordability of the charter school's current levels of outstanding debt and the charter school's ability to issue additional debt in the future.

**Demographic and Economic Information**

These schedules offer demographic and economic indicators to help the reader understand the environment within which the charter school's financial activities take place.

**Operating Information**

These schedules contain service and infrastructure data to help the reader understand how the information in the charter school's financial report relates to the services the district provides and the activities it performs.

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

***FINANCIAL TRENDS***

LITTLE FERRY BOARD OF EDUCATION  
NET ASSETS BY COMPONENT  
LAST SIX FISCAL YEARS  
*(accrual basis of accounting)*

	Fiscal Year Ending June 30,					
	2012	2011	2010	2009	2008	2007
<b>Governmental Activities</b>						
Invested in capital assets, net of related debt	\$ 5,628,178	\$ 5,309,520	\$ 4,928,569	\$ 2,523,283	\$ 2,452,379	\$ 4,572,097
Restricted	411,692	535,327	781,657	746,948	336,832	251,332
Unrestricted	293,714	(116,164)	210,523	468,127	2,989,748	612,461
<b>Total Governmental Activities Net Assets</b>	<b>\$ 6,333,584</b>	<b>\$ 5,728,683</b>	<b>\$ 5,920,749</b>	<b>\$ 3,738,358</b>	<b>\$ 5,778,959</b>	<b>\$ 5,435,890</b>
<b>Business-Type Activities</b>						
Invested in capital assets, net of related debt	\$ -	\$ 32,659	\$ 32,991	\$ 24,840	\$ 10,280	\$ 11,137
Restricted	-	-	-	-	-	-
Unrestricted	137,139	37,230	(26,286)	(27,739)	(43,791)	41,409
<b>Total Business-Type Activities Net Assets</b>	<b>\$ 137,139</b>	<b>\$ 69,889</b>	<b>\$ 6,705</b>	<b>\$ (2,899)</b>	<b>\$ (33,511)</b>	<b>\$ 52,546</b>
<b>District-wide</b>						
Invested in capital assets, net of related debt	\$ 5,628,178	\$ 5,342,179	\$ 4,961,560	\$ 2,548,123	\$ 2,462,659	\$ 4,583,234
Restricted	411,692	535,327	781,657	746,948	336,832	251,332
Unrestricted	430,853	(78,934)	184,237	440,388	2,945,957	653,870
<b>Total District-wide Net Assets</b>	<b>\$ 6,470,723</b>	<b>\$ 5,798,572</b>	<b>\$ 5,927,454</b>	<b>\$ 3,735,459</b>	<b>\$ 5,745,448</b>	<b>\$ 5,488,436</b>

LITTLE FERRY BOARD OF EDUCATION  
CHANGES IN NET ASSETS  
LAST SIX FISCAL YEARS  
(*accrual basis of accounting*)

	Fiscal Year Ending June 30,					
	2012	2011	2010	2009	2008	2007
<b>Expenses</b>						
Governmental Activities:						
Instruction:						
Regular	\$ 6,636,823	\$ 6,215,948	\$ 5,176,153	\$ 7,130,389	\$ 4,700,972	\$ 4,673,402
Special Education	1,022,601	1,090,533	856,565	1,175,541	719,723	700,895
Other Special Education	298,811	364,523	-	-	-	-
Other Instruction	36,064	46,389	270,227	613,282	432,408	358,187
Support Services:						
Tuition	6,781,408	6,525,640	6,403,381	5,996,177	5,417,151	5,354,158
Student and Instruction Related Services	1,405,875	1,466,877	1,267,343	1,880,258	892,830	1,098,483
General and Business Administration Services	705,203	734,516	-	-	435,334	430,669
School Administrative Services	424,520	516,693	1,223,819	1,748,472	1,253,798	727,740
Plant Operations and Maintenance	1,116,424	1,155,018	1,165,299	1,432,051	1,251,776	1,075,666
Pupil Transportation	628,474	624,349	744,926	724,399	701,391	748,710
Capital Outlay	-	9,000	-	-	-	-
Special Schools	-	-	96,041	74,122	-	-
Interest on Long-Term Debt	35,855	47,071	36,332	142,449	20,853	85,571
Unallocated Depreciation	307,610	314,872	314,872	208,360	198,869	407,154
Total Governmental Activities Expenses	<u>19,399,668</u>	<u>19,111,429</u>	<u>17,554,958</u>	<u>21,125,500</u>	<u>16,025,105</u>	<u>15,660,635</u>
Business-Type Activities:						
Food Service Program/EDCP/PLUS	326,987	280,654	274,754	309,288	269,749	198,864
Total Business-Type Activities Expenses	<u>326,987</u>	<u>280,654</u>	<u>274,754</u>	<u>309,288</u>	<u>269,749</u>	<u>198,864</u>
Total District Expenses	<u>\$ 19,726,655</u>	<u>\$ 19,392,083</u>	<u>\$ 17,829,712</u>	<u>\$ 21,434,788</u>	<u>\$ 16,294,854</u>	<u>\$ 15,859,499</u>
<b>Program Revenues</b>						
Governmental Activities:						
Charges for Services	\$ 27,718	\$ 54,165	\$ -	\$ -	\$ 55,822	\$ 58,273
Operating Grants and Contributions	723,693	783,870	1,661,697	1,798,553	2,365,165	1,966,309
Capital Grants and Contributions	-	-	-	-	-	-
Total Governmental Activities Expenses	<u>751,411</u>	<u>838,035</u>	<u>1,661,697</u>	<u>1,798,553</u>	<u>2,420,987</u>	<u>2,024,582</u>
Business-Type Activities:						
Charges for Services	251,633	241,098	205,120	260,519	158,134	186,960
Operating Grants and Contributions	142,430	102,621	73,809	64,620	25,347	26,583
Capital Grants and Contributions	-	-	-	-	-	-
Total Business-Type Activities Expenses	<u>394,063</u>	<u>343,719</u>	<u>278,929</u>	<u>325,139</u>	<u>183,481</u>	<u>213,543</u>
Total District Program Revenues	<u>\$ 1,145,474</u>	<u>\$ 1,181,754</u>	<u>\$ 1,940,626</u>	<u>\$ 2,123,692</u>	<u>\$ 2,604,468</u>	<u>\$ 2,238,125</u>

LITTLE FERRY BOARD OF EDUCATION  
CHANGES IN NET ASSETS  
LAST SIX FISCAL YEARS  
(*accrual basis of accounting*)

	Fiscal Year Ending June 30,					
	2012	2011	2010	2009	2008	2007
<b>Net (Expense)/Revenue</b>						
Governmental Activities	\$ (18,648,257)	\$ (18,273,394)	\$ (15,893,261)	\$ (19,326,947)	\$ (13,604,118)	\$ (13,636,053)
Business-Type Activities	67,076	63,065	4,175	15,851	(86,268)	14,679
Total District-wide Net Expense	\$ (18,581,181)	\$ (18,210,329)	\$ (15,889,086)	\$ (19,311,096)	\$ (13,690,386)	\$ (13,621,374)

**General Revenues and Other Changes in Net Assets**

Governmental Activities:						
Property Taxes Levied For:						
General Purposes	\$ 16,183,644	\$ 15,866,315	\$ 15,298,236	\$ 14,859,870	\$ 13,348,090	\$ 13,285,276
Debt Service	364,560	429,720	274,661	417,504	478,737	478,400
Federal and State Aid Not Restricted	2,685,580	2,150,288	2,302,519	1,717,745	-	-
Investment Earnings	826	3,630	-	-	-	-
Miscellaneous Income	18,548	30,493	200,236	213,857	120,360	184,891
Total Governmental Activities	19,253,158	18,480,446	18,075,652	17,208,976	13,947,187	13,948,567

Business-Type Activities:						
Investment Earnings	23	119	99	202	1,068	984
Miscellaneous Income	151	-	-	-	-	-
Transfer	-	-	(2,822)	-	-	-
Total Business-Type Activities	174	119	(2,723)	202	1,068	984
Total District-wide	\$ 19,253,332	\$ 18,480,565	\$ 18,072,929	\$ 17,209,178	\$ 13,948,255	\$ 13,949,551

<b>Change in Net Assets</b>						
Governmental Activities	\$ 604,901	\$ 207,052	\$ 2,182,391	\$ (2,117,971)	\$ 343,069	\$ 312,514
Business-Type Activities	67,250	63,184	1,452	16,053	(85,200)	15,663
Total District	\$ 672,151	\$ 270,236	\$ 2,183,843	\$ (2,101,918)	\$ 257,869	\$ 328,177

LITTLE FERRY BOARD OF EDUCATION  
 FUND BALANCES - GOVERNMENTAL FUNDS  
 LAST EIGHT FISCAL YEARS  
*(modified accrual basis of accounting)*

	Fiscal Year Ending June 30,							
	2012	2011	2010	2009	2008	2007	2006	2005
General Fund								
Reserved	\$ 338,586	\$ 436,967	\$ 673,710	\$ 471,983	\$ 332,866	\$ 539,187	\$ 753,230	\$ 348,510
Unreserved	296,078	(112,412)	221,824	817,358	820,766	687,469	217,697	476,924
<b>Total General Fund</b>	<b>\$ 634,664</b>	<b>\$ 324,555</b>	<b>\$ 895,534</b>	<b>\$ 1,289,341</b>	<b>\$ 1,153,632</b>	<b>\$ 1,226,656</b>	<b>\$ 970,927</b>	<b>\$ 825,434</b>
All Other Governmental Funds								
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, Reported In:								
Capital Projects Fund	-	83,043	82,693	127,072	2,398,043	19,957	45,515	85,207
Debt Service Fund	73,106	15,317	25,254	4,002	-	-	-	-
<b>Total All Other Governmental Funds</b>	<b>\$ 73,106</b>	<b>\$ 98,360</b>	<b>\$ 107,947</b>	<b>\$ 131,074</b>	<b>\$ 2,398,043</b>	<b>\$ 19,957</b>	<b>\$ 45,515</b>	<b>\$ 85,207</b>

LITTLE FERRY BOARD OF EDUCATION  
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS  
LAST EIGHT FISCAL YEARS  
(modified accrual basis of accounting)

Fiscal Year Ending June 30,	2012	2011	2010	2009	2008	2007	2006	2005
<b>Revenues:</b>								
Local Sources:								
Local Tax Levy	\$ 16,548,204	\$ 16,296,035	\$ 15,572,897	\$ 15,277,374	\$ 14,840,435	\$ 13,285,276	\$ 12,629,538	\$ 12,263,053
Tuition	27,718	54,165	85,486	130,474	55,822	58,273	111,796	107,461
Interest In Investments	826	3,630	3,659	29,725	101,684	5,079	85,697	3,032
Miscellaneous	18,548	30,493	100,520	53,658	18,676	179,812	10,120	120,792
State Sources	2,712,310	2,269,899	3,201,091	3,071,680	1,534,410	2,589,178	2,167,921	2,036,434
Federal Sources	696,963	664,259	773,696	444,618	830,755	430,208	471,518	467,003
<b>Total Revenues</b>	<b>20,004,569</b>	<b>19,318,481</b>	<b>19,737,349</b>	<b>19,007,529</b>	<b>17,381,782</b>	<b>16,547,826</b>	<b>15,476,590</b>	<b>14,997,775</b>
<b>Expenditures:</b>								
Instruction:								
Regular	5,635,246	5,332,644	5,841,756	4,444,667	4,550,702	3,840,642	7,861,035	3,260,072
Special Education	847,206	930,308	917,432	750,774	666,587	613,294	2,376,541	1,111,827
Other Special Education	239,143	296,849	202,479	348,960	349,462	311,633	443,932	364,447
Other Instruction	29,740	41,363	24,178	23,738	24,613	21,484	25,762	18,814
Support Services:								
Tuition	6,781,408	6,525,640	6,140,821	5,996,177	5,406,348	5,097,900	-	4,546,460
Student and Instructional Related Services	1,193,748	1,257,919	1,473,869	752,699	1,416,545	965,297	1,393,799	728,525
General and Business Administration Services	673,523	763,222	817,082	1,228,935	1,446,484	672,864	790,797	535,078
School Administrative Services	344,295	425,411	471,492	473,191	422,531	368,385	441,211	340,823
Plant Operations and Maintenance	979,976	1,031,641	1,202,347	1,105,570	968,387	950,473	956,081	787,072
Pupil Transportation	618,478	615,148	749,082	703,036	581,443	585,963	461,111	563,560
Employee Benefits	1,787,373	1,655,520	1,526,809	2,660,561	1,418,973	2,268,939	-	1,713,822
Capital Outlay	15,484	9,000	129,318	2,293,846	303,432	4,695	144,044	18,355
Special Schools	-	-	26,648	23,378	37,885	34,201	-	23,990
Debt Service:								
Interest and Other Charges	37,243	54,620	71,313	105,072	-	62,010	86,037	100,811
Principal	536,851	560,644	584,496	308,430	478,736	416,390	390,439	359,670
Bond Issuance Costs	-	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>19,719,714</b>	<b>19,499,929</b>	<b>20,179,122</b>	<b>21,219,034</b>	<b>18,072,128</b>	<b>16,214,170</b>	<b>15,370,789</b>	<b>14,473,326</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	284,855	(181,448)	(441,773)	(2,211,505)	(690,346)	333,656	105,801	524,449
<b>Other Financing Sources (Uses):</b>								
Transfers In	83,043	-	-	-	-	-	-	-
Transfers Out	(83,043)	-	-	-	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Change in Fund Balance</b>	<b>\$ 284,855</b>	<b>\$ (181,448)</b>	<b>\$ (441,773)</b>	<b>\$ (2,211,505)</b>	<b>\$ (690,346)</b>	<b>\$ 333,656</b>	<b>\$ 105,801</b>	<b>\$ 524,449</b>
Debt service as a percentage of noncapital expenditures	2.91%	3.16%	3.27%	2.18%	2.69%	2.95%	3.13%	3.19%

**Source: District records**

Note: Noncapital expenditures are total expenditures less capital outlay.  
Central Service and Administrative Information Technology account classifications were added beginning with year end June 30, 2005.  
Prior to June 30, 2005, Central Service and Administrative Information Technology were combined in Other Support Services as Business and Other Support Services.

LITTLE FERRY BOARD OF EDUCATION  
 GENERAL FUND - OTHER LOCAL REVENUE BY SOURCE  
 LAST TEN FISCAL YEARS  
*(modified accrual basis of accounting)*

Fiscal Year Ending June 30,	Prior Year Refunds	Miscellaneous	Annual Total
2012	\$ -	\$ 18,548	\$ 18,548
2011	-	30,493	30,493
2010	-	100,520	100,520
2009	-	53,658	53,658
2008	-	18,676	18,676
2007	27,299	152,513	179,812
2006	-	10,120	10,120
2005	-	120,792	120,792
2004	15,475	25,000	40,475
2003	6,379	19,947	26,326

Source: District records

*REVENUE CAPACITY*

LITTLE FERRY BOARD OF EDUCATION  
 ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY  
 LAST TEN FISCAL YEARS  
 UNAUDITED

Year Ended June 30	Vacant Land	Residential	Farm Reg.	Gfarm	Commercial	Industrial	Apartment	Total Assessed Value	Less: Tax Exempt Property	Public Utilities <sup>a</sup>	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate <sup>b</sup>
2012	\$ 10,163,500	\$ 794,550,000	\$ -	\$ -	\$ 149,139,400	\$ 135,133,600	\$ 110,099,100	\$ 1,199,085,600	\$ -	N/A	\$ 1,199,085,600	\$ 1,385,924,252	1.396
2011	10,479,000	799,879,000	-	-	150,137,400	136,241,200	110,009,100	1,206,745,700	-	6,588,272	1,213,333,972	1,333,009,341	1.357
2010	10,269,400	800,971,000	-	-	151,860,400	140,268,000	110,009,100	1,213,377,900	-	7,429,353	1,220,807,253	1,336,284,791	1.329
2009	9,113,100	800,307,000	-	-	151,692,900	142,689,400	110,089,100	1,213,901,500	-	7,470,187	1,221,371,687	1,257,147,424	1.267
2008	9,507,700	799,636,400	-	-	152,646,400	150,176,700	110,175,600	1,222,142,800	-	6,167,273	1,228,310,073	1,335,161,183	1.235
2007	10,351,700	797,632,900	-	-	154,249,500	151,755,800	112,654,700	1,226,544,800	-	6,611,997	1,233,156,797	1,326,886,919	1.185
2006	11,074,200	795,649,300	-	-	153,547,900	151,755,800	112,654,700	1,224,881,900	-	6,403,497	1,231,285,397	1,214,969,161	1.109
2005	5,050,400	798,253,100	-	-	154,722,200	151,511,000	112,663,200	1,228,253,700	-	7,541,540	1,235,795,240	1,089,703,390	1.013
2004	4,854,700	367,775,000	-	-	71,807,400	68,905,900	59,830,740	573,969,440	-	4,811,412	578,780,852	981,757,127	2.103
2003		366,778,100	-	-	71,769,000	68,019,000	59,830,740	571,251,540	-	5,609,855	576,861,395	890,685,130	1.968

Source: 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 the County Board of Taxation requests Treasury to order a reassessment

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

b Tax rates are per \$100

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

LITTLE FERRY BOARD OF EDUCATION  
DIRECT AND OVERLAPPING PROPERTY TAX RATES  
LAST TEN FISCAL YEARS  
(Rate per \$100 of assessed value)

Year Ended June 30	Little Ferry School District Direct Rate			Overlapping Rates		Total Direct and Overlapping Tax Rate
	Basic Rate <sup>a</sup>	General Obligation Debt Service <sup>b</sup>	(From J-6) Total Direct School Tax Rate	Borough of Little Ferry	Bergen County	
2012	1.396	-	1.396	0.823	0.218	2.437
2011	1.357	-	1.357	0.831	0.227	2.415
2010	1.329	-	1.329	0.810	0.201	2.340
2009	1.267	-	1.267	0.752	0.207	2.226
2008	1.235	-	1.235	0.724	0.199	2.158
2007	1.185	-	1.185	0.694	0.180	2.059
2006	1.109	-	1.109	0.654	0.157	1.920
2005	1.013	-	1.013	0.604	0.163	1.780
2004	2.103	-	2.103	1.266	0.325	3.694
2003	1.968	-	1.968	1.225	0.277	3.470

**Source: Municipal Tax Collector**

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

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

LITTLE FERRY BOARD OF EDUCATION  
 PRINCIPAL PROPERTY TAXPAYERS  
 CURRENT YEAR AND FIVE YEARS AGO

Taxpayer	2012			2007		
	Taxable Assessed Value	Rank	% of Total Direct Net Assessed Value	Taxable Assessed Value	Rank	% of Total Direct Net Assessed Value
Airport Properties Associates, Inc.	\$ 27,000,000	2	N/A	\$ 31,848,400	1	2.59%
Waterside Plaza Apartments Associates	27,270,000	1	N/A	28,076,000	2	2.28%
Liberty Bell Village LLC	20,880,000	3	N/A	21,715,700	3	1.76%
Little Ferry Associates LLC	16,912,100	4	N/A	17,468,600	6	1.42%
Gates Realty Corp.	12,376,800	6	N/A	16,912,100	8	1.37%
North Village II LLC	14,476,000	5	N/A	16,358,800	9	1.33%
Gates Brothers C/O Gates Realty	8,000,000	9	N/A	14,476,000	7	1.18%
Gates Brothers C/O Gates Realty				11,847,200	8	0.96%
Bell Atlantic Property Tax Department				10,611,997	9	0.86%
North Village I LLC	9,492,200	7	N/A	9,492,200	10	0.77%
Capri Little Ferry LLC	8,670,300	8	N/A			
Williamstowne Manor	7,820,000	10	N/A			
<b>Total</b>	<b>\$ 152,897,400</b>		<b>0.00%</b>	<b>\$ 178,806,997</b>		<b>14.52%</b>

**Source:** Municipal Tax Assessor

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

LITTLE FERRY BOARD OF EDUCATION  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS  
UNAUDITED

Year Ended June 30	Taxes Levied for the Fiscal Year	Collected Within the Fiscal year of the Levy <sup>a</sup>		Collections in Subsequent Years
		Amount	Percentage of Levy	
2012	\$ 16,835,015	\$ 16,835,015	100%	\$ -
2011	16,296,034	16,296,034	100%	-
2010	15,572,897	15,572,897	100%	-
2009	15,277,374	15,277,374	100%	-
2008	14,361,698	14,361,698	100%	-
2007	13,657,042	13,657,042	100%	-
2006	12,629,538	12,629,538	100%	-
2005	12,263,053	12,263,053	100%	-
2004	11,456,277	11,456,277	100%	-
2003	10,850,485	10,850,485	100%	-

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

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

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

*DEBT CAPACITY*

LITTLE FERRY BOARD OF EDUCATION  
RATIOS OF OUTSTANDING DEBT BY TYPE  
LAST SIX FISCAL YEARS

Fiscal Year Ended June 30,	Governmental Activities					Bond Anticipation Notes (BANS)			Business-Type Activities		Total District	Percentage of Personal Income <sup>a</sup>	Per Capita <sup>a</sup>
	General Obligation Bonds <sup>b</sup>	Certificates of Participation	Loans	Capital Leases	Capital Leases	Capital Leases	Capital Leases	Capital Leases	Capital Leases				
2012	\$ 550,000	\$ -	\$ 77,664	\$ -	\$ -	\$ -	\$ -	\$ -	-	627,664	N/A	N/A	
2011	1,050,000	-	114,515	-	-	-	-	-	-	1,164,515	N/A	N/A	
2010	1,575,000	-	150,159	-	-	-	-	-	-	1,725,159	N/A	N/A	
2009	2,125,000	-	184,655	-	-	-	-	-	-	2,309,655	0.34%	\$ 220	
2008	2,400,000	-	218,086	-	-	-	-	-	-	2,618,086	0.37%	251	
2007	-	-	250,467	410,000	-	-	-	-	-	660,467	0.09%	63	

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

**a** See 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.

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

LITTLE FERRY BOARD OF EDUCATION  
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING  
LAST FIVE FISCAL YEARS

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value <sup>a</sup> of Property	Per Capita <sup>b</sup>
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2012	\$ 550,000	\$ -	\$ 550,000	0.05%	N/A
2011	1,050,000	-	1,050,000	0.09%	N/A
2010	1,575,000	-	1,575,000	0.13%	N/A
2009	2,125,000	-	2,125,000	0.17%	\$ 203
2008	2,400,000	-	2,400,000	0.20%	230

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

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

**b** Population data can be found in J-14.

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

LITTLE FERRY BOARD OF EDUCATION  
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
LAST EIGHT FISCAL YEARS

	2012	2011	2010	2009	2008	2007	2006	2005
	Debt Outstanding	Estimated Percentage Applicable <sup>a</sup>	Estimated Share of Overlapping Debt					
<b>Governmental Unit</b>								
Debt Repaid With Property Taxes								
Borough of Little Ferry	N/A	N/A	N/A					
Bergen County General Obligation Debt	N/A	N/A	N/A					
Other Debt								
Municipal Water Authority - Little Ferry District's Share	N/A	N/A	N/A					
Subtotal, Overlapping Debt								
<b>Little Ferry District Direct Debt</b>								
<b>Total Direct and Overlapping Debt as of June 30,</b>				\$ 11,371,458	\$ 12,779,886	\$ 11,342,812	\$ 5,917,709	\$ 11,134,572

**Source:** Assessed value data used to estimate applicable percentages provided by the Bergen County Board of Taxation.

**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 Little Ferry. 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, for 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.

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

LITTLE FERRY BOARD OF EDUCATION  
 LEGAL DEBT MARGIN INFORMATION  
 LAST TEN FISCAL YEARS

**Legal Debt Margin Calculation for Fiscal Year 2012**

Equalized Valuation Basis	
2012	N/A
2011	\$ 1,195,031,940
2010	1,336,284,791
<b>[A]</b>	<u>\$ 2,531,316,731</u>

Average Equalized Valuation of Taxable Property **[A/3]** \$ 843,772,244

Debt Limit (4% of Average Equalization Value) **[B]** 33,750,890 **a**  
 Total Net Debt Applicable To Limit **[C]** 550,000  
 Legal Debt Margin **[B-C]** \$ 33,200,890

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Debt Limit	\$ 33,750,890	\$ 50,512,855	\$ 116,968,679	\$ 37,591,606	\$ 36,110,123	\$ 38,133,854	\$ 34,347,633	\$ 34,734,538	\$ 30,521,794	\$ 27,238,399
Total Net Debt Applicable to Limit	550,000	1,050,000	1,575,000	2,125,000	2,400,000	-	-	-	-	-
Legal Debt Margin	<u>\$ 33,200,890</u>	<u>\$ 49,462,855</u>	<u>\$ 115,393,679</u>	<u>\$ 35,466,606</u>	<u>\$ 33,710,123</u>	<u>\$ 38,133,854</u>	<u>\$ 34,347,633</u>	<u>\$ 34,734,538</u>	<u>\$ 30,521,794</u>	<u>\$ 27,238,399</u>
Total Net Debt Applicable to the Limit As a Percentage of Debt Limit	1.63%	2.08%	1.35%	5.65%	6.65%	0.00%	0.00%	0.00%	0.00%	0.00%

**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 NUSA 18A:24-19 for a K through 12 district; other % limits would be applicable for other district types.

***DEMOGRAPHIC AND ECONOMIC INFORMATION***

LITTLE FERRY BOARD OF EDUCATION  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN FISCAL YEARS

Year	Population <sup>a</sup>	Personal Income <sup>b</sup>	Per Capita Personal Income <sup>c</sup>	Unemployment Rate <sup>d</sup>
2012	10,696	N/A	N/A	N/A
2011	N/A	N/A	N/A	9.50%
2010	N/A	N/A	N/A	9.60%
2009	10,476	\$ 674,528,688	\$ 64,388	9.40%
2008	10,440	715,568,040	68,541	5.30%
2007	10,463	702,203,319	67,113	5.30%
2006	10,493	661,279,353	63,021	4.60%
2005	10,600	603,807,800	56,963	4.40%
2004	10,692	691,440,948	64,669	5.60%
2003	10,711	549,377,901	51,291	6.80%

**Source:**

<sup>a</sup> Population information provided by the NJ Dept of Labor and Workforce Development

<sup>b</sup> Personal income has been estimated based upon the municipal population and per capita personal income presented

<sup>c</sup> Per capita personal income by municipality estimated based upon the 2000 Census published by the US Bureau of Economic Analysis.

<sup>d</sup> Unemployment data provided by the NJ Dept of Labor and Workforce Development

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

LITTLE FERRY BOARD OF EDUCATION  
PRINCIPAL EMPLOYERS  
CURRENT YEAR AND LAST FIVE FISCAL YEARS  
UNAUDITED

Employer	2012			2007		
	Employees	Rank	Percentage of Total Municipal Employment	Employees	Rank	Percentage of Total Municipal Employment
Bergen County Utility Authority	N/A		N/A	300	1	N/A
Little Ferry Board of Education	N/A		N/A	210	2	N/A
Dassault Falcon Jet Corporation	N/A		N/A	200	3	N/A
Conesco Industries Ltd.	N/A		N/A	150	4	N/A
Unisource	N/A		N/A	120	5	N/A
Value City Department Store	N/A		N/A	115	6	N/A
Imperatore Courier Systems	N/A		N/A	100	7	N/A
Major Products Co.	N/A		N/A	85	8	N/A
McDonalds	N/A		N/A	80	9	N/A
Techni Edge Manufacturing Co.	N/A		N/A	80	9	N/A
	<u>N/A</u>		<u>N/A</u>	<u>1440</u>		<u>N/A</u>

Source: N/A

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

***OPERATING INFORMATION***

LITTLE FERRY BOARD OF EDUCATION  
 FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM  
 LAST SIX FISCAL YEARS

Function/Program	2012	2011	2010	2009	2008	2007
Instruction:						
Regular	50.2	65.0	69.0	68.8	68.0	68.0
Special Education	13.0	18.0	16.0	16.0	16.0	16.0
Other Special Education	0.0	0.0	0.0	0.0	0.0	0.0
Vocational	0.0	0.0	0.0	0.0	0.0	0.0
Other Instruction	17.4	5.0	3.0	3.0	3.0	5.0
Nonpublic School Programs	0.0	0.0	0.0	0.0	0.0	0.0
Adult/Continuing Education Programs	0.0	0.0	0.0	0.0	0.0	0.0
Support Services:						
Student and Instructional Related Services	15.7	3.0	13.0	13.0	13.0	18.4
General Administration	1.6	2.1	2.0	1.0	3.0	2.0
School Administrative Services	2.0	5.0	5.0	2.0	2.0	3.0
Other Administrative Services	1.1	2.0	0.1	0.5	0.0	1.0
Central Services	2.0	2.2	3.0	0.5	3.0	3.0
Administrative Information Technology	2.0	2.0	2.5	2.0	2.0	2.0
Plant Operations and Maintenance	19.1	30.5	12.0	12.0	6.5	6.0
Pupil Transportation	3.4	0.8	1.5	1.5	0.0	1.0
Other Support Services	0.0	0.0	0.0	0.0	0.0	0.0
Special Schools	0.0	0.0	0.0	0.0	0.0	0.0
Food Service	0.0	0.0	0.0	0.0	0.0	0.0
Child Care	0.0	0.0	0.0	0.0	0.0	0.0
Total	<u>127.5</u>	<u>135.6</u>	<u>127.1</u>	<u>120.3</u>	<u>116.5</u>	<u>125.4</u>

**Source:** District Personnel Records

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

LITTLE FERRY BOARD OF EDUCATION  
OPERATING STATISTICS  
LAST TEN FISCAL YEARS

Fiscal Year	Enrollment	Operating Expenditures <sup>a</sup>	Cost Per Pupil	Percentage Change	Teaching Staff <sup>b</sup>	Pupil/Teacher Ratio		Average Daily Enrollment (ADE) <sup>c</sup>	Average Daily Attendance (ADA) <sup>c</sup>	Percent Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School				
2012	989.0	\$ 19,130,136	\$ 19,343	-0.91%	64	1:20	1:21	989.0	925.2	2.28%	93.55%
2011	967.0	18,875,665	19,520	3.34%	83	1:65	1:65	967.0	929.0	0.73%	96.07%
2010	990.0	19,393,995	19,590	0.00%	88	1:11	1:11	960.0	N/A	-0.41%	N/A
2009	980.0	18,511,686	18,889	4.33%	79	1:13	1:13	964.0	933.2	0.94%	96.80%
2008	955.0	17,289,960	18,105	11.87%	87	1:11	1:11	955.0	912.1	-2.35%	95.51%
2007	972.0	15,731,075	16,184	8.84%	89	1:11	1:11	978.0	916.1	2.62%	93.67%
2006	992.0	14,750,269	14,869	1.26%	81	1:14	1:14	953.0	N/A	N/A	N/A
2005	953.0	13,994,490	14,685	N/A	81	1:14	1:14	N/A	N/A	N/A	N/A
2004	930.9	N/A	N/A	N/A	81	1:15	1:15	930.9	894.1	-6.19%	96.05%
2003	992.3	N/A	N/A	N/A	81	1:15	1:15	992.3	949.5	0.00%	95.69%

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 certified staff.

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

LITTLE FERRY BOARD OF EDUCATION  
SCHOOL BUILDING INFORMATION  
LAST TEN FISCAL YEARS

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
<b><u>District Building</u></b>										
<b><u>Elementary</u></b>										
Washington School										
Square Feet	30,764	30,764	30,764	30,764	30,764	118,900	118,900	85,400	85,400	85,400
Capacity (students)	180	180	180	180	180	550	550	493	493	493
Enrollment	210	204	242	237	239	-	-	-	-	-
<b><u>Middle School</u></b>										
Memorial School										
Square Feet	99,461	99,461	99,461	99,461	99,461	80,400	80,400	80,400	80,400	80,400
Capacity (students)	705	705	705	705	705	720	720	720	720	720
Enrollment	779	763	748	743	716	-	-	-	-	-

Number of Schools at June 30, 2012

Elementary = 1

Middle School = 1

**Source: District Facilities Office**

Note: Year of original construction is shown in parenthesis.

Increases in square footage and capacity are the result of and additions.

Enrollment is based on the annual October District count.

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

LITTLE FERRY BOARD OF EDUCATION  
SCHEDULE OF REQUIRED MAINTENANCE  
LAST TEN FISCAL YEARS

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

	* School Facilities Project # (s)	Memorial School	Washington School	Total
2012		\$ 23,607	\$ 7,455	\$ 31,062
2011		19,276	12,850	32,126
2010		79,727	57,688	137,415
2009		156,835	112,221	269,056
2008		176,386	51,486	227,872
2007		79,147	38,587	117,734
2006		104,727	52,326	157,053
2005		72,500	36,224	108,724
2004		63,900	35,484	99,384
2003		60,910	37,907	98,817
Total School Facilities		<u>\$ 837,015</u>	<u>\$ 442,228</u>	<u>\$ 1,279,243</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

LITTLE FERRY BOARD OF EDUCATION  
INSURANCE SCHEDULE  
JUNE 30, 2012

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy - (1)		
Building and Contents (All locations)	\$ 1,000,000	\$ 5,000
Boiler and Machinery	1,000,000	1,000
General Automobile Liability	1,000,000	1,000
School Board Legal Liability	1,000,000	5,000
Employers' Liability	1,000,000	
Worker's Compensation	1,000,000	
Umbrella Liability	9,000,000	10,000
Student Accident Insurance (2)	1,000,000	
Surety Bonds (3)		
Treasurer	200,000	
Board Secretary/Business Administrator	100,000	
(1) Zurich American Insurance Co.		
(1) Selective Insurance Co.		
(2) Selective Insurance Co.		

Source: District Records.

***SINGLE AUDIT SECTION***

**BARRE & COMPANY**  
**CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS**

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

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

We have audited the financial statements of Little Ferry Board of Education (School District), in the County of Bergen, State of New Jersey, as of and for the fiscal year ended June 30, 2012, and have issued our report thereon dated September 25, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Division of Finance and Regulatory Compliance, Department of Education, State of New Jersey.

**Internal Control over Financial Reporting**

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

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

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

### **Compliance and Other Matters**

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

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



Richard M. Barre  
Licensed Public School Accountant  
No. CS-01181  
Barre & Company, CPA's

September 25, 2012

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

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

**Compliance**

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

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements as prescribed by the Division of Finance and Regulatory Compliance, Department of Education, State of New Jersey; OMB 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*. Those standards, OMB Circular A-133 and New Jersey OMB's Circular 04-04, require that we plan and perform the audit to obtain reasonable assurance about whether

noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the School District's compliance with those requirements.

In our opinion, the Little Ferry Board of Education (School District), in the County of Bergen, State of New Jersey, complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2012.

### **Internal Control over Compliance**

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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses.

We did not identify any deficiencies in internal control over compliance that we consider to be *material weaknesses*, as defined above. The School District's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the School District's responses and, accordingly, we express no opinion on the responses.

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



Richard M. Barre  
Licensed Public School Accountant  
No. CS-01181  
Barre & Company, CPA's

September 25, 2012

LITTLE FERRY BOARD OF EDUCATION  
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	Program or Award Amount	Grant Period		Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment Of Prior Years' Balances	Balance at June 30, 2012	
				From	To						Accounts Receivable	Deferred Revenue
<b>U.S. Department of Education</b>												
General Fund:												
Education Jobs Fund	84.410A	ARRA	\$ 61,147	8/10/10	9/30/12	\$ -	\$ 61,147	\$ (61,147)	\$ -	\$ -	\$ -	\$ -
Total General Fund							61,147	(61,147)	-	-	-	-
<b>U.S. Department of Education</b>												
Passed-through State Department of Education												
Special Revenue Fund:												
Title I NCLB - Carryover	84.010	NCLB 2012	209,630	9/1/11	8/31/12		184,911	(209,630)			(24,719)	
Title I NCLB - Carryover	84.010	NCLB 2011	251,065	9/1/10	8/31/11	(221,279)	221,279					
Title I NCLB - Carryover	84.010	NCLB 2010	159,234	9/1/09	8/31/10	3,144					(26,642)	
I.D.E.A. Part B - Basic - Carryover	84.027	IDEA 2012	277,668	9/1/11	8/31/12		235,904	(29,786)			(41,764)	
I.D.E.A. Part B - Basic - Carryover	84.027	IDEA 2011	276,166	9/1/10	8/31/11	(276,166)	276,166	(277,668)				
I.D.E.A. Part B - Preschool - Carryover	84.173	IDEA 2011	10,531	9/1/10	8/31/11	(10,531)	435				(10,096)	
I.D.E.A. Part B - Preschool - Carryover	84.173	IDEA 2010	10,066	9/1/09	8/31/10	(6,975)	6,975					
Title III NCLB - Carryover	84.365	NCLB 2012	17,340	9/1/11	8/31/12		2,174	(17,340)			(15,166)	
Title III NCLB - Carryover	84.365	NCLB 2011	17,340	9/1/10	8/31/11	(876)	876					
Title III NCLB - Carryover	84.365	NCLB 2010	40,045	9/1/09	8/31/10	(6,088)	6,088	(40,045)			(40,045)	
Title I A NCLB - Carryover	84.367A	NCLB 2011	45,095	9/1/10	8/31/11	1,624					(39,006)	
Title I D NCLB - Carryover	84.318X	NCLB 2010	1,624	9/1/09	8/31/10	(3,129)	3,129	(461)			(970)	
ARRA - Title I Part A	84.389A	ARRA 2010	50,362	7/1/09	8/31/11	(110,690)					(970)	1,163
ARRA - I.D.E.A. Part B - Basic	84.391	ARRA 2010	279,018	7/1/09	8/31/11	(630,986)	937,957	(635,816)			(330,008)	1,163
Total Special Revenue Fund						(630,986)	937,957	(635,816)	-	-	(330,008)	1,163
<b>U.S. Department of Agriculture</b>												
Passed-through State Department of Education												
Enterprise Fund:												
School Breakfast Program	10.553	N/A	10,994	7/1/11	6/30/12		9,087	(10,994)			(1,907)	
School Breakfast Program	10.553	N/A	7,744	7/1/10	6/30/11	(2,041)	2,041					
National School Lunch Program	10.555	N/A	127,944	7/1/11	6/30/12		112,076	(127,944)			(15,868)	
National School Lunch Program	10.555	N/A	92,084	7/1/10	6/30/11	(17,446)	17,446					
Total Enterprise Fund						(19,487)	140,650	(138,938)			(17,775)	
Sub-Total Federal Financial Awards						(650,473)	\$ 1,139,754	\$ (835,901)	\$ -	\$ -	\$ (347,783)	\$ 1,163

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



**LITTLE FERRY BOARD OF EDUCATION  
NOTES TO SCHEDULES OF EXPENDITURES OF AWARDS AND FINANCIAL  
ASSISTANCE  
JUNE 30, 2012**

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**NOTE 1. GENERAL**

The accompanying schedules of expenditures of federal awards and state financial assistance include federal and state award activity of the Board of Education, Little Ferry School District. The Board of Education is defined in Note 1 to the Board's basic financial statements. All federal and state awards received directly from federal and state agencies is included on the schedule of expenditures of federal awards and state financial assistance.

**NOTE 2. BASIS OF ACCOUNTING**

The accompanying schedules of expenditures of awards and financial assistance are presented 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 to the Board'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 presentation of, the basic financial statements.

**NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS**

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

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the one or more deferred June state aid payments in the current budget year, which is mandated pursuant to *N.J.S.A. 18A:22-44.2*. For GAAP purposes payments are not recognized until the subsequent budget year due to the state deferral and recording of the one or more June state aid payments in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The special revenue fund also recognizes the one or more June state aid payment in the current budget year, consistent with *N.J.S.A. 18A:22-4.2*.

**LITTLE FERRY BOARD OF EDUCATION  
NOTES TO SCHEDULES OF EXPENDITURES OF AWARDS AND FINANCIAL  
ASSISTANCE  
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 (\$33,401) for the general fund and none for the special revenue fund. See 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	\$ 61,147	\$ 2,435,630	\$ 2,496,777
Special Revenue Fund	635,816	92,400	728,216
Debt Service Fund	-	184,280	184,280
Food Service Fund	138,938	3,492	142,430
Total Awards & Financial Assistance	<u>\$ 835,901</u>	<u>\$ 2,715,802</u>	<u>\$ 3,551,703</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. STATE LOANS OUTSTANDING**

Little Ferry School District had the following loans outstanding at June 30, 2012:

<u>Loan Program Title</u>	<u>State CFDA Number</u>	<u>Amount Outstanding</u>
NJ-EDA Small Project Loan	N/A	\$ 62,534
NJ-EDA Safe Program Loan	N/A	15,130

**LITTLE FERRY BOARD OF EDUCATION  
NOTES TO SCHEDULES OF EXPENDITURES OF AWARDS AND FINANCIAL  
ASSISTANCE  
JUNE 30, 2012**

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**NOTE 6. OTHER**

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF 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 represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2012.

**NOTE 7. SCHOOLWIDE PROGRAM FUNDS**

Schoolwide programs are not separate federal programs as defined in OMB Circular A-133; amounts used in schoolwide programs are included in the total expenditures of the program contributing the funds in the Schedule of Expenditures of Federal Awards. The following funds by program are included in schoolwide programs in the district.

Program	Total
Title I, Part A: <i>Improving Basic Programs Operated by Local Education Agencies</i>	\$ 239,416
Title II, Part A: <i>Teacher and Principal Training and Recruiting</i>	79,051
Title II, Part D: <i>Enhancing Education Through Technology</i>	<u>461</u>
Total	<u>\$ 318,928</u>

LITTLE FERRY BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

**Section I – Summary of Auditor’s Results**

**Financial Statements**

Type of auditor’s report issued Unqualified

Internal control over financial reporting:

1) Material weakness(es) identified?  Yes  No

2) Significant deficiencies identified?  Yes  None Reported

Noncompliance material to basic financial statements noted?  Yes  No

**Federal Awards**

Internal Control over major programs:

1) Material weakness(es) identified?  Yes  No

2) Significant deficiencies identified?  Yes  None Reported

Type of auditor’s report issued on compliance for major programs Unqualified

Any audit findings disclosed that are required to be reported in accordance with Section .510(a) of Circular A-133?  Yes  No

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
84.010	NCLB Cluster:
84.365	Title I and Title I Carryover
84.367A	Title III and Title III Carryover
84.318X	Title II A and Title II A Carryover
	Title II D Carryover
84.027	
10.555	IDEA Part B Basic
	National School Lunch Program

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

Auditee qualified as low-risk auditee?  Yes  No

LITTLE FERRY BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

**Section I – Summary of Auditor’s Results (Continued)**

**State Awards**

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

Auditee qualified as low-risk auditee?  X  Yes      No

Internal Control over major programs:

1) Material weakness(es) identified?      Yes  X  No

2) Significant deficiencies that are not considered to be material weaknesses?      Yes  X  None Reported

Type of auditor’s report issued on compliance for major programs Unqualified

Any audit findings disclosed that are required to be reported in accordance with NJOMB Circular Letter 04-04?      Yes  X  No

Identification of major state programs:

<b>GMIS Number(s)</b>	<b>Name of State Program</b>
<u>12-495-034-5120-089</u>	<u>Special Education Aid</u>
<u>12-495-034-5120-078</u>	<u>Equalization Aid</u>
<u>12-495-034-5095-001</u>	<u>On-Behalf TPAF Post-Retirement Medical Contributions</u>
<u>12-495-034-5095-002</u>	<u>Reimbursed TPAF Social Security Contributions</u>
<u> </u>	<u> </u>

LITTLE FERRY BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

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***Section II – Financial Statement Findings***

This section identifies the significant deficiencies, material weaknesses, fraud, illegal acts, violations of provisions of contracts and grant agreements, and abuse related to the financial statements for which *Government Auditing Standards* requires reporting in a Circular A-133 audit. See paragraphs 13.15 and 13.35.

**Finding**

There were no matters reported.

LITTLE FERRY BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

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***Section III – Federal Awards and State Financial Assistance  
Findings and Questioned Costs***

This section identifies audit findings required to be reported by section .510(a) of Circular A-133 and NJOMB Circular Letter 04-04.

**FEDERAL AWARDS**

**Findings**

There were no matters reported.

**STATE AWARDS**

**Findings**

There were no matters reported.

LITTLE FERRY BOARD OF EDUCATION  
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS AND QUESTIONED  
COSTS AS PREPARED BY MANAGEMENT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

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**STATUS OF PRIOR-YEAR FINDINGS**

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

**Findings**

There were no matters reported.