

COMPREHENSIVE ANNUAL  
FINANCIAL REPORT  
of the  
BASS RIVER TOWNSHIP BOARD OF EDUCATION  
NEW GRETN, NEW JERSEY

For the Fiscal Year Ended June 30, 2011

Prepared by  
Bass River Township Board of Education  
Finance Department

**BASS RIVER TOWNSHIP SCHOOL DISTRICT**

**TABLE OF CONTENTS**

<b><u>INTRODUCTORY SECTION</u></b>	<b><u>Page</u></b>
Letter of Transmittal.....	1-2
Organizational Chart.....	3
Roster of Officials.....	4
Consultants and Advisors.....	5
 <b><u>FINANCIAL SECTION</u></b>	
Independent Auditor’s Report.....	6-7
 <b>Part I – Required Supplementary Information</b>	
Management’s Discussion and Analysis.....	8-12
 Basic Financial Statements	
A. District-Wide Financial Statements:	
A-1 Statement of Net Assets.....	13
A-2 Statement of Activities .....	14-15
B. Fund Financial Statements:	
Governmental Funds:	
B-1 Balance Sheet.....	16-17
B-2 Statement of Revenues, Expenditures, and Changes in Fund Balances...	18-19
B-3 Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities .....	20
Proprietary Funds:	
B-4 Statement of Net Assets.....	21
B-5 Statement of Revenues, Expenses, and Changes in Fund Net Assets ....	22
B-6 Statement of Cash Flows.....	23
Fiduciary Funds:	
B-7 Statement of Fiduciary Net Assets .....	24
B-8 Statement of Changes in Fiduciary Net Assets .....	25
Notes to the Financial Statements.....	26-37

**BASS RIVER TOWNSHIP SCHOOL DISTRICT**

**TABLE OF CONTENTS, cont.**

<b>Part II – Required Supplementary Information</b>		<u>Page</u>
<b>C. Budgetary Comparison Schedules:</b>		
C-1	Budgetary Comparison Schedule – General Fund .....	38-46
C-1a	Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual .....	N/A
C-1b	American Recovery and Reinvestment Act – Budget and Actual .....	N/A
C-2	Budgetary Comparison Schedule – Special Revenue Fund.....	47
 <b>Notes to the Required Supplementary Information</b>		
C-3	Budget-to-GAAP Reconciliation.....	48
 <b>Other Supplementary Information</b>		
<b>D. School Level Schedules:</b>		
D-1	Combining Balance Sheet.....	N/A
D-2	Blended Resource Fund – Schedule of Expenditures Allocated by Resource Type – Actual.....	N/A
D-3	Blended Resource Fund – Schedule of Blended Expenditures – Budget and Actual .....	N/A
 <b>E. Special Revenue Fund:</b>		
E-1	Combining Schedule of Revenues and Expenditures – Special Revenue Fund – Budgetary Basis.....	49-50
E-2	Demonstrably Effective Program Aid Schedule of Expenditures – Budgetary Basis .....	N/A
E-3	Early Childhood Program Aid Schedule of Expenditures – Budgetary Basis .....	N/A
E-4	Distance Learning Network Aid Schedule of Expenditures – Budgetary Basis .....	N/A
E-5	Instructional Supplement Aid Schedule of Expenditures – Budgetary Basis .....	N/A
E-6	Targeted At-Risk Aid Schedule of Expenditures - Budgetary Basis.....	N/A
 <b>F. Capital Projects Fund:</b>		
F-1	Summary Schedule of Project Expenditures .....	N/A
F-2	Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance– Budgetary Basis .....	N/A
F-2a	Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budgetary Basis.....	N/A

**BASS RIVER TOWNSHIP SCHOOL DISTRICT**

**TABLE OF CONTENTS, cont.**

**Other Supplementary Information, cont'd**

G. Proprietary Funds:	<u>Page</u>
Enterprise Fund:	
G-1 Combining Statement of Net Assets.....	N/A
G-2 Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets.....	N/A
G-3 Combining Statement of Cash Flows .....	N/A
Internal Service Fund:	
G-4 Combining Statement of Net Assets.....	N/A
G-5 Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets.....	N/A
G-6 Combining Statement of Cash Flows .....	N/A
H. Fiduciary Funds:	
H-1 Combining Statement of Fiduciary Net Assets.....	51
H-2 Combining Statement of Changes in Fiduciary Net Assets .....	52
H-3 Student Activity Agency Fund Schedule of Receipts and Disbursements..	53
H-4 Payroll Agency Fund Schedule of Receipts and Disbursements.....	54
I. Long-Term Debt:	
I-1 Schedule of Serial Bonds.....	N/A
I-2 Schedule of Obligations under Capital Leases .....	N/A
I-3 Debt Service Fund Budgetary Comparison Schedule .....	N/A

**STATISTICAL SECTION (Unaudited)**

Introduction to the Statistical Section

Financial Trends:

J-1 Net Assets by Component .....	55
J-2 Changes in Net Assets.....	56-57
J-3 Fund Balances – Governmental Funds.....	58
J-4 Changes in Fund Balances – Governmental Funds .....	59-60
J-5 General Fund Other Local Revenue by Source.....	61

Revenue Capacity:

J-6 Assessed Value and Estimated Actual Value of Taxable Property .....	62-63
J-7 Direct and Overlapping Property Tax Rates.....	64
J-8 Principal Property Taxpayers .....	65
J-9 Property Tax Levies and Collections.....	66

**BASS RIVER TOWNSHIP SCHOOL DISTRICT**

**TABLE OF CONTENTS, cont.**

<b><u>STATISTICAL SECTION (Unaudited), cont'd</u></b>		<b><u>Page</u></b>
Debt Capacity:		
J-10	Ratios of Outstanding Debt by Type .....	67
J-11	Ratios of General Bonded Debt Outstanding .....	68
J-12	Direct and Overlapping Governmental Activities Debt .....	69
J-13	Legal Debt Margin Information.....	70
Demographic and Economic Information:		
J-14	Demographic and Economic Statistics .....	71
J-15	Principal Employers.....	72
Operating Information:		
J-16	Full-time Equivalent District Employees by Function/Program .....	73
J-17	Operating Statistics .....	74
J-18	School Building Information.....	75
J-19	Schedule of Allowable Maintenance Expenditures by School Facility .....	76
J-20	Insurance Schedule .....	77
 <b><u>SINGLE AUDIT SECTION</u></b>		
K-1	Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards .....	78-79
K-2	Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control over Compliance in Accordance with OMB Circular A-133 and New Jersey OMB Circular Letter 98-07 .....	80-81
K-3	Schedule of Expenditures of Federal Awards, Schedule A .....	82
K-4	Schedule of Expenditures of State Financial Assistance, Schedule B.....	83
K-5	Notes to the Schedules of Awards and Financial Assistance .....	84-85
K-6	Schedule of Findings and Questioned Costs.....	86-90
K-7	Summary Schedule of Prior Audit Findings.....	91

INTRODUCTORY SECTION

# Bass River Township Elementary School

11 North Maple Avenue, P.O. Box 304  
New Gretna, New Jersey 08224  
Phone (609) 296-4230  
Fax (609) 296-4953



Lawrence A. Mathis, Jr.  
Superintendent

December 1, 2011

Honorable President and  
Members of the Board of Education of the  
Bass River School District

Dear Board Members:

The Comprehensive Annual Financial Report (CAFR) of the Bass River School District for the fiscal year ended June 30, 2011 is hereby submitted. Responsibility for both the accuracy of the data, the completeness and fairness of the presentation, including all disclosures, rests with the Superintendent and Business Administrator of the district. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the district. All disclosures necessary to enable the reader to gain an understanding of the district's financial activities have been included.

The Comprehensive Annual Financial Report is presented in four sections: Introductory, Financial, Statistical and Single Audit. The introductory section includes this transmittal letter, the district's organizational chart and a list of principal officials. The financial section includes the general purpose financial statements and schedules, as well as the auditor's report hereon. The statistical section includes selected financial and demographic information generally presented on a two or three year basis. The district is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984 and the US Office of Management and Budget Circular A-133, "Audits of States, Local Governments and Non-Profit Organizations" and the State Treasury Circular Letter 98-07 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid". Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, is the single audit section of this report.

The Bass River School District is an independent reporting entity within the criteria adopted by the GASB as established by NCGA Statement No. 3. All funds and account groups of the district are included in this report. The Bass River Board of Education and its school constitute the district's reporting entity.

The District provides a full range of educational services appropriate to grade levels Pre-K through 6. This includes regular as well as special education for handicapped students. The Bass River School District was monitored by the Department of Education during the 2009-2010 school year and determined to have met or exceeded all criteria stated in the evaluation. The district completed the 2010-2011 fiscal year with an average enrollment of 119.5 students, which is a decrease of 8.2 students from the previous year's enrollment of 127.7. The following details the changes in the student average daily enrollment of the district over the last ten years:

#### AVERAGE DAILY ENROLLMENT (TEN-YEAR HISTORY)

FISCAL YEAR	ENROLLMENT
2001-02	147.2
2002-03	149.9
2003-04	132.3
2004-05	128.5
2005-06	134.9
2006-07	129.0
2007-08	127.0
2008-09	107.0
2009-10	127.7
2010-11	119.5

Management of the district is responsible for established and maintaining an internal control structure designed to insure that the assets of the district are protected from loss, theft, or misuse, and to insure that the adequate accounting data is compiled to allow for the preparation of financial statements in conformity with General Accepted Accounting Principles (GAAP).

As a recipient of federal and state financial assistance, the district also is responsible for insuring that an adequate internal control structure is in place to insure compliance with applicable laws and regulations related to those programs.

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

In addition to internal accounting controls, the district maintains budgetary controls. The object of these budgetary controls is to insure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality.

Annual appropriated budgets are adopted for the General Fund, the Special Revenue Fund and the Debt Service Fund. Project-length budgets are approved for 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 cancelled 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 on June 30, 2011.

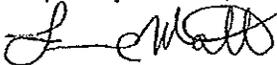
As demonstrated by the various statements and schedules included in the financial section of this report, the district continues to meet its responsibility for sound financial management. The following schedule represents a summary of the general fund and debt service fund revenues for the 2009-2010 and 2010-2011 school years:

FISCAL YEAR	SCHOOL BUDGET	GENERAL FUND	DEBT SERVICE	TOTAL TAX LEVY
2010-2011	\$2,273,566	\$2,105,229	\$-0-	\$1,190,863
2009-2010	\$2,268,816	\$2,149,047	\$-0-	\$1,148,394

The Board carries insurance, including but not limited to, General Liability, Professional Liability, Property, Commercial Automobile, Worker's Compensation, Worker's Compensation Supplement, Inland Marine, Umbrella Excess, Commercial Crime Policy, General Liability PTO, and a Fidelity Bond for the Treasurer of School Moneys.

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

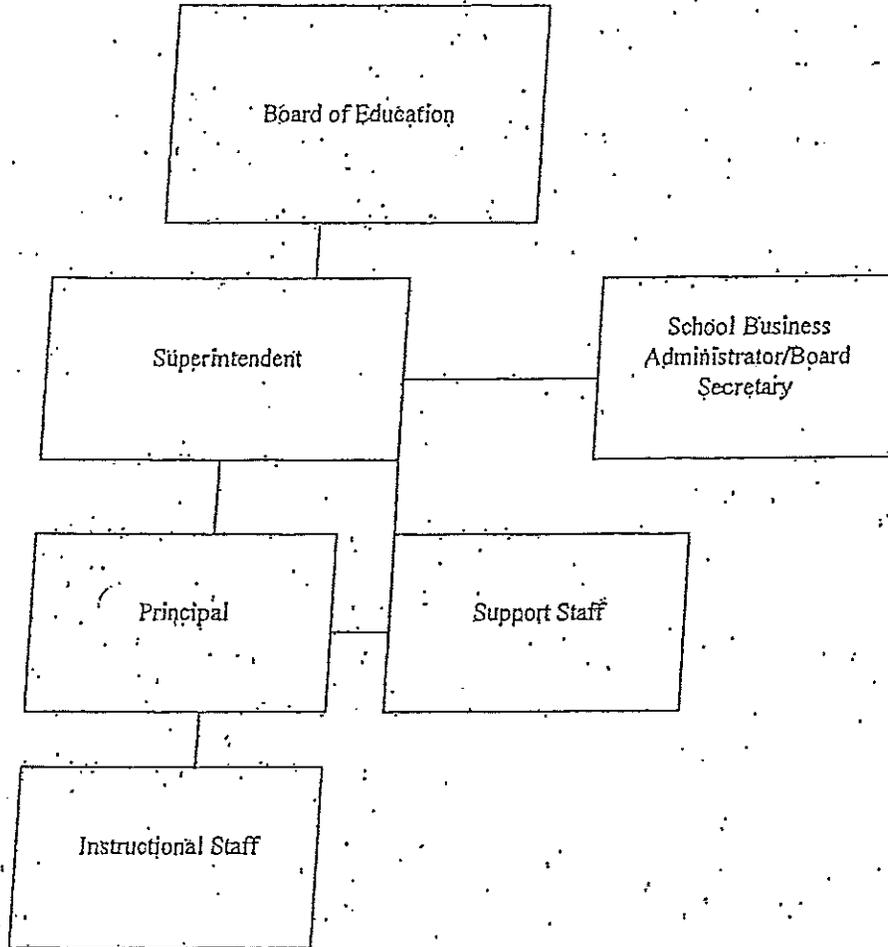
Respectfully submitted,



Lawrence Mathis  
Superintendent

# BASS RIVER SCHOOL DISTRICT

## Unit Control



BASS RIVER TOWNSHIP BOARD OF EDUCATION

NEW GRETNA, NEW JERSEY

ROSTER OF OFFICIALS

JUNE 30, 2011

<u>Members of the Board of Education</u>	<u>Term Expires</u>
David McGeoch, President	2013
George Nutt, Vice-President	2012
Theresa Cranmer, Board Member	2014
Heather Crawford-Duym, Board Member	2013
Marcie Gobosack Board Member	2012

Other Officials

Lawrence Mathis, Superintendent

Stephan J. Brennan, School Business Administrator/Board Secretary

Kim Sprague, Treasurer

Kalac & Barger, LLC, Solicitor

BASS RIVER TOWNSHIP BOARD OF EDUCATION

Consultants and Advisors

Audit Firm

Gross & Company, LLC.

Attorney

Kalac & Barger, LLC

Federal Depository

TD Bank  
592 Route 72 West  
Manahawkin, NJ 08050

FINANCIAL SECTION

# GROSS & COMPANY, LLC

Certified Public Accountants  
Registered Municipal Accountant  
Public School Accountant

Michael P. Gross, RMA, CPA, PSA

---

Phone: 609/494-2197  
Fax: 609/494-7054

P.O. Box 508  
105 East 16th Street  
Ship Bottom, NJ 08008

Joseph J. Gross, CPA, RMA

## Independent Auditors Report

The Honorable President and  
Members of the Board of Education  
Bass River Township School District  
County of Burlington  
New Gretna, New Jersey

I have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Board of Education of the Bass River Township School District, in the County of Burlington, State of New Jersey, as of and for the fiscal year ended June 30, 2011, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Bass River Township Board of Education's management. My responsibility is to express opinions on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Division of Finance and Regulatory Compliance, Department of Education, State of New Jersey. Those standards require that I 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. I believe that my audit provides a reasonable basis for my opinions.

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Bass River Township Board of Education, in the County of Burlington, State of New Jersey, as of June 30, 2011, and the respective changes in financial position and cash flows, where applicable, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, I have also issued my report dated December 1, 2011 on my consideration of the Bass River Township Board of Education's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of my audit.

The Management Discussion and Analysis and Budgetary Comparison Information on pages 9 through 13 and 39 through 48 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. I have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, I did not audit the information and express no opinion on it.

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

The accompanying schedules of expenditures of federal awards and state financial assistance are presented for purposes of additional analysis as required by New Jersey OMB's Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid* and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.



MICHAEL P. GROSS  
Licensed Public School Accountant  
No. CS02231  
Gross & Company, LLC

December 1, 2011

**PART I - REQUIRED SUPPLEMENTARY INFORMATION**

**BASS RIVER TOWNSHIP BOARD OF EDUCATION**  
**Management's Discussion and Analysis**  
**Fiscal Year Ended June 30, 2011**

This section of the Bass River Township Board of Education's Comprehensive Annual Financial Report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2011. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statements, which immediately follow this section.

Management's Discussion and Analysis (MD&A) is a new element of Required Supplementary Information specified in the Governmental Accounting Standards Board's (GASB) Statement No 34 –*Basic Financial Statements-Management's Discussion and Analysis-for State and Local Governments* issued in June 1999 that is now being required by the New Jersey State Department of Education. Certain comparative information between the current fiscal year (2010-2011) and the prior fiscal year (2009-2010) is required to be presented in the MD&A.

## **OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements comprise three components: 1) District-wide financial statements, 2) Fund financial statements, and 3) Notes to the financial statements. This report also contains required supplementary information and other supplementary information in addition to the basic financial statements themselves.

**District-wide financial statements.** The district-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The statement of net assets (A-1) presents information on all of the assets and liabilities of the District, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The statement of activities (A-2) presents information showing how the net assets of the District changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The district-wide financial statements can be found as Exhibits A-1 and A-2 in this report.

**Fund financial statements.** A fund is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

### ***Governmental funds***

Governmental funds are used to account for essentially the same functions reported as governmental activities in the district-wide financial statements. However, unlike the district-wide financial statements, governmental fund financial statements focus on the near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the District's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the district-wide financial statements, it useful to compare the information presented for governmental funds with similar information presented for governmental activities in the district-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near – term financing decision. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains four individual governmental funds. Information is presented separately in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balance for the general fund, special revenue fund, capital projects fund and debt service fund.

The basic governmental fund financial statements can be found as Exhibits B-1 through B-3 in this report.

### *Proprietary funds*

The District maintains one proprietary fund type, an enterprise fund. The enterprise fund is used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the District is that the costs of providing goods or services be financed through user charges. The food services enterprise fund provides for the operation of food services in all schools within the District. The proprietary fund has been included within business-type activities in the district-wide financial statements.

The food services fund detail financial statements can be found as Exhibits B-4 through B-6 in this report.

### **Fiduciary funds**

Fiduciary funds are used to account for resources held for the benefit of parties outside the governmental entity. Fiduciary funds are not reflected in the district-wide financial statements because the resources of those funds are not available to support the District's own programs.

The District uses trust and agency funds to account for resources held for student activities and groups, for payroll transactions and for the District's unemployment trust fund.

The basic fiduciary fund financial statements can be found as Exhibits B-7 and B-8 in this report.

**Notes to the financial statements.** The notes provide additional information that is essential for a full understanding of the data provided in the district-wide and fund financial statements. The notes to the financial statements can be found after the fund financial statements in this report.

**Other Information.** The combining and individual fund statements referred to earlier in connection with governmental and enterprise funds are presented immediately following the notes to the financial statements.

## **FINANCIAL HIGHLIGHTS**

Key financial highlights for the 2010-2011 fiscal year include the following:

- The General Fund's portion of the local tax levy has been increased from FY 09-10 to FY 10-11 by \$42,469. The general fund's local tax levy is \$1,190,863.
- The Debt Service Fund's portion of the local tax levy is \$0.
- The General Fund's unassigned fund balance \$219,381.
- State aid was increased by \$181,791.

### **District-wide Financial Analysis**

As noted earlier, net assets may serve over time as a useful indicator of the District's financial position. The following table provides a summary of net assets:

	Governmental <u>Activities</u>	Business-Type <u>Activities</u>	<u>Total</u>
Current and other assets	\$ 565,557	2,269	\$ 567,826
Capital assets, net	<u>590,459</u>	<u>0</u>	<u>590,459</u>
Total assets	<u>1,156,016</u>	<u>2,269</u>	<u>1,158,285</u>
Long-term liabilities outstanding	52,005		52,005
Other liabilities	<u>26,929</u>	<u>0</u>	<u>26,929</u>
Total liabilities	<u>78,934</u>	<u>0</u>	<u>78,934</u>
Net assets:			
Investments in capital assets, net of related debt	590,459	0	590,459
Restricted	319,247	0	319,247
Unrestricted	<u>167,376</u>	<u>0</u>	<u>167,376</u>
Total net assets	<u>\$ 1,077,082</u>	<u>0</u>	<u>\$ 1,077,082</u>

The District's largest net asset is the restricted portion of the net assets shown above. Restricted assets represent resources that are subject to external restrictions on how they may be used. Within this category, the largest balance is building and building improvements, \$586,431.

The District's investment in capital assets within the net assets above, less any related debt used to acquire those assets that is still outstanding is \$590,459.

The unrestricted net assets may be used to meet the District's ongoing obligations to student, employees, and creditors. The unrestricted net assets include the amount of long-term obligations that are not invested in capital assets, such as compensated absences.

At the end of the current fiscal year, the District is able to report a positive balance in total net assets. The same situation held true for the prior fiscal year.

The following table provides a summary of revenues and expenses for the District's governmental and business-type activities and the change in net assets from the prior year:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b>Revenues:</b>			
Program revenues:			
Charges for services	\$ 0	0	\$ 0
Operating grants & contributions	168,137	0	168,137
General revenues:			
Property taxes	1,190,863		1,190,863
Federal & state aid not restricted to specific purposes	1,046,523		1,046,523
Miscellaneous (includes interest & tuition)	<u>13,791</u>	<u>0</u>	<u>13,791</u>
Total Revenue	<u>2,419,314</u>	<u>0</u>	<u>2,419,314</u>
<b>Expenses:</b>			
Instructional services	947,117		947,117
Support services	1,174,837		1,174,837
Food service		0	0
Interest on long-term debt	0		0
Unallocated depreciation	<u>25,765</u>	<u>0</u>	<u>25,765</u>
Total Expenses	<u>2,147,719</u>	<u>0</u>	<u>2,147,719</u>
<b>Increase/(decrease) in net assets before transfers</b>	271,595	0	271,595
Transfers	<u>0</u>	<u>0</u>	<u>0</u>
Change in net assets	271,595	0	271,595
Net assets – beginning	<u>805,487</u>	<u>0</u>	<u>805,487</u>
Net assets – ending	\$ <u>1,077,082</u>	<u>0</u>	\$ <u>1,077,082</u>

### Financial Analysis of the District's Funds

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental Funds.** The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. The unreserved fund balance is divided between designated balances and undesignated balances. The capital projects fund is restricted by state law to be spent for the purpose of the fund and is not available for spending at the District's discretion.

### Financial Information at Fiscal Year-End

The following schedule presents a summary of the general fund, special revenue fund and debt service fund revenues for the fiscal year ended June 30, 2011 and the amount and percentage of increases and (decreases) in relation to prior year revenues. The Capital Projects fund has been excluded, as amounts vary substantially from year to year.

	<u>Revenue</u>	<u>Percent</u>	<u>Increase/ (Decrease) From 2010</u>	<u>Percent of Increase/ (Decrease)</u>
Local Sources:	\$ 1,204,654	49.79 %	\$ 29,762	2.53 %
State Sources	1,048,921	43.36 %	141,921	15.65 %
Federal Sources	<u>165,739</u>	<u>6.85 %</u>	<u>10,108</u>	<u>6.49 %</u>
Total	<u>\$ 2,419,314</u>	<u>100.00 %</u>	<u>\$ 181,791</u>	<u>7.61 %</u>

The increase in Local Sources was due to an increase in miscellaneous revenue and tax levy. The increase in State Sources was due to an increase in general fund category state aids.

The following schedule presents a summary of general fund, special revenue fund, and debt service fund for the fiscal year ended June 30, 2011 and the percentage of increases and (decreases) in relation to prior year amounts. The Capital Projects fund has been excluded as amounts vary substantially from year to year.

	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) From 2009</u>	<u>Percent of Increase/ (Decrease)</u>
Current Expenditures:				
Instruction	\$ 947,117	44.21 %	\$ 50,817	5.67 %
Undistributed	1,174,837	54.85 %	(142,299)	(10.80) %
Capital Outlay	20,208	.94 %	(11,441)	(36.15) %
Debt Service:	<u>0</u>	<u>0.00 %</u>	<u>0</u>	<u>0.00 %</u>
	<u>\$2,142,162</u>	<u>100.00 %</u>	<u>\$ (102,923)</u>	<u>(4.29)%</u>

The increase is due to increases in instruction. The decreases are due to decreases in undistributed and capital outlay.

### General Fund Budgetary Highlights

Throughout the year, as necessary, budget transfers were effectuated between budget accounts to re-align the 2010-11 budget. Based on financial results of 2010-11, unrestricted fund balances increased to \$55,617.

### Proprietary Funds

The District's proprietary fund provides the same type of information found in the district-wide financial statements, but in more detail.

The Food Services Enterprise fund was operated by the Pinelands Regional School District for the 2010-11 school year.

### Capital Assets

At June 30, 2011 the District had capital assets of \$590,459, net of depreciation, which includes, land improvements, buildings/building improvements, machinery and equipment.

The following provides a summary of the capital assets held by the District:

	Governmental Activities	Business-Type Activities
Land Improvements	\$ 77,317	
Machinery & Equipment	451,843	\$ 0
Buildings/Building Improvements	<u>1,403,113</u>	<u>0</u>
Total	<u>\$ 1,932,273</u>	<u>\$ 0</u>

Additional information on the District's capital assets can be found in Note 4 to the basic financial statements.

### Debt Administration and Other Obligations

At June 30, 2011, the District had no outstanding debt issues.

Additional information on the District's debt administration and other obligations can be found in Note 5 to the basic financial statements.

### Economic Factors and Next Year's Budget

- The District anticipates that the approved 2011-2012 budget will be adequate to satisfy all 2011-12 financial needs, barring any significant unexpected situations or conditions unforeseen at this time.

### Requests for Information

This financial report is designed to provide a general overview of the Bass River Township School District's finances for all those with an interest in the District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Business Administrator/Board Secretary's Office, Bass River Township Board of Education, PO Box 304, 11 North Maple Avenue, New Gretna, New Jersey 08224.

**BASIC FINANCIAL STATEMENTS**

BASS RIVER TOWNSHIP SCHOOL DISTRICT  
STATEMENT OF NET ASSETS  
JUNE 30, 2011

	Governmental Activities	Business-Type Activities	Total 2011	Total 2010
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 354,801	2,269	\$ 357,070	\$ 319,613
Investments	-	-	-	-
Receivables - Net	100,355	-	100,355	39,532
Prepaid Expenses	-	-	-	20,978
Inventory	-	-	-	-
Restricted assets:				
Cash and Cash Equivalents	(13,599)	-	(13,599)	5,207
Capital Reserve Account - Cash	50,000	-	50,000	503
Emergency Reserve Account - Cash	24,000	-	24,000	-
Maintenance Reserve Account - Cash	50,000	-	50,000	-
Capital assets:				
Non-depreciable	-	-	-	-
Depreciable, Net ( <i>Note 4</i> )	590,459	-	590,459	627,486
Total Assets	<u>\$ 1,156,016</u>	<u>2,269</u>	<u>\$ 1,158,285</u>	<u>\$ 1,013,319</u>
<b>LIABILITIES</b>				
Accounts Payable	\$ 26,929	2,269	\$ 29,198	\$ 90,437
Contracts Payable	-	-	-	-
Payable to Federal Government	-	-	-	-
Payable to State Government	-	-	-	-
Deferred Revenue	-	-	-	33,920
Noncurrent Liabilities ( <i>Note 5</i> ):				
Due Within One Year	-	-	-	-
Due Beyond One Year	52,005	-	52,005	83,475
Total Liabilities	<u>78,934</u>	<u>2,269</u>	<u>81,203</u>	<u>207,832</u>
<b>NET ASSETS</b>				
Invested in Capital Assets, Net of Related Debt	590,459	-	590,459	627,486
Restricted for:				
Debt Service	-	-	-	-
Capital Projects	-	-	-	-
Permanent Endowment - Nonexpendable	-	-	-	-
Other Purposes	319,247	-	319,247	97,712
Unrestricted	167,376	-	167,376	80,289
Total Net Assets	<u>\$ 1,077,082</u>	<u>-</u>	<u>\$ 1,077,082</u>	<u>\$ 805,487</u>

See accompanying Notes to Financial Statements.

BASS RIVER TOWNSHIP SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2011

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 2011	Total 2010
<b>Governmental Activities:</b>								
Instruction:								
Regular	\$ 791,050	-	153,572	-	(637,478)	-	\$ (637,478)	\$ (599,808)
Special Education	136,446	-	-	-	(136,446)	-	(136,446)	(160,110)
Other Special Instruction	10,380	-	-	-	(10,380)	-	(10,380)	(21,066)
Vocational	-	-	-	-	-	-	-	-
Other Instruction	9,241	-	-	-	(9,241)	-	(9,241)	(8,924)
Adult/Continuing Education Programs	-	-	-	-	-	-	-	-
Support Services:								
Tuition	-	-	-	-	-	-	-	(136,317)
Student & Instruction Related Services	247,962	-	14,565	-	(233,397)	-	(233,397)	(257,366)
School Administrative Services	58,770	-	-	-	(58,770)	-	(58,770)	(58,038)
General & Business Administrative Services	129,137	-	-	-	(129,137)	-	(129,137)	(122,600)
Plant Operations & Maintenance	207,895	-	-	-	(207,895)	-	(207,895)	(218,556)
Pupil Transportation	87,340	-	-	-	(87,340)	-	(87,340)	(109,106)
Business & Other Support Services	443,733	-	-	-	(443,733)	-	(443,733)	(472,843)
Special Schools	-	-	-	-	-	-	-	-
Charter Schools	-	-	-	-	-	-	-	-
Interest on Long-Term Debt	-	-	-	-	-	-	-	-
Unallocated Depreciation	25,765	-	-	-	(25,765)	-	(25,765)	(49,079)
Total Governmental Activities	<u>2,147,719</u>	<u>-</u>	<u>168,137</u>	<u>-</u>	<u>(1,979,582)</u>	<u>-</u>	<u>(1,979,582)</u>	<u>(2,213,813)</u>
<b>Business-Type Activities:</b>								
Food Service	-	-	-	-	-	-	-	-
Child Care	-	-	-	-	-	-	-	-
Total Business-Type Activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

BASS RIVER TOWNSHIP SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2011

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 2011	Total 2010
Total Primary Government	<u>\$ 2,147,719</u>	-	<u>168,137</u>	-	<u>(1,979,582)</u>	-	<u>\$ (1,979,582)</u>	<u>\$ (2,213,813)</u>
General Revenues:								
Taxes:								
					\$ 1,190,863	-	\$ 1,190,863	\$ 1,148,394
					-	-	-	-
					1,046,523	-	1,046,523	1,013,929
					-	-	-	19,000
					441	-	441	2,153
					13,350	-	13,350	5,345
					-	-	-	-
					-	-	-	(3,896)
Total General Revenues, Special Items, Extraordinary Items, and Transfers					<u>2,251,177</u>	-	<u>2,251,177</u>	<u>2,184,925</u>
Change in Net Assets					<u>271,595</u>	-	<u>271,595</u>	<u>(28,888)</u>
Net Assets - Beginning					<u>805,487</u>	-	<u>805,487</u>	<u>834,375</u>
Net Assets - Ending					<u>\$ 1,077,082</u>	-	<u>\$ 1,077,082</u>	<u>\$ 805,487</u>

See accompanying Notes to Financial Statements.

BASS RIVER TOWNSHIP SCHOOL DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2011

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Permanent Fund	Total Government Funds
<b>ASSETS</b>						
Cash & Cash Equivalents	\$ 354,801	(13,599)	-	-	-	\$ 341,202
Investments	-	-	-	-	-	-
Receivables - Other, Net	-	-	-	-	-	-
Receivables from Other Governments - State	50,026	-	-	-	-	-
Receivables from Other Governments - Federal	-	15,997	-	-	-	50,026
Due from Other Funds	34,332	-	-	-	-	15,997
Other - Prepaid Expense	-	-	-	-	-	34,332
Interest Receivable on Investments	-	-	-	-	-	-
Inventory	-	-	-	-	-	-
Restricted Cash & Cash Equivalents	124,000	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 563,159</b>	<b>2,398</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>\$ 124,000</b>
<b>LIABILITIES AND FUND BALANCES</b>						
<b>Liabilities:</b>						
Accounts Payable	\$ 24,531	2,398	-	-	-	\$ 26,929
Contracts Payable	-	-	-	-	-	-
Interfund Payable	-	-	-	-	-	-
Payable to Federal Government	-	-	-	-	-	-
Payable to State Government	-	-	-	-	-	-
Deferred Revenue	-	-	-	-	-	-
<b>Total Liabilities</b>	<b>24,531</b>	<b>2,398</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>26,929</b>
<b>Fund Balances:</b>						
<b>Resrticted for:</b>						
Excess Surplus- Current Year	40,628	-	-	-	-	40,628
Excess Surplus - Designated for Subsequent Year's Expenditures	52,344	-	-	-	-	52,344
Maintenance Reserve	50,000	-	-	-	-	50,000
Emergency Reserve	24,000	-	-	-	-	24,000
Capital Reserve Account	50,000	-	-	-	-	50,000
Debt Service Fund	-	-	-	-	-	-
Capital Projects Fund	-	-	-	-	-	-

BASS RIVER TOWNSHIP SCHOOL DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2011

<b>LIABILITIES AND FUND BALANCES, cont.</b>	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Permanent Fund</u>	<u>Total Government Funds</u>
Fund Balances, cont.:						
Committed to:						
Other Purposes	-	-	-	-	-	-
Assigned to:						
Designated by the BOE for						
Subsequent Year's Expenditures	102,275	-	-	-	-	102,275
Unassigned:						
General Fund	219,381	-	-	-	-	219,381
Special Revenue Fund	-	-	-	-	-	-
Total Fund Balances	<u>538,628</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities and Fund Balances	<u>\$ 563,159</u>	<u>2,398</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>538,628</u>

Amounts reported for Governmental Activities in the Statement of Net Assets (A-1) are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$ 1,932,273 and the accumulated depreciation is \$ 1,341,814 (see Note 4).

\$ 590,459

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds (see Note 5).

(52,005)

Net Assets of Governmental Activities

\$ 1,077,082

See accompanying Notes to Financial Statements.

BASS RIVER TOWNSHIP SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2011

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Permanent Fund	Total Governmental Funds
<b>REVENUES</b>						
Local Sources:						
Local Tax Levy	\$ 1,190,863	-	-	-	-	\$ 1,190,863
Tuition Charges	-	-	-	-	-	-
Interest Earned on Capital Reserve Funds	441	-	-	-	-	-
Miscellaneous	13,350	-	-	-	-	441
Total - Local Sources	1,204,654	-	-	-	-	13,350
State Sources	1,046,523	2,398	-	-	-	1,204,654
Federal Sources	-	165,739	-	-	-	1,048,921
Total Revenues	2,251,177	168,137	-	-	-	165,739
						2,419,314
<b>EXPENDITURES</b>						
Current:						
Regular Instruction	637,478	153,572	-	-	-	791,050
Special Education Instruction	136,446	-	-	-	-	136,446
Other Special Instruction	10,380	-	-	-	-	10,380
Other Instruction	9,241	-	-	-	-	9,241
Adult/Continuing Education Programs	-	-	-	-	-	-
Support Services:						
Tuition	-	-	-	-	-	-
Student & Instruction Related Services	233,397	14,565	-	-	-	-
School Administrative Services	58,770	-	-	-	-	247,962
Other Administrative Services	129,137	-	-	-	-	58,770
Plant Operations & Maintenance	207,895	-	-	-	-	129,137
Pupil Transportation	87,340	-	-	-	-	207,895
Employee Benefits	443,733	-	-	-	-	87,340
						443,733

BASS RIVER TOWNSHIP SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2011

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Permanent Fund	Total Governmental Funds
<b>EXPENDITURES, cont.</b>						
Special Schools	-	-	-	-	-	-
Transfer to Charter School	-	-	-	-	-	-
Debt Service						
Principal	-	-	-	-	-	-
Interest & Other Charges	-	-	-	-	-	-
Capital Outlay	20,208	-	-	-	-	-
	<u>20,208</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>20,208</u>
Total Expenditures	1,974,025	168,137	-	-	-	-
	<u>1,974,025</u>	<u>168,137</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,142,162</u>
Excess (Deficiency) of Revenues over Expenditures	277,152	-	-	-	-	-
	<u>277,152</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>277,152</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Bond Proceeds	-	-	-	-	-	-
Capital Leases (non-budgeted)	-	-	-	-	-	-
Transfer - Contribution to Whole School Reform	-	-	-	-	-	-
Transfer to Special Revenue Fund - ECPA	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-
Total Other Financing Sources and Uses	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>SPECIAL ITEM</b>						
Proceeds From Sale of Land	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	277,152	-	-	-	-	-
Fund Balance - July 1	261,476	-	-	-	-	-
Fund Balance - June 30	<u>\$ 538,628</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ 538,628</u>

See accompanying Notes to Financial Statements.

BASS RIVER TOWNSHIP SCHOOL DISTRICT  
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, 2011

Total Net Change in Fund Balances - Governmental Funds (from B-2) \$ 277,152

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 capital outlays exceeded depreciation in the period.

	\$	(25,765)	
Depreciation Expense			
Capital Outlays		20,208	
			(5,557)

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets and is not reported in the Statement of Activities.

-

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

-

Revenues in the Statement of Activities which do not provide current financial resources are not reported as revenues in the funds. (+)

Change in Net Assets of Governmental Activities \$ 271,595

See accompanying Notes to Financial Statements

BASS RIVER TOWNSHIP SCHOOL DISTRICT  
STATEMENT OF NET ASSETS  
PROPRIETARY FUNDS  
JUNE 30, 2011

	Business -Type Activities - <u>Enterprise Funds</u> Food Service <u>Service</u>
<b>ASSETS</b>	
Current Assets:	
Cash & Cash Equivalents	\$ 2,269
Accounts Receivable - State	-
Accounts Receivable - Federal	-
Other Receivables	-
Inventories	-
Total Current Assets	<u>2,269</u>
Noncurrent Assets:	
Restricted Cash & Cash Equivalents	-
Furniture, Machinery & Equipment	-
Less Accumulated Depreciation	-
Total Non Current Assets	<u>-</u>
Total Assets	<u>\$ 2,269</u>
<b>LIABILITIES</b>	
Current Liabilities:	
Accounts Payable	\$ -
Interfund Payable	2,269
Compensated Absences	-
Total Current Liabilities	<u>2,269</u>
Noncurrent Liabilities:	
Compensated Absences	-
Total Noncurrent Liabilities	<u>-</u>
Total Liabilities	<u>2,269</u>
<b>NET ASSETS</b>	
Invested in Capital Assets Net of Related Debt	-
Restricted for:	
Capital Projects	-
Unrestricted	-
Total Net Assets	<u>\$ -</u>

See accompanying Notes to Financial Statements.

BASS RIVER TOWNSHIP SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2011

	Business-type Activities - <u>Enterprise Fund</u> Food <u>Service</u>
Operating Revenues:	
Charges for Services:	
Daily Sales - Reimbursable Programs	\$ -
Daily Sales - Non-reimbursable Programs	-
Special Functions	-
Community Service Activities	-
Miscellaneous	-
Total Operating Revenues	-
Operating Expenses:	
Cost of Sales	-
Salaries	-
Employee Benefits	-
Cleaning, Repair, and Maintenance Services	-
General Supplies	-
Miscellaneous	-
Depreciation	-
Total Operating Expenses	-
Operating Income (Loss)	-
Nonoperating Revenues (Expenses):	
State Sources:	
State School Lunch Program	-
State School Breakfast Program	-
Federal Sources:	
National School Lunch Program	-
Regular School Breakfast Program	-
Food Distribution Program	-
Interest & Investment Revenue	-
Miscellaneous Expense	-
Total Nonoperating Revenues (Expenses)	-
Income (Loss) Before Contributions & Transfers	-
Capital Contributions	-
Transfers In (Out)	-
Change in Net Assets	-
Total net assets - beginning	-
Total net assets - ending	\$ -

See accompanying Notes to Financial Statements.

BASS RIVER TOWNSHIP SCHOOL DISTRICT  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2011

		Business-type Activities -
		<u>Enterprise Funds</u>
		Food Service
		<u>          </u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from Customers	\$	-
Payments to Suppliers		-
Payments to Employees & Employee Benefits		-
Net Cash Provided by (used for) Operating Activities		<u>          </u> -
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
State Sources		-
Federal Sources		-
Operating Subsidies and Transfers (to)/from Other Funds		-
Net Cash Provided by (used for) Non-capital Financing Activities		<u>          </u> -
<b>CASH FLOWS FROM CAPITAL &amp; RELATED FINANCING ACTIVITIES</b>		
Changes in Capital Contributions		-
Purchases of Capital Assets		-
Gain/Loss on Sale of Fixed Assets (proceeds)		-
Net Cash Provided by (used for) Capital & Related Financing Activities		<u>          </u> -
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest		-
Net Cash Provided by (used for) Investing Activities		<u>          </u> -
Net Increase/(Decrease) in Cash & Cash Equivalents		-
Balances - Beginning of Year		<u>          </u> 2,269
Balances - End of Year	\$	<u>          </u> <u>          </u> 2,269
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities:</b>		
Operating Income (Loss)	\$	-
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities		
Depreciation and Net Amortization		-
(Increase)/Decrease in Accounts Receivable, Net		-
(Increase)/Decrease in Inventories		-
(Increase)/Decrease in Other Current Assets		-
Increase/(Decrease) in Accounts Payable		-
Total Adjustments		<u>          </u> -
Net Cash Provided by (used for) Operating Activities	\$	<u>          </u> <u>          </u> -

See accompanying Notes to Financial Statements.

BASS RIVER TOWNSHIP SCHOOL DISTRICT  
STATEMENT OF FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS  
JUNE 30, 2011

	<u>Unemployment Compensation Trust</u>	<u>Agency Fund</u>
<b>ASSETS</b>		
Cash & Cash Equivalents	\$ 28,877	\$ 64,732
Interfund Receivable	-	-
Total Assets	<u>\$ 28,877</u>	<u>\$ 64,732</u>
<b>LIABILITIES</b>		
Due to Student Groups	\$ -	\$ 10,620
Payroll Deductions & Withholdings	-	20,901
Payroll Reserve	-	1,148
Interfund Payable	-	32,063
Total Liabilities	<u>-</u>	<u>\$ 64,732</u>
<b>NET ASSETS</b>		
Held in Trust for Unemployment Claims & Other Purposes	<u>\$ 28,877</u>	

See accompanying Notes to Financial Statements.

BASS RIVER TOWNSHIP SCHOOL DISTRICT  
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2011

	<u>Unemployment Compensation Trust</u>
<b>ADDITIONS</b>	
Contributions:	
Plan Member	\$ 3,024
Other	-
Total Contributions	<u>3,024</u>
Investment Earnings:	
Interest	24
Net Investment Earnings	24
Total Additions	<u>3,048</u>
<b>DEDUCTIONS</b>	
Quarterly Contribution Reports	-
Unemployment Claims	3,778
Operating Transfer Out - General fund	-
Total Deductions	<u>3,778</u>
Change in Net Assets	(730)
Net Assets - Beginning of the Year	<u>29,607</u>
Net Assets - End of the Year	<u>\$ 28,877</u>

See accompanying Notes to Financial Statements.

BASS RIVER TOWNSHIP SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2011

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity:

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

The primary criterion for including activities within the District's reporting entity, as set forth in Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards, is the degree of oversight responsibility maintained by the District. Oversight responsibility includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters. The combined financial statements include all fund types of the District over which the Board exercises operating control. The operations of the District include the elementary school located in the Township of Bass River. There were no additional entities required to be included in the reporting entity under the criteria as described above, in the current fiscal year. Furthermore, the District is not includable in any other reporting entity on the basis of such criteria.

B. 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 types in accordance with activities or objectives specified for the resources. Each fund is a separate accounting entity with a self-balancing set of accounts. Funds are classified into three categories: governmental, proprietary and fiduciary. Each category, in turn, is divided into separate fund types.

Governmental Fund Types

General Fund: The general fund is the general operating fund of the District and is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Fund: The District accounts for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes in the special revenue funds.

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).

BASS RIVER TOWNSHIP SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2011

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

B. Fund Accounting (cont'd):

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.

Proprietary Fund Type:

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

Fiduciary Fund Types:

Trust and Agency Funds: The trust and agency funds are used to account for assets held by the District in a trustee or agency capacity for external parties and that cannot be used to support the District's own programs.

Trust Funds (Unemployment Compensation Trust): Trust funds are used to account for assets held by the District in a trustee capacity and benefit those other than the District.

Agency Funds (Payroll, Payroll Agency, and Student Activities Fund): Agency funds are used to account for resources held and administered by the reporting district in a purely custodial capacity. These funds typically involve only the receipts, temporary investment, and remittance of the resources to external parties.

C. Basis of Accounting:

The modified accrual basis of accounting is used for measuring financial position and operating results of all government fund types and fiduciary funds. Under the modified accrual basis of accounting, revenues are recognized when they become both measurable and available. Measurable means the amount of the transaction can be determined, and available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recognized in the accounting period in which the fund liability is incurred, except for principal and interest on general long-term liabilities which are recorded when due.

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

BASS RIVER TOWNSHIP SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2011

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

C. Basis of Accounting (cont'd):

The accrual basis of accounting is used for measuring financial position and operating results of proprietary fund types. Under this method, revenues are recorded in the accounting period in which they are earned, and expenses are recorded at the time liabilities are incurred.

D. Budgets/Budgetary Control:

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. The budgets are submitted to the county office and are voted upon at the annual school election on the third Tuesday of April. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. All budget amendments must be approved by School Board resolution. Budget amendments during the year ended June 30, 2011 were insignificant.

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 budgetary basis of accounting and generally accepted accounting principles with the exception of the legally mandated revenue recognition of the last state aid payment for budgetary purposes only and the special revenue fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

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

E. Encumbrances:

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

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

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

BASS RIVER TOWNSHIP SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2011

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

F. 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.

G. Inventories and Prepaid Expenses:

Inventories and prepaid expenses which benefit future periods, other than those recorded in the enterprise fund, are recorded as an expenditure 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 for services that will benefit periods beyond June 30, 2011.

H. Capital Assets:

During the year ended June 30, 1994, the District established a formal system of accounting for its general capital assets. General capital assets acquired or constructed subsequent to June 30, 1994 are recorded at original cost. General capital assets acquired or constructed prior to the establishment of the formal system are valued at cost based on historical records or through estimation procedures performed by an independent appraisal company. Donated capital assets are valued at their estimated fair market value on the date received.

General capital assets are reflected as expenditures in the applicable governmental funds, and the related assets are reported in the district-wide financial statements. Expenditures which enhance the asset or significantly extend the useful life of the asset are considered improvements and are added to the capital asset's current capitalized cost. The cost of normal repairs and maintenance are not capitalized.

Depreciation of the assets of the governmental activities in the district-wide financial statements and the machinery and equipment in the proprietary fund types is computed using the straight-line method. The following estimated useful lives are used to compute depreciation:

Building & Building Improvements	7-50 years
Machinery and Equipment	7-20 years

I. Compensated Absences:

The District accounts for compensated absences 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 policies. 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 various employee unions.

BASS RIVER TOWNSHIP SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2011

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

J. Deferred Revenue:

Deferred revenue in the special revenue fund represents cash which has been received, but not yet earned. See Note 1 (e) regarding the special revenue fund.

K. Long-Term Obligations:

Long-term liabilities are recognized as a liability of a governmental fund when due, or when resources have been accumulated in the debt service fund for payment early in the following year. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund. The remaining portion of such obligations is reported in the long-term liabilities.

L. Fund Equity:

Contributed capital represents the amount of fund capital contributed to the proprietary funds from other funds. Reserves represent those portions of fund equity not appropriable for expenditure or legally segregated for a specific future use. Designated fund balances represent plans for future use of financial resources.

Under CEIFA, beginning in the 1996-97 year, the school districts' auditors are to perform the calculation of excess surplus at June 30 in accordance with N.J.S.A. 18A:7F-7, as amended by P.L. 2004, c.7 (S1701), for all regular and county vocational school districts. Any amounts calculated in excess of 2% that have not been appropriated in the 2010-11 original budget certified for taxes must be reported in the "Restricted Fund Balance" category as general fund "Reserved Fund Balance - Excess Surplus" in the 2011 Comprehensive Annual Financial Report and appropriated in the 2011-12 budget for property tax relief.

M. Memorandum Only - Total Columns:

Total columns are captioned "memorandum only" to indicate that they are presented only to facilitate financial analysis. Dates in these columns do not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Neither are such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

N. Comparative Data:

Comparative total data for the prior year has been presented in order to provide an understanding of changes in the District's financial position and operations.

O. State Facilities Tuition:

As per the State Department of Education, tuition payments for state facilities are automatically deducted from the state aid payments which are received via electronic transfers. The state requires that school districts reflect such transactions on their school district records by recording revenue received with a non-cash receipt and disbursements made with a non-check payment.

BASS RIVER TOWNSHIP SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2011

NOTE 2. CASH AND CASH EQUIVALENTS AND INVESTMENTS

Cash and cash equivalents include petty cash, change funds, cash in banks and all highly liquid investments with a maturity of three months or less at the time of purchase.

Investments are stated at cost, which approximates market. The Board classifies certificates of deposit which have original maturity dates of more than three months, but less than twelve months from the date of purchase, as investments.

Deposits:

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

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

The market value of the collateral must equal at least 5% of the average daily balance of collected funds on deposit

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

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

Investments:

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

- a. Bonds or other obligations of the United States or obligations guaranteed by the United States.
- b. Bonds of any Federal Intermediate Credit Bank, Federal Home Loan Bank, Federal National Mortgage Agency or of any United States Bank for Cooperatives which have a maturity date not greater than twelve months from the date of purchase.
- c. Bonds or other obligations of the school district.

BASS RIVER TOWNSHIP SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2011

NOTE 2. CASH AND CASH EQUIVALENTS AND INVESTMENTS (cont'd)

Investments (cont'd):

As of June 30, 2011, cash and cash equivalents and investments of the District consisted of the following:

	<u>Cash &amp; Cash</u> <u>Equivalents</u>	<u>Investments</u>	<u>Total</u>
Checking accounts	\$ 467,571	-	\$ 467,571
Investments	-	-	-
	\$ 467,571	-	\$ 467,571

During the period ended June 30, 2011, the District held no investments. The carrying amount of the Board's cash and cash equivalents and investments at June 30, 2011 and the bank balance was \$467,571, of which \$200,000 was covered by FDIC insurance.

NOTE 3. CAPITAL RESERVE ACCOUNT

Capital reserve accounts may be established by New Jersey school districts for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. A capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the district's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a district may deposit funds into the capital reserve at any time upon board resolution through the transfer of undesignated, unreserved general fund balance or of excess undesignated, unreserved general fund balance that is anticipated in the budget certified for taxes. Post-April 2004 transfers must be in compliance with P.L. 2004, c.73 (S1701). Pursuant to N.J.A.C. 6:23A-5.1(d) 7, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

NOTE 4. CAPITAL ASSETS

The following schedule is a summarization of the changes in capital assets by source for the fiscal year ended June 30, 2011.

	<u>Balance,</u> <u>6/30/2010</u>	<u>Expenditures from:</u>			<u>Less:</u>		<u>Balance,</u> <u>6/30/2011</u>
		<u>General</u> <u>Fund</u>	<u>Special</u> <u>Revenue</u>	<u>Capital</u> <u>Projects</u>	<u>Disposals</u>	<u>Accumulated</u> <u>Depreciation</u>	
Building & building improvements	\$ 1,460,222	20,208	-	-	-	(893,999)	\$ 586,431
Construction in Progress	-	-	-	-	-	-	-
Machinery & equipment	451,843	-	-	-	-	(447,815)	4,028
<b>TOTAL</b>	<b>\$ 1,912,065</b>	<b>20,208</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,341,814)</b>	<b>\$ 590,459</b>

BASS RIVER TOWNSHIP SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2011

**NOTE 5. GENERAL LONG-TERM LIABILITIES**

During the fiscal year ended June 30, 2011 the following changes occurred in liabilities reported in the general long-term liabilities:

	Balance <u>6/30/2010</u>	Issued	Retired	Balance <u>6/30/2011</u>	Due Within <u>One Year</u>
Obligations under Capital Leases	\$ -	-	-	\$ -	-
Compensated Absences	83,745	-	31,740	52,005	-
Serial Bonds Payable	-	-	-	-	-
	<u>\$ 83,745</u>	<u>-</u>	<u>31,740</u>	<u>\$ 52,005</u>	<u>-</u>

**A. Bonds Payable:**

As of June 30, 2011 the Board had no outstanding bonds.

**B. Bond Authorized But Not Issued:**

As of June 30, 2011 the Board had no authorized and unissued bonds.

**NOTE 6. PENSION PLANS**

**Plan Descriptions:**

Substantially all of the Board's employees participate in one of the following contributory defined benefit public employee retirement systems which have been established by State statute: the Teachers' Pension and Annuity Fund (TPAF) or the Public Employees' Retirement System (PERS). These systems are sponsored and administered by the State of New Jersey. The Teachers' Pensions and Annuity Fund retirement system 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. The Public Employees' Retirement System is considered a cost-sharing, multiple-employer plan.

**Teachers' Pension and Annuity Fund**

The Teachers' Pension and Annuity Fund was established in January, 1955 under the provisions of N.J.S.A. 18A:66 to provide coverage including post-retirement health care to substantially all full-time public school employees in the State. Membership is mandatory for such employees and vesting occurs after ten years of service for pension benefits and 25 years for health coverage. Members are eligible for retirement at age 60 with an annual benefit generally determined to be 1/60th of the average annual compensation for the highest three fiscal years' compensation for each year of membership during years of creditable service. Early retirement is available to those under age 60 with 25 or more years of credited service. Anyone who retires early and is under age 55 receives retirement benefits as calculated in the above-mentioned formula but at a reduced rate (one quarter of one percent for each month the member lacks of attaining age 55).

BASS RIVER TOWNSHIP SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2011

NOTE 6. PENSION PLANS (cont'd)

Public Employees' Retirement System

The Public Employees' Retirement System was established in January, 1955 under the provisions of N.J.S.A. 43:15A to provide coverage including post-retirement health care to substantially all full-time employees of the State or any county, municipality, school district or public agency provided the employee is not a member of another State-administered retirement system. Membership is mandatory for such employees and vesting occurs after 8 to 10 years of service and 25 years for health care coverage. Members are eligible for retirement at age 60 with an annual benefit generally determined to be 1/60th of the average annual compensation for the highest three fiscal years' compensation for each year of membership during years of creditable service. Early retirement is available to those under age 60 with 25 or more years of credited service. Anyone who retires early and is under age 55 receives retirement benefits as calculated in the above-mentioned formula but at a reduced rate (one quarter of one percent for each month the member lacks of attaining age 55).

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

Significant Legislation

During the year ended June 30, 1997, legislation was enacted authorizing the New Jersey Economic Development Authority (the "Authority") to issue bonds, notes or other obligations for the purpose of financing, in full or in part, the State of New Jersey's portion of the unfunded accrued liability under the State of New Jersey retirement systems. On June 30, 1997, the Authority issued bonds pursuant to this legislation and \$1,547,688,633 and \$241,106,642 from the proceeds of the bonds were deposited into the investment accounts of TPAF and PERS, respectively.

As a result of additional legislation enacted during the year ended June 30, 1997 (Chapter 115, P.L. 1997), the asset valuation method was changed from market-related value to full-market value for the valuation reports dated March 31, 1996. This legislation also contained a provision to reduce the employee contribution rates under TPAF and PERS by 1/2 of 1 percent to 4.5 percent for calendar years 1998 and 1999, and to allow for a reduction in the employee's rate after calendar year 1999, providing excess valuation assets are available. The legislation also provided for a reduction in the normal contributions of the State to the systems from excess assets for FY's 1998 and 1999, and local employers for FY 1998, and thereafter, authorizes the State Treasurer to reduce the normal contributions of State and local employers to the systems, to the extent possible, from up to 100% of excess assets through FY 2002, and on a declining maximum percentage of excess thereafter.

Due to the enactment of the legislation described above, the State of New Jersey's portion of the unfunded accrued liability under each retirement system was eliminated.

BASS RIVER TOWNSHIP SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2011

NOTE 6. PENSION PLANS (cont'd)

Funding Policy

The contribution policy is set by New Jersey State statutes, and contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. TPAF and PERS provide for employee contributions of 4.5% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The actuarially determined contribution includes funding for cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums. Under current statute, the District is a non-contributing employer of the TPAF.

The Board's contribution to PERS for the years ended June 30, 2011, 2010 and 2009 were \$25,300, \$20,763, and \$17,902 respectively, equal to the required contributions for each year.

During the year ended June 30, 2011, the State of New Jersey contributed \$63,251 to the TPAF for post-retirement benefits on behalf of the Board. Also, in accordance with N.J.S.A. 18A:66-66, the State of New Jersey reimbursed the Board \$74,604 during the year ended June 30, 2011 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. These amounts have been included in the basic financial statements and schedules as revenues and expenditures in accordance with GASB 24.

NOTE 7. POST-RETIREMENT BENEFITS

Chapter 384 of Public Laws 1987 and Chapter 6 of Public Laws 1990 required TPAF and PERS, respectively, to fund post-retirement medical benefits for those State employees who retire after reaching age 60 and accumulating 25 years of credited service. As of June 30, 2010 there were 87,288 retirees eligible for post-retirement medical benefits. The cost of these benefits is funded through contributions by the State in accordance with Chapter 62, P.L. 1994. Funding of post-retirement medical premiums changed from a prefunding basis to a pay-as-you-go basis beginning in fiscal year 1994 with an additional contribution beginning in fiscal year 1996 to maintain a medical reserve of one-half of 1% of the active State payroll.

The State made post-retirement (PRM) contributions of \$1.38 billion for fiscal year 2009 and \$3.22 million for fiscal year 2008.

The State is also responsible for the cost attributable to Chapter 126, P.L. 1992, which provides free health benefits to members of PERS, TPAF, and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. In fiscal year 2010, the State paid \$126.3 million toward Chapter 126 benefits for 14,050 eligible retired members.

NOTE 8. RISK MANAGEMENT

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

BASS RIVER TOWNSHIP SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2011

NOTE 8. RISK MANAGEMENT (cont'd)

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

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

Fiscal Year	District Contrib.	Employee Contrib.	Amount Reimbursed	Operating Transfers	Ending Balance
2010-11	\$ 24	3,025	3,778	-	\$ 28,877
2009-10	84	3,434	7,206	-	29,606
2008-09	49	287	811	-	33,294

NOTE 9. INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances remained on the balance sheet at June 30, 2011:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 34,332.00	\$ -
Payroll Agency Fund	-	32,063.00
Enterprise Fund	-	2,269.00
	<u>\$ 34,332.00</u>	<u>\$ 34,332.00</u>

NOTE 10. FUND BALANCE APPROPRIATED

General Fund - Of the \$538,628 General Fund balance at June 30, 2011, \$102,275 is reserved for encumbrances; \$0.00 has been legally restricted in accordance with N.J.A.C. 6A:23-8.5(j); \$40,628 is reserved as excess surplus in accordance with N.J.S.A. 18A:7F-7 (\$52,344 of the total reserve for excess surplus has been appropriated and included as anticipated revenue for the year ending June 30, 2012); \$50,000 has been reserved in the Capital Reserve Account; \$50,000 has been reserved in the Maintenance Reserve Account; \$24,000 has been reserved in the Emergency Reserve Account; \$0 has been appropriated and included as anticipated revenue for the year ending June 30, 2011; and \$219,381 is unreserved and unassigned.

BASS RIVER TOWNSHIP SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2011

**NOTE 11. CALCULATION OF EXCESS SURPLUS**

In accordance with N.J.S.A. 18A:7F-7, as amended by P.L. 2004, c.73 (S1701), the designation for Reserved Fund Balance - Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve the 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, 2011 is \$40,628.

**NOTE 13. DEFICIT FUND BALANCES**

The District has a deficit fund balance of \$0.00 in the General Fund and \$0.00 in the Special Revenue Fund as of June 30, 2011 as reported in the fund statements (modified accrual basis). P.L. 2003, c.97 provides that in the event a state school aid payment is not made until the following school budget year, districts must record the last state aid payment 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, expenditure, 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 last state aid payment in the subsequent fiscal year, the school district cannot recognize the last state aid payment on the GAAP financial statements until the year the State records the payable. Due to the timing difference of recording the last state aid payment, 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 payment 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.

**PART II – REQUIRED SUPPLEMENTARY INFORMATION**

BASS RIVER TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FISCAL YEARS ENDED JUNE 30, 2011 AND 2010

	2011				Variance Final to Actual Favorable/ (Unfavorable)	2010		
	Original Budget	Budget Transfers	Final Budget	Actual		Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
<b>REVENUE</b>								
Local Sources:								
Local Tax Levy	\$ 1,190,863.00	-	1,190,863.00	1,190,863.00	-	\$ 1,148,394.00	1,148,394.00	-
Tuition	20,000.00	(20,000.00)	-	-	-	40,010.00	19,000.00	(21,010.00)
Miscellaneous	4,497.00	20,000.00	24,497.00	13,790.69	(10,706.31)	7,000.00	7,497.59	497.59
<b>Total - Local Sources</b>	<b>1,215,360.00</b>	<b>-</b>	<b>1,215,360.00</b>	<b>1,204,653.69</b>	<b>(10,706.31)</b>	<b>1,195,404.00</b>	<b>1,174,891.59</b>	<b>(20,512.41)</b>
State Sources:								
Categorical Transportation Aid	24,707.00	-	24,707.00	24,707.00	-	30,794.00	30,794.00	-
Categorical Special Education Aid	61,348.00	-	61,348.00	61,348.00	-	61,348.00	61,348.00	-
Equalization Aid	618,194.00	-	618,194.00	618,194.00	-	589,315.00	482,386.00	(106,929.00)
Categorical Security Aid	21,979.00	-	21,979.00	21,979.00	-	12,489.00	12,489.00	-
Adjustment Aid	118,273.00	-	118,273.00	118,273.00	-	259,697.00	191,283.00	(68,414.00)
Extraordinary Aid	-	-	-	50,026.20	50,026.20	-	8,550.00	8,550.00
TPAF Pension (On-Behalf - Non-Budgeted)	-	-	-	63,251.00	63,251.00	-	59,999.00	59,999.00
TPAF Social Security (Reimbursed - Non-Budgeted)	-	-	-	74,604.00	74,604.00	-	68,427.00	68,427.00
<b>Total State Sources</b>	<b>844,501.00</b>	<b>-</b>	<b>844,501.00</b>	<b>1,032,382.20</b>	<b>187,881.20</b>	<b>953,643.00</b>	<b>915,276.00</b>	<b>(38,367.00)</b>
Federal Sources:								
Equalization Aid - ARRA ESF	-	-	-	-	-	-	102,944.00	102,944.00
Equalization Aid - ARRA GSF	-	-	-	-	-	-	3,985.00	3,985.00
<b>Total Federal Sources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>106,929.00</b>	<b>106,929.00</b>
<b>Total Revenues</b>	<b>\$ 2,059,861.00</b>	<b>-</b>	<b>2,059,861.00</b>	<b>2,237,035.89</b>	<b>177,174.89</b>	<b>\$ 2,149,047.00</b>	<b>2,197,096.59</b>	<b>48,049.59</b>
<b>EXPENDITURES</b>								
Current Expense:								
Regular Programs - Instruction:								
Preschool - Salaries of Teachers	\$ 28,684.00	-	28,684.00	27,777.55	906.45	\$ 29,837.05	29,734.55	102.50
Kindergarten - Salaries of Teachers	55,692.00	3,021.00	58,713.00	57,023.12	1,689.88	55,546.00	55,545.76	0.24
Grades 1-5 - Salaries of Teachers	385,937.00	7,388.00	393,325.00	389,323.72	4,001.28	373,326.88	373,325.91	0.97
Grades 6-8 - Salaries of Teachers	60,362.00	-	60,362.00	58,054.01	2,307.99	58,604.00	57,488.49	1,115.51

BASS RIVER TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FISCAL YEARS ENDED JUNE 30, 2011 AND 2010

	2011					2010		
	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
<b>Regular Programs - Home Instruction:</b>								
Salaries of Teachers	828.00	-	828.00	436.13	391.87	803.00	-	803.00
<b>Regular Programs - Undistributed Instruction:</b>								
Other Salaries for Instruction	42,064.00	18,736.00	60,800.00	58,383.70	2,416.30	48,705.27	48,704.70	0.57
Purchased Technical Services	1,600.00	(1,475.32)	124.68	-	124.68	1,600.00	260.00	1,340.00
Other Purchased Services	6,590.00	12,349.32	18,939.32	18,231.62	707.70	3,111.54	1,466.11	1,645.43
General Supplies	32,234.00	16,289.00	48,523.00	28,042.19	20,480.81	34,516.11	31,145.74	3,370.37
Textbooks	1,819.00	(1,499.54)	319.46	176.00	143.46	1,819.46	267.96	1,551.50
Other Objects	4,000.00	(2,200.00)	1,800.00	29.80	1,770.20	2,220.00	1,868.78	351.22
<b>TOTAL REGULAR PROGRAMS - INSTRUCTION</b>	<b>619,810.00</b>	<b>52,608.46</b>	<b>672,418.46</b>	<b>637,477.84</b>	<b>34,940.62</b>	<b>610,089.31</b>	<b>599,808.00</b>	<b>10,281.31</b>
<b>SPECIAL EDUCATION - INSTRUCTION</b>								
<b>Resource Room/Resource Center</b>								
Salaries of Teachers	162,394.00	(22,431.00)	139,963.00	134,964.60	4,998.40	159,840.00	159,839.22	0.78
Other Purchased Services	1,612.00	-	1,612.00	273.34	1,338.66	1,612.00	-	1,612.00
General Supplies	1,500.00	-	1,500.00	1,208.29	291.71	1,500.00	270.74	1,229.26
<b>Total Resource Room/Resource Center</b>	<b>165,506.00</b>	<b>(22,431.00)</b>	<b>143,075.00</b>	<b>136,446.23</b>	<b>6,628.77</b>	<b>162,952.00</b>	<b>160,109.96</b>	<b>2,842.04</b>
<b>TOTAL SPECIAL EDUCATION - INSTRUCTION</b>	<b>165,506.00</b>	<b>(22,431.00)</b>	<b>143,075.00</b>	<b>136,446.23</b>	<b>6,628.77</b>	<b>162,952.00</b>	<b>160,109.96</b>	<b>2,842.04</b>
<b>Basic Skills/Remedial - Instruction:</b>								
Salaries of Teachers	21,472.00	(9,418.00)	12,054.00	9,976.17	2,077.83	21,584.40	21,066.00	518.40
Other Purchased Services	1,000.00	-	1,000.00	-	1,000.00	1,000.00	-	1,000.00
General Supplies	500.00	-	500.00	403.99	96.01	500.00	-	500.00
<b>Total Basic Skills/Remedial - Instruction</b>	<b>22,972.00</b>	<b>(9,418.00)</b>	<b>13,554.00</b>	<b>10,380.16</b>	<b>3,173.84</b>	<b>23,084.40</b>	<b>21,066.00</b>	<b>2,018.40</b>
<b>School-Sponsored Co/Extra Curricular Activities - Instr.:</b>								
Salaries	10,939.00	(1,597.00)	9,342.00	9,241.36	100.64	10,620.00	8,924.14	1,695.86
<b>Total - School Sponsored Co/Extra Cur. Act. - Instr.</b>	<b>10,939.00</b>	<b>(1,597.00)</b>	<b>9,342.00</b>	<b>9,241.36</b>	<b>100.64</b>	<b>10,620.00</b>	<b>8,924.14</b>	<b>1,695.86</b>

BASS RIVER TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FISCAL YEARS ENDED JUNE 30, 2011 AND 2010

	2011					2010		
	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
<b>Summer School - Instruction</b>								
Salaries of Teachers	5,665.00	-	5,665.00	-	5,665.00	5,500.00	-	5,500.00
<b>Total - School Sponsored Co/Extra Cur. Act. - Instr.</b>	<u>5,665.00</u>	<u>-</u>	<u>5,665.00</u>	<u>-</u>	<u>5,665.00</u>	<u>5,500.00</u>	<u>-</u>	<u>5,500.00</u>
<b>TOTAL INSTRUCTION</b>	<u>824,892.00</u>	<u>19,162.46</u>	<u>844,054.46</u>	<u>793,545.59</u>	<u>50,508.87</u>	<u>812,245.71</u>	<u>789,908.10</u>	<u>22,337.61</u>
<b>UNDISTRIBUTED EXPENDITURES</b>								
<b>Instruction:</b>								
Tuition to Other LEA's Within the State - Special	-	-	-	-	-	14,810.00	2,550.41	12,259.59
Tuition to CSSD & Regular Day Schools	39,902.00	(39,901.40)	0.60	-	0.60	96,410.00	88,900.40	7,509.60
Tuition to Priv. School for the Disabled - Within State	42,345.00	(42,344.90)	0.10	-	0.10	49,710.15	44,865.85	4,844.30
<b>Total - Instruction</b>	<u>82,247.00</u>	<u>(82,246.30)</u>	<u>0.70</u>	<u>-</u>	<u>0.70</u>	<u>160,930.15</u>	<u>136,316.66</u>	<u>24,613.49</u>
<b>Attendance &amp; Social Work:</b>								
Salaries	9,748.00	77.00	9,825.00	9,510.23	314.77	9,464.00	9,291.54	172.46
Purchased Professional & Technical Services	4,000.00	-	4,000.00	4,000.00	-	4,000.00	4,000.00	-
Supplies & Materials	400.00	-	400.00	98.30	301.70	400.00	-	400.00
<b>Total - Attendance &amp; Social Work</b>	<u>14,148.00</u>	<u>77.00</u>	<u>14,225.00</u>	<u>13,608.53</u>	<u>616.47</u>	<u>13,864.00</u>	<u>13,291.54</u>	<u>572.46</u>
<b>Health Services:</b>								
Salaries	76,068.00	3,422.00	79,490.00	77,800.82	1,689.18	75,497.00	75,496.04	0.96
Purchased Professional & Technical Services	5,500.00	(500.00)	5,000.00	4,000.00	1,000.00	5,500.00	4,990.00	510.00
Other Purchased Services	953.00	-	953.00	-	953.00	953.00	717.52	235.48
Supplies & Materials	2,000.00	500.00	2,500.00	2,353.39	146.61	2,000.00	544.21	1,455.79
<b>Total Health Services</b>	<u>84,521.00</u>	<u>3,422.00</u>	<u>87,943.00</u>	<u>84,154.21</u>	<u>3,788.79</u>	<u>83,950.00</u>	<u>81,747.77</u>	<u>2,202.23</u>
<b>Speech, OT, PT &amp; Related Services</b>								
Purchased Professional-Educational Services	-	46,970.00	46,970.00	29,379.93	17,590.07	-	-	-
<b>Total Speech, OT, PT &amp; Related Services</b>	<u>-</u>	<u>46,970.00</u>	<u>46,970.00</u>	<u>29,379.93</u>	<u>17,590.07</u>	<u>-</u>	<u>-</u>	<u>-</u>

BASS RIVER TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FISCAL YEARS ENDED JUNE 30, 2011 AND 2010

	2011					2010		
	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
<b>Child Study Teams</b>								
Salaries of Other Professional Staff	44,394.00	2,484.00	46,878.00	45,525.96	1,352.04	55,940.00	55,939.90	0.10
Salaries of Secretarial and Clerical Assistants	5,018.00	447.00	5,465.00	5,050.98	414.02	11,646.86	11,646.86	-
Purchased Professional-Educational Services	22,102.00	(21,000.00)	1,102.00	575.00	527.00	41,439.00	40,172.00	1,267.00
Residential Costs	895.00	(895.00)	-	-	-	-	-	-
Miscellaneous Purchased Services	-	895.00	895.00	175.38	719.62	895.00	372.36	522.64
Supplies & Materials	4,003.00	(2,515.00)	1,488.00	1,238.30	249.70	5,103.00	4,170.22	932.78
<b>Total Child Study Teams</b>	<b>76,412.00</b>	<b>(20,584.00)</b>	<b>55,828.00</b>	<b>52,565.62</b>	<b>3,262.38</b>	<b>115,023.86</b>	<b>112,301.34</b>	<b>2,722.52</b>
<b>Improvement of Instructional Services:</b>								
Salaries of Secretarial & Clerical Assistants	27,115.00	(83.00)	27,032.00	23,700.87	3,331.13	26,325.00	22,143.95	4,181.05
Purchased Professional-Educational Services	5,400.00	(4,400.00)	1,000.00	-	1,000.00	2,883.00	-	2,883.00
Other Purchased Services	10,400.00	-	10,400.00	5,227.81	5,172.19	10,400.00	8,905.11	1,494.89
<b>Total Improvement of Instructional Services</b>	<b>42,915.00</b>	<b>(4,483.00)</b>	<b>38,432.00</b>	<b>28,928.68</b>	<b>9,503.32</b>	<b>39,608.00</b>	<b>31,049.06</b>	<b>8,558.94</b>
<b>Educational Media Services/School Library:</b>								
Salaries	-	-	-	-	-	15.00	14.50	0.50
Purchased Professional & Technical Services	29,800.00	(11,012.00)	18,788.00	18,787.50	0.50	17,461.00	17,460.80	0.20
Other Purchased Services	1,000.00	-	1,000.00	-	1,000.00	800.00	-	800.00
Supplies & Materials	5,800.00	-	5,800.00	5,612.69	187.31	2,869.90	1,445.20	1,424.70
<b>Total Educational Media Services/School Library</b>	<b>36,600.00</b>	<b>(11,012.00)</b>	<b>25,588.00</b>	<b>24,400.19</b>	<b>1,187.81</b>	<b>21,145.90</b>	<b>18,920.50</b>	<b>2,225.40</b>
<b>Instructional Staff Training Services:</b>								
Purchased Professional-Educational Services	2,100.00	-	2,100.00	360.25	1,739.75	1,200.00	5.12	1,194.88
Other Purchased Services	-	-	-	-	-	1,100.00	50.71	1,049.29
<b>Total Instructional Staff Training Services</b>	<b>2,100.00</b>	<b>-</b>	<b>2,100.00</b>	<b>360.25</b>	<b>1,739.75</b>	<b>2,300.00</b>	<b>55.83</b>	<b>2,244.17</b>

BASS RIVER TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FISCAL YEARS ENDED JUNE 30, 2011 AND 2010

	2011					2010		
	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
<b>Support Services - General Administration:</b>								
Salaries	51,490.00	-	51,490.00	51,489.60	0.40	49,894.00	49,893.12	0.88
Legal Services	9,000.00	(3,750.00)	5,250.00	1,836.42	3,413.58	11,610.00	8,911.75	2,698.25
Audit Fees	11,000.00	(1,250.00)	9,750.00	9,750.00	-	9,750.00	9,750.00	-
Other Purchased Professional Services	5,000.00	(568.00)	4,432.00	3,875.00	557.00	3,845.00	3,845.00	-
Communications/Telephone	10,000.00	-	10,000.00	8,278.82	1,721.18	6,926.00	6,292.19	633.81
BOE Other Purchased Services	500.00	-	500.00	-	500.00	500.00	-	500.00
Miscellaneous Purchased Services	5,000.00	(1,299.00)	3,701.00	3,481.35	219.65	4,288.00	3,338.86	949.14
General Supplies	5,000.00	(1,893.00)	3,107.00	2,980.36	126.64	3,200.00	3,199.64	0.36
Miscellaneous Expenditures	1,500.00	-	1,500.00	1,279.79	220.21	1,405.00	1,270.00	135.00
BOE Membership Dues & Fees	2,000.00	-	2,000.00	1,878.15	121.85	1,971.00	1,971.00	-
<b>Total Support Services - General Administration</b>	<b>100,490.00</b>	<b>(8,760.00)</b>	<b>91,730.00</b>	<b>84,849.49</b>	<b>6,880.51</b>	<b>93,389.00</b>	<b>88,471.56</b>	<b>4,917.44</b>
<b>Support Services - School Administration:</b>								
Salaries of Principals/Assistant Principals	51,490.00	-	51,490.00	51,489.60	0.40	49,893.00	49,892.88	0.12
Salaries of Secretarial & Clerical Assistants	6,498.00	55.00	6,553.00	6,340.14	212.86	6,309.00	6,194.52	114.48
Supplies & Materials	500.00	441.00	941.00	940.36	0.64	3,200.00	1,950.48	1,249.52
<b>Total Support Services - School Administration</b>	<b>58,488.00</b>	<b>496.00</b>	<b>58,984.00</b>	<b>58,770.10</b>	<b>213.90</b>	<b>59,402.00</b>	<b>58,037.88</b>	<b>1,364.12</b>
<b>Central Services:</b>								
Salaries	15,727.00	-	15,727.00	15,485.92	241.08	10,389.00	9,611.60	777.40
Purchased Professional Services	10,200.00	15,826.00	26,026.00	26,025.50	0.50	22,032.00	22,031.28	0.72
Purchased Technical Services	-	2,500.00	2,500.00	2,500.00	-	-	-	-
Supplies and Materials	-	-	-	-	-	-	-	-
Other Objects	250.00	25.00	275.00	275.00	-	300.00	260.29	39.71
<b>Total Central Services</b>	<b>26,177.00</b>	<b>18,351.00</b>	<b>44,528.00</b>	<b>44,286.42</b>	<b>241.58</b>	<b>35,471.00</b>	<b>34,128.17</b>	<b>1,342.83</b>

**BASS RIVER TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FISCAL YEARS ENDED JUNE 30, 2011 AND 2010**

	2011					2010		
	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
<b>Required Maintenance for School Facilities:</b>								
Cleaning, Repair & Maintenance Services	25,000.00	(13,400.00)	11,600.00	11,066.96	533.04	24,650.00	23,978.29	671.71
General Supplies	9,000.00	2,000.00	11,000.00	10,745.43	254.57	8,300.00	7,509.41	790.59
<b>Total Required Maintenance for School Facilities</b>	<b>34,000.00</b>	<b>(11,400.00)</b>	<b>22,600.00</b>	<b>21,812.39</b>	<b>787.61</b>	<b>32,950.00</b>	<b>31,487.70</b>	<b>1,462.30</b>
<b>Custodial Services</b>								
Salaries	76,572.00	5,383.00	81,955.00	77,669.59	4,285.41	96,863.00	86,024.64	10,838.36
Purchased Professional & Technical Services	1,785.00	-	1,785.00	-	1,785.00	1,785.00	1,785.00	-
Cleaning, Repair, and Maintenance Services	13,000.00	(4,500.00)	8,500.00	8,475.19	24.81	6,115.00	5,596.47	518.53
Other Purchased Property Services	2,000.00	(2,000.00)	-	-	-	200.00	-	200.00
Insurance	24,820.00	(2,300.00)	22,520.00	20,394.98	2,125.02	27,683.00	25,824.00	1,859.00
Miscellaneous Purchased Services	1,000.00	-	1,000.00	20.30	979.70	-	-	-
General Supplies	9,000.00	-	9,000.00	8,956.20	43.80	8,677.00	8,613.16	63.84
Energy (Electricity)	38,000.00	-	38,000.00	37,758.55	241.45	40,479.00	31,661.92	8,817.08
Energy (Oil)	20,000.00	10,807.00	30,807.00	30,807.00	-	26,986.00	25,112.38	1,873.62
Other Objects	500.00	-	500.00	-	500.00	-	-	-
<b>Total Custodial Services</b>	<b>186,677.00</b>	<b>7,390.00</b>	<b>194,067.00</b>	<b>184,081.81</b>	<b>9,985.19</b>	<b>208,788.00</b>	<b>184,617.57</b>	<b>24,170.43</b>
<b>Care and Upkeep of Grounds</b>								
Cleaning, Repair & Maintenance Services	-	-	-	-	-	1,100.00	1,012.50	87.50
General Supplies	1,000.00	-	1,000.00	259.29	740.71	200.00	152.80	47.20
<b>Total Care and Upkeep of Grounds</b>	<b>1,000.00</b>	<b>-</b>	<b>1,000.00</b>	<b>259.29</b>	<b>740.71</b>	<b>1,300.00</b>	<b>1,165.30</b>	<b>134.70</b>
<b>Security:</b>								
Cleaning, Repair & Maintenance Services	1,000.00	1,000.00	2,000.00	1,741.46	258.54	800.00	790.78	9.22
General Supplies	-	-	-	-	-	500.00	494.64	5.36
<b>Total Security</b>	<b>1,000.00</b>	<b>1,000.00</b>	<b>2,000.00</b>	<b>1,741.46</b>	<b>258.54</b>	<b>1,300.00</b>	<b>1,285.42</b>	<b>14.58</b>
<b>Total Operations &amp; Maintenance of Plant Services</b>	<b>222,677.00</b>	<b>(3,010.00)</b>	<b>219,667.00</b>	<b>207,894.95</b>	<b>11,772.05</b>	<b>244,338.00</b>	<b>218,555.99</b>	<b>25,782.01</b>

BASS RIVER TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FISCAL YEARS ENDED JUNE 30, 2011 AND 2010

	2011					2010		
	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
<b>Student Transportation Services:</b>								
Other Purchased Professional & Technical Services	16,000.00	-	16,000.00	16,000.00	-	16,666.00	16,666.00	-
Contracted Services (bet.home & school) - Vendors	-	-	-	-	-	1,061.79	-	1,061.79
Contracted Services (other than bet.home & school)- Vendors	3,658.00	1,800.24	5,458.24	5,381.81	76.43	8,000.00	5,074.00	2,926.00
Contracted Services (bet.home & school) - Joint Agreements	52,134.00	(0.35)	52,133.65	49,621.63	2,512.02	57,220.96	52,252.20	4,968.76
Contracted Services (special ed.) - Joint Agreements	-	2,000.00	2,000.00	1,070.02	929.98	-	-	-
Contracted Services (special ed.) - ESC's & CTSA's	28,142.00	(6,806.62)	21,335.38	14,686.35	6,649.03	36,843.30	35,048.91	1,794.39
Contracted Services - Aid in Lieu of Payments - Non-Public Schools	1,828.00	-	1,828.00	-	1,828.00	4,570.00	-	4,570.00
General Supplies	4,100.00	-	4,100.00	-	4,100.00	4,000.00	-	4,000.00
Other Objects	3,700.00	-	3,700.00	580.00	3,120.00	3,700.00	65.00	3,635.00
<b>Total Student Transportation Services</b>	<b>109,562.00</b>	<b>(3,006.73)</b>	<b>106,555.27</b>	<b>87,339.81</b>	<b>19,215.46</b>	<b>132,062.05</b>	<b>109,106.11</b>	<b>22,955.94</b>
<b>UNALLOCATED BENEFITS:</b>								
Social Security Contributions	25,000.00	-	25,000.00	19,205.63	5,794.37	33,000.00	19,717.21	13,282.79
Other Retirement Contributions - PERS	24,500.00	800.00	25,300.00	25,300.00	-	20,763.00	20,763.00	-
Workmen's Compensation	20,500.00	-	20,500.00	16,057.63	4,442.37	18,020.00	16,982.28	1,037.72
Health Benefits	307,000.00	(31,079.00)	275,921.00	238,975.60	36,945.40	267,305.00	267,276.08	28.92
Tuition Reimbursement	15,000.00	(800.00)	14,200.00	2,500.00	11,700.00	4,779.00	1,692.00	3,087.00
Other Employee Benefits	15,000.00	-	15,000.00	3,839.09	11,160.91	18,000.00	17,986.85	13.15
<b>TOTAL UNALLOCATED BENEFITS</b>	<b>407,000.00</b>	<b>(31,079.00)</b>	<b>375,921.00</b>	<b>305,877.95</b>	<b>70,043.05</b>	<b>361,867.00</b>	<b>344,417.42</b>	<b>17,449.58</b>
On-behalf TPAF Pension Contributions (non-budgeted)	-	-	-	63,251.00	(63,251.00)	-	59,999.00	(59,999.00)
Reimbursed TPAF Social Security Contributions (non-budgeted)	-	-	-	74,604.00	(74,604.00)	-	68,427.00	(68,427.00)
<b>TOTAL ON-BEHALF CONTRIBUTIONS</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>137,855.00</b>	<b>(137,855.00)</b>	<b>-</b>	<b>128,426.00</b>	<b>(128,426.00)</b>
<b>TOTAL PERSONAL SERVICES - Employee Benefits</b>	<b>407,000.00</b>	<b>(31,079.00)</b>	<b>375,921.00</b>	<b>443,732.95</b>	<b>(67,811.95)</b>	<b>361,867.00</b>	<b>472,843.42</b>	<b>(110,976.42)</b>

BASS RIVER TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FISCAL YEARS ENDED JUNE 30, 2011 AND 2010

	2011					2010		
	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
TOTAL UNDISTRIBUTED EXPENDITURES	1,263,337.00	(94,865.03)	1,168,471.97	1,160,271.13	8,200.84	1,363,350.96	1,374,825.83	(11,474.87)
TOTAL GENERAL CURRENT EXPENSE	2,088,229.00	(75,702.57)	2,012,526.43	1,953,816.72	58,709.71	2,175,596.67	2,164,733.93	10,862.74
CAPITAL OUTLAY:								
Equipment:								
Undistributed:								
Custodial Services	-	5,635.00	5,635.00	4,005.10	1,629.90	-	-	-
Total Equipment	-	5,635.00	5,635.00	4,005.10	1,629.90	-	-	-
Facilities Acquisition & Construction Services:								
Construction Services	17,000.00	70,068.00	87,068.00	16,203.00	70,865.00	33,631.00	31,648.63	1,982.37
Total Facilities Acquisition & Construction Services	17,000.00	70,068.00	87,068.00	16,203.00	70,865.00	33,631.00	31,648.63	1,982.37
TOTAL CAPITAL OUTLAY	17,000.00	75,703.00	92,703.00	20,208.10	72,494.90	33,631.00	31,648.63	1,982.37
GENERAL FUND GRAND TOTAL	2,105,229.00	0.43	2,105,229.43	1,974,024.82	131,204.61	2,209,227.67	2,196,382.56	12,845.11
Excess/(Deficiency) of Revenues Over Expenditures	(45,368.00)	(0.43)	(45,368.43)	263,011.07	45,970.28	(60,180.67)	714.03	35,204.48
Other Financing Sources/Uses:								
Operating Transfers In:								
Transfer from Unemployment Trust Fund	-	-	-	-	-	-	-	-
Operating Transfer Out:								
Transfer to Food Service Fund	-	-	-	-	-	-	-	-
Total Other Financing Sources/Uses	-	-	-	-	-	-	-	-

BASS RIVER TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FISCAL YEARS ENDED JUNE 30, 2011 AND 2010

	2011					2010		
	Original	Budget	Final	Actual	Variance Final to Actual Favorable/	Final	Actual	Variance Final to Actual Favorable/
Excess/(Deficiency) of Revenues & Other Financing Sources/Uses								
Over/(Under) Expenditures & Other Financing Sources/Uses	-	(0.43)	(45,368.43)	263,011.07	45,970.28	(60,180.67)	714.03	35,204.48
Fund Balance, July 1	<u>(194,110.00)</u>	<u>(107,017.81)</u>	45,694.31	356,262.16	545,242.29	105,874.98	355,548.13	510,037.81
<b>Fund Balance, June 30</b>	<u><b>\$ (194,110.00)</b></u>	<u><b>(107,018.24)</b></u>	<u><b>325.88</b></u>	<u><b>619,273.23</b></u>	<u><b>591,212.57</b></u>	<u><b>45,694.31</b></u>	<u><b>356,262.16</b></u>	<u><b>545,242.29</b></u>
Recapitulation:								
<b>Restricted Fund Balance:</b>								
Maintenance Reserve				\$ 50,000.00		\$ -		
Emergency Reserve				24,000.00		-		
Capital Reserve				50,000.00		503.00		
Excess Surplus - Current Year				40,628.00		52,344.00		
<b>Committed Fund Balance:</b>								
Year-End Encumbrances				102,275.00		-		
<b>Assigned Fund Balance:</b>								
Designated for Subsequent Year's Expenditures				52,344.00		44,865.00		
<b>Unassigned Fund Balance</b>				<u>300,026.00</u>		<u>258,550.00</u>		
				619,273.00		356,262.00		
Reconciliation to Governmental Funds Statements (GAAP):								
Last State Aid Payment not recognized on GAAP basis				(80,645.00)		(94,786.00)		
Fund Balance per Governmental Funds (GAAP)				<u><b>\$ 538,628.00</b></u>		<u><b>\$ 261,476.00</b></u>		

See accompanying Notes to Financial Statements.

BASS RIVER TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
SPECIAL REVENUE FUND  
FISCAL YEAR ENDED JUNE 30, 2011

EXHIBIT C-2

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual Favorable/(Unfavorable)</u>
<b>REVENUES:</b>					
State Sources	\$ -	2,398.00	2,398.00	2,398.00	-
Federal Sources	103,092.00	62,647.00	165,739.00	165,739.00	-
<b>Total Revenues</b>	<u>103,092.00</u>	<u>65,045.00</u>	<u>168,137.00</u>	<u>168,137.00</u>	<u>-</u>
<b>EXPENDITURES:</b>					
<b>Instruction:</b>					
Salaries of Teachers	12,941.00	3,873.00	16,814.00	16,814.00	-
Other Salaries for Instruction	18,894.00	-	18,894.00	18,894.00	-
General Supplies	-	-	-	-	-
Textbooks	-	-	-	-	-
Purchased Professional & Technical Services	-	-	-	-	-
Other Purchased Services	-	26,452.00	26,452.00	26,452.00	-
<b>Total Instruction</b>	<u>53,923.00</u>	<u>37,489.00</u>	<u>91,412.00</u>	<u>91,412.00</u>	<u>-</u>
	<u>85,758.00</u>	<u>67,814.00</u>	<u>153,572.00</u>	<u>153,572.00</u>	<u>-</u>
<b>Support Services:</b>					
Salaries of Program Directors	3,592.00	(393.00)	3,199.00	3,199.00	-
Salaries of Supervisors of Instruction	-	-	-	-	-
Salaries of Other Professional Staff	-	-	-	-	-
Salaries of Secretaries & Clerical Assistants	-	-	-	-	-
Other Salaries	-	-	-	-	-
Personal Services - Employee Benefits	-	-	-	-	-
Purchased Professional-Educational Services	-	3,363.00	3,363.00	3,363.00	-
Purchased Technical Services	-	-	-	-	-
Rentals	-	2,000.00	2,000.00	2,000.00	-
Other Purchased Services	-	-	-	-	-
Supplies & Materials	6,447.00	(444.00)	6,003.00	6,003.00	-
Other Objects	7,295.00	(7,295.00)	-	-	-
<b>Total Support Services</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>17,334.00</u>	<u>(2,769.00)</u>	<u>14,565.00</u>	<u>14,565.00</u>	<u>-</u>
<b>Total Expenditures</b>	<u>103,092.00</u>	<u>65,045.00</u>	<u>168,137.00</u>	<u>168,137.00</u>	<u>-</u>
<b>Total Outflows</b>	<u>103,092.00</u>	<u>65,045.00</u>	<u>168,137.00</u>	<u>168,137.00</u>	<u>-</u>
<b>Excess/(Deficiency) of Revenues Over/(Under)</b>	<u>103,092.00</u>	<u>65,045.00</u>	<u>168,137.00</u>	<u>168,137.00</u>	<u>-</u>
<b>Expenditures &amp; Other Financing Sources/Uses</b>	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

See accompanying Notes to Financial Statements.

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

BASS RIVER TOWNSHIP SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
NOTE TO RSI  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

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

	General Fund	Special Revenue Fund
<b>Sources/Inflows of Resources</b>		
Actual amounts (budgetary basis) "revenues"		
from the budgetary comparison schedules	[C-1] \$ 2,237,036.00	[C-2] \$ 168,137.00
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.	-	-
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	94,786.00	-
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	(80,645.00)	-
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	[B-2] <u>\$ 2,251,177.00</u>	[B-2] <u>\$ 168,137.00</u>
<b>Uses/outflows of resources</b>		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	\$ 1,974,025.00	\$ 168,137.00
Differences - budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.	-	-
Transfers to and from other funds are presented as outflows of budgetary resources but are not expenditures for financial reporting purposes. Net transfers (outflows) to general fund	\$ -	-
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	[B-2] <u>\$ 1,974,025.00</u>	[B-2] <u>\$ 168,137.00</u>

See accompanying Notes to Financial Statements.

OTHER SUPPLEMENTARY INFORMATION

BASS RIVER TOWNSHIP SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF PROGRAM REVENUES & EXPENDITURES  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	NCLB Title I Part A	ARRA Title I Part A	NCLB Title II Part A	NCLB Title II Part D	NJSBA Safety Grant	ESEA Title VI Part B (REAP)
<b>REVENUES:</b>						
State Sources	\$ -	-	-	-	2,398.00	-
Federal Sources	20,177.00	-	5,559.00	46.00	-	18,894.00
<b>Total Revenues</b>	<b>\$ 20,177.00</b>	<b>-</b>	<b>5,559.00</b>	<b>46.00</b>	<b>2,398.00</b>	<b>18,894.00</b>
<b>EXPENDITURES:</b>						
<b>Instruction:</b>						
Salaries of Teachers	\$ 16,814.00	-	-	-	-	-
Other Salaries for Instruction	-	-	-	-	-	18,894.00
Purchased Professional & Technical Services	-	-	-	-	-	-
Other Purchased Services	-	-	-	-	-	-
General Supplies	-	-	-	-	-	-
<b>Total Instruction</b>	<b>16,814.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>18,894.00</b>
<b>Support Services:</b>						
Salaries Other Professional Staff	-	-	-	-	-	-
Salaries Secretaries & Clerical Assistants	-	-	-	-	-	-
Other Salaries	-	-	-	-	-	-
Personal Services-Employee Benefits	3,363.00	-	-	-	-	-
Supplies & Materials	-	-	-	-	-	-
Purchased Prof. Technical Services	-	-	2,000.00	-	-	-
Purchased Prof. Educational Services	-	-	-	-	-	-
Other Purchased Services	-	-	3,559.00	46.00	2,398.00	-
Purchased Educational Services	-	-	-	-	-	-
<b>Total Support Services</b>	<b>3,363.00</b>	<b>-</b>	<b>5,559.00</b>	<b>46.00</b>	<b>2,398.00</b>	<b>-</b>
<b>Total Expenditures</b>	<b>20,177.00</b>	<b>-</b>	<b>5,559.00</b>	<b>46.00</b>	<b>2,398.00</b>	<b>18,894.00</b>
<b>Excess/(Deficiency) of Revenues Over/(Under) Expenditures</b>	<b>\$ -</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

BASS RIVER TOWNSHIP SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF PROGRAM REVENUES & EXPENDITURES  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	I.D.E.A. Part B				Totals 2011
	Basic Regular Program	ARRA		ARRA	
		Basic Regular Program	Preschool		
<b>REVENUES:</b>					
State Sources	-	-	-	-	2,398.00
Federal Sources	91,622.00	26,242.00	3,199.00	-	165,739.00
<b>Total Revenues</b>	<b>91,622.00</b>	<b>26,242.00</b>	<b>3,199.00</b>	<b>-</b>	<b>168,137.00</b>
<b>EXPENDITURES:</b>					
<b>Instruction:</b>					
Salaries of Teachers	-	-	-	-	16,814.00
Other Salaries for Instruction	-	-	-	-	18,894.00
Purchased Professional & Technical Services	26,452.00	-	-	-	26,452.00
Other Purchased Services	65,170.00	26,242.00	-	-	91,412.00
General Supplies	-	-	-	-	-
<b>Total Instruction</b>	<b>91,622.00</b>	<b>26,242.00</b>	<b>-</b>	<b>-</b>	<b>153,572.00</b>
<b>Support Services:</b>					
Salaries Other Professional Staff	-	-	3,199.00	-	3,199.00
Salaries Secretaries & Clerical Assistants	-	-	-	-	-
Other Salaries	-	-	-	-	-
Personal Services-Employee Benefits	-	-	-	-	3,363.00
Supplies & Materials	-	-	-	-	-
Purchased Prof. Technical Services	-	-	-	-	2,000.00
Purchased Prof. Educational Services	-	-	-	-	-
Other Purchased Services	-	-	-	-	6,003.00
Purchased Educational Services	-	-	-	-	-
<b>Total Support Services</b>	<b>-</b>	<b>-</b>	<b>3,199.00</b>	<b>-</b>	<b>14,565.00</b>
<b>Total Expenditures</b>	<b>91,622.00</b>	<b>26,242.00</b>	<b>3,199.00</b>	<b>-</b>	<b>168,137.00</b>
<b>Excess/(Deficiency) of Revenues Over/(Under) Expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

BASS RIVER TOWNSHIP SCHOOL DISTRICT  
COMBINING STATEMENT OF FIDUCIARY NET ASSETS  
JUNE 30, 2011

	<u>Unemployment Compensation Trust</u>	<u>Agency Fund</u>	<u>Total 2011</u>
<b>ASSETS</b>			
Cash & Cash Equivalents	\$ 28,877	64,732	\$ 93,609
Interfund Receivable	-	-	-
Total Assets	<u>\$ 28,877</u>	<u>64,732</u>	<u>\$ 93,609</u>
<b>LIABILITIES</b>			
Due to Student Groups	\$ -	10,620	\$ 10,620
Payroll Deductions & Withholdings	-	20,901	20,901
Payroll Reserve	-	1,148	1,148
Interfund Payable	-	32,063	32,063
Total Liabilities	<u>\$ -</u>	<u>64,732</u>	<u>64,732</u>
<b>NET ASSETS</b>			
Held in Trust for Unemployment Claims & Other Purposes	<u>\$ 28,877</u>		<u>28,877</u>
Total Net Assets			<u>28,877</u>
Total Net Assets & Liabilities			<u>\$ 93,609</u>

See accompanying Notes to Financial Statements.

BASS RIVER TOWNSHIP SCHOOL DISTRICT  
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS  
FOR THE YEAR ENDED JUNE 30, 2011

	<u>Unemployment Compensation Trust</u>	<u>Total 2011</u>
<b>ADDITIONS</b>		
Contributions:		
Plan Member	\$ 3,024	\$ 3,024
Other	-	-
Total Contributions	<u>3,024</u>	<u>3,024</u>
Investment Earnings:		
Interest	24	24
Net Investment Earnings	24	24
Total Additions	<u>3,048</u>	<u>3,048</u>
<b>DEDUCTIONS</b>		
Quarterly Contribution Reports	-	-
Unemployment Claims	3,778	3,778
Scholarships Awarded	-	-
Operating Transfer Out - General Fund	-	-
Total Deductions	<u>3,778</u>	<u>3,778</u>
Change in Net Assets	(730)	(730)
Net Assets - Beginning of the Year	<u>29,607</u>	<u>29,607</u>
Net Assets - End of the Year	<u>\$ 28,877</u>	<u>\$ 28,877</u>

See accompanying Notes to Financial Statements.

BASS RIVER TOWNSHIP SCHOOL DISTRICT  
STUDENT ACTIVITY AGENCY FUND  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
JUNE 30, 2011

	Balance <u>June 30, 2010</u>	<u>Receipts</u>	<u>Disbursements</u>	Balance <u>June 30, 2011</u>
<b>ASSETS</b>				
Cash & Cash Equivalents	\$ 8,205	<u>9,803</u>	<u>7,388</u>	\$ 10,620
Total Assets	<u>\$ 8,205</u>	<u>9,803</u>	<u>7,388</u>	<u>\$ 10,620</u>
 <b>LIABILITIES</b>				
Due to Student Groups	\$ 8,205	<u>9,803</u>	<u>7,388</u>	\$ 10,620
Total Liabilities	<u>\$ 8,205</u>	<u>9,803</u>	<u>7,388</u>	<u>\$ 10,620</u>

See accompanying Notes to Financial Statements.

BASS RIVER TOWNSHIP SCHOOL DISTRICT  
PAYROLL AGENCY FUND  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
JUNE 30, 2011

	Balance June 30, 2010	Receipts	Disbursements	Balance June 30, 2011
<b>ASSETS</b>				
Cash & Cash Equivalents	\$ 30,367	1,548,451	1,524,706	\$ 54,112
Total Assets	<u>\$ 30,367</u>	<u>1,548,451</u>	<u>1,524,706</u>	<u>\$ 54,112</u>
<b>LIABILITIES</b>				
Payroll Deductions & Withholdings	\$ 29,219	757,577	765,895	\$ 20,901
Interfund Payable	-	32,063	-	32,063
Payroll Reserve	1,148	758,811	758,811	1,148
Total Liabilities	<u>\$ 30,367</u>	<u>1,548,451</u>	<u>1,524,706</u>	<u>\$ 54,112</u>

See accompanying Notes to Financial Statements.

STATISTICAL SECTION

Introduction to Statistical Section

Contents

	<u>Page</u>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the district's financial performance and well being have changed over time.	55-61
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the district's most significant local revenue sources, the property tax.	62-66
<b>Debt Capacity</b> These schedules present information to help the reader assess the affordability of the district's current levels of outstanding debt and the district's ability to issue additional debt in the future.	67-70
<b>Demographic and Economic Information</b> These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place.	71-72
<b>Operating Information</b> These schedules contain service and infrastructure data to help the reader understand how the information in the district's financial report relates to the services the district provides and the activities it performs.	73-77

BASS RIVER TOWNSHIP SCHOOL DISTRICT  
NET ASSETS BY COMPONENT  
LAST EIGHT FISCAL YEARS  
(accrual basis of accounting)

	Fiscal Year Ending June 30,							
	2004	2005	2006	2007	2008	2009	2010	2011
Governmental activities								
Invested in capital assets, net of related debt	\$ 382,189	\$ 440,994	\$ 558,434	\$ 596,582	\$ 655,500	\$ 652,568	\$ 627,486	\$ 590,459
Restricted	241,175	421,689	383,614	212,277	90,419	105,548	97,712	319,247
Unrestricted	16,532	15,111	16,092	96,724	170,569	72,363	80,289	167,376
Total governmental activities net assets	<u>\$ 639,896</u>	<u>\$ 877,794</u>	<u>\$ 958,140</u>	<u>\$ 905,583</u>	<u>\$ 916,488</u>	<u>\$ 830,479</u>	<u>\$ 805,487</u>	<u>\$ 1,077,082</u>
Business-type activities								
Invested in capital assets, net of related debt	\$ 3,563	\$ 2,837	\$ 2,111	\$ 1,385	\$ 659	\$ -	\$ -	\$ -
Restricted	-	-	-	-	-	-	-	-
Unrestricted	14,127	16,874	2,762	4,248	3,749	3,896	-	-
Total business-type activities net assets	<u>\$ 17,690</u>	<u>\$ 19,711</u>	<u>\$ 4,873</u>	<u>\$ 5,633</u>	<u>\$ 4,408</u>	<u>\$ 3,896</u>	<u>\$ -</u>	<u>\$ -</u>
District-wide								
Invested in capital assets, net of related debt	\$ 385,752	\$ 443,831	\$ 560,545	\$ 597,967	\$ 656,159	\$ 652,568	\$ 627,486	\$ 590,459
Restricted	241,175	421,689	383,614	212,277	90,419	105,548	97,712	319,247
Unrestricted	30,659	31,985	18,854	100,972	174,318	76,259	80,289	167,376
Total district net assets	<u>\$ 657,586</u>	<u>\$ 897,505</u>	<u>\$ 963,013</u>	<u>\$ 911,216</u>	<u>\$ 920,896</u>	<u>\$ 834,375</u>	<u>\$ 805,487</u>	<u>\$ 1,077,082</u>

BASS RIVER TOWNSHIP SCHOOL DISTRICT

CHANGES IN NET ASSETS

LAST EIGHT FISCAL YEARS

(accrual basis of accounting)

	Fiscal Year Ending June 30,							
	2004	2005	2006	2007	2008	2009	2010	2011
<b>Expenses</b>								
<b>Governmental activities:</b>								
Instruction								
Regular	\$ 546,004	\$ 550,726	\$ 654,756	\$ 691,882	\$ 657,082	\$ 691,045	\$ 635,133	\$ 791,050
Special education	189,277	201,052	132,016	140,371	146,123	127,023	160,110	136,446
Other special instruction	21,847	30,855	11,004	10,786	18,565	20,018	21,066	10,380
Vocational	-	-	-	-	-	-	-	-
Other instruction	630	-	-	-	10,621	9,511	8,924	9,241
Nonpublic school programs	-	-	-	-	-	-	-	-
Adult/continuing education programs	-	-	-	-	-	-	-	-
<b>Support Services</b>								
Tuition	8,497	17,148	56,721	97,378	21,109	105,733	136,317	-
Student & instruction related services	222,445	237,056	276,815	308,644	327,577	331,692	270,743	247,962
General administration	125,964	127,405	129,543	132,188	176,313	116,367	122,600	129,137
School administrative services	98,127	54,372	30,758	28,809	23,916	25,682	58,038	58,770
Central services	-	-	-	-	-	-	-	-
Administrative information technology	-	-	-	-	-	-	-	-
Plant operations & maintenance	175,782	185,123	219,994	211,192	235,747	212,673	218,556	207,895
Pupil transportation	63,367	74,617	77,303	77,416	82,081	95,473	109,106	87,340
Other support services	400,236	445,548	478,014	579,016	599,552	454,425	472,843	443,733
Special Schools	3,094	3,500	3,000	4,333	2,964	8,848	-	-
Charter Schools	-	-	-	-	-	-	-	-
Interest on long-term debt	28,086	21,886	15,086	9,486	3,286	-	-	-
Unallocated depreciation	48,316	41,136	51,755	51,182	41,660	111,399	49,079	25,765
<b>Total governmental activities expenses</b>	<b>1,931,672</b>	<b>1,990,424</b>	<b>2,136,765</b>	<b>2,342,683</b>	<b>2,346,596</b>	<b>2,309,889</b>	<b>2,262,515</b>	<b>2,147,719</b>
<b>Business-type activities:</b>								
Food service	50,417	63,376	64,755	70,402	74,831	70,890	-	-
Child care	-	-	-	-	-	-	-	-
<b>Total business-type activities expenses</b>	<b>50,417</b>	<b>63,376</b>	<b>64,755</b>	<b>70,402</b>	<b>74,831</b>	<b>70,890</b>	<b>-</b>	<b>-</b>
<b>Total district expenses</b>	<b>\$ 1,982,089</b>	<b>\$ 2,053,800</b>	<b>\$ 2,201,520</b>	<b>\$ 2,413,085</b>	<b>\$ 2,421,427</b>	<b>\$ 2,380,779</b>	<b>\$ 2,262,515</b>	<b>\$ 2,147,719</b>
<b>Program Revenues</b>								
<b>Governmental activities:</b>								
Charges for services:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Instruction (tuition)	-	-	-	-	-	-	-	-
Pupil transportation	-	-	-	-	-	-	-	-
Central and other support services	-	-	-	-	-	-	-	-
Operating grants and contributions	99,939	112,115	106,704	100,180	113,013	93,353	48,702	168,137
Capital grants and contributions	-	-	-	-	-	-	-	-
<b>Total governmental activities program revenues</b>	<b>99,939</b>	<b>112,115</b>	<b>106,704</b>	<b>100,180</b>	<b>113,013</b>	<b>93,353</b>	<b>48,702</b>	<b>168,137</b>

**BASS RIVER TOWNSHIP SCHOOL DISTRICT**  
**CHANGES IN NET ASSETS**  
**LAST EIGHT FISCAL YEARS**  
(acrual basis of accounting)

	Fiscal Year Ending June 30,							
	2004	2005	2006	2007	2008	2009	2010	2011
<b>Program Revenues, cont'd.</b>								
Business-type activities:								
Charges for services:								
Food service	23,505	25,644	27,676	22,488	22,501	20,871	-	-
Child care	-	-	-	-	-	-	-	-
Operating grants and contributions	17,421	15,774	18,698	18,194	20,797	17,334	-	-
Capital grants and contributions	-	-	-	-	-	-	-	-
Total business-type activities program revenues	40,926	41,418	46,374	40,682	43,298	38,205	-	-
Total district program revenues	\$ 140,865	\$ 153,533	\$ 153,078	\$ 140,862	\$ 156,311	\$ 131,558	\$ 48,702	\$ 168,137
<b>Net (Expense) Revenue</b>								
Governmental activities	\$ (1,831,733)	\$ (1,878,309)	\$ (2,030,061)	\$ (2,242,503)	\$ (2,233,583)	\$ (2,216,536)	\$ (2,213,813)	\$ (1,979,582)
Business-type activities	(9,491)	(21,958)	(18,381)	(29,720)	(31,533)	(32,685)	-	-
Total district-wide net expense	\$ (1,841,224)	\$ (1,900,267)	\$ (2,048,442)	\$ (2,272,223)	\$ (2,265,116)	\$ (2,249,221)	\$ (2,213,813)	\$ (1,979,582)
<b>General Revenues and Other Changes in Net Assets</b>								
Governmental activities:								
Property taxes levied for general purposes, net	\$ 942,045	\$ 980,407	\$ 972,303	\$ 1,007,169	\$ 1,061,755	\$ 1,104,225	\$ 1,148,394	\$ 1,190,863
Taxes levied for debt service	57,204	54,435	51,666	48,897	25,138	-	-	-
Federal & State Aid not restricted	1,036,521	1,069,400	1,079,157	1,154,764	1,181,703	1,048,020	1,013,929	1,046,523
Transportation fees from other LEA's	-	-	-	-	-	-	-	-
Tuition received	8,300	-	-	-	-	-	19,000	-
Investment earnings	556	5,140	9,433	9,012	6,133	-	2,153	441
Miscellaneous income	46,305	546	716	357	-	10,440	5,345	13,350
Transfers	(12,819)	6,339	(2,868)	(30,253)	(30,241)	(32,158)	-	-
Total governmental activities	2,078,112	2,116,267	2,110,407	2,189,946	2,244,488	2,130,527	2,188,821	2,251,177
Business-type activities:								
Investment earnings	130	318	675	227	67	15	-	-
Transfers	12,819	23,661	2,868	30,253	30,241	32,158	(3,896)	-
Total business-type activities	12,949	23,979	3,543	30,480	30,308	32,173	(3,896)	-
Total district-wide	\$ 2,091,061	\$ 2,140,246	\$ 2,113,950	\$ 2,220,426	\$ 2,274,796	\$ 2,162,700	\$ 2,184,925	\$ 2,251,177
<b>Change in Net Assets</b>								
Governmental activities	\$ 246,379	\$ 237,958	\$ 80,346	\$ (52,557)	\$ 10,905	\$ (86,009)	\$ (24,992)	\$ 271,595
Business-type activities	3,458	2,021	(14,838)	760	(1,225)	(512)	(3,896)	-
Total district	\$ 249,837	\$ 239,979	\$ 65,508	\$ (51,797)	\$ 9,680	\$ (86,521)	\$ (28,888)	\$ 271,595

BASS RIVER TOWNSHIP SCHOOL DISTRICT  
FUND BALANCES, GOVERNMENTAL FUNDS  
LAST EIGHT FISCAL YEARS  
(modified accrual basis of accounting)

	Fiscal Year Ending June 30,							
	2004	2005	2006	2007	2008	2009	2010	2011
General Fund								
Reserved	\$ 241,215	\$ 421,689	\$ 383,614	\$ 212,277	\$ 90,419	\$ 105,548	\$ 97,712	\$ 319,247
Unreserved	58,336	57,077	57,077	128,038	207,078	163,490	163,764	219,381
Total general fund	<u>\$ 299,551</u>	<u>\$ 478,766</u>	<u>\$ 440,691</u>	<u>\$ 340,315</u>	<u>\$ 297,497</u>	<u>\$ 269,038</u>	<u>\$ 261,476</u>	<u>\$ 538,628</u>
All Other Governmental Funds								
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:								
Special revenue fund	(406)	(406)	(406)	(406)	(1,106)	-	-	-
Capital projects fund	-	-	-	-	-	-	-	-
Debt service fund	-	-	-	-	-	-	-	-
Permanent fund	-	-	-	-	-	-	-	-
Total all other governmental funds	<u>\$ (406)</u>	<u>\$ (406)</u>	<u>\$ (406)</u>	<u>\$ (406)</u>	<u>\$ (1,106)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

BASS RIVER TOWNSHIP SCHOOL DISTRICT  
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS  
LAST EIGHT FISCAL YEARS  
(modified accrual basis of accounting)

	Fiscal Year Ending June 30,							
	2004	2005	2006	2007	2008	2009	2010	2011
<b>Revenues</b>								
Tax Levy	\$ 999,249	\$ 1,034,842	\$ 1,023,869	\$ 1,056,066	\$ 1,086,893	\$ 1,104,225	\$ 1,148,394	\$ 1,190,863
Tuition charges	8,300	-	-	-	-	-	19,000	-
Transportation fees from other LEA's	-	-	-	-	-	-	-	-
Miscellaneous	46,861	5,686	10,149	9,369	6,133	10,440	7,498	13,791
State sources	1,046,625	1,081,569	1,091,473	1,163,238	1,203,121	1,048,020	907,000	1,048,921
Federal sources	89,835	99,946	94,388	92,706	91,595	93,353	155,631	165,739
<b>Total revenue</b>	<b>2,190,870</b>	<b>2,222,043</b>	<b>2,219,879</b>	<b>2,321,379</b>	<b>2,387,742</b>	<b>2,256,038</b>	<b>2,237,523</b>	<b>2,419,314</b>
<b>Expenditures</b>								
<b>Instruction</b>								
Regular instruction	546,004	550,726	654,756	691,882	657,082	691,045	635,133	791,050
Special education instruction	189,277	201,052	132,016	140,371	146,123	127,023	160,110	136,446
Other special instruction	21,847	30,855	11,004	10,786	18,565	20,018	21,066	10,380
Vocational education	-	-	-	-	-	-	-	-
Other instruction	630	-	-	-	-	-	-	-
Nonpublic school programs	-	-	-	-	10,621	9,511	8,924	9,241
Adult/continuing education	-	-	-	-	-	-	-	-
<b>Support Services:</b>								
Tuition	8,497	17,148	56,721	97,378	21,109	105,733	136,317	-
Student & inst. related services	222,445	237,056	276,815	308,644	327,577	331,692	270,743	247,962
General administration	125,964	127,405	129,543	132,188	176,313	116,367	122,600	129,137
School administrative services	98,127	54,372	30,758	28,809	23,916	25,682	58,038	58,770
Plant operations & maintenance	175,782	185,123	219,994	211,192	235,747	212,673	218,556	207,895
Pupil transportation	63,367	74,617	77,303	77,416	82,081	95,473	109,106	87,340
Other support services	-	-	-	-	-	-	-	-
Employee benefits	400,236	445,386	478,014	579,016	599,552	454,425	472,843	443,733

BASS RIVER TOWNSHIP SCHOOL DISTRICT  
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS  
LAST EIGHT FISCAL YEARS  
(modified accrual basis of accounting)

	Fiscal Year Ending June 30,							
	2004	2005	2006	2007	2008	2009	2010	2011
Special Schools	3,094	3,500	3,000	4,333	2,964	8,848	-	-
Charter Schools	-	-	-	-	-	-	-	-
Capital Outlay	6,717	1	69,476	1	43,083	52,743	31,649	20,208
Debt service:								
Principal	100,000	100,000	100,000	100,000	53,000	-	-	-
Interest and other charges	28,086	21,886	15,686	9,486	3,286	-	-	-
Total expenditures	1,990,073	2,049,127	2,255,086	2,391,502	2,401,019	2,251,233	2,245,085	2,142,162
Excess (Deficiency) of revenues over (under) expenditures	200,797	172,916	(35,207)	(70,123)	(13,277)	4,805	(7,562)	277,152
<b>Other Financing sources (uses)</b>								
Proceeds from borrowing	-	-	-	-	-	-	-	-
Capital leases (non-budgeted)	-	-	-	-	-	-	-	-
Proceeds from refunding	-	-	-	-	-	-	-	-
Payments to escrow agent	-	-	-	-	-	-	-	-
Transfers in	-	30,000	53,515	-	-	-	-	-
Transfers out	(12,819)	(23,661)	(56,383)	(30,253)	(30,241)	(32,158)	-	-
Total other financing sources (uses)	(12,819)	6,339	(2,868)	(30,253)	(30,241)	(32,158)	-	-
Net change in fund balances	\$ 187,978	\$ 179,255	\$ (38,075)	\$ (100,376)	\$ (43,518)	\$ (27,353)	\$ (7,562)	\$ 277,152
Debt service as a percentage of noncapital expenditures	6.5%	5.9%	5.3%	4.6%	2.4%	0.0%	0.0%	0.0%

Source: District records

BASS RIVER TOWNSHIP SCHOOL DISTRICT  
GENERAL FUND - OTHER LOCAL REVENUE BY SOURCE  
LAST TEN FISCAL YEARS  
(modified accrual basis of accounting)

Fiscal Year Ending June 30,	Washington Twp Admin. Contract/ Tech Contract/ CST	Tuition	Township Aid	Prior Year Refunds	Interest	Miscellaneous	Annual Totals
2002	\$ 86,914	\$ 13,275	\$ -	\$ -	\$ -	\$ 3,665	\$ 103,854
2003	119,049	10,667	-	-	-	-	129,716
2004	-	-	-	7,742	-	2,516	10,258
2005	12,825	-	20,000	11,180	556	2,300	46,861
2006	-	-	-	-	5,140	546	5,686
2007	-	-	-	-	9,433	716	10,149
2008	-	-	-	-	6,133	-	6,133
2009	-	-	-	-	8,580	1,860	10,440
2010	-	-	-	-	2,153	3,794	5,947
2011	-	-	-	-	441	13,350	13,791

Source: District records

BASS RIVER TOWNSHIP SCHOOL DISTRICT  
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY  
LAST TEN FISCAL YEARS

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Vacant Land</u>	<u>Residential</u>	<u>Farm Reg.</u>	<u>Qfarm</u>	<u>Commercial</u>	<u>Industrial</u>	<u>Apartment</u>
2001	n/a	n/a	n/a	n/a	n/a	n/a	n/a
2002	n/a	n/a	n/a	n/a	n/a	n/a	n/a
2003	n/a	n/a	n/a	n/a	n/a	n/a	n/a
2004	n/a	n/a	n/a	n/a	n/a	n/a	n/a
2005	n/a	n/a	n/a	n/a	n/a	n/a	n/a
2006	n/a	n/a	n/a	n/a	n/a	n/a	n/a
2007	n/a	n/a	n/a	n/a	n/a	n/a	n/a
2008	n/a	n/a	n/a	n/a	n/a	n/a	n/a
2009	n/a	n/a	n/a	n/a	n/a	n/a	n/a
2010	n/a	n/a	n/a	n/a	n/a	n/a	n/a

Source: Municipal Tax Assessor

BASS RIVER TOWNSHIP SCHOOL DISTRICT  
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY  
LAST TEN FISCAL YEARS

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Total Assessed</u> <u>Value</u>	<u>Less: Tax</u> <u>Exempt Property</u>	<u>Public Utilities<sup>a</sup></u>	<u>Net Valuation</u> <u>Taxable</u>	<u>Estimated Actual</u> <u>(County</u> <u>Equalized) Value</u>	<u>Total Direct</u> <u>School Tax Rate<sup>b</sup></u>
2001	68,274,589	n/a	n/a	n/a	69,250,676	1.082
2002	69,085,922	n/a	n/a	n/a	69,238,246	1.147
2003	70,367,524	n/a	n/a	n/a	78,021,425	1.408
2004	70,947,790	n/a	n/a	n/a	78,797,450	1.457
2005	72,146,105	n/a	n/a	n/a	110,581,631	1.420
2006	72,527,414	n/a	n/a	n/a	130,729,838	1.457
2007	73,472,301	n/a	n/a	n/a	191,833,684	1.471
2008	202,947,669	n/a	n/a	n/a	196,172,249	0.545
2009	198,952,981	n/a	n/a	n/a	187,362,785	0.577
2010	194,789,377	n/a	n/a	n/a	201,671,353	0.611

Source: Municipal Tax Assessor

Note: Real property is required to be assessed at some percentage of true value (fair or market value) established by each county board of taxation. Reassessment occurs when the County Board of Taxation requests Treasury to order a reassessment.

<sup>a</sup> Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies

<sup>b</sup> Tax rates are per \$100

BASS RIVER TOWNSHIP SCHOOL DISTRICT  
DIRECT AND OVERLAPPING PROPERTY TAX RATES  
LAST TEN FISCAL YEARS  
(rate per \$100 of assessed value)

Fiscal Year Ending June 30,	Bass River Township School District Direct Rate			Overlapping Rates			Total Direct and Overlapping Tax Rate
	Basic Rate <sup>a</sup>	General Obligation Debt Service <sup>b</sup>	(From J-6) Total Direct School Tax Rate	Township of Bass River	Burlington County	Pinelands Regional School District	
2002	\$ 1.062	\$ 0.085	\$ 1.147	\$ 0.132	\$ 0.601	\$ 0.946	\$ 2.826
2003	1.327	0.081	1.408	0.132	0.567	1.080	3.187
2004	1.380	0.077	1.457	-	0.606	1.116	3.179
2005	1.348	0.072	1.420	-	0.701	1.139	3.260
2006	1.387	0.070	1.457	-	0.798	0.999	3.254
2007	1.401	0.070	1.471	-	1.003	0.996	3.470
2008	0.545	-	0.545	0.011	0.377	0.404	1.337
2009	0.577	-	0.577	0.012	0.353	0.433	1.375
2010	0.611	-	0.611	0.042	0.394	0.479	1.526
2011	0.621	-	0.621	0.041	0.376	0.474	1.512

Source: Municipal Tax Collector

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

<sup>a</sup> The district's basic tax rate is calculated from the A4F form which is submitted with the budget and the Net valuation taxable.

<sup>b</sup> Rates for debt service are based on each year's requirements.

BASS RIVER TOWNSHIP SCHOOL DISTRICT  
PRINCIPAL PROPERTY TAXPAYERS  
CURRENT YEAR AND TEN YEARS AGO

	2010			2000		
	Taxable Assesseed Value	Rank	% of Total District Net Assessed Value	Taxable Assesseed Value	Rank	% of Total District Net Assessed Value
Taxpayer 1	\$ -		0.00%	\$ -		0.00%
Taxpayer 2	\$ -		0.00%	\$ -		0.00%
Taxpayer 3	\$ -		0.00%	\$ -		0.00%
Taxpayer 4	\$ -		0.00%	\$ -		0.00%
Taxpayer 5	\$ -		0.00%	\$ -		0.00%
Taxpayer 6	\$ -		0.00%	\$ -		0.00%
Taxpayer 7	\$ -		0.00%	\$ -		0.00%
Taxpayer 8	\$ -		0.00%	\$ -		0.00%
Taxpayer 9	\$ -		0.00%	\$ -		0.00%
Taxpayer 10	\$ -		0.00%	\$ -		0.00%
Total	\$ -		0.00%	\$ -		0.00%

Source: Municipal Tax Assessor

BASS RIVER TOWNSHIP SCHOOL DISTRICT  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Taxes Levied for</u> <u>the Fiscal Year</u>	<u>Collected within the Fiscal Year</u> <u>of the Levy<sup>a</sup></u>		<u>Collections in</u> <u>Subsequent Years</u>
		<u>Amount</u>	<u>Percentage</u> <u>of Levy</u>	
2001	\$ 1,825,123	\$ 1,623,042	88.93%	n/a
2002	2,011,146	1,869,336	92.95%	n/a
2003	2,272,642	2,090,824	92.00%	n/a
2004	2,283,730	2,138,630	93.65%	n/a
2005	2,382,678	2,208,447	92.69%	n/a
2006	2,405,076	2,281,897	94.88%	n/a
2007	2,585,501	2,449,045	94.72%	n/a
2008	2,716,927	2,530,476	93.14%	n/a
2009	2,735,750	2,535,748	92.69%	n/a
2010	2,985,799	2,811,748	94.17%	n/a

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

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

BASS RIVER TOWNSHIP SCHOOL DISTRICT  
RATIOS OF OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS

Fiscal Year Ending June 30,	Governmental Activities				Business-Type Activities		Total District	Percentage of Personal Income <sup>a</sup>	Per Capita <sup>a</sup>
	General Obligation Bonds <sup>b</sup>	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases				
2002	\$ 553,000	\$ -	\$ -	\$ -	\$ -	\$ 553,000	n/a	\$ 354	
2003	453,000	-	-	-	-	453,000	n/a	290	
2004	353,000	-	-	-	-	353,000	n/a	226	
2005	253,000	-	-	-	-	253,000	n/a	162	
2006	153,000	-	-	-	-	153,000	n/a	98	
2007	53,000	-	-	-	-	53,000	n/a	34	
2008	-	-	-	-	-	-	n/a	-	
2009	-	-	-	-	-	-	n/a	-	
2010	-	-	-	-	-	-	n/a	-	
2011	-	-	-	-	-	-	n/a	-	

Note: Details regarding the district's outstanding debt can be found in the Notes to the Financial Statements.

<sup>a</sup> 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.

<sup>b</sup> Includes Early Retirement Incentive Plan (ERIP) refunding.

BASS RIVER TOWNSHIP SCHOOL DISTRICT  
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING  
LAST TEN FISCAL YEARS

Fiscal Year Ending June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value <sup>a</sup> of Property	Per Capita <sup>b</sup>
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2002	\$ 553,000	\$ -	\$ 553,000	0.79%	\$ 359
2003	453,000	-	453,000	0.64%	290
2004	353,000	-	353,000	0.50%	226
2005	253,000	-	253,000	0.35%	162
2006	153,000	-	153,000	0.21%	98
2007	53,000	-	53,000	0.07%	34
2008	-	-	-	0.00%	-
2009	-	-	-	0.00%	-
2010	-	-	-	0.00%	-
2011	-	-	-	0.00%	-

Note: Details regarding the district's outstanding debt can be found in the Notes to the Financial Statements.

<sup>a</sup> See Exhibit NJ J-6 for property tax data.

<sup>b</sup> Population data can be found in Exhibit NJ J-14.

BASS RIVER TOWNSHIP SCHOOL DISTRICT  
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
AS OF JUNE 30, 2011

	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable<sup>a</sup></u>	<u>Estimated Share of Overlapping Debt</u>
<b><u>Governmental Unit</u></b>			
Debt repaid with property taxes			
Bass River Township	\$ 368,748	100.00%	\$ 368,748
Burlington County General Obligation Debt	379,858,498	0.39%	1,481,448
Regional School Debt - Township's share	643,750	100.00%	<u>643,750</u>
Subtotal, overlapping debt			2,493,946
			<u>-</u>
<b>Total direct and overlapping debt</b>			<u><u>\$ 2,493,946</u></u>

Sources: Assessed value data used to estimate applicable percentages provided by the Burlington County Board of Taxation. Debt outstanding data provided by each governmental unit.

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

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

BASS RIVER TOWNSHIP SCHOOL DISTRICT  
 LEGAL DEBT MARGIN INFORMATION  
 LAST TEN FISCAL YEARS

Legal Debt Margin Calculation for Fiscal Year 2011

	<u>Equalized Valuation Basis</u>
2010	\$ 189,944,352
2009	203,109,558
2008	<u>188,264,489</u>
	<u>\$ 581,318,399</u>
Average equalized valuation of taxable property	\$ 193,772,800
Debt limit (2.5% of average equalization value)	4,844,320
Total Net Debt Applicable to Limit	-
Legal debt margin	<u>\$ 4,844,320</u>

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Debt limit	\$ 2,147,178	\$ 2,178,173	\$ 2,308,999	\$ 2,723,254	\$ 2,703,174	\$ 3,377,435	\$ 4,086,104	\$ 4,588,380	\$ 4,860,064	\$ 4,844,320
Total net debt applicable to limit	553,000	453,000	353,000	253,000	153,000	53,000	-	-	-	-
Legal debt margin	<u>\$ 1,594,178</u>	<u>\$ 1,725,173</u>	<u>\$ 1,955,999</u>	<u>\$ 2,470,254</u>	<u>\$ 2,550,174</u>	<u>\$ 3,324,435</u>	<u>\$ 4,086,104</u>	<u>\$ 4,588,380</u>	<u>\$ 4,860,064</u>	<u>\$ 4,844,320</u>
Total net debt applicable to limit as a percentage of debt limit	25.75%	20.80%	15.29%	9.29%	5.66%	1.57%	0.00%	0.00%	0.00%	0.00%

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

<sup>a</sup> Limit set by NJSA 18A:24-19 for a K through 12 district; other % limits would be applicable for other district types.

BASS RIVERTOWNSHIP SCHOOL DISTRICT  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN FISCAL YEARS

Year	Population <sup>a</sup>	Personal Income <sup>b</sup>	Per Capita Personal Income <sup>c</sup>	Unemployment Rate <sup>d</sup>
2000	\$ 1,510	n/a	\$ 29,017	3.30%
2001	1,514	n/a	32,860	3.60%
2002	1,528	n/a	34,683	5.30%
2003	1,546	n/a	36,513	5.20%
2004	1,553	n/a	37,105	4.80%
2005	1,549	n/a	38,575	3.70%
2006	1,559	n/a	40,520	4.10%
2007	1,547	n/a	42,398	3.70%
2008	1,510	n/a	44,077	5.10%
2009	1,511	n/a	46,584	8.70%

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

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

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

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

BASS RIVER TOWNSHIP SCHOOL DISTRICT  
PRINCIPAL EMPLOYERS  
CURRENT YEAR AND TEN YEARS AGO

Employer	2011			2001		
	Employees	Rank	Percentage of Total Municipal Employment	Employees	Rank	Percentage of Total Municipal Employment
N/A	-	1	0.00%	-	1	0.00%
N/A	-	2	0.00%	-	2	0.00%
N/A	-	3	0.00%	-	3	0.00%
N/A	-	4	0.00%	-	4	0.00%
N/A	-	5	0.00%	-	5	0.00%
N/A	-	6	0.00%	-	6	0.00%
N/A	-	7	0.00%	-	7	0.00%
N/A	-	8	0.00%	-	8	0.00%
N/A	-	9	0.00%	-	9	0.00%
N/A	-	10	0.00%	-	10	0.00%
	<u>-</u>		<u>0.00%</u>	<u>-</u>		<u>0.00%</u>

Source:

BASS RIVER TOWNSHIP SCHOOL DISTRICT  
 FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM  
 LAST TEN FISCAL YEARS

<u>Function/Program</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Instruction:										
Regular	12.7	12.7	12.1	11.9	11.9	11.9	11.4	11.4	11.4	11.4
Special Education	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Other special education	0.4	0.4	0.4	0.6	0.6	0.6	0.8	0.8	0.8	0.8
Vocational	-	-	-	-	-	-	-	-	-	-
Other instruction	-	-	-	-	-	-	-	-	-	-
Nonpublic school programs	-	-	-	-	-	-	-	-	-	-
Adult/continuing education programs	-	-	-	-	-	-	-	-	-	-
Support Services:										
Student & instruction related services	4.0	4.4	5.0	5.0	4.2	4.2	3.4	4.2	3.2	3.2
General administrative services	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.7	1.7	1.7
School administrative services	4.0	3.5	3.5	3.5	3.5	3.5	2.0	2.0	2.0	2.0
Other administrative services	-	-	-	-	-	-	-	-	-	-
Central services	-	-	-	-	-	-	-	-	-	-
Admin. information technology	-	-	-	-	-	-	-	-	-	-
Plant operations & maintenance	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5
Pupil transportation	-	-	-	-	-	-	-	-	-	-
Other support services	2.0	2.0	2.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Special Schools	-	-	-	-	-	-	-	-	-	-
Food Service	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6	-	-
Child Care	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>31.2</b>	<b>31.1</b>	<b>31.1</b>	<b>30.1</b>	<b>29.3</b>	<b>29.3</b>	<b>26.7</b>	<b>28.2</b>	<b>25.6</b>	<b>25.6</b>

Source: District Personnel Records.

BASS RIVER TOWNSHIP SCHOOL DISTRICT  
 OPERATING STATISTICS  
 LAST TEN FISCAL YEARS

Fiscal Year	Enrollment	Operating Expenditures <sup>a</sup>	Cost Per Pupil	Percentage Change	Teaching Staff <sup>b</sup>	Pupil/Teacher Ratio			Average Daily Enrollment (ADE) <sup>c</sup>	Average Daily Attendance (ADA) <sup>c</sup>	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School	Senior High School				
2002	150	1,931,596	12,877	11.14%	23	1:21	n/a	n/a	147.2	139.5	-5.46%	94.77%
2003	150	1,811,940	12,080	-6.60%	19	1:19	n/a	n/a	149.9	131.9	1.83%	87.99%
2004	135	1,755,331	13,002	7.10%	20	1:17	n/a	n/a	124.0	116.0	-17.28%	93.55%
2005	129	1,815,125	14,071	7.59%	20	1:16	n/a	n/a	128.0	120.0	3.23%	93.75%
2006	135	2,085,885	15,451	9.80%	20	1:17	n/a	n/a	134.9	124.8	5.39%	92.51%
2007	131	2,282,015	17,420	11.30%	20	1:16	n/a	n/a	129.0	119.0	3.70%	92.30%
2008	127	2,106,985	16,590	-5.00%	20	1:16	n/a	n/a	127.0	116.0	-1.55%	91.34%
2009	126	2,198,490	17,448	5.17%	20	1:16	n/a	n/a	107.0	101.3	-15.74%	91.34%
2010	125	2,213,436	17,707	8.00%	18	1:08	n/a	n/a	127.7	120.0	-18.80%	93.75%
2011	121	2,121,954	17,537	0.00%	18	0:00	n/a	n/a	119.5	113.5	0.00%	0.00%

Sources: District records.

Note: Enrollment based on annual October district count.

<sup>a</sup> Operating expenditures equal total expenditures less debt service and capital outlay.

<sup>b</sup> Teaching staff includes only full-time equivalents of certificated staff.

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

BASS RIVER TOWNSHIP SCHOOL DISTRICT  
 SCHOOL BUILDING INFORMATION  
 LAST TEN FISCAL YEARS

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>District Building</b>										
<u>Bass River Township Elementary School</u>										
Square Feet	45,299	45,299	45,299	45,299	45,299	45,299	45,299	45,299	45,299	45,299
Capacity (students)	205	205	205	205	205	205	205	205	205	205
Enrollment	150	150	135	129	135	131	127	126	119	121

Number of Schools at June 30, 2011:

- Elementary = 1
- Middle School = 0
- High School = 0

Source: District Facilities Office

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

BASS RIVER TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF REQUIRED MAINTENANCE  
LAST TEN FISCAL YEARS

<u>*School Facilities</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>Total</u>
Bass River Township Elementary School	60,346	15,434	10,823	14,001	14,842	16,735	31,393	72,044	31,488	21,812	\$ 288,918
Total School Facilities	<u>60,346</u>	<u>15,434</u>	<u>10,823</u>	<u>14,001</u>	<u>14,842</u>	<u>16,735</u>	<u>31,393</u>	<u>72,044</u>	<u>31,488</u>	<u>21,812</u>	<u>\$ 288,918</u>

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

Source: District records.

BASS RIVER TOWNSHIP SCHOOL DISTRICT  
INSURANCE SCHEDULE  
JUNE 30, 2011

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy - Utica Mutual Ins. Co.		
Property - Blanket Building & Contents	\$5,049,905.00	1,000
Commercial General Liability		
General Aggregate	3,000,000.00	N/A
Products & Completed Operations Aggreg.	3,000,000.00	N/A
Personal & Advertising Injury	1,000,000.00	N/A
Each Occurrence	1,000,000.00	N/A
Fire Damage (Any one Fire)	300,000.00	N/A
Medical Expense ( Any one Person)	10,000.00	N/A
Professional Liability	1,000,000.00	500
Comprehensive Automobile Liability		
Hired & Non Owned Only	1,000,000.00	25
Commercial Crime Policy		
Money-All Risk In/Out	50,000.00	N/A
Computer & Scheduled Equipment -		
Utica National Ins. Group - Commercial Inland Marine		
Computers	32,500.00	250
Commercial Articles	3,750.00	250
Boiler & Machinery - Hartford Stm. Boiler		
Boiler & machinery	No limit	500
Business Interruption	12 months	500
Extra Expense	12 months	500
Umbrella Liability - Commercial Umbrella Excess		
Umbrella Policy		
Liability Limit	2,000,000.00	N/A
Annual Aggregate	2,000,000.00	N/A
Retained Limit	10,000.00	N/A
Public Employee's Fidelity Bonds -		
Utica National Ins. Group		
Board Secretary	100,000.00	N/A
Treasurer of School Monies	180,000.00	N/A
Blanket Employee Dishonesty Bond	50,000.00	100
Workers Compensation - Utica Mutual Ins. Co.		
Each Accident	2,000,000.00	N/A
Disease-Policy Limit	2,000,000.00	N/A
Disease-Each Employee	2,000,000.00	N/A
Workers Comp. Suppl.- Utica Mutual Ins. Co.		
Employee Liability	100%	N/A

**SINGLE AUDIT SECTION**

# GROSS & COMPANY, LLC

Certified Public Accountant  
Registered Municipal Accountant  
Public School Accountant

Michael P. Gross, RMA, CPA, PSA

---

Phone: 609/494-2197  
Fax: 609/494-7054

P.O.Box 508  
105 East 16th Street  
Ship Bottom, NJ 08008

Joseph J. Gross, CPA, RMA

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  
Bass River Township School District  
County of Burlington  
New Gretna, New Jersey

I have audited the financial statements of the Board of Education of the Bass River Township School District, in the County of Burlington, State of New Jersey, as of and for the fiscal year ended June 30, 2011, and have issued my report thereon dated December 1, 2011. I conducted my audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Division of Finance and Regulatory Compliance, Department of Education, State of New Jersey.

### Internal Control Over Financial Reporting

In planning and performing my audit, I considered the Bass River Township Board of Education's internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Bass River Township Board of Education's internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of the Bass River Township Board of Education's internal control over financial reporting.

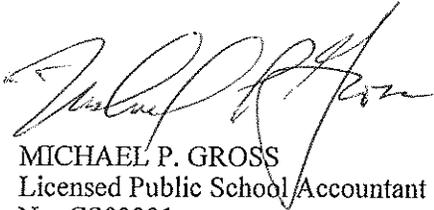
A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination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

My consideration of the 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. I did not identify any deficiencies in internal control over financial reporting that I consider to be material weaknesses, as defined above.

### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Bass River Township Board of Education's financial statements are free of material misstatement, I 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 my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Division of Finance and Regulatory Compliance, Department of Education, State of New Jersey.

This report is intended solely for the information and use of management, the Bass River Township Board of Education, others within the entity, 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.



MICHAEL P. GROSS  
Licensed Public School Accountant  
No. CS02231  
Gross & Company, LLC

December 1, 2011

# GROSS & COMPANY, LLC

Certified Public Accountants  
Registered Municipal Accountant  
Public School Accountant

Michael P. Gross, RMA, CPA, PSA

Phone: 609/494-2197  
Fax: 609/494-7054

P.O.Box 508  
105 East 16th Street  
Ship Bottom, NJ 08008

Joseph J. Gross, CPA,RMA

Exhibit K-2

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 NEW JERSEY OMB CIRCULAR 04-04

The Honorable President and  
Members of the Board of Education  
Bass River Township School District  
County of Burlington  
New Gretna, New Jersey

## Compliance

I have audited the Board of Education of the Bass River Township School District's, in the County of Burlington, State of New Jersey, compliance with the types of compliance requirements described in the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the Bass River Township Board of Education's major state programs for the fiscal year ended June 30, 2011. The Bass River Township Board of Education's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major state programs is the responsibility of the Bass River Township Board of Education's management. My responsibility is to express an opinion on the Bass River Township Board of Education's compliance based on my audit.

I conducted my 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; and New Jersey OMB's Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards, New Jersey OMB's Circular 04-04, require that I 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 state program occurred. An audit includes examining, on a test basis, evidence about the Bass River Township Board of Education's compliance with those requirements and performing such other procedures as I considered necessary in the circumstances. I believe that my audit provides a reasonable basis for my opinion. My audit does not provide a legal determination of the Bass River Township Board of Education's compliance with those requirements.

In my opinion, the Board of Education of the Bass River Township School District, in the County of Burlington, State of New Jersey, complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the fiscal year ended June 30, 2011.

### Internal Control Over Compliance

The management of the Board of Education of the Bass River Township School District is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to state programs. In planning and performing my audit, I considered the Bass River Township Board of Education's internal control over compliance with the requirements that could have a direct and material effect on a major state program to determine the auditing procedures for the purpose of expressing my opinion on compliance and to test and report on internal control over compliance in accordance with 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, I do not express an opinion on the effectiveness of the Bass River Township Board of Education's internal control over compliance.

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

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

This report is intended solely for the information and use of management, the Bass River Township Board of Education, others within the entity, 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.

  
MICHAEL P. GROSS  
Licensed Public School Accountant  
No. CS02231  
Gross & Company, LLC

December 1, 2011

BASS RIVER TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
SCHEDULE A  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

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, 2009	Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Year's Balances	Balance at June 30, 2010		
				From	To							Accounts Receivable	Deferred Revenue	Due To Grantor
<b>U.S. Department of Education</b>														
<b>General Fund:</b>														
ARRA -SFSF-ESF (Educ. State Grants)	84.394	ARRA 2010	102,944.00	9/1/09	8/31/10	-	-	102,944.00	(102,944.00)	-	-	-	-	-
ARRA -SFSF-GSF (Gov't. Services)	84.397	ARRA 2010	3,985.00	9/1/09	8/31/10	-	-	3,985.00	(3,985.00)	-	-	-	-	-
<b>Total General Fund</b>						-	-	<b>106,929.00</b>	<b>(106,929.00)</b>	-	-	-	-	-
<b>Passed-through State Dept. of Education</b>														
<b>Special Revenue Fund:</b>														
Title I, Part A	84.010A	NCLB 2010	\$ 15,593.00	9/1/09	8/31/10	\$ -	-	4,879.00	(15,593.00)	-	-	(10,714.00)	-	-
Title I, Part A	84.010A	NCLB 2009	16,866.00	9/1/08	8/31/09	(11,746.00)	-	11,746.00	-	-	-	-	-	-
Title I, Part A	84.389	ARRA 2010	3,955.00	9/1/09	8/31/10	-	-	-	(3,955.00)	-	-	(3,955.00)	-	-
Title II, Part A Teacher & Principal	84.281A	NCLB 2010	5,492.00	9/1/09	8/31/10	-	-	570.00	(5,492.00)	-	-	(4,922.00)	-	-
Title II, Part A Teacher & Principal	84.281A	NCLB 2009	5,515.00	9/1/08	8/31/09	(4,541.00)	-	-	-	-	-	(4,541.00)	-	-
Title II Part D Technology	84.281A	NCLB 2010	155.00	9/1/09	8/31/10	-	-	-	(155.00)	-	-	(155.00)	-	-
Title II Part D Technology	84.281	NCLB 2009	142.00	9/1/08	8/31/09	(142.00)	-	142.00	-	-	-	-	-	-
Title IV Safe & Drug Free Schools	84.168A	NCLB 2010	344.00	9/1/09	8/31/10	-	-	-	(344.00)	-	-	(344.00)	-	-
Title IV Safe & Drug Free Schools	84.168A	NCLB 2009	383.00	9/1/08	8/31/09	(383.00)	-	383.00	-	-	-	-	-	-
I.D.E.A. Part B, Basic Regular	84.027	FT 09	45,617.00	9/1/08	8/31/09	(17,908.00)	-	17,908.00	-	-	-	-	-	-
I.D.E.A. Part B, Preschool	84.173	FT 10	3,135.00	9/1/09	8/31/10	-	-	-	(3,135.00)	-	-	(3,135.00)	-	-
I.D.E.A. Part B, Preschool	84.392	ARRA 2010	947.00	9/1/09	8/31/10	-	-	-	(947.00)	-	-	(947.00)	-	-
I.D.E.A. Part B, Preschool	84.173	FT 09	3,144.00	9/1/08	8/31/09	(3,144.00)	-	3,144.00	-	-	-	-	-	-
ESEA Title VI Part B (REAP)	84.298	ESEA 10	19,081.00	9/1/09	8/31/10	-	-	19,081.00	(19,081.00)	-	-	-	-	-
<b>Total Special Revenue Fund</b>						<b>(37,864.00)</b>	-	<b>57,853.00</b>	<b>(48,702.00)</b>	-	-	<b>(28,713.00)</b>	-	-
<b>U. S. Department of Agriculture</b>														
<b>Passed-through State Dept. of Education</b>														
<b>Enterprise Fund:</b>														
National School Lunch Program	10.555	N/A	10,685.00	7/1/08	6/30/09	(909.00)	-	909.00	-	-	-	-	-	-
National School Breakfast Program	10.553	N/A	1,779.00	7/1/08	6/30/09	(75.00)	-	75.00	-	-	-	-	-	-
<b>Total Enterprise Fund</b>						<b>(984.00)</b>	-	<b>984.00</b>	-	-	-	-	-	-
<b>Total Federal Financial Awards</b>						<b>\$ (38,848.00)</b>	-	<b>165,766.00</b>	<b>(155,631.00)</b>	-	-	<b>(28,713.00)</b>	-	-

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

BASS RIVER TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
SCHEDULE B  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period		Balance, at June 30, 2009			Cash Received	Budgetary Expenditures	Adjustments/ Repayment of Prior Year's Balances	Balance, at June 30, 2010			MEMO	
			From	To	Deferred Revenue (Accounts Receivable)	Due to Grantor	Carryover/ (Walkover) Amount				(Accounts Receivable)	Deferred Revenue/ Interfund Payable	Due To Grantor	Budgetary Receivable	Cumulative Total Expenditures
<b>State Department of Education</b>															
<b>General Fund:</b>															
Equalization Aid	10-495-034-5120-078	\$482,386.00	7/1/09	6/30/10	\$ -	-	-	482,386.00	(482,386.00)	-	-	-	-	-	-
Transportation Aid	10-495-034-5120-014	30,794.00	7/1/09	6/30/10	-	-	-	30,794.00	(30,794.00)	-	-	-	-	70,809.00	482,386.00
Special Education Categorical Aid	10-495-034-5120-089	61,348.00	7/1/09	6/30/10	-	-	-	61,348.00	(61,348.00)	-	-	-	-	5,700.00	30,794.00
Security Aid	10-495-034-5120-084	12,489.00	7/1/09	6/30/10	-	-	-	12,489.00	(12,489.00)	-	-	-	-	7,371.00	61,348.00
Adjustment Aid	10-495-034-5120-085	191,283.00	7/1/09	6/30/10	-	-	-	191,283.00	(191,283.00)	-	-	-	-	1,501.00	12,489.00
Extraordinary Special Education Aid	10-100-034-5120-473	8,550.00	7/1/09	6/30/10	-	-	-	8,550.00	(8,550.00)	-	-	-	-	11,405.00	191,283.00
On Behalf TPAF pension contrib.	10-495-034-5095-006	59,999.00	7/1/09	6/30/10	-	-	-	59,999.00	(59,999.00)	-	-	-	-	8,550.00	-
Reimbursed TPAF social sec. contr.	10-495-034-5095-002	68,427.00	7/1/09	6/30/10	-	-	-	68,427.00	(68,427.00)	-	-	-	-	-	65,189.00
Reimbursed TPAF social sec. contr.	09-495-034-5095-002	70,053.00	7/1/08	6/30/09	(3,537.00)	-	-	3,537.00	-	-	-	-	-	-	68,427.00
<b>Total General Fund</b>					<b>(3,537.00)</b>	<b>-</b>	<b>-</b>	<b>918,813.00</b>	<b>(915,276.00)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>103,336.00</b>	<b>981,969.00</b>
<b>State Department of Agriculture</b>															
<b>Enterprise Fund:</b>															
National School Breakfast Program (State Share)	09-100-010-3350-021	267.00	7/1/08	6/30/09	(16.00)	-	-	16.00	-	-	-	-	-	-	267.00
National School Lunch Program (State Share)	09-100-010-3350-023	693.00	7/1/08	6/30/09	(56.00)	-	-	56.00	-	-	-	-	-	-	693.00
<b>Total Enterprise Fund</b>					<b>(72.00)</b>	<b>-</b>	<b>-</b>	<b>72.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>960.00</b>
<b>Total State Financial Assistance</b>					<b>\$ (3,609.00)</b>	<b>-</b>	<b>-</b>	<b>918,885.00</b>	<b>(915,276.00)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>103,336.00</b>	<b>982,929.00</b>

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

Bass River Township School District  
 Note to the Schedules of Financial Assistance  
 June 30, 2011

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, Bass River Township School District. The Board of Education is defined in Note 1(A) 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 are included on the schedule of expenditures of federal awards and state financial assistance.

NOTE 2. BASIS OF ACCOUNTING

The accompanying schedules of expenditures of awards and financial assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Notes 1(C) and 1(D) to the Board's 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 last state aid payment in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44.2. For GAAP purposes, that payment is not recognized until the subsequent budget year due to the state deferral and recording of the last state aid payment in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The special revenue fund also recognizes the last state aid payment in the current budget year, consistent with N.J.S.A. 18A:22-4.2.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$14,141.00 for the general fund and \$0.00 for the special revenue fund. See Note 1D (the Notes to Required Supplementary Information) for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$	1,046,523	\$ 1,046,523
Special Revenue Fund	165,739	2,398	168,137
Debt Service Fund			
Food Service Fund	<u>0</u>	<u>0</u>	<u>0</u>
Total Awards & Financial Assistance	<u>\$ 165,739</u>	<u>1,048,921</u>	<u>\$ 1,214,660</u>

Bass River Township School District  
Note to the Schedules of Financial Assistance  
June 30, 2011

NOTE 4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5. OTHER

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the District for the year ended June 30, 2011. TPAF Social Security Contributions represents the amount reimbursed by the state for employer's share of social security contributions for TPAF members for the year ended June 30, 2011.



BASS RIVER TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010  
(continued)

*Section I - Summary of Auditor's Results (cont'd.)*

State Awards

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

Auditee qualified as low-risk auditee?  X  yes   no

Internal Control over major programs:

1) Material weakness(es) identified?   yes  X  no

2) Significant deficiencies 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 Opinion

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>GMIS Number(s)</u>	<u>Name of State Program</u>
10-495-034-5120-078	Equalization Aid
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

BASS RIVER TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010  
(continued)

*Section II - Financial Statement Findings*

No matters were reported.

BASS RIVER TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010  
(continued)

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

FEDERAL AWARDS

No matters were reported.

BASS RIVER TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010  
(continued)

*Section III - Federal Awards and State Financial Assistance Findings and Questioned Costs (cont'd.)*

STATE AWARDS

No matters were reported.

BASS RIVER TOWNSHIP SCHOOL DISTRICT  
AUDIT YEAR ENDING JUNE 30, 2009  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No matters were reported.