

**SCHOOL DISTRICT
OF
WEEHAWKEN**

Weehawken Board of Education
Hudson County, New Jersey

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

Comprehensive Annual

Financial Report

of the

Weehawken Board of Education

For the Fiscal Year Ended June 30, 2012

WEEHAWKEN BOARD OF EDUCATION
Fiscal Year Ended June 30, 2012

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BOARD OF EDUCATION
53 Liberty Place
Weehawken, NJ 07086

HWEY-HWEY "VICKY" GUO
Business Administrator/Board Secretary

Telephone 201-422-6125
Fax 201-422-6153

November 30, 2012

Honorable President and
Members of the Board of Education
Weehawken Board of Education
County of Hudson, New Jersey

Dear Board Members and Constituents of Weehawken:

The comprehensive annual financial report of the Weehawken Board of Education (the "Board") 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 Board. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the Board. All disclosures necessary to enable the reader to gain an understanding of the Board's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the Board organizational chart and a list of principal officials. The financial section includes under the new Governmental Accounting Standard Board Statement No. 34, the Report of Independent Accountants, the Management Discussion and Analysis, the basic financial statements, required supplementary information, and the combining and individual fund financial statements. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The Board is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984 and the Single Audit Act Amendments of 1996 and the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and New Jersey OMB's Circular 04-04 OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Information related to this single audit, including the auditor's reports covering compliance with applicable laws, regulations and requirements, and internal control over compliance and financial reporting, as well as a schedule of related findings, are included in the single audit section of this report.

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

The Board provides a full range of educational services appropriate to grade levels K through 12. These include regular and special education for handicapped youngsters. The Board also provides preschool educational services. The Board completed the 2011-2012 fiscal year with an enrollment of 1,239 students, which are 9 less students than the previous year's enrollment. The following details the changes in the student enrollment of the District over the last five years.

Average Daily Enrollment

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2011-2012	1,239	0.72%
2010-2011	1,248	2.80%
2009-2010	1,214	3.58%
2008-2009	1,172	1.74%

2.) ECONOMIC CONDITION AND OUTLOOK: The Township of Weehawken area is experiencing a period of economic stability. Its proximity to employment centers in New York City and northern New Jersey contribute towards maintaining a stable outlook.

3.) MAJOR INITIATIVES: Weehawken High School seniors continued to perform at a consistent rate on the Scholastic Aptitude Test (SAT). 91 percent of our 2012 graduates went on to further education – 45 percent to four-year institutions. The disadvantaged and special needs students are included in the above statistics. There are many programs available to these students and the students are made aware of them. The drop out rate has been below the state average. The 2011-2012 dropout rate was 1.3% percent.

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

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

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

5.) BUDGETARY CONTROLS: In addition to internal accounting controls, the Board 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 Township of Weehawken. 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 re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance at June 30, 2012.

6.) ACCOUNTING SYSTEM AND REPORTS: The Board's accounting records reflect accounting principles generally accepted in the United States of America, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the Board 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 Board's outstanding debt issues included \$12,688,000 of general obligation bonds, and two loans from the New Jersey Economic Development Authority with a total outstanding amount of \$177,691, obligations under capital leases of \$165,779 and compensated absences payable of \$243,235.

8.) CASH MANAGEMENT: The investment policy of the Board is guided in large part by New Jersey Statutes as detailed in "Notes to the Financial Statements", Note 2. The Board 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 liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds.

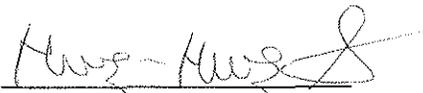
10.) OTHER INFORMATION:

Independent Audit – State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Garbarini & Co. P.C., CPA's, 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 Amendments of 1996, and the related OMB Circular A-133 and New Jersey OMB's Circular 04-04. The auditor's report on the general - purpose financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

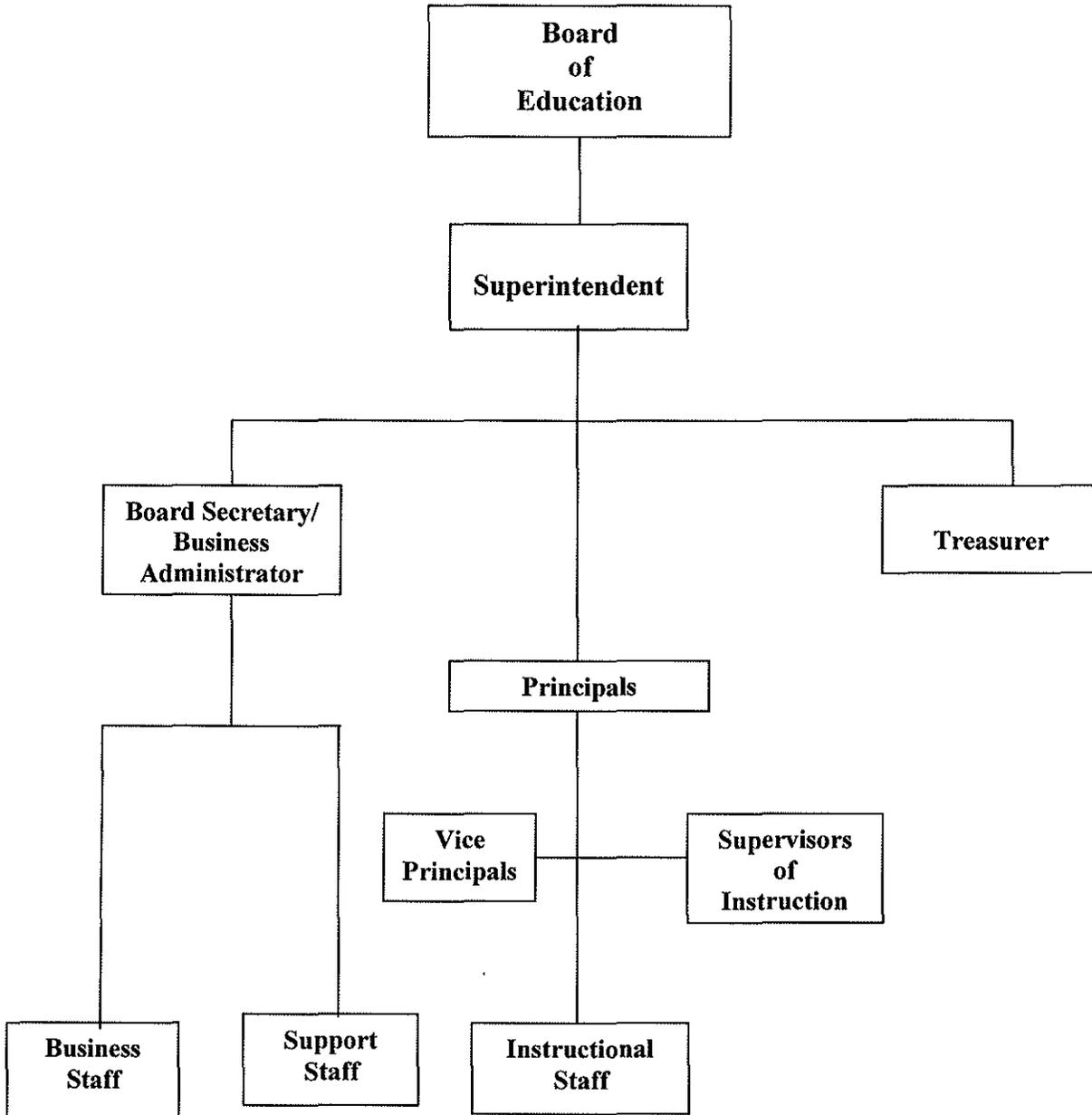
11.) ACKNOWLEDGMENT: We would like to express our appreciation to the members of the Weehawken Board of Education for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial operation.

Respectfully submitted,


Kevin J. McLellan
Superintendent


Hwey-Hwey "Vicky" Guo
Board Secretary/
Business Administrator

WEEHAWKEN BOARD OF EDUCATION
WEEHAWKEN, NEW JERSEY
ORGANIZATIONAL CHART
JUNE 30, 2012



**WEEHAWKEN BOARD OF EDUCATION
WEEHAWKEN, NEW JERSEY
ROSTER OF OFFICIALS
JUNE 30, 2012**

Members of the Board of Education

Term Expires

Richard Barsa, President	2015
Alma Martir, Vice President	2014
John Cannata	2014
Mark Denfeld	2014
Susan Morales Jennings	2013
Gabrielle Jonas	2015
Francis Pizzuta	2013
Patricia Sullivan	2013
Joseph Rutigliano	2015

Other Officials

Kevin J. McLellan	Superintendent
Hwey-Hwey "Vicky" Guo	Board Secretary/Business Administrator
Lisa Toscano	Treasurer of School Moneys
The Law Offices of Joseph Ryglicki	Counsel

WEEHAWKEN BOARD OF EDUCATION

Consultants and Advisors

Audit Firm

Garbarini & Co. P.C. CPAs
Registered Municipal Accountants
Public School Accountants
Division Avenue & Route #17 South
Carlstadt, New Jersey 07072

Attorney

Law Offices of Joseph J. Ryglicki
115 River Road
Edgewater, New Jersey 07020

Official Depository

New Jersey Cash Management Fund
Harborside Financial Center
Plaza Two
Jersey City, New Jersey 07311-3977

Capital One Bank
4714 Park Avenue
Weehawken, New Jersey 07086

And

TD Bank
4200 Park Avenue
Weehawken, New Jersey 07086

FINANCIAL SECTION

Independent Auditor's Report

Honorable President and
Members of the Board of Education
Weehawken School District
County of Hudson
Weehawken, New Jersey

We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund and the aggregate remaining fund information of the Board of Education of the Weehawken School District, in the County of Hudson, State of New Jersey, as of and for the fiscal year ended June 30, 2012, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Weehawken Board of Education's management. Our responsibility is to express an opinion on these general-purpose 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, Department of Education, and 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 opinions.

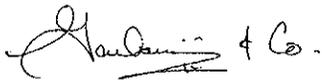
In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Weehawken Board of Education, in the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

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and Budgetary Comparison Information on pages 10 through 19 and 58 through 62 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Weehawken Board of Education's financial statements as a whole. The introductory section, combining and individual non-major fund financial statements, long-term debt schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedules of expenditures of federal awards and state financial assistance are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations; and New Jersey OMB's Circular 04-04, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid respectively, and are also not a required part of the basic financial statements. The combining and individual non-major fund financial statements, long-term debt schedules and the schedule of expenditures of federal awards and state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures on accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.



Paul W. Garbarini, CPA
Registered Municipal Accountant
No. 534
Public School Accountant
No. 415



Garbarini & Co. P.C.
Carlstadt, New Jersey

November 30, 2012

Required Supplementary Information

Part I

**WEEHAWKEN BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

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

Financial Highlights

Key financial highlights for fiscal year 2012 are as follows:

- In total, net assets are \$2,609,420. Net assets of governmental activities are \$2,168,729. Net assets of the business-type activity, which represents food service, and Latchkey Program, are \$440,691. This reflects a increase in Governmental Activities net assets in the amount of \$568,764, compared to fiscal year 2011.
- Governmental Funds Revenues total \$24,296,054 and the Local Tax Levy was \$17,813,768. State Revenue is \$4,880,792 and the Federal Revenue is \$978,685.
- The Weehawken Board of Education has experienced a slight decrease in student enrollment. Actual enrollment for the year ended June 30, 2012 was 1,239, which reflects a .72 % decrease from the previous year.

Using the Basic Financial Statements

This annual report consists of a series of financial statements and notes to those statements. This report is organized to show the reader the Weehawken Board of Education as a financial whole, or an entire operating entity.

The statement of net assets and statement of activities provide information about the activities of the whole Weehawken Board of Education, presenting both an aggregate view of the Weehawken Board of Education's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the Weehawken Board of Education's most significant funds. For the Weehawken Board of Education, the General Fund is the most significant fund.

**WEEHAWKEN BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

Reporting the Weehawken Board of Education as a Whole

Statement of Net Assets and Statement of Activities

While this report contains the large number of funds used by the Weehawken Board of Education to provide programs and activities, the view of the Weehawken Board of Education as a whole looks at all financial transactions and asks the question, "How did we do financially during the fiscal year 2012?" The statement of net assets and liabilities uses the accrual basis of accounting similar to the accounting system used by most private sector companies. This basis of accounting takes into consideration all of the current year's revenues and expenses regardless of when cash was received or paid.

These two statements report the Weehawken Board of Education's net assets and changes in those assets. This change in net assets is important because it identifies whether the financial position of the Weehawken Board of Education has improved or diminished for the Weehawken Board of Education as a whole. The cause of this change may be the result of many factors, some financial, some not. Non-financial factors include the Weehawken Board of Education's property tax base, current property tax laws in New Jersey, facility conditions, required educational programs, and other factors.

In the statement of net assets and the statement of activities, the Weehawken Board of Education is divided into two distinct kinds of activities:

Governmental Activities - Most of the Weehawken Board of Education's programs and services are reported here including instruction, support services, operation and maintenance of plant, pupil transportation, and extracurricular activities.

Business-Type Activity - This service is provided on a charge for goods or services basis to recover all of the expenses of the goods or services provided. The Food Service enterprise fund and the Latchkey Program are reported as a business activity.

**WEEHAWKEN BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

Reporting the Weehawken Board of Education's Most Significant Funds

Fund Financial Statement

Fund financial reports provide detailed information about the Weehawken Board of Education's major funds. The Weehawken Board of Education uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the Weehawken Board of Education's most significant funds. The Weehawken Board of Education's major governmental funds are the General Fund, Special Revenue Fund, and Capital Project Fund.

Governmental Fund

Most of the Weehawken Board of Education's activities are reported in governmental funds, which focus on how monies flow into and out of those funds and the balances left at fiscal year end for spending in future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Weehawken Board of Education's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent in the near future to finance educational programs. The relationship, or differences, between governmental activities reported in the statement of net assets and the statement of activities and the governmental funds is reconciled in the financial statements.

Enterprise Fund

The enterprise fund uses the same basis of accounting as business-type activities; therefore, their statements are essentially the same.

The Weehawken Board of Education as a Whole

The perspective of the statement of net assets is of the Weehawken Board of Education as a whole. Table 1 provides a summary of the Weehawken Board of Education's net assets for 2012 with comparative totals for 2011 and 2010.

**WEEHAWKEN BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

Total assets equal \$16,629,424. Total assets for Governmental Activities is \$16,171,975. Total assets for Business Type Activities is \$457,449.

Table 1
Net Assets

	<u>Governmental</u> <u>Activities</u> 2012	<u>Business-type</u> <u>Activities</u> 2012	<u>Total</u> 2012	<u>Total</u> 2011	<u>Total</u> 2010
<u>Assets:</u>					
Current and Other Assets	\$ 2,997,882	\$ 411,608	\$ 3,409,490	\$ 2,688,377	\$ 3,256,858
Capital Assets, Net	13,174,093	45,841	13,219,934	14,034,515	14,419,952
Total Assets	<u>\$ 16,171,975</u>	<u>\$ 457,449</u>	<u>\$ 16,629,424</u>	<u>\$ 16,722,892</u>	<u>\$ 17,676,810</u>
 <u>Liabilities</u>					
Current and Other Liabilities	\$ 728,541	\$ 16,758	\$ 745,299	\$ 737,561	\$ 1,007,062
Long-Term Liabilities	13,274,705		13,274,705	13,944,675	14,713,361
Total Liabilities	<u>\$ 14,003,246</u>	<u>\$ 16,758</u>	<u>\$ 14,020,004</u>	<u>\$ 14,682,236</u>	<u>\$ 15,720,423</u>
 <u>Net Assets:</u>					
Invested in Capital Assets - Net of Related Debt	\$ 1,462,623	\$ 45,841	\$ 1,508,464	\$ 1,756,290	\$ 1,454,001
Restricted	964,354		964,354	1,026,787	1,768,896
Unrestricted	(258,248)	394,850	136,602	(742,421)	(1,266,510)
Total Net Assets	<u>\$ 2,168,729</u>	<u>\$ 440,691</u>	<u>\$ 2,609,420</u>	<u>\$ 2,040,656</u>	<u>\$ 1,956,387</u>

**WEEHAWKEN BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

Table 2 reflects the change in net assets for fiscal year 2012 with comparative data for 2011 and 2010.

Table 2
Changes in Net Assets

	Governmental Activities	Business-type Activities	Total	Total	Total
	2012	2012	2012	2011	2010
Revenues:					
Program Revenues:					
Charges for Services	\$ 148,151	\$ 263,753	\$ 411,904	\$ 301,551	\$ 230,027
Operating Grants and Contributions	5,893,315	265,284	6,158,599	5,839,152	6,283,133
Capital Grants and Contributions			-	-	285,000
Total Program Revenues	6,041,466	529,037	6,570,503	6,140,703	6,798,160
General Revenues:					
Property Taxes	17,813,768		17,813,768	17,141,458	16,208,139
Grants and Entitlements - Budget vs. GAAP	(50,312)		(50,312)	101,545	3,406
Fixed Asset Retirements/Adjustments - Net	1,598		1,598	221,634	-
Adjustments: Capital Leases	50,537		50,537	14,130	18,120
Miscellaneous	474,658		474,658	453,718	402,025
Total General Revenues	18,290,249	-	18,290,249	17,932,485	16,631,690
Total Revenues	24,331,715	529,037	24,860,752	24,073,188	23,429,850
Functional/Program Expenses:					
Instruction	12,293,841		12,293,841	12,287,277	12,385,214
Support Services:					
Pupil and Instructional Staff	4,902,218		4,902,218	4,739,864	4,277,763
Bd. of Ed., Admin. and Fiscal	2,678,045		2,678,045	2,646,351	2,766,312
Operation and Maintenance of Plant	1,843,163		1,843,163	1,825,255	1,817,501
Pupil Transportation	1,243,145		1,243,145	1,094,354	1,139,170
Unallocated Depreciation	91,397		91,397	144,419	92,037
Interest on Long-Term Debt	545,352		545,352	573,549	744,926
Capital Outlay - Not Capitalized	29,249		29,249	83,873	20,231
Capital Reserve transfer to Debt Service			-	-	285,000
Special Education Job Fund	72,364		72,364	35,440	-
Charter Schools	157,107		157,107	159,959	168,248
Food Service		364,676	364,676	343,918	343,446
Latchkey Program		71,454	71,454	55,225	61,997
Total Expenses	23,855,881	436,130	24,292,011	23,989,484	24,101,845
Excess (Deficiency) Before Special					
Items and Transfers	475,834	92,907	568,741	83,704	(671,995)
Special Items:					
Transfers	23		23	565	7,887
Increase/(Decrease) in Net Assts	475,857	92,907	568,764	84,269	(664,108)
Net Assets - beginning of the year	1,692,872	347,784	2,040,656	1,956,387	2,620,495
Net Assets - end of the year	\$ 2,168,729	\$ 440,691	\$ 2,609,420	\$ 2,040,656	\$ 1,956,387

**WEEHAWKEN BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

The total increase in Net Assets for Governmental Activities is \$ 475,857. The total increase in Net Assets for Business Type Activities is \$ 92,907. The net increase in Net Assets is \$ 568,764.

Governmental Activities

The statement of activities reflects the cost of the program services and the charges for services and sales, grants, and contributions offsetting those services. Table 3a, for Governmental Activities, indicates the total cost of services and the percentage cost of services. It identifies the cost of these services supported by tax revenues and unrestricted state entitlements.

Table 3a
Governmental Activities

	Total Cost of <u>Services</u> 2011-12	Percent of <u>Total</u>
Instruction	12,293,841	51.53%
Support Services:		
Pupil and Instructional Staff	4,902,218	20.55%
Administrative and Fiscal	2,678,045	11.23%
Operation and Maintenance of Plant	1,843,163	7.73%
Pupil Transportation	1,243,145	5.21%
Unallocated Depreciation	91,397	0.38%
Special Education Jobs Fund	72,364	0.30%
Capital Outlay	29,249	0.12%
Interest on Long-Term Debt	545,352	2.29%
Charter Schools	157,107	0.66%
Total Expenses	\$ 23,855,881	100.00%

The Governmental Activities in the above chart demonstrate that \$ 12,293,841 are allocated to School Based Budgets and are identified as Instruction. Additionally, Pupil and Instructional Staff activities are \$4,902,218. The combined resources from Instruction and Pupil and Instructional Staff total \$ 17,196,059.

Together the aforementioned categories account for 72.08 % of the Governmental Activities.

Pupil transportation costs reflect the cost for salaries, overtime, maintenance of fleet and contracted transportation services. The Weehawken Board of Education is a participant of the North Hudson Transportation Consortium with the Hudson County School of Technology.

To date Weehawken Board of Education has not been adversely impacted by Charter Schools. Currently the contribution to Charter Schools by the Weehawken Board of Education is \$ 157,107. Weehawken Board of Education sends a total of 10 students to two Charter Schools.

**WEEHAWKEN BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

Business-Type Activity

	Total Cost of <u>Services</u> <u>2011-2012</u>	Percent of <u>Total</u>
Revenue		
Charges for Services	\$ 263,753	49.86%
Operating Grants	<u>265,284</u>	<u>50.14%</u>
Total Revenue	<u>529,037</u>	
Transfers		
Total Revenue and Transfers	<u><u>\$ 529,037</u></u>	<u><u>100.00%</u></u>
 Function/Program Expenses		
Food Service	364,676	83.62%
Latchkey Program	<u>71,454</u>	<u>16.38%</u>
Total Expenses	<u><u>436,130</u></u>	<u><u>100.00%</u></u>
Increase in Net Assets	<u><u>\$ 92,907</u></u>	

The business-type activities of the Weehawken Board of Education are the food service operation and Latchkey Program. These programs had revenues and transfers of \$ 529,037 and expenses of \$ 436,130 in fiscal year 2012. The cost of lunch room aides was moved to the general fund, therefore no transfers from general were needed to cover shortfalls.

The Weehawken Board of Education suggests that efforts continue to increase sales and reduce costs. The Weehawken Board of Education and school administrators are committed and have concentrated efforts to ensure that all students who are eligible for Free/Reduced lunch submit the proper forms for eligibility in a timely manner.

The Board of Education continues to examine the food service operation in effort to be self-operating without assistance from the General Fund. The business activity receives limited support from tax revenues.

**WEEHAWKEN BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

Sources of Revenue

The local tax revenue has been relatively stable for several years. The dependence upon state revenue for governmental activities is apparent. For all governmental activities, state revenues support over 20%. The community, as a whole, is 75% of the support and Federal revenue accounts for 5 % of the total cost of programs for Weehawken Board of Education students.

Table 4
Sources of Revenue

Fiscal Year <u>Ended June 30</u>	Local Tax <u>Levy</u>	Other Local <u>Revenue</u>	State <u>Revenue</u>	Federal <u>Revenue</u>	<u>Total</u>
2012	\$ 17,813,768	\$ 622,832	\$ 4,880,792	\$ 978,685	\$ 24,296,077

The total revenue from all sources is \$ 24,296,077.

The Weehawken Board of Education's Funds

The Weehawken Board of Education's governmental funds are accounted for using standards established by the Governmental Accounting Standard Board Memo No. 34. Total governmental funds had revenues and other financing sources of \$ 24,296,077 and expenditures and other financing uses of \$ 23,680,946. The positive fund balance for the year-end reflects that Weehawken Board of Education was able to meet current costs.

General Fund Budgeting Highlights

The Weehawken Board of Education's budget is prepared according to New Jersey law. Instruction, Early Childhood Program and District Central Office account for the majority of programs budgeted within the General Fund.

The Weehawken Board of Education's budget is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is General Fund.

For the General and Special Revenue Fund, final budgeted revenues and other financing sources, in the amount of \$ 23,148,403, were above original budgeted revenues and other financing sources. This was due to conservative federal aid estimates.

**WEEHAWKEN BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

General Fund Budgeting Highlights (Continued)

General Fund revenues and other financing sources were greater than expenditures and other financing uses. This was partly due to the increase in state aid of \$547,803.

For the 2011-2012 District School Budget, \$ 459,264 of surplus was designated for subsequent years expenditures. The allocation and projection of allocation of surplus are in compliance with New Jersey Department of Education Budgetary Guidelines.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2012, the Weehawken Board of Education had \$ 13,174,093 invested in capital assets, for governmental activities. This amount represents a net decrease of \$809,244 compared to the prior year. This was mainly due to depreciation expense which caused a decrease of \$ 1,079,163 and the increase was mainly due to the lease-purchase of two new buses in the amount of \$169,465. More detailed information about the Board's capital assets and depreciation is presented in Note 4 to the financial statements.

Debt

At June 30, 2012, the Weehawken Board of Education had \$ 12,282,381 in long-term debt and loans payable, and \$ 992,324 in short-term debt and loans payable, totaling \$13,274,705. Long-term liabilities as of June 30, 2012 included compensated absences payable, and capital lease obligations. More detailed information about the Board's long-term liabilities is presented in Note 5 of the financial statements.

**WEEHAWKEN BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

Current Issues

The Weehawken Board of Education has been able to provide a quality education for the students in our community while adhering to financial guidelines that exhibit a strong fiscal philosophy. We are currently faced with the dilemma of increased academic requirements and only small increases in state aid for the last three years. Approximately seventy-three percent of our school budget is funded by local taxes, which during tough economic times makes it difficult to increase educational programs.

As always we will continue to meet the core curriculum content standards and help our children reach their maximum potential.

Contacting the Weehawken Board of Education's Financial Management

The Management Discussion and Analysis of this financial report is designed to provide citizens, taxpayers and investors with a snapshot of the Weehawken Board of Education's finances. Also, to reflect the Weehawken Board of Education's accountability for the monies it receives. Questions about this report or additional financial information needs should be directed to Kevin J. Mclellan, Superintendent of Schools, Weehawken Board of Education, 53 Liberty Place, Weehawken, NJ 07086.

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

Weehawken Board of Education
Statement of Net Assets
June 30, 2012

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ 2,322,113	\$ 394,740	\$ 2,716,853
Receivables, net	461,716	8,772	470,488
Inventory		8,096	8,096
Restricted assets:			
Cash and cash equivalents	214,053		214,053
Capital assets: Land	602,575		602,575
Capital assets: Building & Impr., Machinery & Equipment (Net)	12,571,518	45,841	12,617,359
Total Assets	<u>16,171,975</u>	<u>457,449</u>	<u>16,629,424</u>
LIABILITIES			
Accounts payable	659,714	16,758	676,472
Payable to other funds	309		309
Deferred revenue	68,518		68,518
Noncurrent liabilities :			
Due within one year	992,324		992,324
Due beyond one year	12,282,381		12,282,381
Total liabilities	<u>14,003,246</u>	<u>16,758</u>	<u>14,020,004</u>
NET ASSETS			
Invested in capital assets, net of related debt	1,462,623	45,841	1,508,464
Restricted for:			
Debt service	590		590
Capital projects	159,199		159,199
Other purposes	804,565		804,565
Unrestricted	(258,248)	394,850	136,602
Total net assets	<u>\$ 2,168,729</u>	<u>\$ 440,691</u>	<u>\$ 2,609,420</u>

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

Weehawken Board of Education
Statement of Activities
For the Year Ended June 30, 2012

Functions/Programs	Expenses	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
Governmental activities:							
Instruction:							
Regular	\$ 10,249,611		\$ 3,115,323		\$ (7,134,288)		\$ (7,134,288)
Special education	1,193,753		211,294		(982,459)		(982,459)
Other special instruction	246,460		43,980		(202,480)		(202,480)
Community Service					-		-
Other instruction	604,017		115,210		(488,807)		(488,807)
Support services:							
Tuition	2,384,574	148,151	608,381		(1,628,042)		(1,628,042)
Student & instruction related services	2,517,644		576,400		(1,941,244)		(1,941,244)
School administrative services	942,634		148,374		(794,260)		(794,260)
General and business administrative services	1,251,582		205,564		(1,046,018)		(1,046,018)
Central Services	483,829		86,314		(397,515)		(397,515)
Plant operations and maintenance	1,843,163		351,936		(1,491,227)		(1,491,227)
Pupil transportation	1,243,145		156,906		(1,086,239)		(1,086,239)
Charter Schools	157,107		40,083		(117,024)		(117,024)
Special Education Job Fund	72,364		72,364		-		-
Interest on long-term debt	545,352		161,186		(384,166)		(384,166)
Capital Outlay - Not Capitalized	29,249				(29,249)		(29,249)
Unallocated depreciation	91,397				(91,397)		(91,397)
Total governmental activities	<u>23,855,881</u>	<u>148,151</u>	<u>5,893,315</u>	<u>-</u>	<u>(17,814,415)</u>	<u>-</u>	<u>(17,814,415)</u>
Business-type activities:							
Food Service	364,676	99,526	265,284			134	134
Latchkey Program	71,454	164,227				92,773	92,773
Total business-type activities	<u>436,130</u>	<u>263,753</u>	<u>265,284</u>	<u>-</u>	<u>-</u>	<u>92,907</u>	<u>92,907</u>
Total primary government	<u>\$24,292,011</u>	<u>\$ 411,904</u>	<u>\$ 6,158,599</u>	<u>\$ -</u>	<u>\$ (17,814,415)</u>	<u>\$ 92,907</u>	<u>\$ (17,721,508)</u>
General revenues:							
Taxes:							
Property taxes, levied for general purposes, net					16,661,907		16,661,907
Taxes levied for debt service					1,151,861		1,151,861
Federal and State aid Budget vs. GAAP					(50,312)		(50,312)
Miscellaneous Income					474,658		474,658
Adjustment : Capital Leases					50,537		50,537
Adjustment : Fixed Asset Retirements /Adjustments					1,598		1,598
Transfers					23		23
Total general revenues, special items, extraordinary items and transfers					<u>18,290,272</u>	<u>-</u>	<u>18,290,272</u>
Change in Net Assets					<u>475,857</u>	<u>92,907</u>	<u>568,764</u>
Net Assets—beginning					<u>1,692,872</u>	<u>347,784</u>	<u>2,040,656</u>
Net Assets—ending					<u>\$ 2,168,729</u>	<u>\$ 440,691</u>	<u>\$ 2,609,420</u>

FUND FINANCIAL STATEMENTS

Weehawken Board of Education
Statement of Revenues, Expenditures, And Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2012

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
REVENUES					
Local sources:					
Local Tax Levy	\$ 16,661,907			\$ 1,151,861	\$ 17,813,768
Capital Reserve					-
Tuition charges	148,151				148,151
Miscellaneous	474,658				474,658
Total - Local Sources	<u>17,284,716</u>	<u>-</u>	<u>-</u>	<u>1,151,861</u>	<u>18,436,577</u>
State sources	4,178,560	541,046		161,186	4,880,792
Federal sources	93,155	885,530			978,685
Total revenues	<u>21,556,431</u>	<u>1,426,576</u>	<u>-</u>	<u>1,313,047</u>	<u>24,296,054</u>
EXPENDITURES					
Current:					
Regular instruction	\$ 6,297,229	\$ 1,108,436			\$ 7,405,665
Special education instruction	828,175				828,175
Other special instruction	172,382				172,382
Other instruction	451,572				451,572
Community service programs	-				-
Support services:					
Tuition	2,384,574				2,384,574
Student & instruction related services	1,557,842	174,037			1,731,879
School administrative services	581,556				581,556
Other administrative services	805,718				805,718
Central services	338,311				338,311
Plant operations and maintenance	1,379,427				1,379,427
Pupil transportation	1,089,459				1,089,459
Employee benefits	4,715,266	118,351			4,833,617
Transfer to charter school	157,107				157,107
Federal Education Jobs Fund	72,364				72,364
Debt service:					
Principal				775,583	775,583
Interest and other charges				545,352	545,352
Capital outlay	25,341	6,874	95,990		128,205
Total expenditures	<u>20,856,323</u>	<u>1,407,698</u>	<u>95,990</u>	<u>1,320,935</u>	<u>23,680,946</u>
Excess (Deficiency) of revenues over expenditures	<u>700,108</u>	<u>18,878</u>	<u>(95,990)</u>	<u>(7,888)</u>	<u>615,108</u>
OTHER FINANCING SOURCES (USES)					
Transfers in				23	23
Transfers out					-
Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>23</u>	<u>23</u>
Net change in fund balances	700,108	18,878	(95,990)	(7,865)	615,131
Fund balance—July 1	1,442,571	(52,005)	255,189	8,455	1,654,210
Fund balance—June 30	<u>\$ 2,142,679</u>	<u>\$ (33,127)</u>	<u>\$ 159,199</u>	<u>\$ 590</u>	<u>\$ 2,269,341</u>

**Weehawken Board of Education
 Reconciliation of the Statement of Revenues, Expenditures,
 and Changes in Fund Balances of Governmental Funds
 to the Statement of Activities
 For the Year Ended June 30, 2012**

Total net change in fund balances - governmental funds (from B-2) \$ 615,131

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

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the period.

	Depreciation expense	\$ (1,079,163)	
	State of NJ Payment of Debt Service Charged to Capital Outlay	(22,375)	
	Adjustments to Fixed Assets-Donated Equipment/Retirements	1,598	
	Adjustment For Fixed Assets Purchased From Fund 20 and Fund 30 Not Capitalized	(6,874)	
	Capital outlay	<u>128,205</u>	
			(978,609)

Repayment of bond principal and capital leases are 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.

	Repayment of bond principal	775,583	
	Repayment of capital leases	<u>50,537</u>	
			826,120

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

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

		<u>13,215</u>	
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Change in net assets of governmental activities		<u>\$ 475,857</u>	
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Weehawken Board of Education
Statement of Net Assets
Proprietary Funds
June 30, 2012

	Business-type Activities - Enterprise Funds		
	Food Service	Latchkey Program	Totals
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 100,128	\$ 294,612	\$ 394,740
Accounts receivable	8,772		8,772
Inventories	8,096		8,096
Total current assets	116,996.00	294,612	411,608
Noncurrent assets:			
Furniture, machinery & equipment	83,317		83,317
Less accumulated depreciation	(37,476)		(37,476)
Total noncurrent assets	45,841	-	45,841
Total assets	\$ 162,837	\$ 294,612	\$ 457,449
LIABILITIES			
Current liabilities:			
Accounts payable	\$ 16,563	\$ 195	\$ 16,758
Total current liabilities	16,563	195	16,758
Total liabilities	16,563	195	16,758
NET ASSETS			
Invested in capital assets net of related debt	45,841		45,841
Unrestricted	100,433	294,417	394,850
Total net assets	146,274	294,417	440,691
Total liabilities and net assets	\$ 162,837	\$ 294,612	\$ 457,449

Weehawken Board of Education
Statement of Revenues, Expenses, and Changes in Fund Net Assets
Proprietary Funds
For the Year Ended June 30, 2012

	Business-type Activities - Enterprise Fund		
	Food Service	Latchkey Program	Total Enterprise
Operating revenues:			
Charges for services:			
Daily sales - non-reimbursable programs	\$ 99,526		\$ 99,526
Community service activities		164,227	164,227
Total operating revenues	<u>99,526</u>	<u>164,227</u>	<u>263,753</u>
Operating expenses:			
Cost of sales	167,436		167,436
Salaries	96,004	70,276	166,280
Payroll Taxes/Benefits	26,680		26,680
Repairs and maintenance	2,535		2,535
Administrative Fees	38,359		38,359
General supplies	28,325	1,178	29,503
Depreciation	5,337		5,337
Total Operating Expenses	<u>364,676</u>	<u>71,454</u>	<u>436,130</u>
Operating income (loss)	<u>(265,150)</u>	<u>92,773</u>	<u>(172,377)</u>
Nonoperating revenues (expenses):			
State sources:			
State school lunch program	5,903		5,903
Federal sources:			
National school lunch program	247,673		247,673
Food distribution program	11,708		11,708
Adjustment of fixed assets			-
Total nonoperating revenues (expenses)	<u>265,284</u>	<u>-</u>	<u>265,284</u>
Income (loss) before contributions & transfers	134	92,773	92,907
Transfers in (out)	-	-	-
Change in net assets	134	92,773	92,907
Total net assets—beginning	146,140	201,644	347,784
Total net assets—ending	<u>\$ 146,274</u>	<u>\$ 294,417</u>	<u>\$ 440,691</u>

**Weehawken Board of Education
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2012**

	Business-type Activities - Enterprise Funds		
	Food Service	Latchkey Program	Total Enterprise
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	\$ 99,525	\$ 164,227	\$ 263,752
Payments to employees	(96,004)	(70,276)	(166,280)
Payments for Payroll taxes/ Employee Benefits	(26,680)		(26,680)
Payments to suppliers	(222,866)	(983)	(223,849)
Net cash provided by (used for) operating activities	<u>(246,025)</u>	<u>92,968</u>	<u>(153,057)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
State Sources	6,816		6,816
Federal Sources	284,062		284,062
Operating subsidies and transfers from/(to) other funds			-
Net cash provided by (used for) non-capital financing activities	<u>290,878</u>	<u>-</u>	<u>290,878</u>
Net increase (decrease) in cash and cash equivalents	44,853	92,968	137,821
Balances—beginning of year	55,275	201,644	256,919
Balances—end of year	<u>\$ 100,128</u>	<u>\$ 294,612</u>	<u>\$ 394,740</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:			
Operating income (loss)	\$ (265,150)	\$ 92,773	\$ (172,377)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation and net amortization	5,337		5,337
Food distribution program	11,708		11,708
(Increase) decrease in accounts receivable, net			-
(Increase) decrease in inventories	(1,714)		(1,714)
Increase (decrease) in accounts payable	3,794	195	3,989
Total adjustments	<u>19,125</u>	<u>195</u>	<u>19,320</u>
Net cash provided by (used for) operating activities	<u>\$ (246,025)</u>	<u>\$ 92,968</u>	<u>\$ (153,057)</u>

**Weehawken Board of Education
Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2012**

	Expendable Trust Funds	Nonexpendable Trust	Agency Funds
ASSETS			
Cash and cash equivalents	\$ 11,074	\$ 1,000	\$ 149,551
Due from general fund	-		309
Total assets	11,074	1,000	149,860
LIABILITIES			
Accounts payable			
Interfund Payable - general fund			-
Payable to student groups			51,381
Payroll deductions and withholdings			98,479
Total liabilities	-	-	\$ 149,860
NET ASSETS			
Held in trust for other purposes	\$ 11,074		
Reserved for scholarships		\$ 1,000	

**Weehawken Board of Education
Statement of Changes in Fiduciary Net Assets
Fiduciary Funds
For the Year Ended June 30, 2012**

	Expendable Trust Fund	Private Purpose Scholarship Fund
ADDITIONS		
Investment earnings:		
Interest	\$ 7	\$ 1
Net investment earnings	7	1
Total additions	7	1
DEDUCTIONS		
Transfer to student activity fund	1,659	1
Total deductions	1,659	1
Change in net assets	(1,652)	-
Net assets—beginning of the year	12,726	1,000
Net assets—end of the year	\$ 11,074	\$ 1,000

NOTES TO FINANCIAL STATEMENTS

WEEHAWKEN BOARD OF EDUCATION
Notes to Financial Statements
June 30, 2012

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Board of Education (the "Board") of the Weehawken School District (the "District") have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. To the extent practicable, accounting principles generally accepted in United States of America will be hereinafter referred to as "GAAP" for purposes of simplicity. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

In its accounting and financial reporting, the District follows the pronouncements of the Governmental Accounting Standards Board (GASB) and the pronouncements of the Financial Accounting Standards Board (FASB) and its predecessor organizations issued on or before November 30, 1989, unless they conflict with or contradict GASB pronouncements. The District's Proprietary Funds have elected not to apply the standards issued by FASB after November 30, 1989.

The more significant of the Board's accounting policies are described below.

A. Reporting Entity:

The Weehawken School District is a Type II district located in the County of Hudson, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The board is comprised of nine members elected to three-year terms. The purpose of the district is to educate students in grades K-12. The Weehawken School District had an approximate enrollment at June 30, 2012 of 1,239 students.

GASB Statement 14 establishes criteria to be used to determine which component units should be included in the General Purpose Financial Statements of the oversight entity. The primary criterion for including activities within the District's reporting entity, as set forth in Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards is whether:

- The organization is legally separate (can sue or be sued in their own name)
- The 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 a fiscal dependency by the organization on the District

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

WEEHAWKEN BOARD OF EDUCATION
Notes to Financial Statements
June 30, 2012

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basic Financial Statements – District-Wide Statements:

The Board's basic financial statements include both district-wide (reporting the Board as a whole) and fund financial statements (reporting the Board's major funds). Both the district-wide and fund financial statements categorize primary activities as either governmental or business type. The Board's general operating services, special revenue, capital projects, debt service and non-expendable trust funds are classified as governmental activities. The Board's Food Service and Latchkey Program are classified as business-type activities.

The Statement of Net Assets and Statement of Activities display information about the reporting district as a whole. They include all funds of the reporting entity except for fiduciary funds and component units that are fiduciary in nature.

In the district-wide Statement of Net Assets, both the governmental and business-type activities columns (a) are presented on a consolidated basis by column, (b) and are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The Board's net assets are reported in three parts – invested in capital assets, net of related debt; restricted net assets; and unrestricted net assets. The Board first utilizes restricted resources to finance qualifying activities.

The district-wide Statement of Activities reports both the gross and net cost of each of the Board's functions and business-type activities. The functions are also supported by general government revenues (property and certain intergovernmental revenues). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function or a business-type activity. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

The net costs (by function or business-type activity) are normally covered by general revenue (property, taxes, intergovernmental revenues, interest income, etc.)

The Board does not allocate indirect costs. An administrative service fee is charged by the General Fund to the other operating funds that is eliminated like a reimbursement (reducing the revenue and expense in the General Fund) to recover the direct costs of General Fund services provided (finance, personnel, purchasing, legal, technology management, etc.)

The district-wide focus is more on the sustainability of the Board as an entity and the change in the Board's net assets resulting from the current year's activities.

C. Fund Accounting:

The accounts of the District are maintained in accordance with the principles of fund accounting to ensure observance of limitations and restrictions on the resources available. The principles of fund accounting require that resources be classified for accounting and reporting purposes into funds or account groups in accordance with activities or objectives specified for the resources. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities reserves, fund equity reserves, revenues and expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped, in the financial statements in this report, into six fund types within three broad fund categories as follows:

WEEHAWKEN BOARD OF EDUCATION
Notes to Financial Statements
June 30, 2012

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Fund Accounting (Continued):

Governmental Funds

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

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

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

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

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

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

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

WEEHAWKEN BOARD OF EDUCATION
Notes to Financial Statements
June 30, 2012

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Fund Accounting (Continued):

Proprietary Fund

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

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

The District's Enterprise Fund is comprised of the Food Service Fund and the Extended Care Latchkey Program.

Internal Service Funds: Internal service funds are used to account for the financing of goods or services provided by an activity to other departments or funds on a cost-reimbursement basis. The district does not have internal service funds.

All proprietary funds are accounted for on a cost of services or "capital maintenance" measurement focus. This means that all assets and all liabilities, whether current or non-current, associated with their activity are included on their balance sheets. Their reported net assets (net total assets) is segregated into invested capital assets, net of related debt, restricted for capital projects or unrestricted, if applicable. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in net total assets.

Depreciation of all exhaustive fixed assets used by proprietary funds is charged as an expense against their operations. Accumulated depreciation is reported on proprietary fund balance sheets. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives for the Food Service Fund fixed assets are: Electronic equipment, 10 years; light furniture, 15 years; and heavy furniture, 20 years.

Fiduciary Funds

Fiduciary Funds are used to report assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments and/or other funds and therefore are not available to support District programs. The reporting focus is on net assets and changes in net assets and are reported using accounting principles similar to proprietary funds.

WEEHAWKEN BOARD OF EDUCATION
Notes to Financial Statements
June 30, 2012

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Fund Accounting (Continued):

Fiduciary Fund (Continued)

Expendable Trust Fund: An Expendable Trust Fund is accounted for in essentially the same manner as the governmental fund types, using the same measurement focus and basis of accounting. Expendable Trust Funds account for assets where both the principal and interest may be spent. The Expendable Trust Fund includes the Dorothy Nelinichok Scholarship Fund and Louis Ferullo Scholarship Fund.

Non-expendable Trust Fund: A Non-expendable Trust Fund is used to account for assets held under the terms of a formal trust agreement, whereby the District is under obligation to maintain the trust principal. The District maintains a McGowan Award Scholarship Fund as a Nonexpendable Trust Fund.

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

The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories. Nonmajor funds by category are summarized into a single column. GASB No. 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The Board considers all governmental and business-type activities to be major.

The Board's fiduciary funds are presented in the fiduciary fund financial statements by type (agency and expendable trust). Since by definition these assets are being held for the benefit of a third party (other local governments, students, etc.) and cannot be used to address activities or obligations of the government, these funds are not incorporated into the district-wide statements.

D. Basis of Measurement and Accounting Focus:

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

WEEHAWKEN BOARD OF EDUCATION
Notes to Financial Statements
June 30, 2012

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Basis of Measurement and Accounting Focus (Continued):

Measurement Focus

On the district-wide Statement of Net Assets and the Statement of Activities, both governmental and business-like activities are presented using the economic resources measurement focus as defined in item b below.

In the fund financial statements, the “current financial resources” measurement focus or the “economic resources” measurement focus is used as appropriate:

- a. All governmental funds and expendable trust funds utilize a “current financial resources” measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.
- b. The proprietary funds utilize “economic resources” measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net assets (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Proprietary fund equity is classified as net assets.
- c. Agency funds are not involved in the measurement of results of operations; therefore, measurement focus is not applicable to them.

Basis of Accounting

In the district-wide Statement of Net Assets and Statement of Activities, both governmental and business-like activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In the fund financial statements, governmental funds, expendable trust funds and agency funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when “measurable and available.” Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or within sixty days after the year-end. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for principal and interest on long-term debt which are reported when due.

Ad Valorem (Property) Taxes are susceptible to accrual, and under New Jersey Statute, a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of fiscal year, since the revenue is both measurable and available. The District is entitled to receive monies under the established payment schedule and the unpaid amount is considered to be “accounts receivable”.

WEEHAWKEN BOARD OF EDUCATION
Notes to Financial Statements
June 30, 2012

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Basis of Measurement and Accounting Focus (Continued):

Basis of Accounting (Continued):

All proprietary funds and non-expendable trust funds utilize the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used.

E. Budgets / Budgetary Control:

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue and debt service funds. The budgets are submitted to the county office for approval and are voted upon at the annual school election on the third Tuesday in April. Budgets are prepared using the modified accrual basis of accounting, except for the Special Revenue Fund as described later. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)l. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year. The Board of Education did not make any material supplemental budgetary appropriations during the fiscal year.

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

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

The following presents a reconciliation of the general fund revenues and special revenue funds revenue and expenditures from the budgetary basis of accounting as presented in the Budgetary Comparison Schedules to the GAAP basis of accounting as presented in the Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds. Note that the district does not report encumbrances outstanding at year end as expenditures in the general fund since the general fund budget follows modified accrual basis with the exception of the revenue recognitions policy for the last state aid payment.

WEEHAWKEN BOARD OF EDUCATION
Notes to Financial Statements
June 30, 2012

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgets / Budgetary Control (Continued):

Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures.

	General Fund	Special Revenue Fund
Sources/inflows of resources		
Actual amounts (budgetary) "revenues" from the budgetary comparison schedules	\$ 21,625,621	\$ 1,391,224
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		(1)
Prior year encumbrances expended		16,475
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	(229,583)	(33,127)
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	160,393	52,005
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	\$ 21,556,431	\$ 1,426,576
Uses/outflows of resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	\$ 20,856,323	\$ 1,391,224
Difference - 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 reporting purposes.		(1)
Prior year encumbrances expended		16,475
Transfers to and from other funds are presented as outflows of budgetary resources but are not expenditures for financial reporting purposes.		
Net transfers (outflows) to general fund.		
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	\$ 20,856,323	\$ 1,407,698

WEEHAWKEN BOARD OF EDUCATION
Notes to Financial Statements
June 30, 2012

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Encumbrances:

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

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

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

G. Cash, Cash Equivalents, and Investments:

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

H. Tuition Receivable:

Tuition charges for the fiscal year 2011-2012 were established by the Board of Education based on estimated costs. The charges are subject to adjustment when the final costs have been determined.

I. Tuition Payable:

Tuition charges for the fiscal years 2011-2012 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

J. Inventories and Prepaid Expenses:

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

Enterprise fund inventories are valued at cost, which approximates market, using the first-in-first-out (FIFO) method. Prepaid expenses in the Enterprise Fund represent payments made to vendors that will benefit periods beyond June 30, 2012. The district did not have any prepaid expenses at June 30, 2012.

K. Short-Term Interfund Receivables/Payables:

Short-Term Interfund receivables/payables represent amounts that are owed, other than charges for goods or services rendered to/from a particular fund in the District, and that are due within one year.

For the purpose of the Statement of Activities, all interfund transfers between individual funds have been eliminated.

WEEHAWKEN BOARD OF EDUCATION
Notes to Financial Statements
June 30, 2012

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L. Fixed Assets:

During the year ended June 30, 1991, the District established a formal system of accounting for its general fixed assets. General fixed assets acquired or constructed subsequent to June 30, 1991 are recorded at original cost. General fixed assets acquired or constructed prior to the establishment of the formal system are evaluated at cost based on historical records or estimation procedures performed by an independent appraisal company. Donated fixed assets are valued at their estimated fair market value on the date received.

The accounting treatment over property, plant, and equipment (fixed assets) depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the district-wide or fund financial statements.

District-Wide Statements

In the district-wide financial statements, fixed assets are accounted for as capital assets. All fixed assets are valued at historical cost or estimated historical cost if actual is unavailable, except for donated fixed assets, which are recorded at their estimated fair value at the date of donation. Estimated historical cost was used to value the majority of the assets acquired prior to June 30, 2002.

Depreciation of all exhaustible fixed assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Assets. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Building	50 years
Improvements	20 years
Machinery and Equipment	5-10 years

Fund Financial Statements

In the fund financial statements, fixed assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Fixed assets used in proprietary fund operations are accounted for the same as in the district-wide statements.

M. Compensated Absences:

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

WEEHAWKEN BOARD OF EDUCATION
Notes to Financial Statements
June 30, 2012

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

M. Compensated Absences (Continued):

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

The liability for these compensated absences is recorded as long-term debt in the district-wide statements. The current portion of this debt is estimated based on historical trends. In the fund financial statements, governmental funds report only the compensated absence liability payable from expendable available financial resources.

N. Deferred Revenue:

Deferred revenue in the General Fund represents unspent special revenue state grants, which are unspent from prior years. Deferred revenue in the special revenue fund represents cash, which has been received but not yet earned.

O. Long-Term Obligations:

The accounting treatment of long-term debt depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the district-wide or fund financial statements.

All long-term debt to be paid from governmental and business-type resources is reported as liabilities in the district-wide statement. The long-term debt consists primarily of bonds, loans accrued, compensated absences, early retirement incentives and obligations under capital lease.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The accounting for proprietary funds is the same in the fund statements as it is in the district-wide statements.

WEEHAWKEN BOARD OF EDUCATION
Notes to Financial Statements
June 30, 2012

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

P. Equity Classifications:

District-Wide Statements

Equity is classified as net assets and displayed in three components:

- a) Invested in capital assets, net of related debt – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b) Restricted net assets – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c) Unrestricted net assets – All other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

Governmental fund equity is classified as fund balance. Fund balance is further classified as nonspendable, restricted, committed, assigned and unassigned. Proprietary fund equity is classified the same as in the district-wide statements.

Q. Operating and Nonoperating Revenue:

Operating revenues for proprietary funds are those that result from providing services and producing and delivering goods and/or services. It also includes all revenue not related to capital and related financing, noncapital financing, or investing activities. Nonoperating revenues include reimbursements by the State for school breakfast, lunch and food distribution programs.

R. Expenditures/Expenses:

In the district-wide financial statements, expenses are classified by function for both governmental and business-type activities.

In the fund financial statements, expenditures are classified as follows:

Governmental Funds – By Character:	Current (further classified by function)
	Debt Service
	Capital Outlay
Proprietary Fund – By Operating and Nonoperating	

In the fund financial statements, governmental funds report expenditures of financial resources. Proprietary funds report expenses relating to use of economic resources.

WEEHAWKEN BOARD OF EDUCATION
Notes to Financial Statements
June 30, 2012

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

S. Use of Estimates:

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2. CASH AND CASH EQUIVALENTS AND INVESTMENTS

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

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

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

As of June 30, 2012, the District's deposits and investments are summarized as follows:

Reconciliation to District-Wide Statement of Net Assets:

Unrestricted Cash	\$ 2,716,853
Restricted Cash	214,053
Trust and Agency Fund Cash (Not included in District-Wide Statements)	161,625
	<u>\$ 3,092,531</u>

The District maintains its cash balances reflected in the balance sheets in three different financial institutions. The accounts are insured by the Federal Deposit Insurance Corporation up to \$ 250,000 in each financial institution. The remaining cash bank balance is covered by the State of New Jersey, Governmental Unit Deposit Act. All investments are available on demand.

WEEHAWKEN BOARD OF EDUCATION
Notes to Financial Statements
June 30, 2012

NOTE 2. CASH AND CASH EQUIVALENTS 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 maximize 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 "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. Securities in the Fund are insured, registered or held by the Division or its agent in the Fund's name.

As of June 30, 2012, the District had \$376,243 on deposit with the New Jersey Cash Management Fund.

As of June 30, 2012, the District implemented disclosure requirements of Governmental Accounting Standards Board Statement No. 40 *Deposits and Investment Risk Disclosures* (GASB 40) and, accordingly, the Authority has assessed the Custodial Credit Risk, the Concentration of Credit Risk, Credit Risk and Interest Rate Risk of its Cash and Cash Equivalents and Investments.

- (a) Custodial Credit Risk – The District deposits are exposed to custodial credit risk if they are not covered by depository insurance and the deposits are: uncollateralized, collateralized with securities held by the pledging financial institution, collateralized with securities held by the financial institution's trust department or agent but not in the depository government's name. The deposit risk is that, in the event of the failure of the financial institution, the District will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The District's investment securities are exposed to custodial risk if the securities are uninsured, are not registered in the name of the District and are held by either: the counterparty or the counterparty's trust department or agent but not in the District's name. The investment risk is that, in the event of the failure of the counterparty to a transaction, the District will not be able to recover the value of the investment or collateral securities that are in the possession of an outside party.

As of June 30, 2012, the District's bank balance was not exposed to custodial credit risk since the full amount was covered by either FDIC insurance or GUDPA. The New Jersey Cash Management Fund which is administered by the State of New Jersey Department of the Treasury invests pooled monies from various State and non-State agencies in primarily short-term investments. The investments include: US Treasuries, Short-Term Commercial Paper, US Government Agency Bonds, Corporate Bonds, and Certificated of Deposits. Agencies that are part of the Fund typically earn returns that mirror short-term interest rates. The Fund is considered an investment pool and as such is not exposed to custodial credit risk. The District does not have a formal policy for deposit custodial credit risk other than to maintain sufficient funds in the checking account to cover checks that have not cleared the account as of a specific date.

As of June 30, 2012 there were no investments in the District's portfolio. The District does not have a formal policy for investment securities custodial risk other than to maintain a safekeeping account for the securities at a financial institution.

WEEHAWKEN BOARD OF EDUCATION
Notes to Financial Statements
June 30, 2012

NOTE 2. CASH AND CASH EQUIVALENTS AND INVESTMENTS (Continued):

- (b) Concentration of Credit Risk- This is the risk associated with the amount of investments the District has with any one issuer that exceed 5 percent or more of its total investments. Investments issued or explicitly guaranteed by the US government and investments in mutual funds, external investment pools, and other pooled investments were excluded from this requirement. The District places no limit on the amount it may invest in any one issuer. As of June 30, 2012, the District was not exposed to a concentration of credit risk.

- (c) Credit Risk – GASB 40 requires that disclosure be made as to the credit rating of all debt security investments except for obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government. This is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. In general, the District does not have an investment policy regarding Credit Risk except to the extent previously outlined under the District’s investment policy. The New Jersey Cash Management Fund is not rated.

- (d) Interest Rate Risk – This is the risk that changes in the interest rates will adversely affect the fair value of investment. The District does not have a formal policy that limits investment maturities as a means of managing its exposure to fair value losses arising from interest rate fluctuations, but the District does from time to time evaluate its investment portfolio to determine if, based on the interest rate environment, other investments would provide higher yields that lower the cost and risk.

NOTE 3. CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the Township of Weehawken Board of Education through the adoption of a Board resolution, by inclusion of \$ 285,000 during June 30, 2009 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account was maintained in the general fund and its activity is included in the general fund annual budget during the fiscal year June 30, 2010. The annual budget for fiscal year ended June 30, 2010 included a withdrawal for Transfer to Debt Service for Repayment of Debt of the entire \$285,000.

Funds placed in the capital reserve account are restricted to capital projects in the district’s approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end (June 1 to June 30) of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6A:23A-14.1g, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

There was no activity in the capital reserve account from July 1, 2010 to June 30, 2012.

WEEHAWKEN BOARD OF EDUCATION
Notes to Financial Statements
June 30, 2012

NOTE 3. CAPITAL RESERVE ACCOUNT (CONTINUED):

Upon approval of the district's LRFP, capital reserve may also be transferred by board resolution to the debt service fund to offset principal and interest payments for bonded projects that are included in the district's approved LRFP. On September 15, 2010 the capital reserve balance of \$285,000 was transferred to debt service fund for the repayment of debt.

At June 30, 2012, LRFP balance of local support costs of uncompleted capital projects is \$ 0 . The withdrawals from the capital reserve were for use in a DOE approved facilities project for repayment of debt, consistent with the district's Long Range Facilities Plan.

NOTE 4. CAPITAL ASSETS AND DEPRECIATION

The accounting and reporting treatment applied to the capital assets associated with a fund are determined by its measurement focus. General capital assets are long-lived assets of the Board as a whole. When purchased, such assets are recorded as expenditures in the governmental funds and capitalized. The valuation bases for general capital assets are historical cost, or where historical cost is not available, estimated historical cost based on replacement cost.

Capital assets in the proprietary funds are capitalized in the fund in which they are utilized. The valuation bases for proprietary fund capital assets are the same as those used for the general capital assets.

Donated capital assets are capitalized at estimated fair market value on the date donated. Capital outlay (Exhibit B-2) reconciles to additions in the fixed assets schedule of \$ 269,919, except for \$6,874, which was included in capital outlay for assets with values under the \$2,000 reporting limit, \$22,375 which was debt service aid withheld from the district's state aid payments, \$1,598 for donated assets and, and \$169,465 for new capital assets lease.

Depreciation of capital assets is computed and recorded by the straight-line method. Estimated useful lives of the various classes of depreciable capital assets are as follows: building, 50 years; improvements, 20 years; equipment 5 to 10 years.

WEEHAWKEN BOARD OF EDUCATION
Notes to Financial Statements
June 30, 2012

NOTE 4. CAPITAL ASSETS AND DEPRECIATION (Continued)

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

	Balance <u>July 1, 2011</u>	Additions	Adjustment/ <u>Disposals</u>	Balance <u>June 30, 2012</u>
Governmental Activities:				
Land	\$ 602,575			\$ 602,575
Buildings & Building Improvements	21,488,516	95,990		21,584,506
Machinery & Equipment	1,285,167	173,929		1,459,096
Totals at Historic Cost	<u>23,376,258</u>	<u>269,919</u>	<u>-</u>	<u>23,646,177</u>
Less Accumulated Depreciation				
Buildings & Building Improvements	(8,822,625)		(966,284)	(9,788,909)
Machinery & Equipment	(570,296)		(112,879)	(683,175)
Total Accumulated Depreciation	<u>(9,392,921)</u>	<u>-</u>	<u>(1,079,163)</u>	<u>(10,472,084)</u>
Governmental Activities Capital Assets, Net	<u>\$ 13,983,337</u>	<u>\$ 269,919</u>	<u>\$ (1,079,163)</u>	<u>\$ 13,174,093</u>
Business-type Activities:				
Machinery & Equipment	83,317			83,317
Totals at Historic Cost	<u>83,317</u>	<u>-</u>	<u>-</u>	<u>83,317</u>
Less Accumulate Depreciation				
Machinery & Equipment	(32,139)		(5,337)	(37,476)
Total Accumulated Depreciation	<u>(32,139)</u>	<u>-</u>	<u>(5,337)</u>	<u>(37,476)</u>
Business-type Activities Capital Assets, Net	<u>\$ 51,178</u>	<u>\$ -</u>	<u>\$ (5,337)</u>	<u>\$ 45,841</u>

WEEHAWKEN BOARD OF EDUCATION
Notes to Financial Statements
June 30, 2012

NOTE 4. CAPITAL ASSETS AND DEPRECIATION (Continued)

** Depreciation expense was charged to Governmental Activities as follows:

Instruction:	
Regular	\$ 278,687
Special Education	-
Other Instruction	-
Total Instruction	<u>278,687</u>
Support Services:	
Student & Instructional Related Services	141,359
School Administrative Services	18,614
General & Business Administrative Services	330,941
Operation & Maintenance of Plant	188,148
Student Transportation	30,017
Unallocated Depreciation	91,397
Total Support Services	<u>800,476</u>
Total Depreciation Expense	<u>\$ 1,079,163</u>

WEEHAWKEN BOARD OF EDUCATION
Notes to Financial Statements
June 30, 2012

NOTE 5. LONG-TERM DEBT

The Board's long-term debt is summarized as follows:

As of June 30, 2012, the governmental long-term debt of the Board consisted of the following:

Bonds Payable:	
Current Portion	\$ 725,000
Non Current Portion	11,963,000
Loans Payable:	
Current Portion	87,722
Non Current Portion	89,969
Accrued Compensated Absences:	
Current Portion	148,728
Non Current Portion	94,507
Obligations Under Capital Leases	
Current Portion	30,874
Non Current Portion	134,905
Total Governmental Activity Debt	\$ 13,274,705

As of June 30, 2012, there was no long-term debt payable from proprietary fund resources. During the Fiscal year ended June 30, 2012, the following changes occurred in liabilities reported in the general long-term debt account group:

	<u>Balance</u> <u>June 30, 2011</u>	<u>Issued</u>	<u>Retired/</u> <u>Adjustments</u>	<u>Balance</u> <u>June 30, 2012</u>	<u>Amounts</u> <u>Due Within</u> <u>One Year</u>	<u>Long</u> <u>Term</u> <u>Portion</u>
Bonds Payable	\$ 13,378,000		\$ (690,000)	\$ 12,688,000	\$ 725,000	\$ 11,963,000
Loans Payable	263,274		(85,583)	177,691	87,722	89,969
Obligations Under Capital Leases	46,951	169,465	(50,637)	165,779	30,874	134,905
Compensated Absences Payable	256,450	14,562	(27,777)	243,235	148,728	94,507
Total	\$ 13,944,675	\$ 184,027	\$ (853,997)	\$ 13,274,705	\$ 992,324	\$ 12,282,381

WEEHAWKEN BOARD OF EDUCATION
Notes to Financial Statements
June 30, 2012

NOTE 5. LONG-TERM DEBT (Continued)

A. Bonds Payable:

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

In October 1993, the District issued serial bonds for general improvements to the District's property and in July, 2003, the District issued pension serial bonds for early retirement incentives payable. Principal and interest due on those serial bonds outstanding are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	725,000	510,801	1,235,801
2014	740,000	269,100	1,009,100
2015	660,000	456,314	1,116,314
2016	725,000	426,751	1,151,751
2017	750,000	401,780	1,151,780
Thereafter	9,088,000	2,235,523	11,323,523
	<u>\$ 12,688,000</u>	<u>\$ 4,300,269</u>	<u>\$ 16,988,269</u>

B. Capital Leases:

On June 16, 2009, the Board signed two five-year leases for two school buses with the first payment due August 15, 2009. On August 15, 2011 and June 30, 2012 respectively, the board signed two more five-year leases for two school buses. Principal and interest due on the capital lease obligations outstanding are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	47,508	5,571	53,079
2014	49,752	3,826	53,578
2015	33,765	2,008	35,773
2016	34,754	1,018	35,772
	<u>\$ 165,779</u>	<u>\$ 12,423</u>	<u>\$ 178,202</u>

WEEHAWKEN BOARD OF EDUCATION
Notes to Financial Statements
June 30, 2012

NOTE 5. LONG-TERM DEBT (Continued)

D. Long Term Loans:

In August 1993, the Board was awarded two long-term loans by the New Jersey Economic Development Authority under the New Jersey Public School Facilities Loan Assistance Program for various improvements throughout the school district. Principal and interest due on these long term loans is as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	87,722	4,954	92,676
2014	89,969	1,672	91,641
	-		-
	\$ 177,691	\$ 6,626	\$ 184,317

NOTE 6. PENSION PLANS

Description of Plans – All required employees of the District are covered by either the Public Employees’ Retirement System or the Teachers’ Pension and Annuity Fund which have been established by state statute and are administered by the New Jersey Division of Pension and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of both Systems will be assumed by the State of New Jersey should the Systems terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System and the Teachers’ Pension and Annuity Fund. These reports may be obtained by writing to the Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625-0295.

Teachers’ Pension and Annuity Fund (TPAF) – The Teachers’ Pension and Annuity Fund was established as of January 1, 1995, under the provisions of N.J.S.A. 18A:66 to provide retirement benefits, death, disability and medical benefits to certain qualified members. The Teachers’ Pension and Annuity Fund is considered a cost-sharing multiple-employer plan with a special funding situation, as under current statute, all employer contributions are made by the State of New Jersey on behalf of the District and the system’s other related non-contributing employers. Membership is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, and employees of the Department of Education who have titles that are unclassified, professional and certified.

WEEHAWKEN BOARD OF EDUCATION
Notes to Financial Statements
June 30, 2012

NOTE 6. PENSION PLANS (Continued)

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

Vesting and Benefit Provisions – The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A and 43.3B, and N.J.S.A. 18A:6C for TPAF. All benefits vest after eight to ten years of service, except for medical benefits that vest after 25 years of service. Retirement benefits for age and service are available at age 55 and are generally determined to be 1/55 of the final average salary for each year of service credit, as defined. Final average salary equals the average salary for the final three years of service prior to retirement (or highest three years' compensation if other than the final three years). Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving eight to ten years of service in which case benefits would begin the first day of the month after the member attains normal retirement age. The TPAF and PERS provides for specified medical benefits for members who retire after achieving 25 years of qualified service, as defined, or under the disability provisions of the System. Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

Significant Legislation – Two pieces of legislation passed during the year ending June 30, 2002 had a significant impact on the benefit provisions under the PERS and TPAF. Chapter 133, P.L. 2002, increases retirement benefits for service, deferred and early retirement by changing the formula from 1/60 to 1/55 of final compensation for each year of service. This legislation also increases the retirement benefit for veteran members with 35 or more years of service and reduces the age qualification from 60 to 55. The legislation further provides that existing retirees and beneficiaries would also receive a comparable percentage increase in their retirement allowance. The benefit enhancements were effective with the November 1, 2002 benefit checks. Chapter 120, P.L.2002, establishes an additional retirements option for plan members. Under the new option, a retiree's actuarially reduced allowance (to provide a benefit to the retiree's beneficiary upon the death of the retiree) would "pop-up" to the maximum retirement allowance if the beneficiary predeceases the retiree.

Chapter 4, P.L. 2002 provides increased benefits to certain members of the PERS, who retired prior to December 29, 1989 with at least 25 years of creditable service. The maximum amount of the increase is 5 percent of the retiree's final compensation. For those with 30 or more years of service, the total pension would increase from 65 percent to 70 percent of final compensation.

Due to the enactment of 1997 legislation, Chapter 114, P.L. 1997 and Chapter 115, P.L. 1997, the State of New Jersey's portion of the unfounded accrued liability under each retirement system was eliminated. In addition, excess valuation assets were available to fund, in full or in part, the State of New Jersey's normal contribution from 1997 to 2001, excluding the contribution for post-retirement medical benefits in the PERS and TPAF.

WEEHAWKEN BOARD OF EDUCATION
Notes to Financial Statements
June 30, 2012

NOTE 6. PENSION PLANS (Continued)

Contribution Requirements –The contribution policy is set by laws of the State of New Jersey and, in most retirement systems, contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. The various pension funds provide for employee contributions based on percentages ranging from 3.00 percent to 8.50 percent of employees’ annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in all Funds except the SACT, CPF, and PAF. The actuarially determined employer contribution includes funding for cost-of-living adjustments and noncontributory death benefits in the JRS, PFRS, PERS, SPRS, and TPAF. In the PERS and TPAF, the employer contribution includes funding for post-retirement medical premiums.

Three – Year Trend Information for PERS

<u>Year Funding</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
06/30/12	\$ 198,149	100%	0
06/30/11	\$ 171,088	100%	0
06/30/10	\$ 142,820	100%	0

Three – Year Trend Information for TPAF

<u>Year Funding</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
06/30/12	881,161	100%	0
06/30/11	608,496	100%	0
06/30/10	592,375	100%	0

During the fiscal year ended June 30, 2012, the State of New Jersey contributed \$881,161 to the TPAF for normal and post retirement 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 \$651,629 during the year ended June 30, 2012 for employer’s share of social security contributions for TPAF members, as calculated on their base salaries. This amount has been included in the general-purpose financial statements, and the combining and individual fund statements and schedules as a revenue and expenditure in accordance with GASB 27.

WEEHAWKEN BOARD OF EDUCATION
Notes to Financial Statements
June 30, 2012

NOTE 7. POST-RETIREMENT BENEFITS

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

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

NOTE 8. COMPENSATED ABSENCES

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

District employees are granted varying amounts of vacation and sick leave in accordance with the District's personnel policy. Upon termination, employees are paid for accrued vacation. The District's policy permits employees to accumulate unused sick leave and carry forward the full amount to subsequent years not to exceed \$7,000. Upon retirement employees shall be paid by the District for the unused sick leave in accordance with the District's agreements with the various employee unions.

In the district-wide *Statement of Net Assets*, the liabilities whose average maturities are greater than one year should be reported in two components – the amount due within one year and the amount due in more than one year. The liability for vested compensated absences of the governmental fund types is recorded as a current and long-term liability. The current portion of the compensated absence balance is \$ 148,728 and long-term liability balance of compensated absences is \$ 94,507. The total balance of compensated absences payable was \$ 243,235 as of June 30, 2012.

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2012, a liability existed for compensated absences in the Food Service Fund in the amount of \$ 0.

WEEHAWKEN BOARD OF EDUCATION
Notes to Financial Statements
June 30, 2012

NOTE 9. DEFERRED COMPENSATION

The Board offers its employees a choice of various deferred compensation plans created in accordance with Internal Revenue Code Sections 403(b) and 457. The plans, which are administered by the entities listed below, permits participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death or unforeseeable emergency. The plan administrators are as follows: 1) Equitable; 2) Met Life; 3) Valic; and 4) Lincoln Investment.

NOTE 10. 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 employees; and natural disasters.

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

NOTE 11. INTERFUND RECEIVABLES AND PAYABLES

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

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 177,432	\$ 309
Special Revenue Fund		177,432
Capital Project Fund		587
Debt Service Fund	587	
Fiduciary Funds	309	
Total	<u>\$ 178,328</u>	<u>\$ 178,328</u>

The payroll agency interfund receivable in the General Fund was not eliminated, since Trust and Agency Funds are not included on The Statement of Net Assets.

WEEHAWKEN BOARD OF EDUCATION
Notes to Financial Statements
June 30, 2012

NOTE 12. INVENTORY

Ending inventory in the Food Service Fund at June 30, 2012 was \$8,096.

The value of Federal donated commodities as reflected on Schedule A (required by the Single Audit Law of 1984 as amended by the single audit act amendments of 1996) is the difference between market value and cost of the commodities at the date of purchase and has been included as an item of non-operating revenue in the financial statements.

NOTE 13. FUND BALANCE APPROPRIATED

Fund Statements

General Fund (Exhibit B-1) – Of the \$2,142,679 General Fund balance at June 30, 2012, \$ 143,784 is committed and reserved for encumbrances; \$ 1,181,226 is restricted and reserved as excess surplus in accordance with N.J.S.A. 18A:7F-7; \$660,781 of the total reserve for excess surplus has been appropriated and included as anticipated revenue for the year ending June 30, 2013; and \$156,888 is unassigned and undesignated.

Capital Projects Fund – Of the \$159,199 Capital Project Fund balance at June 30, 2012, \$5,429 is committed and reserved for encumbrances; \$153,770 is unassigned and undesignated.

Debt Service Fund – Of the \$590 Debt service Fund balance at June 30, 2012, \$567 has been assigned and appropriated and included as anticipated revenue for the year ending June 30, 2013; and \$ 23 is unassigned and undesignated.

District-wide Statements

The following is a summary of adjustments made to the fund statements to arrive at the total net assets per the District-wide Statement of Net Assets:

	<u>Governmental</u> <u>Activities</u>	<u>Business-Type</u> <u>Activities</u>	<u>Total</u>
Fund Balance/Net Assets	\$ 706,106	\$ 394,850	\$ 1,100,956
Add: Capital Assets, Net of A/D	13,174,093	45,841	13,219,934
Less: Long-Term Liabilities	(11,711,470)		(11,711,470)
Total Net Assets	<u>\$ 2,168,729</u>	<u>\$ 440,691</u>	<u>\$ 2,609,420</u>

WEEHAWKEN BOARD OF EDUCATION
Notes to Financial Statements
June 30, 2012

NOTE 14. CALCULATION OF EXCESS SURPLUS

Pursuant to N.J.S.A. 18A:7F-7, as amended, the designation for Reserved Fund Balance – Excess Surplus is a required calculation. New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2012 was \$1,181,226. The excess fund balance at June 30, 2011 was \$457,854.

NOTE 15. CONTINGENT LIABILITIES

Litigation

The Board is involved in several claims and lawsuits incidental to its operations. In the opinion of the Board's management and of the Board's attorney, the ultimate resolution of these matters will not have a material adverse effect on the financial position of the District.

Grants

The Board received and continued to participate in several federal and state financial assistance grant programs. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditures of funds for eligible purposes and effective internal control for the proper administration of the funds. The Board is subject to the provisions of the Single Audit Act of 1984 and as amended by the Single Audit Act of 1996 and other related Federal requirements, and State of New Jersey requirements which require that financial assistance programs received by the Board be audited in conjunction with the audit of the general-purpose financial statements. In addition, substantially all grants, entitlements and costs reimbursements are subject to financial and compliance audits by the grantors. As of June 30, 2012, the Board estimates that no material liabilities will result from such audits.

WEEHAWKEN BOARD OF EDUCATION
Notes to Financial Statements
June 30, 2012

NOTE 16. DEFICIT FUND BALANCES

The District has a deficit fund balance of \$(33,127) in the Special Revenue Fund as of June 30, 2012 as reported in the fund statements (modified accrual basis). N.J.S.A. 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, districts must record the delayed one or more June state aid payments as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditures, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the June state aid payment(s) in the subsequent fiscal year, the school district cannot recognize the June state aid payment(s) (on the GAAP financial statements) until the year the State records the payable. Due to the timing difference of recording the June state aid payment(s), the General and Special Revenue Fund balance deficit does not alone indicate that the district is facing financial difficulties.

Pursuant to N.J.S.A. 18A:22-44.2 any negative unreserved, undesignated general fund balance that is reported as a direct result from a delay in the June payment(s) of state aid until the following fiscal year, is not considered in violation of New Jersey statute and regulation nor in need of corrective action. The District does not have a deficit in the GAAP funds statements, and therefore is less than the last state aid payment.

Required Supplementary Information

Part II

BUDGETARY COMPARISON SCHEDULES

Weehawken Board of Education
 Budgetary Comparison Schedule
 General Fund
 For the Year Ended June 30, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable / (Unfavorable)
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 16,661,907	\$ -	\$ 16,661,907	\$ 16,661,907	\$ -
Tuition				148,151	148,151
Miscellaneous	390,000	-	390,000	474,658	84,658
Total - Local Sources	17,051,907	-	17,051,907	17,284,716	232,809
State Sources:					
Adjustment Aid	1,164,556	-	1,164,556	1,367,483	202,927
Transportation Aid	156,906	-	156,906	156,906	-
Special Education Aid	667,162	-	667,162	667,162	-
Security Aid	354,967	-	354,967	354,967	-
Extraordinary Aid	300,000	-	300,000	168,442	(131,558)
Other State Aid	-	-	-	-	-
TPAF Pension (On-Behalf - Non-Budgeted)	-	-	-	881,161	881,161
TPAF Social Security (Reimbursed - Non-Budgeted)	-	-	-	651,629	651,629
Total State Sources	2,643,591	-	2,643,591	4,247,750	1,604,159
Federal Sources:					
Federal Ed Jobs Funds	66,105	-	66,105	72,364	6,259
Medical Assistance Program	22,305	-	22,305	20,791	(1,514)
Total Federal Sources	88,410	-	88,410	93,155	4,745
Total Revenues	19,783,908	-	19,783,908	21,625,621	1,841,713
EXPENDITURES:					
Current Expense:					
Regular Programs - Instruction					
Preschool/Kindergarten - Salaries of Teachers	368,000	25,000	393,000	384,668	8,332
Grades 1-5 - Salaries of Teachers	2,108,611	5,000	2,113,611	2,110,316	3,295
Grades 6-8 - Salaries of Teachers	1,378,485	120,851	1,499,336	1,497,411	1,925
Grades 9-12 - Salaries of Teachers	1,444,932	31,275	1,476,207	1,475,097	1,110
Regular Programs - Home Instruction					
Salaries of Teachers	2,000	5,340	7,340	6,647	693
Other Purchased Services (400-500 series)	20,000	(4,532)	15,468	419	15,049
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	125,000	(20,000)	105,000	100,193	4,807
Purchased Professional-Educational Services	57,796	(10,300)	47,496	38,249	9,247
Purchased Technical Services	92,927	55,405	148,332	135,482	12,850
Rentals	-	-	-	-	-
Other Purchased Services (400-500 series)	263,500	27,043	290,543	190,668	99,875
Travel	1,500	300	1,800	871	929
General Supplies	236,300	(20,451)	215,849	185,592	30,257
Textbooks	163,900	2,397	166,297	149,403	16,894
Other Objects	31,700	4,593	36,293	22,213	14,080
TOTAL REGULAR PROGRAMS - INSTRUCTION	6,294,651	221,921	6,516,572	6,297,229	219,343
SPECIAL EDUCATION - INSTRUCTION					
Learning and/or Language Disabilities:					
General Supplies	-	4	4	-	4
Total Learning and/or Language Disabilities	-	4	4	-	4
Resource Room/Resource Center:					
Salaries of Teachers	655,328	(15,000)	640,328	632,292	8,036
Other Salaries for Instruction	223,672	(26,305)	197,367	195,746	1,621
Purchased Professional-Educational Services	-	-	-	-	-
General Supplies	13,000	112	13,112	137	12,975
Textbooks	21,000	875	21,875	-	21,875
Total Resource Room/Resource Center	913,000	(40,318)	872,682	828,175	44,507
TOTAL SPECIAL EDUCATION - INSTRUCTION	913,000	(40,314)	872,686	828,175	44,511
Bilingual Education - Instruction					
Salaries of Teachers	166,016	2,305	168,321	167,787	534
General Supplies	5,800	205	6,005	3,515	2,490
Textbooks	7,200	-	7,200	1,080	6,120
Total Bilingual Education - Instruction	179,016	2,510	181,526	172,382	9,144
School-Spon. Cccurricular Actvts. - Inst.					
Salaries	83,170	(11,000)	72,170	71,588	582
Supplies and Materials	13,000	-	13,000	8,242	4,758
Other Objects	10,000	-	10,000	8,829	1,171
Total School-Spon. Cccurricular Actvts. - Inst.	106,170	(11,000)	95,170	88,659	6,511

Weehawken Board of Education
 Budgetary Comparison Schedule
 General Fund
 For the Year Ended June 30, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable / (Unfavorable)
School-Spon. Cocurricular Athletics - Inst.					
Salaries	\$ 242,382	\$ 43,490	\$ 285,872	\$ 258,702	\$ 27,170
Supplies and Materials	69,850	13,309	83,159	76,263	6,896
Other Objects	38,000	(17,124)	20,876	12,948	7,928
Total School-Spon. Cocurricular Athletics - Inst.	350,232	39,675	389,907	347,913	41,994
Before and After School Programs- Instruction					
Salaries	15,000	-	15,000	15,000	-
Total Before and After School Programs- Instruction	15,000	-	15,000	15,000	-
Summer School Instruction					
Salaries	15,000	-	15,000	-	15,000
Total Summer School Instruction	15,000	-	15,000	-	15,000
Community Services Programs/Operations					
Salaries	5,000	-	5,000	-	5,000
Total Community Services Programs/Operations	5,000	-	5,000	-	5,000
TOTAL INSTRUCTION	7,878,069	212,792	8,090,861	7,749,358	341,503
Undistributed Expenditures - Instruction:					
Tuition to Other LEA's Within the State - Special	734,537	221,038	955,575	943,240	12,335
Tuition to CSSD & Regional Day Schools	657,750	(34,407)	623,343	614,956	8,387
Tuition to Private Schools for the Disabled - Within State	1,030,105	(123,590)	906,515	826,378	80,137
Total Undistributed Expenditures - Instruction:	2,422,392	63,041	2,485,433	2,384,574	100,859
Undistributed Expend. - Attend. & Social Work					
Salaries	48,460	(340)	48,120	47,512	608
Other Purchased Services (400-500 series)	1,000	-	1,000	596	404
Total Undistributed Expend. - Attend. & Social Work	49,460	(340)	49,120	48,108	1,012
Undist. Expend. - Health Services					
Salaries	180,000	(20,383)	159,617	158,705	912
Purchased Professional and Technical Services	450	-	450	-	450
Supplies and Materials	7,450	74	7,524	4,896	2,628
Other Objects	3,600	25	3,625	1,165	2,460
Total Undistributed Expenditures - Health Services	191,500	(20,284)	171,216	164,766	6,450
Undist. Expend. - Other Supp. Serv. Students - Related Serv.					
Salaries	144,200	(9,407)	134,793	134,793	-
Purchased Professional - Educational Service	66,000	9,650	75,650	36,262	39,388
Supplies and Materials	7,000	-	7,000	1,814	5,186
Other Objects	1,000	-	1,000	-	1,000
Total Undist. Expend. - Other Supp. Serv. Students - Related Serv.	218,200	243	218,443	172,869	45,574
Undist. Expend. - Other Supp. Serv. Students-Reg.					
Salaries of Other Professional Staff	299,260	(76,300)	222,960	221,271	1,689
Purchased Professional - Educational Service	22,000	-	22,000	20,081	1,919
Supplies and Materials	15,000	180	15,180	3,570	11,610
Other Objects	2,000	-	2,000	375	1,625
Total Undist. Expend. - Other Supp. Serv. Students-Reg.	338,260	(76,120)	262,140	245,297	16,843
Undist. Expend. - Other Supp. Serv. Students - Spl. - Child Study Teams					
Salaries of Other Professional Staff	337,802	-	337,802	330,927	6,875
Salaries of Secretarial and Clerical Assistants	33,100	-	33,100	27,175	5,925
Misc. Purchased Serv. (400 - 500 series Other Resid. Costs)	500	1,000	1,500	1,228	272
Supplies and Materials	4,000	-	4,000	555	3,445
Other Objects	5,000	(1,000)	4,000	515	3,485
Total Undist. Expend. - Other Supp. Serv. Students - Spl. - Child Study Teams	380,402	-	380,402	360,400	20,002
Undist. Expend. - Improvement of Inst. Serv.					
Salaries of Supervisor of Instruction	97,375	-	97,375	95,000	2,375
Salaries of Other Professional Staff	145,110	-	145,110	142,264	2,846
Total Undist. Expend. - Improvement of Inst. Serv.	242,485	-	242,485	237,264	5,221
Undist. Expend. - Edu. Media Serv./Sch. Library					
Salaries	211,253	3,652	214,905	214,905	-
Salaries of Technology Coordinators	95,000	(1,959)	93,041	91,488	1,553
Purchased Professional and Technical Services	2,400	-	2,400	273	2,127
Travel	500	-	500	-	500
Supplies and Materials	25,000	628	25,628	13,554	12,074
Other Objects	7,375	(2,202)	5,173	3,171	2,002
Total Undist. Expend. - Edu. Media Serv./Sch. Library	341,528	119	341,647	323,391	18,256
Undist. Expend. - Instructional Staff Training Serv.					
Purchased Professional - Educational Service	15,000	-	15,000	5,747	9,253
Total Undist. Expend. - Instructional Staff Training Serv.	15,000	-	15,000	5,747	9,253
Undist. Expend. - Supp. Serv. - General Admin.					
Salaries	261,555	-	261,555	260,303	1,252
Legal Services	60,000	(2,304)	57,696	52,729	4,967
Audit Fees	65,000	8,000	73,000	73,000	-
Other Purchased Professional Services	42,000	-	42,000	39,586	2,414
Purchased Technical Services	10,000	-	10,000	9,111	889
Communications/Telephone	87,000	4,250	91,250	85,975	5,275
BOE Other Purchased Services	37,000	3,000	40,000	35,082	4,918
Other Purchased Services	15,000	(152)	14,848	9,660	5,188
Miscellaneous Expenditures	6,000	-	6,000	5,890	110
BOE Membership Dues and Fees	10,000	500	10,500	10,220	280
Total Undist. Expend. - Supp. Serv. - General Admin.	593,555	13,294	606,849	581,556	25,293
Undist. Expend. - Support Serv. - School Admin.					
Salaries of Principals/Assistant Principals	609,124	(630)	608,494	575,308	33,186
Salaries of Secretarial and Clerical Assistants	200,060	630	200,690	200,376	314
Purchased Professional and Technical Services	5,000	(4,500)	500	-	500
Travel	1,350	-	1,350	217	1,133

Weehawken Board of Education
 Budgetary Comparison Schedule
 General Fund
 For the Year Ended June 30, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable / (Unfavorable)
Supplies and Materials	7,000	-	7,000	4,927	2,073
Other Objects	32,000	7,824	39,824	24,850	14,934
Total Undist. Expend. - Support Serv. - School Admin.	854,534	3,324	857,858	805,718	52,140
Undist. Expend. -Central Services					
Salaries	\$ 323,169	\$ 10,000	\$ 333,169	\$ 329,599	\$ 3,570
Supplies and Materials	10,000	-	10,000	6,929	3,071
Miscellaneous Expenditures	3,000.0	-	3,000	1,783	1,217
Total Undist. Expend. - Central Services	336,169	10,000	346,169	338,311	7,858
Undist. Expend. -Allowable Maintenance for School Facilities					
Cleaning, Repair, and Maintenance Services	129,200	25,725	154,925	134,990	19,935
Total Undist. Expend. -Allowable Maintenance for School Facilities	129,200	25,725	154,925	134,990	19,935
Undist. Expend. - Oth. Oper. & Maint. of Plant - Custodial Services					
Salaries	550,000	(15,883)	534,117	529,490	4,627
Salaries of Non-Instructional Aides	125,000	(6,835)	118,165	82,104	36,061
Purchased Professional and Technical Services	96,000	-	96,000	92,061	3,939
Cleaning, Repair and Maintenance Services	38,400	(3,042)	35,358	12,758	22,600
Other Purchased Property Services	75,400	2,394	77,794	61,484	16,310
Insurance	150,000	3,000	153,000	151,513	1,487
Miscellaneous Purchased Services	1,000	-	1,000	-	1,000
General Supplies	95,000	2,775	97,775	80,575	17,200
Energy (Energy and Electricity)	130,000	35,129	165,129	97,767	67,362
Other Objects	20,000	(1,000)	19,000	3,197	15,803
Energy (Natural Gas)	156,000	31,683	187,683	120,872	66,811
Total Undist. Expend. - Other Oper. & Maint. Of Plant	1,436,800	48,221	1,485,021	1,231,821	253,200
Undist. Expend. - Security					
Salaries	12,730	-	12,730	12,616	114
Total Undist. Expend. - Security	12,730	-	12,730	12,616	114
Total Undist. Expend. - Oper. & Maint. Of Plant	1,578,730	73,946	1,652,676	1,379,427	273,249
Undist. Expend. - Student Transportation Serv.					
Sal. For Pup.Trans. (Bet. Home and School) - Regular	185,000	20,000	205,000	204,128	872
Sal. For Pup.Trans. (Bet. Home and School) - Special	50,000	-	50,000	38,271	11,729
Sal. For Pup. Trans. (Other than Bet. Home and School)	35,000	3,500	38,500	37,711	789
Health Benefits	80,000	-	80,000	80,000	-
Cleaning, Repair and Maintenance Services	40,000	5,970	45,970	44,438	1,532
Lease Purchase Payments- School Buses	75,000	(15,000)	60,000	54,094	5,906
Aid in Lieu of Charter School	-	2,000	2,000	1,768	232
Contract Services - (Between Home and School) - Vendors	550,423	(422,052)	128,371	122,588	5,783
Contract Services (Other than Between Home & School)-Vendors	12,000	-	12,000	796	11,204
Transportation Services- CTSA Special Education	-	455,058	455,058	440,665	14,393
Misc. Purchased Serv. - Transportation	20,000	(8,500)	11,500	8,800	2,700
Supplies and Materials	55,000	16,228	71,228	55,750	15,478
Other Objects	5,000	(2,000)	3,000	450	2,550
Total Undist. Expend. - Student Transportation Serv.	1,107,423	55,204	1,162,627	1,089,459	73,168
UNALLOCATED BENEFITS					
Social Security Contributions	240,000	(6,155)	233,845	203,969	29,876
T.P.A.F. Contributions - Regular	212,342	-	212,342	198,149	14,193
Unemployment Compensation	35,000	6,155	41,155	41,155	-
Workmen's Compensation	134,000	(20,000)	114,000	113,525	475
Health Benefits	2,809,545	(20,000)	2,789,545	2,614,498	175,047
Tuition Reimbursement	15,000	5,661	20,661	11,180	9,481
TOTAL UNALLOCATED BENEFITS	3,445,887	(34,339)	3,411,548	3,182,476	229,072
On-behalf TPAF pension Contributions (non-budgeted)	-	-	-	881,161	(881,161)
Reimbursed TPAF Social Security Contributions (non-budgeted)	-	-	-	651,629	(651,629)
TOTAL ON-BEHALF CONTRIBUTIONS	-	-	-	1,532,790	(1,532,790)
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS	3,445,887	(34,339)	3,411,548	4,715,266	(1,303,718)
TOTAL UNDISTRIBUTED EXPENDITURES	12,115,525	88,088	12,203,613	12,852,153	(648,540)
TOTAL GENERAL CURRENT EXPENSE	19,993,594	300,880	20,294,474	20,601,511	(307,037)
CAPITAL OUTLAY					
Facilities Acquisition and Construction Services					
Equipment - Grades 9-12	-	3,000	3,000	2,966	34
Other Objects	22,375	-	22,375	22,375	-
Total Facilities Acquisition and Construction Services	22,375	3,000	25,375	25,341	34
TOTAL CAPITAL OUTLAY	22,375	3,000	25,375	25,341	34

Weehawken Board of Education
 Budgetary Comparison Schedule
 General Fund
 For the Year Ended June 30, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable / (Unfavorable)
Transfer of Funds to Charter Schools	161,098	-	161,098	157,107	3,991
FEDERAL ED JOBS FUNDS					
TPAF FICA	8,798	3,275	12,073	12,073	-
Grades 1-5 - Salaries of Teachers	30,741	-	30,741	30,741	-
Ed Jobs Funds	29,550	-	29,550	29,550	-
	<u>69,089</u>	<u>3,275</u>	<u>72,364</u>	<u>72,364</u>	<u>-</u>
TOTAL EXPENDITURES	<u>20,246,156</u>	<u>307,155</u>	<u>20,553,311</u>	<u>20,856,323</u>	<u>(303,012)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (462,248)	\$ (307,155)	\$ (769,403)	\$ 769,298	\$ 1,538,701
Other Financing Sources:					
Operating Transfer Out:					
Transfer to Food Service Fund	-	-	-	-	-
Transfer to Extended Care	-	-	-	-	-
Total Other Financing Sources:	-	-	-	-	-
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)	(462,248)	(307,155)	(769,403)	769,298	1,538,701
Fund Balance, July 1	1,602,964	-	1,602,964	1,602,964	-
Fund Balance, June 30	<u>\$ 1,140,716</u>	<u>\$ (307,155)</u>	<u>\$ 833,561</u>	<u>\$ 2,372,262</u>	<u>\$ 1,538,701</u>
Recapitulation Fund Balance:					
Restricted Fund Balance:					
Reserved Excess Surplus - Designated for Subsequent Year's Expenditures				\$ 457,854	
Reserve for Excess Surplus				1,181,226	
Committed Fund Balance					
Year End Encumbrances				143,784	
Assigned Fund Balance:					
Designated for Subsequent Year's Expenditures				202,927	
Unassigned Fund Balance					
				<u>386,471</u>	
				2,372,262	
Reconciliation to Governmental Funds Statements (GAAP):					
Last State Aid Payment not recognized on GAAP basis				(229,583)	
Fund Balance per Governmental Funds (GAAP)				<u>\$ 2,142,679</u>	

Weehawken Board of Education
 Budgetary Comparison Schedule
 Special Revenue Fund
 For the Year Ended June 30, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
State Sources	\$ 500,349	\$ -	\$ 500,349	\$ 513,133	\$ 12,784
Federal Sources	945,818	349,544	1,295,362	878,091	(417,271)
Total Revenues	1,446,167	349,544	1,795,711	1,391,224	(404,487)
EXPENDITURES:					
Instruction					
Salaries of Teachers	800,732	-	800,732	777,177	23,555
Other Salaries for Instruction	-	-	-	-	-
Purchased Professional and Technical Services	65,000	-	65,000	65,000	-
Other Purchased Services	-	-	-	-	-
Tuition	227,042	7,392	234,434	234,434	-
General Supplies	38,454	(3,573)	34,881	31,825	3,056
Other Purchased Services	-	-	-	-	-
Other Objects	1,341	-	1,341	-	1,341
Total Instruction	1,132,569	3,819	1,136,388	1,108,436	27,952
Support Services					
Salaries of Supervisor of Instruction	73,114	-	73,114	73,114	-
Salaries of Principals/Assis.	-	-	-	-	-
Salaries of Other Professional Staff	-	-	-	-	-
Salaries of Secretaries & Clerical Assistants	24,472	-	24,472	23,467	1,005
Personal Services - Salaries	-	-	-	-	-
Other Salaries	12,000	-	12,000	12,000	-
Personal Services - Employee Benefits	118,351	-	118,351	118,351	-
Purchased Professional - Technical Services	-	-	-	-	-
Purchased Professional - Educational Services	23,800	-	23,800	23,800	-
Rentals	6,310	-	6,310	6,310	-
Purchased Property Services	-	-	-	-	-
Supplies & Materials	22,691	(3,819)	18,872	18,872	-
Total Support Services	280,738	(3,819)	276,919	275,914	1,005
Facilities Acquisition and Construction Services:					
Construction Services	6,874	-	6,874	6,874	-
Total Facilities Acquisition and Construction Services	6,874	-	6,874	6,874	-
Transfer to Charter School					
Total Expenditures	1,420,181	-	1,420,181	1,391,224	28,957
Other Financing Sources (Uses)					
Transfer in from General Fund	-	-	-	-	-
Transfer Out to Whole School Reform (General Fund)	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-
Total Outflows	1,420,181	-	1,420,181	1,391,224	28,957
Excess (Deficiency) of Revenues Over (Under)					
Expenditures and Other Financing Sources (Uses)	25,986	349,544	375,530	-	375,530

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

**Weehawken Board of Education
Required Supplementary Information
Budget-to-GAAP Reconciliation
Note to Required Supplementary Information
For the Year Ended June 30, 2012**

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

	General Fund		Special Revenue Fund
Sources/inflows of resources			
Actual amounts (budgetary basis) "revenue"			
from the budgetary comparison schedule	[C-1] \$ 21,625,621	[C-2]	\$ 1,391,224
Difference - budget to GAAP:			
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.			(1)
Prior year encumbrances expended			16,475
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	(229,583)		(33,127)
State aid payment recognized for GAAP Statement in the current year, previously recognized for budgetary purposes.	160,393		52,005
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2] \$ 21,556,431	[B-2]	\$ 1,426,576
Uses/outflows of resources			
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1] \$ 20,856,323	[C-2]	\$ 1,391,224
Difference - budget to GAAP:			
The district budgets for claims and compensated absences only to the extent expected to be paid, rather than on the modified accrual basis.			(1)
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for <i>financial reporting</i> purposes.			16,475
Prior year encumbrances expended			16,475
Transfers to and from other funds are presented as outflows of budgetary resources but are not expenditures for financial reporting purposes.			
Net transfers (outflows) to general fund			
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	[B-2] \$ 20,856,323	[B-2]	\$ 1,407,698

OTHER SUPPLEMENTARY INFORMATION

ABBOTT SCHEDULES

These schedules have been omitted. The Weehawken Board of Education is a Non Abbott District.

SPECIAL REVENUE FUND

Special revenue funds are used to account for the proceeds of specific revenue sources (other than expendable trust or major capital projects) that are legally restricted to expenditures for specific purposes.

**Weehawken Board of Education
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Year Ended June 30, 2012**

	Total Brought Forward (Ex. E-1a)	Title I 2011-2012	I.D.E.A. Part B Basic 2011-2012	I.D.E.A. FT Preschool 2011-2012	Totals 2012
REVENUES					
State Sources	\$ 513,133	\$ -	\$ -	\$ -	\$ 513,133
Federal Sources	86,035	475,014	306,680	10,362	878,091
Total Revenues	599,168	475,014	306,680	10,362	1,391,224
EXPENDITURES:					
Instruction:					
Salaries of Teachers	403,602	373,575			777,177
Personal Services - Salaries	-				-
Purchased Professional and Technical Services	-		65,000		65,000
Tuition	-		224,072	10,362	234,434
General Supplies	27,398		4,427		31,825
Other Purchased Services	-				-
Other Objects	-				-
Total instruction	431,000	373,575	293,499	10,362	1,108,436
Support services:					
Salaries of Supervisors of Instruction	73,114				73,114
Salaries of Principals/Assis.	-				-
Salaries of Other Professional Staff	-				-
Salaries of Sec. And Clerical Assis.	23,467				23,467
Personal Services - Salaries	-				-
Other Salaries	12,000				12,000
Personal Services - Employee Benefits	43,636	74,715			118,351
Purchased Professional - Technical Services	-				-
Purchased Professional - Educational Services	-	23,800			23,800
Rentals	6,310				6,310
Purchased Property Services	-				-
Supplies & Materials	2,767	2,924	13,181		18,872
Total support services	161,294	101,439	13,181	-	275,914

continued

**Weehawken Board of Education
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Year Ended June 30, 2012**

	Total Brought Forward (Ex. E-1a)	Title I 2011-2012	I.D.E.A. Part B Basic 2011-2012	I.D.E.A. FT Preschool 2011-2012	Totals 2012
EXPENDITURES (CONT'D):					
Facilities acquisition and const. serv.:					
Construction Services	\$ 6,874	\$ -	\$ -	\$ -	\$ 6,874
Total facilities acquisition and const. serv.	<u>6,874</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,874</u>
Transfer to Charter Schools	-				-
Total Expenditures	<u>599,168</u>	<u>475,014</u>	<u>306,680</u>	<u>10,362</u>	<u>1,391,224</u>
Other Financing Sources (Uses)					
Transfer In from General Fund	-				-
	-	-	-	-	-
Total Outflows	<u>599,168</u>	<u>475,014</u>	<u>306,680</u>	<u>10,362</u>	<u>1,391,224</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>

**Weehawken Board of Education
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Year Ended June 30, 2012**

	Total Brought Forward (Ex. E-1b)	Title II, Part A	Title III	Totals 2012
REVENUES				
State Sources	\$ 513,133	\$ -	\$ -	\$ 513,133
Federal Sources	-	72,906	13,129	86,035
Total Revenues	513,133	72,906	13,129	599,168
EXPENDITURES:				
Instruction:				
Salaries of Teachers	342,847	60,755		403,602
Personnel Services - Salaries	-			-
Purchased Professional and Technical Services	-			-
Tuition	-			-
General Supplies	14,269		13,129	27,398
Other Purchased Services	-			-
Other Objects	-			-
Total instruction	357,116	60,755	13,129	431,000
Support services:				
Salaries of Supervisors of Instruction	73,114			73,114
Salaries of Principals/Assis.	-			-
Salaries of Other Professional Staff	-			-
Salaries of Administrative and Clerical Assistants	23,467			23,467
Personal Services - Salaries	-			-
Other Salaries	12,000			12,000
Personal Services - Employee Benefits	31,485	12,151		43,636
Purchased Professional - Technical Services	-			-
Purchased Professional - Educational Services	-			-
Rentals	6,310			6,310
Purchased Property Services	-			-
Supplies & Materials	2,767			2,767
Total support services	149,143	12,151	-	161,294

continued

Weehawken Board of Education
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Year Ended June 30, 2012

	Total Brought Forward (Ex. E-1b)	Title II, Part A	Title III	Totals 2012
EXPENDITURES (CONT'D):				
Facilities acquisition and const. serv.:				
Instructional Equipment	\$ 6,874	\$ -	\$ -	6,874
Total facilities acquisition and const. serv.	<u>6,874</u>	<u>-</u>	<u>-</u>	<u>6,874</u>
Transfer to Charter Schools	-			-
Total Expenditures	<u>513,133</u>	<u>72,906</u>	<u>13,129</u>	<u>599,168</u>
Other Financing Sources				
Transfer in from General Fund	-			-
Contribution to Whole School Reform	-			-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Outflows	<u>513,133</u>	<u>72,906</u>	<u>13,129</u>	<u>599,168</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**Weehawken Board of Education
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Year Ended June 30, 2012**

	NJ EIF Safety Grant Program	Preschool Program Aid	Total Carried Forward
REVENUES			
State Sources	\$ 9,641	\$ 503,492	\$ 513,133
Federal Sources			-
Total Revenues	9,641	503,492	513,133
EXPENDITURES			
Instruction:			
Salaries of Teachers		342,847	342,847
Personal Services - Salaries			-
Purchased Professional and Technical Services			-
Tuition			-
General Supplies		14,269	14,269
Other Purchased Services			-
Other Objects			-
Total instruction	-	357,116	357,116
Support services:			
Salaries of Supervisors of Instruction		73,114	73,114
Salaries of Principals/Assis.			-
Salaries of Other Professional Staff			-
Salaries of Administrative and Clerical Assistants		23,467	23,467
Personal Services - Salaries			-
Other Salaries		12,000	12,000
Personal Services - Employee Benefits		31,485	31,485
Purchased Professional - Technical Services			-
Purchased Professional - Educational Services			-
Rentals		6,310	6,310
Purchased Property Services			-
Supplies & Materials	2,767		2,767
Total support services	2,767	146,376	149,143

Weehawken Board of Education
 Special Revenue Fund
 Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
 For the Year Ended June 30, 2012

	<u>NJ EIF Safety Grant Program</u>	<u>Preschool Program Aid</u>	<u>Total Carried Forward</u> continued
EXPENDITURES (CONT'D):			
Facilities acquisition and const. serv.:			
Construction Services	\$ 6,874	\$ -	\$ 6,874
Total facilities acquisition and const. serv.	<u>6,874</u>	<u>-</u>	<u>6,874</u>
Transfer to Charter Schools			-
Total Expenditures	<u>9,641</u>	<u>503,492</u>	<u>513,133</u>
Other Financing Sources (Uses)			
Transfer in from General Fund			-
Contribution to Whole School Reform			-
	<u>-</u>	<u>-</u>	<u>-</u>
Total Outflows	<u>9,641</u>	<u>503,492</u>	<u>513,133</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**Weehawken Board of Education
Special Revenue Fund
Schedule of Preschool Education Aid
Budgetary Basis
For the Year Ended June 30, 2012**

	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
EXPENDITURES:			
Instruction:			
Salaries of Teachers	\$ 359,902	\$ 342,847	\$ 17,055
Other Salaries for Instruction			-
Other Purchased Services (400-500 series)			-
Tuition to Other LEAs within State			
General Supplies	17,325	14,269	3,056
Textbooks			-
Other Objects	1,341		1,341
Total instruction	<u>378,568</u>	<u>357,116</u>	<u>21,452</u>
Support services:			
Salaries of Supervisors of Instruction	73,114	73,114	-
Salaries of Program Directors			-
Salaries of Other Professional Staff			-
Salaries of Secr. And Clerical Assistants	24,472	23,467	1,005
Other Salaries	12,000	12,000	-
Salaries of Community Parent Involvement Specialists			
Salaries of Master Teachers			
Personal Services - Employee Benefits	31,485	31,485	-
Purchased Professional - Educational Services			-
Other Purchased Professional Education - Services			
Rentals	6,310	6,310	-
Contr. Transportation Service (Betw. Home & Sch.)			
Contr. Transportation Service (Field Trips)			
Travel			-
Supplies & Materials			-
Total support services	<u>147,381</u>	<u>146,376</u>	<u>1,005</u>
Total expenditures	<u>\$ 525,949</u>	<u>\$ 503,492</u>	<u>\$ 22,457</u>

CALCULATION OF BUDGET & CARRYOVER

Total Revised 2011-12 Preschool Education Aid Allocation	\$ 523,144
Add: Actual ECPA Carryover (June 30, 2011)	48,473
Add: Budgeted Transfer from the General Fund 2011-12	
Total Preschool Education Aid Funds Available for 2011-12 Budget	<u>571,617</u>
Less: 2011-12 Budgeted Preschool Education Aid (Including prior year budget carryover)	(525,949)
Available & Unbudgeted Preschool Education Aid Funds as of June 30, 2012	45,668
Add: Prior Year Unexpended Encumbrance	
Add: June 30, 2012 Unexpended Preschool Education Aid	22,457
2011-12 Actual Carryover - Preschool Education Aid/ Preschool	<u>\$ 68,125</u>
2011-12 Preschool Education Aid Carryover Budgeted in 2012-13	<u>\$ 45,668</u>

CAPITAL PROJECTS FUND

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.

Weehawken Board of Education
Capital Projects Fund
Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budgetary Basis
For the Year Ended June 30, 2012

Revenues and other Financing Sources

Bond Proceeds	
Other sources	
Total revenues	<u> -</u>

Expenditures and Other Financing Uses

Other purchased professional and technical services	50,959
Construction services	(50,454)
Legal services	-
Total expenditures	<u> 505</u>

Excess (deficiency) of revenues over (under) expenditures	(505)
Fund balance - beginning	154,275
Fund balance - ending	<u><u>\$ 153,770</u></u>

Weehawken Board of Education
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Basis, and Project Status - Budgetary Basis
Various School Improvements-12/17/02
From Inception and for the Year Ended 6/30/12

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and other Financing Sources				
State sources - SCC Grant	\$ 3,548,899		\$ 3,548,899	\$ 3,548,899
Bond proceeds and transfers	5,858,000		5,858,000	5,858,000
Other sources	301		301	301
Total revenues	<u>\$ 9,407,200</u>	<u>\$ -</u>	<u>\$ 9,407,200</u>	<u>\$ 9,407,200</u>
Expenditures and Other Financing Uses				
Other professional and technical services	924,530	950	925,480	995,363
Construction services	8,373,123		8,373,123	8,285,837
Legal services	1,540		1,540	126,000
Total expenditures	<u>\$ 9,299,193</u>	<u>\$ 950</u>	<u>\$ 9,300,143</u>	<u>\$ 9,407,200</u>
Excess (deficiency) of revenues over expenditures	<u>\$ 108,007</u>	<u>\$ (950)</u>	<u>\$ 107,057</u>	<u>\$ -</u>
Additional project information:				
Project Number	5580-050-03-0457			
	5580-050-03-0458			
	5580-050-03-0459			
Grant Date	12/20/02			
Bond Authorization Date	07/09/04			
Bonds Authorized	5,858,000			
Bonds Issued	5,858,000			
Original Authorized Cost	9,471,513			
Additional Authorized Cost	-			
Revised Authorized Cost	9,471,513			
Percentage Increase over Original				
Authorized Cost	0%			
Percentage Completion	100%			
Original target completion date	1/1/05			
Revised target completion date	6/30/07			

Weehawken Board of Education
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Basis, and Project Status - Budgetary Basis
Various School Improvements-03/19/08
From Inception and for the Year Ended 6/30/12

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and other Financing Sources				
State sources - SCC Grant	\$	\$	\$ -	
Bond Anticipation Note Proceeds			-	
Bond Proceeds Receivable			-	
Bond proceeds and transfers	7,500,000		7,500,000	7,500,000
Other sources			-	
Total revenues	<u>\$ 7,500,000</u>	<u>\$ -</u>	<u>\$ 7,500,000</u>	<u>\$ 7,500,000</u>
Expenditures and Other Financing Uses				
Other professional and technical services	1,234,363	50,009	1,284,372	773,905
Construction services	6,152,335	(50,455)	6,101,880	6,637,580
Legal services	67,035		67,035	88,515
Total expenditures	<u>\$ 7,453,733</u>	<u>\$ (446)</u>	<u>\$ 7,453,287</u>	<u>\$ 7,500,000</u>
Excess (deficiency) of revenues over expenditures	<u>\$ 46,267</u>	<u>\$ 446</u>	<u>\$ 46,713</u>	<u>\$ -</u>
Additional project information:				
Project Number	5580-050-08-2000 5580-070-08-1000 5580-080-08-1000			
Grant Date	N/A			
Bond Authorization Date	3/19/2008			
Bonds Authorized	7,500,000			
Bonds Issued	7,500,000			
Original Authorized Cost	7,500,000			
Additional Authorized Cost	-			
Revised Authorized Cost	7,500,000			
Percentage Increase over Original Authorized Cost	0%			
Percentage Completion	99%			
Original target completion date	12/31/2009			
Revised target completion date	12/31/2011			

**Weehawken Board of Education
Capital Projects Fund
Summary Statement of Project Expenditures
For the Year Ended June 30, 2012**

<u>Project Title/Issue</u>	<u>Original Date</u>	<u>Appropriations</u>	<u>Expenditures to Date</u>		<u>Unexpended Balance June 30, 2012</u>
			<u>Prior Years</u>	<u>Current Year</u>	
Various School Improvements	12/17/02	\$ 9,407,200	\$ 9,299,193	\$ 950	\$ 107,057
Various School Improvements	3/19/2008	<u>7,500,000</u>	<u>7,453,732</u>	<u>(445)</u>	<u>46,713</u>
		<u>\$ 16,907,200</u>	<u>\$ 16,752,925</u>	<u>\$ 505</u>	<u>\$ 153,770</u>

PROPRIETARY FUNDS

Proprietary funds are used to account for district activities that are similar to business operations in the private sector. There are two categories of proprietary funds – enterprise and internal service funds.

Enterprise funds are used to account for the 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 Care Latchkey Program - This fund provides for the operation of an after school program for all children with the district who require these services.

Internal service funds are used to account for the financing of goods or services provided by one department or office to other departments or offices of the district board of education, or to other district boards of education and governmental units, on a cost-reimbursement basis.

Internal Service Fund - NON APPLICABLE

**Weehawken Board of Education
Enterprise Funds
Combining Statement of Net Assets
For the Year Ended June 30, 2012**

	Food Service	Latchkey Program	Totals
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 100,128	\$ 294,612	\$ 394,740
Accounts receivable:			
Federal	8,596		8,596
State	176		176
Other			-
Inventories	8,096		8,096
Total current assets	116,996	294,612	411,608
Noncurrent assets:			
Furniture, machinery & equipment	83,317		83,317
Less accumulated depreciation	(37,476)		(37,476)
Total noncurrent assets	45,841	-	45,841
TOTAL ASSETS	\$ 162,837	\$ 294,612	\$ 457,449
 LIABILITIES			
Current liabilities:			
Accounts payable	\$ 16,563	\$ 195	\$ 16,758
Total current liabilities	16,563	195	16,758
Total liabilities	16,563	195	16,758
 NET ASSETS			
Invested in capital assets net of related debt	45,841		45,841
Unrestricted	100,433	294,417	394,850
Total net assets	146,274	294,417	440,691
TOTAL LIABILITIES AND NET ASSETS	\$ 162,837	\$ 294,612	\$ 457,449

**Weehawken Board of Education
Enterprise Funds
Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets
For the Year Ended June 30, 2012**

	Food Service	Latchkey Program	Total Enterprise
Operating revenues:			
Charges for services:			
Daily sales - reimbursable programs	\$ -	\$ -	\$ -
Daily sales - non-reimbursable programs	99,526		99,526
Community service activities		164,227	164,227
Total operating revenues	99,526	164,227	263,753
 Operating expenses:			
Cost of sales	167,436		167,436
Salaries	96,004	70,276	166,280
Payroll Taxes/ Employee Benefits	26,680		26,680
Repairs and maintenance	2,535		2,535
Administration Fees	38,359		38,359
General Supplies	28,325	1,178	29,503
Depreciation	5,337		5,337
Total Operating Expenses	364,676	71,454	436,130
Operating income (loss)	(265,150)	92,773	(172,377)
 Nonoperating revenues (expenses):			
State sources:			
State school lunch program	5,903		5,903
Federal sources:			
National school lunch program	247,673		247,673
Food distribution program	11,708		11,708
Total nonoperating revenues (expenses)	265,284	-	265,284
Net Income (loss) before contributions & transfers	134	92,773	92,907
 Operating Transfers			
Operating Transfers in (out) - General Fund			-
Change in net assets	134	92,773	92,907
 Net assets—beginning	146,140	201,644	347,784
Net assets—ending	\$ 146,274	\$ 294,417	\$ 440,691

**Weehawken Board of Education
Enterprise Funds
Combining Statement of Cash Flows
For the Year Ended June 30, 2012**

	<u>Food Service</u>	<u>Latchkey Program</u>	<u>Total Enterprise</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	\$ 99,525	\$ 164,227	\$ 263,752
Payments to employees	(96,004)	(70,276)	(166,280)
Payments for Payroll Taxes/ Employee Benefits	(26,680)		(26,680)
Payments to suppliers	<u>(222,866)</u>	<u>(983)</u>	<u>(223,849)</u>
Net cash provided by (used for) operating activities	<u>(246,025)</u>	<u>92,968</u>	<u>(153,057)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
State Sources	6,816		6,816
Federal Sources	284,062		284,062
Operating subsidies and transfers to other funds			-
Net cash provided by (used for) non-capital financing activities	<u>290,878</u>	<u>-</u>	<u>290,878</u>
Net increase (decrease) in cash and cash equivalents	44,853	92,968	137,821
Balances—beginning of year	55,275	201,644	256,919
Balances—end of year	<u>\$ 100,128</u>	<u>\$ 294,612</u>	<u>\$ 394,740</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:			
Operating income (loss)	\$ (265,150)	\$ 92,773	\$ (172,377)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation and net amortization	5,337		5,337
Food Distribution Program	11,708		11,708
(Increase) decrease in accounts receivable, net			-
(Increase) decrease in inventories	(1,714)		(1,714)
Increase (decrease) in accounts payable	<u>3,794</u>	<u>195</u>	<u>3,989</u>
Total adjustments	<u>19,125</u>	<u>195</u>	<u>19,320</u>
Net cash provided by (used for) operating activities	<u>\$ (246,025)</u>	<u>\$ 92,968</u>	<u>\$ (153,057)</u>

FIDUCIARY FUNDS

Fiduciary funds report assets that are held in a trustee or agency capacity for the external parties and that cannot be used to support the government's own programs.

Trust and agency funds are used to account for resources held and administered by a school district when it acts in a fiduciary capacity. Trust funds are used to account for assets held by the district as an agent for individuals or other funds.

**Scholarship Trust Fund -
(Louis Ferullo Scholarship)
(Dorothy Nelnichok Scholarship)**

This is an expendable trust fund used to account for asset held by the district for grants to students where there are no restrictions regarding the use of principal and income.

**Nonexpendable Trust Fund -
(McGowan Award)**

This is a scholarship fund used to account for assets held by the district under the terms of a formal trust agreement, whereby the district is under the obligation to maintain the trust principal.

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 payroll transactions of the school district.

**Weehawken Board of Education
Fiduciary Funds
Combining Statement of Fiduciary Net Assets
June 30, 2012**

	<u>Expendable Trust</u>		<u>Nonexpendable Trust</u>	<u>Agency</u>		<u>Total</u>
	<u>Louis Ferullo Scholarship Fund</u>	<u>Dorothy Nelnichok Scholarship Fund</u>	<u>McGowan Award Scholarship Fund</u>	<u>Student Activity</u>	<u>Payroll</u>	<u>2012</u>
ASSETS:						
Cash and Cash Equivalents Due From General Fund	\$ 11,074	\$ -	\$ 1,000	\$ 51,381	\$ 98,170 309	\$ 161,625 309
TOTAL ASSETS	<u>\$ 11,074</u>	<u>\$ -</u>	<u>\$ 1,000</u>	<u>\$ 51,381</u>	<u>\$ 98,479</u>	<u>\$ 161,934</u>
LIABILITIES AND NET ASSETS:						
Liabilities:						
Payroll Deductions and Withholdings	\$ -	\$ -	\$ -	\$ -	\$ 98,479	\$ 98,479
Due to Student Groups	-	-	-	51,381	-	51,381
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>51,381</u>	<u>98,479</u>	<u>149,860</u>
Net Assets:						
Reserved - Principal Portion Nonexpendable Trust			1,000	-	-	1,000
Unreserved	11,074	-	-	-	-	11,074
Total Net Assets	<u>11,074</u>	<u>-</u>	<u>1,000</u>	<u>-</u>	<u>-</u>	<u>12,074</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 11,074</u>	<u>\$ -</u>	<u>\$ 1,000</u>	<u>\$ 51,381</u>	<u>\$ 98,479</u>	<u>\$ 161,934</u>

**Weehawken Board of Education
 Nonexpendable Trust Fund - Scholarship
 Combining Statement of Changes in Fiduciary Net Assets
 For the Year Ended June 30, 2012**

	McGowan Award Scholarship Fund <hr style="border: 0.5px solid black;"/>
Additions:	
Investments Earning:	
Interest on Investments	\$ 1 <hr style="border: 0.5px solid black;"/>
Total Additions	1 <hr style="border: 0.5px solid black;"/>
Deductions:	
Transfer to Student Activity Fund	1 <hr style="border: 0.5px solid black;"/>
Total Deductions	1 <hr style="border: 0.5px solid black;"/>
Change in Net Assets	- <hr style="border: 0.5px solid black;"/>
Net Assets - beginning of the year	1,000 <hr style="border: 0.5px solid black;"/>
Net Assets - end of the year	\$ 1,000 <hr style="border: 1px solid black;"/>

**Weehawken Board of Education
Expendable Trust Funds
Combining Statements of Changes in Fiduciary Net Assets
For the Year Ended June 30, 2012**

	Louis Ferullo Scholarship Fund	Dorothy Nelnichok Scholarship Fund	Total
Additions:			
Interest on Investments	\$ 6	\$ 1	\$ 7
Total Additions	<u>6</u>	<u>1</u>	<u>7</u>
Deductions:			
Transfer to HS Activities Fund Expenditures	1,000	659	1,659
Total Deductions	<u>1,000</u>	<u>659</u>	<u>1,659</u>
Change in Net Assets	(994)	(658)	(1,652)
Net Assets - beginning of the year	<u>12,068</u>	<u>658</u>	<u>12,726</u>
Net Assets - end of the year	<u>\$ 11,074</u>	<u>\$ -</u>	<u>\$ 11,074</u>

**Weehawken Board of Education
Student Activity Agency Fund
Schedule of Receipts and Disbursements
For the Year Ended June 30, 2012**

	<u>Balance June 30, 2011</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Balance June 30, 2012</u>
Elementary School				
Roosevelt	\$ 3,254	\$ 1,653	\$ 563	\$ 4,344
Webster	6,477	8,555	7,386	7,646
Total Elementary School	<u>9,731</u>	<u>10,208</u>	<u>7,949</u>	<u>11,990</u>
High School				
Weehawken High School: General Activity Fund	<u>45,753</u>	<u>146,060</u>	<u>152,422</u>	<u>39,391</u>
Total High School	<u>45,753</u>	<u>146,060</u>	<u>152,422</u>	<u>39,391</u>
Total Cash and Cash Equivalent	<u>\$ 55,484</u>	<u>\$ 156,268</u>	<u>\$ 160,371</u>	<u>\$ 51,381</u>

**Weehawken Board of Education
Payroll Agency Fund
Statement of Changes in Assets and Liabilities
For the Year Ended June 30, 2012**

	<u>Balance, June 30, 2011</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance, June 30, 2012</u>
ASSETS:				
Cash and Cash Equivalents	\$ 83,534	\$ 12,778,395	\$ 12,763,759	\$ 98,170
Due from General Fund	1,549		1,240	309
TOTAL ASSETS	<u>\$ 85,083</u>	<u>\$ 12,778,395</u>	<u>\$ 12,764,999</u>	<u>\$ 98,479</u>
LIABILITIES:				
Net Payroll	\$ -	\$ 7,242,518	\$ 7,242,518	\$ -
Payroll Deductions and Withholdings	85,083	5,387,393	5,373,997	98,479
Interfund Payable - General Fund		148,484	148,484	-
TOTAL LIABILITIES	<u>\$ 85,083</u>	<u>\$ 12,778,395</u>	<u>\$ 12,764,999</u>	<u>\$ 98,479</u>

LONG-TERM DEBT

Long-term debt is used to record the outstanding principal balances of the general long-term liabilities of the school district.

This includes serial bonds outstanding, loans outstanding, and the outstanding principal balance on capital leases, and activity for debt service of the school district.

Weehawken Board of Education
 Long-Term Debt
 Schedule of Serial Bonds
 For the Year Ended June 30, 2012

Issue	Date of Issue	Amount of Issue	Annual Maturates		Interest Rate (%)	Balance June 30, 2011	Issued	Retired	Balance June 30, 2012
			Date	Amount					
General Improvements	10/01/93	\$ 1,560,000	10/01/12-13	100,000	5.250%	\$ 280,000	\$ -	\$ 80,000	\$ 200,000
General Improvements	07/30/03	\$ 5,858,000	07/15/12	280,000	3.350%	4,438,000	-	270,000	4,168,000
			07/15/13	290,000	3.350%				
			07/15/14	300,000	3.350%				
			07/15/15	310,000	3.400%				
			07/15/16	325,000	3.500%				
			07/15/17	335,000	3.600%				
			07/15/18	350,000	3.625%				
			07/15/19	365,000	3.850%				
			07/15/20	380,000	3.900%				
			07/15/21	395,000	3.950%				
			07/15/22	410,000	4.000%				
			07/15/23	428,000	4.000%				
Pension Bonds Series 2003	07/15/03	\$ 2,060,000	04/15/13	95,000	5.350%	\$ 1,410,000	\$ -	\$ 90,000	\$ 1,320,000
			04/15/14	100,000	5.850%				
			04/15/15	110,000	5.850%				
			04/15/16	115,000	5.850%				
			04/15/17	125,000	5.850%				
			04/15/18	130,000	5.850%				
			04/15/19	140,000	5.850%				
			04/15/20	150,000	5.850%				
			04/15/21	160,000	5.850%				
			04/15/22	60,000	5.850%				
			04/15/23	65,000	5.850%				
			04/15/24	70,000	5.850%				

Weehawken Board of Education
 Long-Term Debt
 Schedule of Serial Bonds
 For the Year Ended June 30, 2012

Issue	Date of Issue	Amount of Issue	Annual Maturates		Interest Rate (%)	Balance June 30, 2011	Issued	Retired	Balance June 30, 2012						
			Date	Amount											
General Improvements	09/01/08	\$ 7,500,000	09/01/12	250,000	3.125%	7,250,000		250,000	7,000,000						
			09/01/13	250,000	3.250%										
			09/01/14	250,000	3.375%										
			09/01/15	300,000	3.500%										
			09/01/16	300,000	3.600%										
			09/1/2017-19	300,000	4.000%										
			09/01/20-21	450,000	4.000%										
			09/01/22	450,000	4.050%										
			09/01/23	450,000	4.150%										
			09/01/24	450,000	4.200%										
			09/01/25-26	500,000	4.250%										
			09/01/27	500,000	4.300%										
			09/01/28-29	500,000	4.350%										
												<u>\$ 13,378,000</u>	<u>\$ -</u>	<u>\$ 690,000</u>	<u>\$ 12,688,000</u>

Weehawken Board of Education
 Long-Term Debt
 Schedule of Loans
 For the Year Ended June 30, 2012

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Date</u>	<u>Maturity Amount</u>	<u>Interest Rate</u>	<u>Balance June 30, 2011</u>	<u>Retired</u>	<u>Balance June 30, 2012</u>
EDA FACILITIES								
Low Interest	08/18/93	\$ 710,000	7/15/2012 7/15/2013	\$ 37,368 37,370	1.500%	\$ 112,106	\$ 37,369	\$ 74,737
Small Projects	08/18/93	710,000	07/15/12 07/15/13	50,354 52,600	5.288% 5.288%	151,169	48,215	102,954
						<u>\$ 263,275</u>	<u>\$ 85,584</u>	<u>\$ 177,691</u>

**Weehawken Board of Education
General Long-Term Debt Account Group
Statement of Obligations Under Capital Leases
For the Year Ended June 30, 2012**

<u>Purpose</u>	<u>Date of Lease</u>	<u>Term of Lease</u>	<u>Amount of Original Lease Principal</u>	<u>Interest Rate</u>	<u>Balance June 30, 2011</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance June 30, 2012</u>
Two School Buses	06/01/09	5 Years	\$ 178,140	5.20%	\$ 46,951		\$ 14,865	\$ 32,086
2012 School Bus	08/15/11	5 Years	\$ 81,263	3.14%		81,263	17,302	63,961
2013 School Bus	06/30/12	5 Years	\$ 88,202	2.62%		88,202	18,470	69,732
					<u>\$ 46,951</u>	<u>\$ 169,465</u>	<u>\$ 50,637</u>	<u>\$ 165,779</u>

Weehawken Board of Education
 Budgetary Comparison Schedule
 Debt Service Fund
 For the Year Ended June 30, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 1,151,861		\$ 1,151,861	\$ 1,151,861	\$ -
Debt Service Aid Type II	161,186		161,186	161,186	-
Capital Reserve	-		-		-
Total Revenues	1,313,047	-	1,313,047	1,313,047	-
EXPENDITURES:					
Regular Debt Service:					
Interest	463,927		463,927	463,927	-
Redemption of Interest - Early Retirement Bonds	81,425		81,425	81,425	-
Redemption of Principal	775,583		775,583	775,583	-
Total Regular Debt Service	1,320,935	-	1,320,935	1,320,935	-
Total expenditures	1,320,935	-	1,320,935	1,320,935	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(7,888)	-	(7,888)	(7,888)	-
Other Financing Sources:					
Operating Transfers In:					
Interest Earned in Capital Projects Fund	-	-	-	23	23
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	(7,888)	-	(7,888)	(7,865)	23
Fund Balance, July 1	8,455	-	8,455	8,455	-
Fund Balance, June 30	<u>\$ 567</u>	<u>\$ -</u>	<u>\$ 567</u>	<u>\$ 590</u>	<u>\$ 23</u>
Recapitulation of Excess (Deficiency) of of Revenues Over (Under) Expenditures					
Budgeted Fund Balance	<u>\$ 7,888</u>	<u>\$ -</u>	<u>\$ 7,888</u>	<u>\$ 7,888</u>	<u>\$ -</u>

STATISTICAL SECTION
(unaudited)

Weehawken Board of Education
Net Assets by Component,
Last Five Fiscal Years
(accrual basis of accounting)

	Fiscal Year Ending June 30,				
	2012	2011	2010	2009	2008
Governmental activities					
Invested in capital assets, net of related debt	\$ 1,462,623	\$ 1,705,112	\$ 1,452,669	\$ 346,843	\$ (3,695,007)
Restricted	964,354	986,230	1,768,896	3,424,191	7,655,175
Unrestricted	(258,248)	(998,470)	(1,454,985)	(1,286,840)	(1,080,720)
Total governmental activities net assets	<u>\$ 2,168,729</u>	<u>\$ 1,692,872</u>	<u>\$ 1,766,580</u>	<u>\$ 2,484,194</u>	<u>\$ 2,879,448</u>
Business-type activities					
Invested in capital assets, net of related debt	\$ 45,841	\$ 51,178	\$ 1,332	\$ 2,283	\$ 3,406
Restricted					
Unrestricted	394,850	296,606	188,475	134,018	77,812
Total business-type activities net assets	<u>\$ 440,691</u>	<u>\$ 347,784</u>	<u>\$ 189,807</u>	<u>\$ 136,301</u>	<u>\$ 81,218</u>
District-wide					
Invested in capital assets, net of related debt	\$ 1,508,464	\$ 1,756,290	\$ 1,454,001	\$ 349,126	\$ (3,691,601)
Restricted	964,354	1,026,787	1,768,896	3,424,191	7,655,175
Unrestricted	136,602	(742,421)	(1,266,510)	(1,152,822)	(1,002,908)
Total district net assets	<u>\$ 2,609,420</u>	<u>\$ 2,040,656</u>	<u>\$ 1,956,387</u>	<u>\$ 2,620,495</u>	<u>\$ 2,960,666</u>

Wechawken Board of Education
Changes in Net Assets
Last Five Fiscal Years
(accrual basis of accounting)

	Fiscal Year Ending June 30,				
	2012	2011	2010	2009	2008
Expenses					
Governmental activities					
Instruction					
Regular	\$ 10,249,611	\$ 10,289,935	\$ 10,288,373	\$ 10,161,291	\$ 9,853,261
Special education	1,193,753	1,214,870	1,272,364	1,236,261	1,142,471
Other special education	246,460	291,271	289,168	266,252	337,809
Community service			10,000	10,000	10,000
Other instruction	604,017	491,201	525,309	525,508	538,591
Support Services:					
Tuition	2,384,574	2,119,925	1,859,272	1,871,420	1,551,405
Student & instruction related services	2,517,644	2,619,939	2,418,491	2,240,887	2,262,257
School administrative services	942,634	953,001	873,642	1,004,476	1,144,612
General and business administrative services	1,251,582	1,235,750	1,411,005	1,442,851	1,433,725
Central services	483,829	457,600	481,665	134,405	130,602
Plant operations and maintenance	1,843,163	1,825,255	1,817,501	2,020,034	1,784,012
Pupil transportation	1,243,145	1,094,354	1,139,170	1,121,880	1,025,974
Charter Schools	157,107	159,959	168,248	196,972	163,356
Special Education Job Funds	72,364	35,440			
Interest on long-term debt	545,352	573,549	744,926	318,199	335,470
Capital Reserve Transfer to Debt Service			285,000		
Capital Outlay - Not Capitalized	29,249	83,873	20,231	58,425	59,002
Unallocated depreciation	91,397	144,419	92,037	91,160	75,711
Total governmental activities expenses	<u>23,855,881</u>	<u>23,590,341</u>	<u>23,696,402</u>	<u>22,700,021</u>	<u>21,848,258</u>
Business-type activities:					
Food service	364,676	343,918	343,446	427,015	413,510
Child Care	71,454	55,225	61,997	31,850	32,302
Total business-type activities expense	<u>436,130</u>	<u>399,143</u>	<u>405,443</u>	<u>458,865</u>	<u>445,812</u>
Total district expenses	<u>\$ 24,292,011</u>	<u>\$ 23,989,484</u>	<u>\$ 24,101,845</u>	<u>\$ 23,158,886</u>	<u>\$ 22,294,070</u>
Program Revenues					
Governmental activities:					
Charges for services:					
Instruction (tuition)	\$ 148,151	\$ 65,523	\$ 46,970	\$ -	\$ -
Pupil transportation				-	-
Central and other support services				-	-
Operating grants and contributions	5,893,315	5,573,243	6,007,241	5,885,349	6,609,084
Capital grants and contributions			285,000	-	-
Total governmental activities program revenues	<u>6,041,466</u>	<u>5,638,766</u>	<u>6,339,211</u>	<u>5,885,349</u>	<u>6,609,084</u>
Business-type activities:					
Charges for services					
Food service	99,526	104,099	98,209	84,880	77,003
Child care	164,227	131,929	84,848	80,798	50,638
Operating grants and contributions	265,284	265,909	275,892	233,270	210,830
Capital grants and contributions				-	-
Total business type activities program revenues	<u>529,037</u>	<u>501,937</u>	<u>458,949</u>	<u>398,948</u>	<u>338,471</u>
Total district program revenues	<u>\$ 6,570,503</u>	<u>\$ 6,140,703</u>	<u>\$ 6,798,160</u>	<u>\$ 6,284,297</u>	<u>\$ 6,947,555</u>

Weehawken Board of Education
Changes in Net Assets
Last Five Fiscal Years
(accrual basis of accounting)

	Fiscal Year Ending June 30,				
	2012	2011	2010	2009	2008
Net (Expense)/Revenue					
Governmental activities	\$ (17,814,415)	\$ (17,951,575)	\$ (17,357,191)	\$ (16,814,672)	\$ (15,239,174)
Business-type activities	92,907	102,794	53,506	(59,917)	(107,341)
Total district-wide net expense	<u>\$ (17,721,508)</u>	<u>\$ (17,848,781)</u>	<u>\$ (17,303,685)</u>	<u>\$ (16,874,589)</u>	<u>\$ (15,346,515)</u>
General Revenues and Other Changes in Net Assets					
Governmental activities:					
Property taxes levied for general purposes, net	\$ 16,661,907	\$ 16,039,198	\$ 15,422,306	\$ 14,829,377	\$ 14,419,138
Revenue from Local Gov't Allocated to Capital Reserve				\$ 285,000	
Taxes levied for debt service	1,151,861	1,102,260	785,833	788,690	761,768
Tuition Charges				26,118	26,550
Federal and state aid Budget vs. GAAP	(50,312)	101,545	3,406	(179,571)	9,677
Miscellaneous income	474,658	453,718	402,025	720,094	434,616
Capital Grant - Capital Project					(64,313)
Special Item - Adjustments	52,135	180,581	18,120	(1,636)	-
Transfers	23	565	7,887	(48,654)	(116,930)
Total governmental activities	<u>18,290,272</u>	<u>17,877,867</u>	<u>16,639,577</u>	<u>16,419,418</u>	<u>15,470,506</u>
Business-type activities:					
Special Item -Adjustments Fixed Assets		55,183			
Investment earnings	-	-	-	-	-
Transfers	-	-	-	115,000	120,000
Total business-type activities	<u>-</u>	<u>55,183</u>	<u>-</u>	<u>115,000</u>	<u>120,000</u>
Total district-wide	<u>\$ 18,290,272</u>	<u>\$ 17,933,050</u>	<u>\$ 16,639,577</u>	<u>\$ 16,534,418</u>	<u>\$ 15,590,506</u>
Change in Net Assets					
Governmental activities	\$ 475,857	\$ (73,708)	\$ (717,614)	\$ (395,254)	\$ 231,332
Business-type activities	92,907	157,977	53,506	55,083	12,659
Total district	<u>\$ 568,764</u>	<u>\$ 84,269</u>	<u>\$ (664,108)</u>	<u>\$ (340,171)</u>	<u>\$ 243,991</u>

Weehawken Board of Education
Fund Balances, Governmental Funds,
Last Five Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year Ending June 30,				
	2012	2011	2010	2009	2008
General Fund					
Restricted, Committed, & Assigned	\$ 1,985,791	\$ 1,220,997	\$ 1,287,579	\$ 1,674,471	\$ 1,523,842
Unassigned	156,888	221,574	174,223	102,583	263,933
Total general fund	<u>\$ 2,142,679</u>	<u>\$ 1,442,571</u>	<u>\$ 1,461,802</u>	<u>\$ 1,777,054</u>	<u>\$ 1,787,775</u>
All Other Governmental Funds					
Restricted, Committed, & Assigned	\$ 5,996	\$ 108,802	\$ 275,277	\$ 100,997	\$ 1,108,662
Unassigned					
Special revenue fund	(33,127)	(52,005)	(41,062)	(40,475)	(77,136)
Capital projects fund	153,770	154,275	357,416	2,068,669	5,684,461
Debt service fund	23	567	7,888	66,346	3,071
Permanent fund				-	-
Total all other governmental funds	<u>\$ 126,662</u>	<u>\$ 211,639</u>	<u>\$ 599,519</u>	<u>\$ 2,195,537</u>	<u>\$ 6,719,058</u>

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

Fiscal Year Ending June 30,

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Revenues										
Tax levy	\$ 17,813,768	\$ 17,141,458	\$ 16,208,139	\$ 15,903,067	\$ 15,180,906	\$ 14,139,174	\$ 12,516,769	\$ 11,614,591	\$ 11,420,607	\$ 10,190,261
Capital Reserve Transfer			285,000							
Tuition charges	148,151	65,523	46,970	26,118	26,550	18,100	15,350	18,225	18,375	18,200
Miscellaneous	474,658	453,718	402,025	720,094	434,616	614,153	1,678,391	1,598,921	702,874	692,288
State sources	4,880,792	4,332,989	4,909,913	4,782,183	5,727,499	5,271,818	4,722,464	4,064,605	7,400,987	3,401,368
Federal sources	978,685	1,341,799	1,100,734	923,596	891,262	991,956	1,026,235	1,034,620	1,026,333	938,649
Total revenue	24,296,054	23,335,487	22,952,781	22,355,058	22,260,833	21,035,201	19,959,209	18,330,962	20,569,176	15,240,766
Expenditures										
Instruction										
Regular instruction	7,405,665	7,661,246	7,694,057	7,801,906	7,376,369	7,316,545	7,137,789	6,943,762	6,579,142	6,291,373
Special education instruction	828,175	862,797	932,074	936,020	770,224	758,990	727,540	684,013	648,058	687,209
Other special instruction	172,382	206,883	211,228	198,104	228,583	220,478	208,822	182,539	172,642	186,806
Other instruction	451,572	371,743	411,519	419,838	388,384	366,478	370,969	372,850	346,054	341,597
Community service programs	-	-	10,000	10,000	10,000	10,000	10,378	10,000	12,000	10,000
Support Services:										
Tuition	2,384,574	2,119,925	1,859,272	1,871,420	1,551,405	1,424,428	1,317,343	1,259,629	1,128,774	975,008
Student & inst. related services	1,731,879	1,827,243	1,868,794	1,694,049	1,575,317	1,433,602	1,468,961	1,198,145	1,288,685	1,271,382
School administrative services	581,556	616,488	566,867	744,550	771,573	751,865	726,726	746,642	524,476	504,415
Other administrative services	805,718	793,223	809,147	770,796	797,441	760,332	808,734	908,598	828,706	748,366
Central services	338,311	322,767	350,199	99,750	87,468	121,056	116,000			
Plant operations and maintenance	1,379,427	1,420,923	1,548,923	1,733,794	1,415,556	1,357,898	1,319,132	1,073,630	1,115,732	1,191,799
Pupil transportation	1,089,459	959,545	1,039,880	1,043,841	923,168	851,139	769,643	751,000	448,203	443,949
Employee benefits	4,833,617	4,499,454	4,219,049	3,876,341	4,717,015	4,599,295	3,703,678	3,309,685	3,135,728	2,671,747
Transfer to charter schools	157,107	159,959	168,248	196,972	163,356	144,477	158,030	126,893	97,449	59,825
Special Education Jobs Fund	72,364	35,440								
Debt service:										
Principal	775,583	758,596	486,706	474,952	458,223	446,592	435,022	202,296	267,215	145,872
Interest and other charges	545,352	573,549	744,926	318,199	335,471	351,765	367,323	365,536	221,239	79,188
Capital outlay	128,205	553,382	1,951,050	4,650,114	908,486	48,586	214,646	3,733,420	5,365,065	93,496
Total expenditures	23,680,946	23,743,163	24,871,939	26,840,646	22,478,039	20,963,526	19,860,736	21,868,638	22,179,168	15,702,032
Excess (Deficiency) of revenues over (under) expenditures	615,108	(407,676)	(1,919,158)	(4,485,588)	(217,206)	71,675	98,473	(3,537,676)	(1,609,992)	(461,266)
Other Financing sources (uses)										
Transfers in	23	565	7,887	66,346	7,503,070	4,455	8,805	10,661	5,909,601	64
Transfers out				(115,000)	(184,313)	(120,000)	(120,000)	(52,000)	(113,723)	(40,064)
Total other financing sources (uses)	23	565	7,887	(48,654)	7,318,757	(115,545)	(111,195)	(41,339)	5,795,878	(40,000)
Net change in fund balances	\$ 615,131	\$ (407,111)	\$ (1,911,271)	\$ (4,534,242)	\$ 7,101,551	\$ (43,870)	\$ (12,722)	\$ (3,579,015)	\$ 4,185,886	\$ (501,266)
Debt service as a percentage of noncapital expenditures	5.61%	5.74%	5.37%	3.57%	3.68%	3.82%	4.08%	3.13%	2.91%	1.44%

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.

**Weehawken Board of Education
General Fund - Other Revenue by Source (NJ)
Last Ten Fiscal Years
Unaudited**

Description	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
<i>General Fund:</i>										
Interest on Investments	\$ 166	\$ 2,200	\$ 1,764	\$ 11,213	\$ 43,290	\$ 51,330	\$ 17,561	\$ 12,510	\$ 1,719	\$ 11,875
Rental of Wilson School to Union City School District								11,973	570,000	570,000
Use of Facilities	300,000	300,000	300,000	600,000	300,000					
Sale of Wilson School						500,000				
High School Gate Fees/Book Fines/ Activity Account	4,611	4,773	4,960	6,208						
Insurance Refunds	16,703	9,536			6,399		1,567			
Refunds from Vendors/Educational Institutions /E-Rate HCS	93,441	100,206	88,864	97,279	73,628	33,727	105,384	63,453	55,677	100,102
Cancel Prior Year Accounts Payable/PY Voided Checks	23,725	33,317								
Other	36,012	3,686	6,437	5,394	11,299	29,096	31,414	10,985	26,454	10,311
Total Miscellaneous	474,658	453,718	402,025	720,094	434,616	614,153	155,926	98,921	653,850	692,288
Revenue from Local Gov't Allocated To Capital Reserve				285,000						
Capital Reserve Transfer to Debt Service			285,000							
Tuition	148,151	65,523	46,970	26,118	26,550	18,100	15,350	18,225	18,375	18,200
Total General Fund Other than Local Revenue	\$ 622,809	\$ 519,241	\$ 733,995	\$ 1,031,212	\$ 461,166	\$ 632,253	\$ 171,276	\$ 117,146	\$ 672,225	\$ 710,488

Source: District Records

**Weehawken Board of Education
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years
Unaudited**

Fiscal Year Ended June 30,	Net Assessed Valuations	Estimated Full Cash Valuations	Percentage of Net Assessed to Equalized Valuations
2012	\$ 1,204,038,935	\$ 2,323,054,090	51.83%
2011	1,183,868,735	2,284,138,019	51.83%
2010	1,167,334,040	2,241,424,808	52.08%
2009	1,145,241,240	2,321,591,810	49.33%
2008	1,090,888,140	2,232,224,555	48.87%
2007	1,037,375,723	2,123,159,482	48.86%
2006	1,038,680,734	1,955,515,660	53.12%
2005	1,009,544,129	1,639,396,235	61.58%
2004	974,249,403	1,382,631,997	70.46%
2003	967,464,912	1,269,409,306	76.21%
2002	944,861,269	999,853,195	94.50%

Source: Abstract of Ratables, Hudson County Board of Taxation

Weehawken Board of Education
Property Tax Rates - Direct and Overlapping Governments
(rate per \$100 of assessed value)
Last Ten Fiscal Years
Unaudited

<u>Assessment Year</u>	<u>Weehawken School District</u>	<u>Weehawken Township</u>	<u>Hudson County</u>	<u>Open Space</u>	<u>Special Garbage District</u>	<u>Total</u>
2012	1.5220	1.8290	0.9740	0.0200	0.1590	\$ 4.5040
2011	1.4510	1.7780	0.8930	0.0100	0.1700	\$ 4.3020
2010	1.4060	1.6740	0.7830	0.0030	0.1690	\$ 4.0350
2009	1.3620	1.6300	0.7800	0.0210	0.1340	\$ 3.9270
2008	1.3440	1.3740	0.7650	0.0210	0.1300	\$ 3.6340
2007	1.3540	1.2900	0.8320	0.0210	0.1380	\$ 3.6350
2006	1.2820	1.1780	0.8620	0.0188	0.0870	\$ 3.4278
2005	1.1820	1.0630	0.8430	0.0170	0.1190	\$ 3.2240
2004	1.1820	0.9940	0.8400	0.0140	0.1030	\$ 3.1330
2003	1.1170	0.9800	0.8780	0.0000	0.0830	\$ 3.0580

Source: Weehawken Township Tax Collector

**Weehawken Board of Education
Principal Property Taxpayers,
Current Year and Nine Years Ago**

	2012			2003		
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
HARTZ PW LP	\$ 80,439,900	1	6.89%	\$ 80,439,900	1	8.52%
HARTZ PW TOWER BLP	53,826,500	2	4.61%	52,869,500	2	5.60%
GLOBAL WEEHAWKEN ACQUISITION	40,000,000	3	3.43%	24,312,000	5	2.57%
HARTZ MOUNTAIN IND INC	25,122,800	4	2.15%	24,511,800	4	2.59%
HARTZ MOUNTAIN IND INC	24,511,800	5	2.10%	-		
PORT IMPERIAL SOUTH LLC	23,600,000	6	2.02%	46,980,000	3	4.97%
HARTZ-PW LIMITED PARTNERSHIP	23,384,700	7	2.00%	22,384,700	6	2.37%
RIVER PW HOTEL LIMITED PARTNERSHIP	22,446,100	8	1.92%	22,239,920	7	2.36%
RIVER PW HOTEL LIMITED PARTNERSHIP	10,998,300	9	0.94%	13,321,840	10	1.41%
TOWER PLAZA ASSOCIATES	8,653,000	10	0.74%			
HARTZ MOUNTAIN- PARSIPPANY	-		-	20,400,000	8	2.16%
PORT IMPERIAL SOUTH LLC	-		-	13,382,600	9	1.42%
Total	\$ 312,983,100		26.81%	\$ 320,842,260		33.97%

Source: Municipal Tax Assessor

**Weehawken Board of Education
Municipal Property Tax Levies and Collections
Last Ten Fiscal Years
Unaudited**

<u>Fiscal Year Ended June 30,</u>	<u>Total Tax Levy</u>	<u>Current Tax Collections</u>	<u>Percent of Tax Levy Collected</u>
2012	\$ 52,119,924	\$ 51,873,546	99.53%
2011	52,127,848	51,698,409	99.18%
2010	46,342,407	45,759,779	98.74%
2009	44,520,498	44,017,578	98.87%
2008	42,156,679	41,597,687	98.67%
2007	37,400,466	36,943,573	98.78%
2006	33,242,974	32,947,964	99.11%
2005	31,713,934	31,448,030	99.16%
2004	30,422,895	30,201,380	99.27%
2003	28,667,732	28,410,270	99.10%

Source: Weehawken Township Tax Collector

**Weehawken Board of Education
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years**

Fiscal Year Ended June 30,	Governmental Activities				Business-Type Activities		Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds ^b	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases	Total District		
2012	\$ 12,865,691	\$ -	\$ 165,779		\$ -	13,031,470	N/A	N/A
2011	13,641,274	-	46,951		-	13,688,225	N/A	N/A
2010	14,399,870	-	61,081		-	14,460,951	0.31%	44,926
2009	14,886,576	-	178,140		-	15,064,716	0.29%	43,388
2008	7,861,527	-	-	6,000,000	-	13,861,527	0.32%	43,925
2007	8,319,751	-	31,924	-	-	8,351,675	0.49%	41,071
2006	8,766,342	-	62,811	-	-	8,829,153	0.43%	38,212
2005	9,217,662	-	92,694	-	-	9,310,356	0.38%	35,460
2004	9,419,957	-	15,906	-	-	9,435,863	0.35%	33,322
2003	1,769,172	-	60,401	-	-	1,829,573	1.74%	31,889

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

- a** See Exhibit NJ J-14 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.
- b** Includes Early Retirement Incentive Plan (ERIP) refunding

**Weehawken Board of Education
Ratios of Net General Bonded Debt Outstanding
Last Ten Fiscal Years**

<u>General Bonded Debt Outstanding</u>					
Fiscal Year Ended June 30,	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
2012	\$ 12,865,691		12,865,691	N/A	N/A
2011	13,641,274		13,641,274	N/A	N/A
2010	14,399,870	-	14,399,870	1.22%	44,926
2009	14,886,576	-	14,886,576	1.28%	43,388
2008	7,861,527	-	7,861,527	0.69%	43,925
2007	8,319,751	-	8,319,751	0.76%	41,071
2006	8,766,342	-	8,766,342	0.85%	38,212
2005	9,217,662	-	9,217,662	0.89%	35,460
2004	9,419,957	-	9,419,957	0.93%	33,322
2003	1,769,172	-	1,769,172	0.18%	31,889

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

a See Exhibit J-6 for property tax data.

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

Weehawken Board of Education
Direct and Overlapping Governmental Activities Debt
As of June 30, 2012

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Municipal Debt: (1)			
Weehawken School District	\$ 12,865,691	\$ 12,865,691	\$ -
Weehawken Township	<u>99,013,986</u>	<u>33,387,600</u>	<u>65,626,386</u>
	<u>\$ 111,879,677</u>	<u>\$ 46,253,291</u>	<u>\$ 65,626,386</u>
Overlapping Debt:			
County of Hudson (2) - Township's Share (4.12%)			<u>14,358,769</u>
			<u>\$ 79,985,155</u>

Sources:

- (1) Weehawken's Annual Debt Statement - June 30, 2012
- (2) Hudson County Treasurer's Office. The County debt was apportioned to Weehawken Township by dividing the Township's 2011 Equalized Value by the total 2011 Equalized Value for Hudson County, which results in an apportionment rate of 4.12%

Weehawken Board of Education
 Legal Debt Margin Information,
 Last Ten Fiscal Years

Legal Debt Margin Calculation for Fiscal Year 2012

		Equalized valuation basis	
	2011	\$	2,363,177,498
	2010		2,284,138,019
	2009		2,241,424,808
	[A]	\$	<u>6,888,740,325</u>
Average equalized valuation of taxable property	[A/3]	\$	2,296,246,775
Debt limit (4 % of average equalization value)	[B]		91,849,871 a
Total Net Debt Applicable to Limit	[C]		<u>65,626,386</u>
Legal debt margin	[B-C]	\$	<u>26,223,485</u>

	Fiscal Year									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Debt limit	\$ 91,849,871	\$ 60,840,222	\$ 60,717,552	\$ 89,026,345	\$ 83,079,701	\$ 74,077,687	\$ 63,762,979	\$ 55,296,350	\$ 48,944,182	\$ 43,538,931
Total net debt applicable to limit	<u>12,865,691</u>	<u>13,641,274</u>	<u>14,399,870</u>	<u>14,886,576</u>	<u>7,861,527</u>	<u>8,319,751</u>	<u>8,766,342</u>	<u>9,217,662</u>	<u>9,419,957</u>	<u>1,769,172</u>
Legal debt margin	<u>\$ 78,984,180</u>	<u>\$ 47,198,948</u>	<u>\$ 46,317,682</u>	<u>\$ 74,139,769</u>	<u>\$ 75,218,174</u>	<u>\$ 65,757,936</u>	<u>\$ 54,996,637</u>	<u>\$ 46,078,688</u>	<u>\$ 39,524,225</u>	<u>\$ 41,769,759</u>
Total net debt applicable to the limit as a percentage of debt limit	14.01%	22.42%	23.72%	16.72%	9.46%	11.23%	13.75%	16.67%	19.25%	4.06%

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

WEEHAWKEN BOARD OF EDUCATION
Demographic Statistics
Last Ten Years
Unaudited

<u>Year Ended December 31,</u>	<u>Unemployment Rate</u>	<u>Per Capita Income *</u>	<u>School District Population</u>
2012	N/A	N/A	N/A
2011	9.00%	N/A	12,695
2010	11.40%	44,926	12,568
2009	10.70%	43,388	12,379
2008	4.80%	43,925	12,321
2007	5.90%	41,071	12,275
2006	4.10%	38,212	12,471
2005	4.80%	35,460	12,782
2004	4.20%	33,322	13,055
2003	5.10%	31,889	13,235

* Per capita income for Hudson County

N/A Not Available

Source: (1) NJ Department of Labor, Office of Planning and Research
(1) NJ Department of Labor, Bureau of Labor Force Statistics
(2) US Department of Commerce, Bureau of Economic Analysis
(3) US Bureau of the Census, Population Division

**Weehawken Board of Education
Principal Employers
Current Year and Nine Years Ago**

Employer	2012			2002 (N/A)		
	Employees	Rank [Optional]	Percentage of Total Municipal Employment	Employees	Rank [Optional]	Percentage of Total Municipal Employment
UBS Financial Services	5,000	1	70.00%			
Arcorp Properties	500	2	7.00%			
The Swatch Group US Inc.	440	3	6.16%			
Transportation New Jersey Department	300	4	4.20%			
Ceres Marine Terminals Inc.	200	5	2.80%			
The Port Authority of New York & NJ	110	6	1.54%			
Chart House Restaurant	100	7	1.40%			
Hanover Direct Incorporated	100	8	1.40%			
Houlihan's	100	9	1.40%			
Specialists LTD	100	10	1.40%			
Keystone Internet Service	100	11	1.40%			
	<u>7,050</u>		<u>98.70%</u>	<u>N/A</u>		<u>N/A</u>

Source: Hudson County Economic Development Corp.

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

<u>Function/Program</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Instruction										
Regular	89	89	89	89	89	90	95	95	91	91
Special education	9	8	8	9	10	10	9	9	8	7
Other special education			-	-	0	-	-	-	-	-
Vocational			-	-	0	-	-	-	-	-
Other instruction	17	17	17	17	17	17	15	14	15	14
Nonpublic school programs			-	-	0	-	-	-	-	-
Adult/continuing education programs			-	-	0	-	-	-	-	-
Support Services:										
Student & instruction related services	29	27	33	33	29	30	32	32	29	27
General administration	5	5	5	5	5	5	5	5	5	5
School administrative services	7	7	7	7	7	7	7	7	8	8
Other administrative services	1	1	1	1	1	1	1	1	1	1
Central services	2	3	3	3	3	3	3	3	3	3
Administrative Information Technology			-	-	-	-	-	-	-	-
Plant operations and maintenance	11	11	11	11	14	15	15	15	13	14
Pupil transportation	9	9	13	9	10	10	10	10	10	11
Other support services			-	-	-	-	-	-	-	-
Special Schools			-	-	-	-	-	-	-	-
Food Service			-	-	-	-	-	-	-	-
Child Care			-	-	-	-	-	-	-	-
Total	179	177	187	184	185	188	192	191	183	181

Source: District Personnel Records

**Weehawken Board of Education
Operating Statistics,
Last Ten Fiscal Years**

Fiscal Year	Enrollment	Operating Expenditures	Cost Per Pupil	Percentage Change	Teaching Staff ^b	Pupil/Teacher Ratio			Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School	Senior High School				
2012	1,239	23,855,881	19,254	0.02	114	8.00	8.80	10.38	1,239	1,183	-0.72%	95.48%
2011	1,248	23,590,341	18,903	0.01	114	12.52	11.23	9.85	1,248	1,177	2.80%	94.31%
2010	1,214	22,646,245	18,654	(0.02)	117	10.97	10.52	9.92	1,214	1,158	3.58%	95.39%
2009	1,172	22,323,397	19,047	0.02	117	10.21	10.10	9.52	1,172	1,116	1.65%	95.22%
2008	1,152	21,453,786	18,623	0.07	116	15.26	11.90	8.58	1,153	1,101	-1.11%	95.49%
2007	1,191	20,743,792	17,417	0.06	117	8.92	13.83	10.37	1,166	1,109	1.04%	95.11%
2006	1,197	19,642,387	16,410	0.07	112	10.19	11.03	10.78	1,154	1,102	-2.86%	95.49%
2005	1,194	18,360,909	15,378	0.14	110	10.23	11.42	10.90	1,188	1,132	-1.08%	95.29%
2004	1,238	16,670,264	13,465	0.05	104	12.15	12.33	11.50	1,201	1,144	-1.31%	95.25%
2003	1,219	15,673,333	12,858	0.31	105	12.26	12.10	10.94	1,217	1,163	#VALUE!	95.56%

Sources: District records

Note: Enrollment based on annual October district count.

- a Operating expenditures equal total expenditures less debt service and capital outlay.
- b Teaching staff includes only full-time equivalents of certificated staff.
- c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

**Weehawken Board of Education
School Building Information
Last Ten Fiscal Years**

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
<u>District Building</u>										
<u>Pre-K thru Grade 2</u>										
Daniel Webster (1939)										
Square Feet	50,700	50,700	50,700	50,700	35,431	35,431	35,431	35,431	35,431	35,431
Capacity (students)	281	281	281	281	257	257	257	257	257	257
Enrollment	388	388	384	345	320	332	316	317	316	331
<u>Grade 3 thru Grade 6</u>										
Theodore Roosevelt (1928)										
Square Feet	56,300	56,300	56,300	56,300	39,669	39,669	39,669	39,669	39,669	39,669
Capacity (students)	311	311	311	311	283	283	283	283	283	283
Enrollment	348	348	340	318	306	332	342	354	370	363
<u>Grade 7 thru Grade 12</u>										
Weehawken High School (1939)										
Square Feet	125,600	125,600	125,600	124,000	83,937	83,937	83,937	83,937	83,937	83,937
Capacity (students)	572	572	572	572	546	546	546	546	546	546
Enrollment	512	512	505	517	526	527	539	523	552	525

Number of Schools at June 30, 2012

 Elementary School = 2

 High School = 1

 Other = 0

Source: District Facilities Office

Note: Year of original construction is shown in parentheses. Increases in square footage and capacity are the result of updated insurance appraisals.

**Weehawken Board of Education
Schedule of Required Maintenance
Last Ten Fiscal Years**

Undistributed Expenditures - Required
Maintenance for School Facilities

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
* School Facilities										
Building A - High School	\$ 77,560	\$ 89,298	\$ 113,591	\$ 96,375	\$ 89,897	\$ 132,577	\$ 114,300	\$ 48,141	\$ 44,995	\$ 15,881
Building B - Webster School	21,531	34,566	25,489	34,589	31,843	62,520	85,800	16,624	14,692	7,196
Building C - Roosevelt School	35,899	13,696	42,725	10,411	18,686	21,818	21,300	16,917	15,533	10,301
Building D - Wilson School **				N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total School Facilities	<u>134,990</u>	<u>137,560</u>	<u>181,805</u>	<u>141,375</u>	<u>140,426</u>	<u>216,915</u>	<u>221,400</u>	<u>81,682</u>	<u>75,220</u>	<u>33,378</u>
Other Facilities - District-wide	-	-	-	-	-	-	-	-	-	418
Grand Total	<u>\$ 134,990</u>	<u>\$ 137,560</u>	<u>\$ 181,805</u>	<u>\$ 141,375</u>	<u>\$ 140,426</u>	<u>\$ 216,915</u>	<u>\$ 221,400</u>	<u>\$ 81,682</u>	<u>\$ 75,220</u>	<u>\$ 33,796</u>

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

** 2002 Required maintenance for School Facilities was charged to 11-000-262-420 "other operating maintenance".

**Weehawken Board of Education
Insurance Schedule
June 30, 2012
Unaudited**

	<u>Coverage</u>	<u>Deductible</u>
Property (1)		
Real and Personal Property	\$ 5,000,000,000 k	\$ 5,000
Extra Expense	50,000,000 k	5,000
Flood Zones A & V	10,000,000	500,000
All Other Flood Zones	50,000,000	10,000
Earthquake	50,000,000	n/a
Demolition and Increased Cost of Construction	10,000,000	n/a
Fire Department Service Charge	10,000	n/a
Arson Reward	10,000	n/a
Pollutant Cleanup and Removal	250,000	n/a
Valuable Papers & Records	10,000,000	5,000
General Liability (1)		
Bodily Injury & Property Damage, Products / Completed Operations; Personal and Advertising Injury / Sexual Abuse	16,000,000	n/a
Employee Benefits Liability	16,000,000	1,000
Premises Medical Payments	10,000	n/a
	per accident	
Terrorism	1,000,000	n/a
Business Auto (1)		
Combined Single Limit for Bodily Injury and Property Damage	16,000,000	1,000
Uninsured/Underinsured Motorists - Private Passenger Auto	1,000,000	
Uninsured/Underinsured Motorists - All Other Vehicles	15,000	per person
	30,000	per accident
	5,000	per accident
Personal Injury Protection (Including Pedestrians)	250,000	
Medical Payments	5,000 - 10,000	
Hired Car Physical Damage	115,000	1,000
Crime (1)		
Public Employee Dishonest with Faithful Performance	250,000	1,000
Theft, Disappearance and Destruction-Money & Securities	25,000	500
Forgery or Alteration	250,000	1,000
Theft, Disappearance and Destruction -Money Orders & Counterfeit & Paper Currency	100,000	1,000
Computer Fraud	25,000	500
Electronic Data Processing (1)		
Blanket Hardware / Software	1,160,480	1,000
Coverage Extensions:		
Transit	25,000	1,000
Loss of Income	10,000	1,000
Flood	1,000,000	10,000
Flood Zone A & V	1,000,000	500,000
Boiler & Machinery (1)		
Equipment Breakdown	100,000,000	5,000
Surety Bonds (1)		
Treasurer	250,000	1,000
Board Secretary	200,000	1,000
Student Accident		
All students Incl Sports, Football K-12	5,000,000	n/a
Accident Medical for Volunteer Workers	25,000	n/a
School Leaders Errors and Omissions	16,000,000	5,000

(1) New Jersey School Boards Association Insurance Group Serviced by Brown & Brown Metro, Inc.

Source: District Records

SINGLE AUDIT SECTION

Exhibit K-1

**Report on Internal Control Over Financial Reporting and on Compliance and Other
Matters Based on an Audit of Financial Statements Performed In
Accordance with *Government Auditing Standards***

The Honorable President and
Members of the Board of Education
Weehawken School District
County of Hudson
Weehawken, New Jersey

We have audited the financial statements of governmental activities, the business-type activities and each major fund and the aggregate remaining fund information of the Board of Education of the Weehawken School District, in the County of Hudson, State of New Jersey, as of and for the fiscal year ended June 30, 2012, which collectively comprise the Board of Education of the Weehawken School District, County of Hudson, State of New Jersey's basic financial statements and have issued our report thereon dated November 30, 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 Weehawken Board of Education is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Weehawken Board of Education's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Weehawken Board of Education's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Weehawken Board of Education's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or a 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

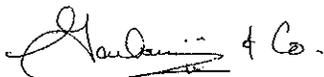
As part of obtaining reasonable assurance about whether the Weehawken Board of Education's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a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

We noted certain matters that we reported to the Board of Education of the Weehawken School District in a separate report entitled, *Auditor's Management Report on Administrative Findings – Financial, Compliance and Performance* dated November 30, 2012.

This report is intended solely for the information and use of the audit committee, management, the Weehawken 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 these specified parties.



Paul W. Garbarini, CPA
Registered Municipal Accountant
No. 534
Public School Accountant
No. 415



Garbarini & Co. P.C.
Carlstadt, New Jersey

November 30, 2012

Independent Auditor's Report on Compliance with Requirements That Could Have a Direct and Material Effect on Each Major Program and on Internal Control Over Compliance In Accordance with OMB Circular A-133 and New Jersey OMB Circular Letter 04-04

The Honorable President and
Members of the Board of Education
Weehawken School District
County of Hudson
Weehawken, New Jersey

Compliance

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

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements as prescribed by the Division of Finance and Regulatory Compliance, Department of Education, State of New Jersey; OMB Circular A-133, *Audit 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 Weehawken Board of Education's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the Weehawken Board of Education's compliance with those requirements.

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

Internal Control Over Compliance

The management of the Board of Education of the Weehawken School District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal and state programs. In planning and performing our audit, we considered Weehawken Board of Education's internal control over compliance with requirements that could have a direct and material effect on a major federal or state program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, 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 Weehawken Board of Education'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 a combination of deficiencies, in internal control over compliance such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented or detected and corrected, on a timely basis.

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

Weehawken Board of Education's responses to the findings identified in our audit (if any) are described in the accompanying schedule of findings and questioned costs. We did not audit Weehawken Board of Education's response, and, accordingly, we express no opinion on it.

This report is intended for the information and use of the audit committee, management, the Weehawken 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 these specified parties.



Paul W. Garbarini, CPA
Registered Municipal Accountant
No. 534
Public School Accountant
No. 415



Garbarini & Co. P.C.
Carlstadt, New Jersey

November 30, 2012

Weehawken Board of Education
 Schedule of Expenditures of Federal Awards
 For the Fiscal Year Ended June 30, 2012

Exhibit K-3
 Schedule A

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2011	Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjust- ments	Repayment of Prior Year's Balances	(Accounts Receivable) June 30, 2012	Deferred Revenue	Due to Grantor June 30, 2012
				From	To									
U.S. Department of Agriculture														
Passed-through State Dept. of Agriculture														
<u>Enterprise Fund</u>														
Food Donation Program	10.555	N/A	11,708	07/01/11	06/30/12	\$ -		\$ 11,708	\$ (11,708)		\$ -			
National School Lunch Program	10.555	N/A	203,508	07/01/11	06/30/12	-		197,194	(203,508)		(6,314)			
National School Lunch Program	10.555	N/A	202,634	07/01/10	06/30/11	(36,654)		36,654						
After School Snack Program	10.555	N/A	10,165	07/01/11	06/30/12	-		9,805	(10,165)		(360)			
After School Snack Program	10.555	N/A	9,298	07/01/10	06/30/11	(1,810)		1,810						
National School Breakfast Program	10.553	N/A	34,000	07/01/11	06/30/12	-		32,078	(34,000)		(1,922)			
National School Breakfast Program	10.553	N/A	32,185	07/01/10	06/30/11	(6,521)		6,521						
Total U.S. Department of Agriculture						<u>(44,985)</u>	<u>-</u>	<u>295,770</u>	<u>(259,381)</u>	<u>-</u>	<u>(8,596)</u>	<u>-</u>	<u>-</u>	<u>-</u>
U.S. Department of Education														
Passed-through State Dept. of Education														
<u>Special Revenue Fund</u>														
Title I, Part A	84.010		475,014	09/01/11	08/31/12			321,176	(475,014)		(153,838)			
Title I, Part A	84.010		524,620	09/01/10	08/31/11	(383,518)		383,518						
Title I, Part A	84.010		492,907	09/01/09	08/31/10	(130)		130						
I.D.E.A. Part B, Basic Regular	84.027		306,680	09/01/11	08/31/12			244,802	(306,680)		(61,878)			
I.D.E.A. Part B, Basic Regular	84.027		300,492	09/01/10	08/31/11	(300,492)		300,492						
I.D.E.A. Part B, Basic Regular	84.027		289,985	09/01/09	08/31/10	(3,226)		3,226						
I.D.E.A. Part B, Preschool	84.173		10,362	09/01/11	08/31/12				(10,362)		(10,362)			
I.D.E.A. Part B, Preschool	84.173		10,374	09/01/10	08/31/11	(10,374)		10,374						
Title IID, Enhancing Education through Technology	84.318		1,204	09/01/10	08/31/11	(1,204)		1,204						
Title II Part A, Improving Teacher Quality State Grant	84.367		72,906	09/01/11	08/31/12			58,629	(72,906)		(14,277)			
Title II Part A, Improving Teacher Quality State Grant	84.367		85,051	09/01/10	08/31/11	(85,051)		85,051						
Title III English Language Acquisition State Grants	84.365		13,129	09/01/11	08/31/12			646	(13,129)		(12,483)			
Title III English Language Acquisition State Grants	84.365		21,142	09/01/10	08/31/11	(692)		692						
Title III English Language Acquisition State Grants	84.365		18,169	09/01/09	08/31/10	(1,525)		1,525						
ARRA- I.D.E.A. Part B	84.391		298,500	09/01/09	08/31/11	(56,131)		56,131						
ARRA- I.D.E.A. Part B, Preschool	84.392		10,739	09/01/09	08/31/11	(9,454)		9,454						
ARRA- Title I Part A	84.389		198,999	09/01/09	08/31/11	(78,557)		78,557						
Total U.S. Department of Education						<u>(930,354)</u>	<u>-</u>	<u>1,555,607</u>	<u>(878,091)</u>	<u>-</u>	<u>(252,838)</u>	<u>-</u>	<u>-</u>	<u>-</u>
U.S. Dept. of Health and Human Services														
Passed-through State Dept. of Education														
<u>General Fund</u>														
Education Job Funds	84.410A		101,545	07/01/10	06/30/12	(35,440)		75,834	(72,364)		(31,970)			
Medical Assistance Program	93.778	N/A	20,791	07/01/11	06/30/12			12,325	(20,791)		(8,466)			
Medical Assistance Program	93.778	N/A	26,740	07/01/10	06/30/11	(9,260)		9,260						
Total U.S. Dept. of Health and Human Serv.						<u>(44,700)</u>	<u>-</u>	<u>97,419</u>	<u>(93,155)</u>	<u>-</u>	<u>(40,436)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Federal Financial Awards						<u>\$ (1,020,039)</u>	<u>\$ -</u>	<u>\$ 1,948,796</u>	<u>\$ (1,230,627)</u>	<u>\$ -</u>	<u>\$ (301,870)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Wechsken Board of Education
 Schedule of Expenditures of State Financial Assistance
 For the First Year Ended June 30, 2012

Exhibit K-4
 Schedule II

State Grantor/ Program Title	Grant or Project Number	Program or Award Amount	Grant Period From To	Balance at June 30, 2011		Carryover/ (Withdraw) Amount	Cash Received	Budgetary Expenditures	Adjust- ments	Repayment in Full for Balances	(Accounts Receivable)	Due to Grantee	Budgetary Receivable	Memo Cumulative Expenditures
				(Accounts Receivable)	Due to Grantee									
State Department of Agriculture														
Enterprise Fund														
State School Lunch Program	12-100-034-5126-023	5,093	07/01/11	06/30/12	(1,088)	-	5,272	(5,903)	-	-	(176)	-	-	(5,903)
State School Lunch Program	11-100-016-5126-023	5,277	07/01/10	06/30/11	(1,088)	-	1,088	(5,903)	-	-	(176)	-	-	(5,903)
Total State Department of Agriculture														
State Department of Education														
General Fund														
Extracurricular Aid	11-100-034-5126-473	146,443	07/01/11	06/30/12	(286,342)	-	205,342	(168,442)	-	-	(168,442)	-	-	(168,442)
Special Education Aid	11-100-034-5126-473	205,343	07/01/10	06/30/11	(286,342)	-	437,479	(667,163)	-	-	(239,863)	-	-	(667,163)
Special Education Aid	11-495-034-5126-089	667,163	07/01/11	06/30/12	(100,293)	-	160,333	(344,967)	-	-	-	-	-	(344,967)
Special Education Aid	11-495-034-5126-089	354,957	07/01/11	06/30/12	-	-	354,957	(1,367,483)	397,888	-	-	-	-	(1,367,483)
Adjustment Aid	12-495-034-5126-064	1,367,483	07/01/11	06/30/12	-	-	156,896	(156,996)	-	-	-	-	-	(156,996)
Transportation Aid	12-495-034-5126-064	156,996	07/01/11	06/30/12	(32,000)	-	61,439	(61,629)	-	-	-	-	-	(61,629)
Social Security Tax	12-495-034-5126-064	61,439	07/01/11	06/30/12	(32,000)	-	3,293,841	(3,346,589)	397,888	-	(398,035)	-	-	(3,346,589)
Social Security Tax	11-495-034-5126-062	656,756	07/01/10	06/30/11	(32,000)	-	3,293,841	(3,346,589)	397,888	-	(398,035)	-	-	(3,346,589)
General Fund Subtotal														
Special Revenue Fund														
Preschool Education Aid	12-495-034-5126-025	523,144	07/01/11	06/30/12	(3,532)	48,423	469,817	(602,492)	-	-	-	34,998	34,998	(602,492)
Preschool Education Aid	11-495-034-5126-025	466,260	07/01/10	06/30/11	(3,532)	(48,423)	53,065	(602,492)	-	-	-	-	-	(602,492)
Special Revenue Fund Subtotal														
Debt Service Fund														
Debt Service Aid Type II	12-495-034-5126-017	161,186	07/01/11	06/30/12	-	-	161,186	(161,186)	-	-	-	-	-	(161,186)
Debt Service Fund Subtotal														
Total State Department of Education														
State Department of Health														
Passed-through Hudson County Dept. of Human Services														
Special Revenue Fund														
NJRF Safety Grant Program	N/A	9,640	07/01/11	06/30/12	(5,000)	393	9,640	(9,640)	-	-	-	-	-	(9,640)
NJRF Safety Grant Program	N/A	5,727	07/01/09	06/30/10	(5,000)	600	4,500	(9,640)	4,500	-	-	-	-	(9,640)
Peer Trade Counseling	11-100-044-4248-024	15,000	01/01/10	12/31/11	(484,913)	893	3,640	(6,046,810)	402,388	-	(398,201)	33,127	33,127	(6,046,810)
Total State Department of Health														
Total State Financial Assistance														

WEEHAWKEN BOARD OF EDUCATION
Notes to Schedules of Awards and Financial Assistance
June 30, 2012

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, Weehawken School District. The Board of Education is defined in Note 1 to the Board's basic financial statements. All federal and state awards received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies is included on the schedules of expenditures of federal awards and state financial assistance.

NOTE 2. BASIS OF ACCOUNTING

The accompanying schedules of expenditures of awards and financial assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These basis 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 this schedule may differ from amount presented in or used in the preparation of, the basic financial statements.

NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the 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 payments in the current budget year, consistent with N.J.S.A. 18A:22-4.2.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$ (69,190) for the general fund and \$ 35,352 for the special revenue fund. See Note 1 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 as follow:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 93,155	\$ 3,366,589	\$ 3,459,744
Special Revenue Fund	878,091	513,132	1,391,223
Debt Service Fund		161,186	161,186
Food Service Fund	259,381	5,903	265,284
Total Awards & Financial Assistance	<u>\$ 1,230,627</u>	<u>\$ 4,046,810</u>	<u>\$ 5,277,437</u>

Exhibit K-5
WEEHAWKEN BOARD OF EDUCATION
Notes to Schedules of Awards and Financial Assistance
June 30, 2012

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

Weehawken Board of Education had the following loan balances outstanding at June 30, 2012:

<u>Loan Program Title</u>	<u>Amount Outstanding</u>
NJ Economic Development Authority	\$ 177,691

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. ADJUSTMENTS

Amounts reported in the accompanying financial schedules under the column heading for adjustments represent fiscal year 2011 encumbrances, which were canceled in fiscal year 2012, canceled receivables and or state aid deductions not received in cash, or amounts transferred to General Fund deferred revenue. Canceled encumbrances totaled \$0 , canceled receivables totaled \$4,500 , state aid deductions not received in cash totaled \$397,888, and amounts transferred to General Fund revenue totaled \$ 0.

**WEEHAWKEN 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

[Reference – Section .510 of Circular OMB-133]

Type of Auditors Report Issued

Unqualified

Internal Control over Financial Reporting:

1) Material weakness(s) identified?

Yes

X

No

2) Significant deficiencies identified?

Yes

X

None
Reported

Noncompliance material to basic financial statement noted?

Yes

X

No

Federal Awards

Internal Control over major programs:

1) Material weakness(s) identified

Yes

X

No

2) Significant deficiencies identified?

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 section .510(a) of Circular A-133?

Yes

X

No

Identification of major programs:

	<u>CFDA Number</u>
(Type A)	84.010
(Type B)	84.410

<u>Name of Federal Program or Cluster</u>
Title I, Part A
Education Job Funds

Dollar threshold used to determine type A and type B programs:

\$ 300,000

Auditee qualified as low-risk auditee?

X

Yes

No

**WEEHAWKEN BOARD OF EDUCATION
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended
June 30, 2012
(Continued)**

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

State Awards

Dollar threshold used to distinguish between type A and type B programs:

\$ 300,000

Auditee qualified as low-risk auditee?

 X Yes No

Internal Control over Major Programs

1) Material weakness identified

 Yes X No

2) Significant deficiencies identified 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 programs:

	<u>State Grant/ Project Number</u>	<u>Name of State Program</u>
(Type B)	12-100-034-5120-473	Extraordinary Aid
(Type A)	12-495-034-5120-089	Special Education Aid
(Type A)	12-495-034-5120-084	Security Aid
(Type A)	12-495-034-5120-085	Adjustment Aid
(Type B)	12-495-034-5120-014	Transportation Aid
(Type A)	12-495-034-5095-052	Social Security Tax
(Type A)	12-495-034-5120-025	Preschool Education Aid

**WEEHAWKEN BOARD OF EDUCATION
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended
June 30, 2012
(Continued)**

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 13.23 and 13.41. See the AICPA Audit Guide *Government Auditing Standards and Circular A-133 Audits* for further guidance on this schedule]

No Findings are Required to be Reported Herein.

**WEEHAWKEN BOARD OF EDUCATION
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended
June 30, 2012
(Continued)**

Section III – Schedule of Federal and State Award Findings and Questioned Cost

[This section identifies audit findings required to be reported by section 510(a) of Circular A-133 and NJOMB Circular Letter 04-04 (significant deficiencies, material weaknesses, and material instances of non-compliance, including questioned costs- see paragraph 13.43) as well as abuse findings involving federal awards that is material to a major program(see paragraph 13.44)].

FEDERAL AWARDS

No matters were reported.

**WEEHAWKEN BOARD OF EDUCATION
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended
June 30, 2012
(Continued)**

Section III – Schedule of Federal and State Award Findings and Questioned Cost (Continued)

STATE AWARDS

Exhibit K-7
WEEHAWKEN 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

[This section identifies the status of prior-year findings related to the general-purpose 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 (section .315(a)(b)) and NJOMB's Circular Letter 04-04].

Finding 01-OMB-S1

Information on the state program:

11-495-034-5120-089 Special Education Aid

11-495-034-5120-084 Security Aid

11-495-034-5120-085 Adjustment Aid

Condition:

Discrepancies occurred in the District's October 15, 2010 A.S.S.A. count. The A.S.S.A. was audited prior to submission, however clerical input errors occurred. There was one student over-reported for on-roll, one student over-reported for Special Education- High School, one student over-reported for Special Education- Middle School (Private School for Disabled) and one student under-reported for Special Education- High School (Private School for Disabled).

Status:

Corrective action has been taken.