

BLOOMSBURY BOROUGH SCHOOL
BOARD OF EDUCATION
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

COMPREHENSIVE ANNUAL
FINANCIAL REPORT

OF THE

BLOOMSBURY BOARD OF EDUCATION
BLOOMSBURY, NEW JERSEY
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Prepared by
BLOOMSBURY BOARD OF EDUCATION
DEPARTMENT OF ADMINISTRATION

**BLOOMSBURY BOROUGH SCHOOL DISTRICT
TABLE OF CONTENTS**

	<u>PAGE</u>
INTRODUCTORY SECTION	
Letter of Transmittal	2
Organizational Chart	3
Roster of Officials	4
Consultants and Advisors	5
FINANCIAL SECTION	
Independent Auditor's Report	7-8
Required Supplementary Information – Part I	
Management's Discussion and Analysis	10
Basic Financial Statements	
A. District-Wide Financial Statements:	
A-1 Statement of Net Assets	13
A-2 Statement of Activities	14
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 Fund 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
Notes to the Financial Statements	26-44
Required Supplementary Information – Part II	
C. Budgetary Comparison Schedules	
C-1 Budgetary Comparison Schedule-General Fund	47-52
C-1A Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual	53
C-1B Education Jobs Fund Program-Budget and Actual	53
C-2 Budgetary Comparison Schedule-Special Revenue Fund	54
Notes to the Required Supplementary Information:	
C-3 Budget-to-GAAP Reconciliation	56

**BLOOMSBURY BOROUGH SCHOOL DISTRICT
TABLE OF CONTENTS
(Continued)**

FINANCIAL SECTION (Continued)

PAGE

Other Supplemental Information

D.	School Level Schedule	N/A
E.	Special Revenue Fund:	
	E-1 Combining Schedule of Revenue and Expenditures Special Revenue Fund-Budgetary Basis	60
F.	Capital Projects Fund	N/A
G.	Proprietary Funds	
	Enterprise Fund:	
	G-1 Statement of Fund Net Assets	63
	G-2 Statement of Revenues, Expenses and Changes in Fund Net Assets	64
	G-3 Statement of Cash Flows	65
H.	Fiduciary Funds:	
	H-1 Combining Statement of Fiduciary Fund Net Assets	67
	H-2 Student Activity Agency Fund Statement of Changes in Assets and Liabilities	68
	H-3 Payroll Agency Fund Statement of Changes in Assets and Liabilities	69
I.	Long-Term Debt:	
	I-1 Schedule of Obligations Under Capital Leases	71

STATISTICAL SECTION (Unaudited)

Table of Contents		73
	J-1 Net Assets by Component	74
	J-2 Changes in Net Assets	75-77
	J-3 Fund Balances, Governmental Funds	78
	J-4 Changes in Fund Balances, Governmental Funds	79
	J-5 General Fund-Other Local Revenues by Source	80
	J-6 Assessed Value and Actual Value of Taxable Property	81
	J-7 Direct and Overlapping Property Tax Rates	82
	J-8 Principal Property Taxpayers	83
	J-9 Property Tax Levies and Collections	84
	J-10 Ratios of Outstanding Debt by Type	85
	J-11 Ratios of General Bonded Debt Outstanding	86
	J-12 Direct and Overlapping Governmental Activities Debt	87

**BLOOMSBURY BOROUGH SCHOOL DISTRICT
TABLE OF CONTENTS
(Continued)**

	<u>PAGE</u>
STATISTICAL SECTION (Unaudited)	
(Continued)	
Table of Contents (Cont'd)	
J-13 Legal Debt Margin Information	88
J-14 Demographic and Economic Statistics	89
J-15 Principal Employers	90
J-16 Full Time Equivalent District Employees by Function/Program	91
J-17 Operating Statistics	92
J-18 School Building Information	93
J-19 Required Maintenance	94
J-20 Insurance Schedule	95
SINGLE AUDIT SECTION	
K-1 Independent Auditors' 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	97-98
K-2 Independent Auditors' Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-33 and New Jersey OMB Circular 04-04	99-100
K-3 Schedule of Expenditures of Federal Awards, Schedule A	101
K-4 Schedule of Expenditures State Financial Assistance, Schedule B	102
K-5 Notes to the Schedules of Awards and Financial Assistance	103-104
K-6 Schedule of Findings and Questioned Costs	105-107
K-7 Summary Schedule of Prior Audit Findings	107

INTRODUCTORY SECTION

Bloomsbury Elementary School

20 MAIN STREET • BLOOMSBURY • NEW JERSEY • 08804

TELEPHONE: 908-479-4414 • FAX: 908-479-1631

Website: www.bburies.com



Michael Slattery
Chief School Administrator

Tim Mantz
Business Administrator/Board Secretary

October 21, 2011

Honorable President and
Members of the Board of Education
Borough of Bloomsbury School District
County of Hunterdon, New Jersey

Dear Board of Education Members:

The comprehensive annual financial report of the Borough of Bloomsbury School District for the fiscal year ended June 30, 2011, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Bloomsbury Board of Education. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of the 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, financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984 and The U.S. Office of Management of Budget Circular Letter 04-04, "Single Audit policy for Recipients of Federal Grants, State Grants and State Aid Payments." Information related to the single audit, including the auditor's report on the internal structure in compliance with applicable laws, regulations and findings and recommendations, is included in the single audit section of this report.

REPORTING ENTITY AND ITS SERVICES: Borough of Bloomsbury 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 Bloomsbury Board of education and all its schools constitute the District's reporting entity.

ECONOMIC CONDITION AND OUTLOOK: Bloomsbury Borough continues to be predominantly residential in nature with a few small businesses and one larger enterprise remaining (Union 76 Truck Stop) within its political boundaries. While surrounding townships are experiencing growth, prospects are slight for significant expansion of either residential or commercial development in Bloomsbury due to the Borough's small land area of .56 square miles. Thus the tax base for both municipal and school purposes remains relatively constant with the bulk of the taxes being paid by local residential property owners. Both the Board of Education and the municipal government have struggled over the past several years with providing quality services with limited fiscal resources. The 2011-2012 school budget passed.

MAJOR INITIATIVES:

During the 2010-2011 school year, we continued to make opportunities available for community and family members to participate during the school day. We focused on addressing the Standards specifically in the area of math in grades K-2.

The Board continued to revise and update its regulations and policies as a matter of priority.

Programs/Activities:

- Grades 6-8 continue to be departmentalized
- Violence Awareness Week and Red Ribbon Week took place in October
- Total inclusion of students in classrooms was practiced
- It was the eleventh year for School Choice students and the eleventh year for the Choice Student application process
- Professional development opportunities were designed around goals set forth by Professional Development Plans
- Professional learning communities focused on the areas of language arts and technology

FINANCIAL INFORMATION AT FISCAL YEAR END: As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet the responsibility of sound financial management.

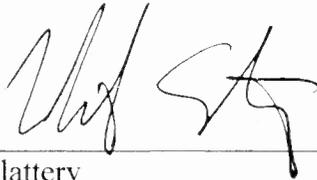
CASH MANAGEMENT: The inventory policy of the District is guided in large part by the State Statute as detailed in "Notes to the Financial Statement," Note 2. The District has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Units Deposit Protection Act (GUDPA). GUDPA was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where funds are secured in accordance with the Act.

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

OTHER INFORMATION: Independent audit – State Statutes requires an annual audit by independent certified accountants or registered municipal accountants. The accounting firm of William M. Colantano, Jr. was selected by the Board's finance committee. In addition to meeting the requirements set forth in State Statutes, the audit was also designed to meet the requirements of the Single Audit Act of 1984 and the related OMB Circular A-133 and State Treasury Circular Letter 04-04. The auditor's report on the general purpose financial statements and combining and individual fund statements related specifically to the Single Audit are included in the Single Audit section of this report.

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

Respectfully submitted,



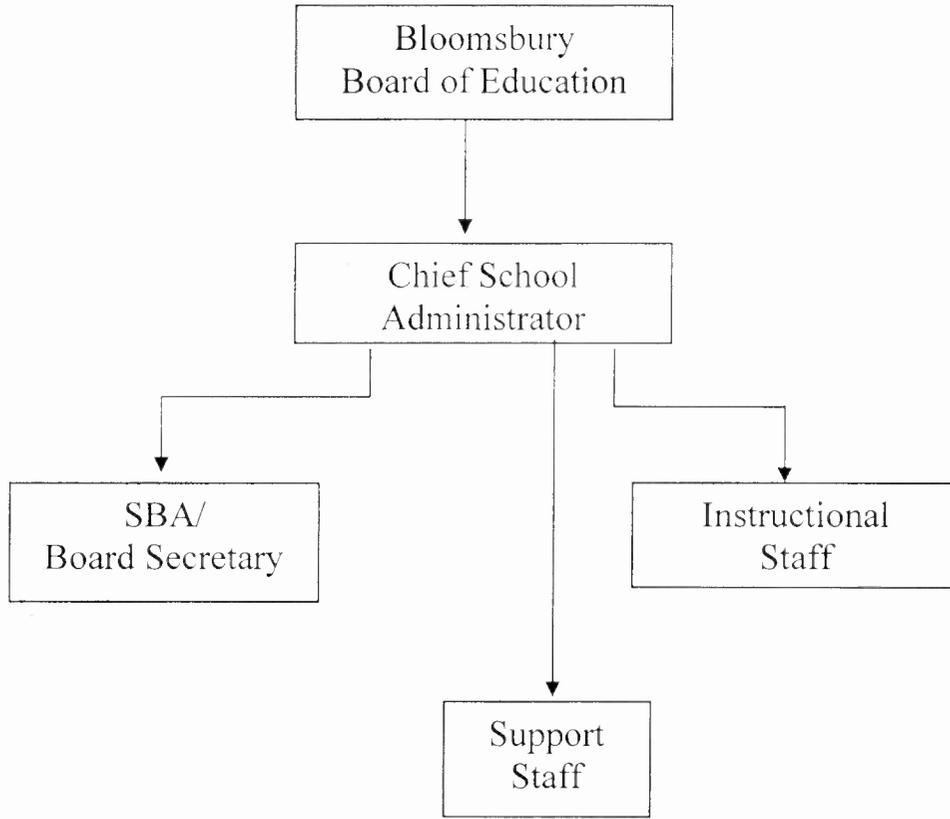
Michael Slattery
Chief School Administrator



Tim Mantz
Business Administrator/Board Secretary

Bloomsbury Board of Education

Organization Chart 2010-11



BLOOMSBURY BOROUGH SCHOOL DISTRICT
 BLOOMSBURY, NEW JERSEY
 JUNE 30, 2011

ROSTER OF OFFICIALS

Members of the Board of Education

Term Expires

Karyn Frey	President	2013
Marianne Treanor	Vice-President	2014
Marnie Carrick		2012
Mathew Hall		2013
Rebecca Petri		2012

Other Officials

Michael Slattery	Chief School Administrator
Timothy Mantz	School Business Administrator/Board Secretary

**BLOOMSBURY BOARD OF EDUCATION
Consultants and Advisors**

Audit Firm

William M. Colantano, Jr., CPA
100 Route 31 North
Washington, NJ 07882-1530

Attorney

Kalac, Barger & Bacigalupo
555 Route One South
Suite 100
Iselin, NJ 08830

Official Depository

PNC Bank
Bloomsbury, NJ 08804

FINANCIAL SECTION

Certified Public Accountant
Public School Accountant
Registered Municipal Accountant

100 Route 31 North
Washington, NJ 07882 - 1530
Fax # (908) 689-8388
(908) 689-5002

INDEPENDENT AUDITOR'S REPORT

October 21, 2011

Honorable President and
Members of the Board of Education
Bloomsbury Borough School District
County of Hunterdon, New Jersey

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Board of Education of the Bloomsbury Borough School District in the County of Hunterdon, 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 Bloomsbury Borough Board of Education management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

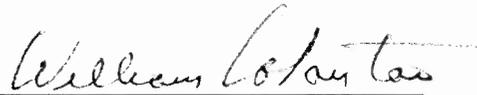
In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Bloomsbury Borough Board of Education in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

In accordance with Government Auditing Standards, we have also issued a report dated October 21, 2011 on our consideration of the Bloomsbury Borough Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

The Management Discussion and Analysis and Budgetary Comparison Information 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. We have applied certain limited procedures, which consisted principally of inquires of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was performed for the purpose of forming an opinion on the financial statements that collectively comprise the Bloomsbury Borough 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 our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

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



William M. Colantano, Jr.
Public School Accountant
No. CS 0128

REQUIRED SUPPLEMENTARY INFORMATION-PART I

**Bloomsbury Borough School District
Bloomsbury, New Jersey
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
UNAUDITED**

10.0

The discussion and analysis of the Bloomsbury Borough School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2011. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the basic financial statements and notes to enhance their understanding of the School District's financial performance.

Financial Highlights

Key financial highlights for fiscal year 2011 are as follows:

- In total, net assets increased \$277,756 which represents a 31.35% increase from 2010.
- General revenues accounted for \$2,657,308; 91.76% percent of all revenues. Program specific revenues in the form of operating grants and contributions, charges for services, and capital grants and contributions accounted for \$238,659, 8.24% percent of the total revenues of \$2,895,967.
- Total assets increased by \$218,160 as cash and cash equivalents increased by \$220,359 receivables and other assets, decreased by \$56,004, and capital assets increased by \$53,805.
- The school district had \$2,618,211 in total expenses; \$220,359 of these expenses were offset by program specific charges, grants or contributions. General revenues (primarily taxes) of \$2,657,308 were adequate to provide for these expenses.
- Among governmental funds, the General Fund had \$2,691,497 in revenues and \$2,442,075 in expenditures. The General Fund's balance increased \$249,422 from fiscal year 2010. This increase was anticipated by the Board of Education.

Using this Generally Accepted Accounting Principals Report (GAAP) and Other Financing Sources

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

The Statement of Net Assets and Statement of Activities provide information about the activities of the whole School district, presenting both an aggregate view of the School district's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending.

The fund financial statements also look at the School district's most significant funds with all other non-major funds presented in total in one column. In the case of The Bloomsbury Borough School District, the General Fund is by far the most significant fund.

Reporting the School District as a Whole Statement of Net Assets and the Statement of Activities

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks the questions, "How did we do financially in 2011?" The Statement of Net Assets and the Statement of Activities answers this question. These statements include all assets and liabilities using the accrual basis of accounting, similar to the accounting used by most private-sector businesses. This basis of accounting takes into consideration all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the School District's net assets and changes in those assets. This change in net assets is important because it tells the reader that, for the school district as a whole, the financial position of the school district has improved or diminished. The changes may be the result of many factors, some financial and some not. Non-financial factors include the School District's property tax base, current laws in New Jersey restricting revenue growth, facility condition, required educational programs, and other factors.

In the Statement of Net Assets and the Statement of Activities the School District is divided into two distinct kinds of activities. Governmental activities are the activities where most of the School District's programs and services are reported including, but not limited to, instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities.

Reporting the School District's Most Significant Funds

Fund Financial Statements

The analysis of the School District's major funds begins on page 16. Fund financial reports provide detailed information about the School District's major funds. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the school district's most significant funds. The School District's major governmental funds are the General Fund, Special Revenue Fund, Capital Projects Fund and Debt Service Fund.

Governmental Funds

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

The School District as a Whole

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

Table 1 provides a summary of the District's net assets at 6/30/2011 with comparisons to 6/30/2010.

TABLE 1
NET ASSETS

	6/30/2011	6/30/2010	Variance	
			Dollars	Percentage
ASSETS				
Current & Other Assets	\$ 881,750	\$ 717,395	\$ 164,355	22.91
Capital Assets	401,962	348,157	53,805	15.45
Total Assets	1,283,712	1,065,552	218,160	20.47
LIABILITIES				
Long Term Liabilities	88,740	78,302	10,438	13.33
Other Liabilities	31,118	101,152	(70,034)	(69.24)
Total Liabilities	119,858	179,454	(59,596)	(33.21)

NET ASSETS

Invested in Capital Assets, Net of Related Debt	392,420	329,538	62,882	19.08
Restricted	178,445	54,127	124,318	229.68
Unrestricted	592,989	502,433	90,556	18.02
	<u>\$ 1,163,854</u>	<u>\$ 886,098</u>	<u>\$ 277,756</u>	31.35

Table 2 provides a summary of the District's changes in net assets in fiscal year ending 6/30/2011 with comparisons to 6/30/2010.

CHANGES IN NET ASSETS

	6/30/2011	6/30/2010	Variance	
			Dollars	Percentage
REVENUES				
Program Revenues:				
Charges for Services	\$ 82,502	\$ 44,047	\$ 38,455	87.30
Operating Grants and Contributions	156,157	69,779	86,378	123.79
Capital Grants and Contributions		(3,536)	3,536	(100.00)
General Revenues:				
Property Taxes	1,526,773	1,526,773	-	0.00
Grants and Entitlements	1,121,215	1,226,325	(105,110)	(8.57)
Other	9,320	3,783	5,537	146.37
Total Revenues	<u>2,895,967</u>	<u>2,867,171</u>	<u>28,796</u>	1.00
PROGRAM EXPENSES				
Instruction:				
Regular	1,111,022	1,167,093	(56,071)	(4.80)
Special	225,381	139,276	86,105	61.82
Other	23,673	22,309	1,364	6.11
Support Services:				
Tuition	439,934	412,176	27,758	6.73
Student & Instructional Staff	251,082	189,938	61,144	32.19
General & Business Administration	195,234	194,047	1,187	0.61
School Administration	84,871	94,318	(9,447)	(10.02)
Maintenance	159,305	163,732	(4,427)	(2.70)
Transportation	68,276	87,583	(19,307)	(22.04)
Food Service	57,806	48,323	9,483	19.62
Interest on Long-Term Debt	1,627	1,395	232	16.63
Total Expenses	<u>2,618,211</u>	<u>2,520,190</u>	<u>98,021</u>	3.89
Increase (Decrease) in Net Assets	<u>\$ 277,756</u>	<u>\$ 346,981</u>	<u>\$ (69,225)</u>	(19.95)

* = Undefined

The unique nature of property taxes in New Jersey creates the need to routinely seek voter approval for the School District's operations. Property taxes made up 53.51% percent of revenues for governmental activities for the Bloomsbury Borough School District for fiscal year 2011.

Instruction comprises 70.30% percent of district expenses while support services comprised 29.70% percent of the total expenses.

Table 3 provides a summary of the School District's cost of governmental services in fiscal years ending 6/30/2011 and 6/30/2010.

TABLE 3
COST OF GOVERNMENTAL SERVICES

	TOTAL COST OF SERVICES		NET COST OF SERVICES	
	6/30/2011	6/30/2010	6/30/2011	6/30/2010
Instruction	\$ 1,360,076	\$ 1,328,678	\$ 1,224,649	\$ 1,306,715
Support Services:				
Tuition	439,934	412,176	401,798	373,387
Student & Instructional Staff	251,082	189,938	248,907	184,879
General & Business Administration	195,234	194,047	195,234	194,436
School Administration	84,871	94,318	84,871	94,496
Plant Operations & Maintenance	159,305	163,732	159,305	163,732
Pupil Transportation	68,276	87,583	47,944	87,583
Food Services	57,806	48,323	15,217	3,277
Interest on Long-Term Debt	1,627	1,395	1,627	1,395
	<u>\$ 2,618,211</u>	<u>\$ 2,520,190</u>	<u>\$ 2,379,552</u>	<u>\$ 2,409,900</u>

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

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

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

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

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

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

The dependence upon tax revenues is apparent. For all activities general revenue support is 53.51%. The community, as a whole, is the primary support for the Bloomsbury Borough School District.

The School District's Funds

Information about the School District's major funds begins on page 16. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$2,833,035 and expenditures of \$2,583,613. The net positive change in fund balance for the year was most significant in the General Fund, an increase of \$249,422.

General Fund Budgeting Highlights

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

During the course of the fiscal 2011 year, the School District amended its General Fund budget as needed. The School District uses program based budgeting and the budgeting systems are designed to tightly control program budgets but provide flexibility for program management.

For the General Fund, budget basis revenue and other financing sources was \$2,531,466, \$36,007 above original budgeted estimates of \$2,495,459. This difference was due primarily to increases in receiving tuition.

The General Fund revenues and other financing sources of the School District were above expenditures by approximately \$236,330.

Capital Assets

At the end of the fiscal year 2011, the School District had \$401,962 invested in land, buildings, furniture and equipment.

Table 4 provides a summary of the School District's capital assets net of depreciation at 6/30/2011 with comparisons to 6/30/2010.

CAPITAL ASSETS AT YEAR END (Net of Depreciation)

	6/30/2011	6/30/2010	VARIANCE	
			Dollars	Percentage
Land	\$ 79,200	\$ 79,200		
Land Improvements				*
Buildings & Improvements	263,315	250,790	\$ 12,525	4.99
Furniture & Equipment	59,447	18,167	41,280	227.23
	<u>\$ 401,962</u>	<u>\$ 348,157</u>	<u>\$ 53,805</u>	15.45

Overall capital assets increased \$53,805 from fiscal year 2010 to fiscal year 2011.

Debt Administration

At June 30, 2011, the District had \$88,740 as outstanding long-term liabilities. Of this amount, \$79,198 is for compensated absences and the balance of \$9,542 represents remaining principal on a capital lease for an energy lighting system.

Table 5
Long-term Liabilities at Year-end

	6/30/2011	6/30/2010	Variance	
			Dollars	Percentage
Obligations Under Capital Leases	\$ 9,542	\$ 18,619	\$ (9,077)	(48.75)
Compensated Absences	79,198	59,683	19,515	32.70
	<u>\$ 88,740</u>	<u>\$ 78,302</u>	<u>\$ 10,438</u>	13.33

At June 30, 2011, the District's overall legal debt limit was \$4,637,200 and the legal debt margin was \$4,637,200

For the Future

The Bloomsbury Borough School District is in very good financial condition presently. A major concern is the continued reliance on local property taxes. However, future finances are not without challenges as state funding decreased.

Bloomsbury Borough is primarily a residential community with very few ratables, thus the burden is focused in homeowners to foot the tax burden.

In conclusion, the Bloomsbury Borough School District has committed itself to financial excellence. The School District plans to continue its sound fiscal management to meet the challenges of the future.

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors, with a general overview of the School District's finances and to show the School District's accountability for the funds it receives. If you have questions about this report or need additional information, contact Timothy Mantz, School Business Administrator/Board Secretary, at the Bloomsbury Board of Education, 20 Main Street, Bloomsbury, NJ 08804 or email at tmantz@bburys.com.

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

The statement of net assets and the statement of activities display information about the District. These statements include the financial activities of the overall District, except for fiduciary activities.

Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the governmental and business-type activities of the District.

BLOOMSBURY BOROUGH SCHOOL DISTRICT
STATEMENT OF NET ASSETS
JUNE 30, 2011

	Govern- mental Activities	Business- Type Activities	Total
ASSETS			
Cash & Cash Equivalents	\$ 586,434	\$ 13,008	\$ 599,442
Internal Balances	(3,029)	3,029	
Receivables Net	102,163	651	102,814
Inventory		1,049	1,049
Restricted Assets:			
Cash & Cash Equivalents	178,445		178,445
Capital Assets (Note 4):			
Land	79,200		79,200
Capital Assets Being Depreciated, Net	321,205	1,557	322,762
Total Assets	<u>1,264,418</u>	<u>19,294</u>	<u>1,283,712</u>
LIABILITIES			
Deferred Revenue	30,580	538	31,118
Long-Term Liabilities (Note 5):			
Due Within One Year	9,542		9,542
Due Beyond One Year	79,198		79,198
Total Liabilities	<u>119,320</u>	<u>538</u>	<u>119,858</u>
NET ASSETS			
Invested in Capital Assets, Net of Related Debt	390,863	1,557	392,420
Restricted:			
Capital Reserve	3,445		3,445
Emergency Reserve	175,000		175,000
Unrestricted	<u>575,790</u>	<u>17,199</u>	<u>592,989</u>
TOTAL NET ASSETS	<u>\$ 1,145,098</u>	<u>\$ 18,756</u>	<u>\$ 1,163,854</u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

BLOOMSBURY BOROUGH SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Functions/Programs	Direct Expenses	Indirect Expenses Allocation	Program Revenues			Net (Expense) Revenue & Changes in Net Assets		
			Charges for Services	Operating Grants & Contribution	Capital Grants & Contribution	Governmental Activities	Business-Types Activities	Total
Government Activities:								
Instruction:								
Regular	\$ 996,450	\$ 114,572	\$ 19,200	\$ 44,857		\$ (1,046,965)		\$ (1,046,965)
Special Education	196,713	28,668	15,000	38,635		(171,746)		(171,746)
Other Special Instruction	15,814	2,089		17,735		(168)		(168)
Other Instruction	5,709	61				(5,770)		(5,770)
Support Services:								
Tuition	439,934			38,136		(401,798)		(401,798)
Students & Instruction Related Services	233,656	17,426		2,175		(248,907)		(248,907)
General & Business Administrative Services	178,124	17,110				(195,234)		(195,234)
School Administrative Services	71,803	13,068				(84,871)		(84,871)
Plant Operations & Maintenance	159,305					(159,305)		(159,305)
Pupil Transportation	68,276		20,332			(47,944)		(47,944)
Interest on Long-Term Debt	1,627					(1,627)		(1,627)
Total Governmental Activities	2,367,411	192,994	54,532	141,538	\$ -	(2,364,335)	\$ -	(2,364,335)
Business-Type Activities:								
Food Service	57,806		27,970	14,619			(15,217)	(15,217)
Total Primary Government	\$ 2,425,217	\$ 192,994	\$ 82,502	\$ 156,157	\$ -	(2,364,335)	(15,217)	(2,379,552)
<u>General Revenues, Special Items & Transfers</u>								
						1,526,773		1,526,773
Property Taxes Levied for General Purposes								
Federal & State Aid not Restricted						1,121,215		1,121,215
Investment Earnings						1,319	11	1,330
Miscellaneous Income						7,990		7,990
Total General Revenues, Special Items & Transfers						2,657,297	11	2,657,308
Change in Net Assets						292,962	(15,206)	277,756
Net Assets-Beginning						852,136	33,962	886,098
Net Assets-Ending						\$ 1,145,098	\$ 18,756	\$ 1,163,854

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

FUND FINANCIAL STATEMENTS

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

BLOOMSBURY BOROUGH SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2011

	General Fund	Special Revenue Fund	Capital Project Fund	Debt Service Fund	Total Governmental Funds
ASSETS					
Cash & Cash Equivalents	\$ 586,434				\$ 586,434
Due from Other Funds	55,612				55,612
Receivables from Other Governments:					
State	4,921				4,921
Federal		\$ 86,192			86,192
Local	11,050				11,050
Restricted Cash & Equivalents	178,445				178,445
TOTAL ASSETS	<u>\$ 836,462</u>	<u>\$ 86,192</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 922,654</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Due to Other Funds	\$ 3,029	\$ 55,612			\$ 58,641
Deferred Revenue		30,580			30,580
Total Liabilities	<u>3,029</u>	<u>86,192</u>	<u>\$ -</u>	<u>\$ -</u>	<u>89,221</u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

BLOOMSBURY BOROUGH SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2011
(Continued)

	General Fund	Special Revenue Fund	Capital Project Fund	Debt Service Fund	Total Governmental Funds
LIABILITIES AND FUND BALANCES (Cont'd)					
Fund Balances:					
Restricted Fund Balance:					
Capital Reserve Account	\$ 3,445				\$ 3,445
Emergency Reserve Account	175,000				175,000
Excess Surplus- Designated for Subsequent Year's Expenditures	441,334				441,334
Committed Fund Balance:					
Year-end Encumbrances	55,015				55,015
Assigned Fund Balance:					
Designated for Subsequent Years Expenditures	3,907				3,907
Unassigned Fund Balance	154,732				154,732
Total Fund Balances	<u>833,433</u>	\$ -	\$ -	\$ -	<u>833,433</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 836,462</u>	<u>\$ 86,192</u>	<u>\$ -</u>	<u>\$ -</u>	

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

Capital assets used in government activities are not financial resources & therefore are not reported in the funds. The cost of the assets is and the accumulated depreciation is

\$ 831,300	
<u>430,895</u>	400,405

Long-term liabilities, including leases payable and compensated absences are not due & payable in the current period & therefore are not reported as liabilities in the funds

(88,740)

Total Net Assets of Governmental Activities

\$ 1,145,098

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

BLOOMSBURY BOROUGH SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Govern- mental Funds
REVENUES					
Local Sources:					
Local Tax Levy	\$ 1,526,773				\$ 1,526,773
Tuition Charges	34,200				34,200
Interest on Investments	1,286				1,286
Interest Earned on Capital Reserve Funds	33				33
Miscellaneous	7,990				7,990
Total	1,570,282	\$ -	\$ -	\$ -	1,570,282
State Sources	1,121,215				1,121,215
Federal Sources		141,538			141,538
Total Revenues	2,691,497	141,538	-	-	2,833,035
EXPENDITURES					
Current :					
Instructional:					
Regular Instruction	989,582	2,669			992,251
Special Education Instruction	164,517	32,196			196,713
Other Special Instruction		15,814			15,814
Other Instruction	5,709				5,709
Support Services & Undistributed Costs:					
Tuition	401,798	38,136			439,934
Student & Instruction Related Services	231,121	2,175			233,296
General & Business Administrative Services	179,077				179,077
School Administrative Services	71,803				71,803
Plant Operations & Maintenance	158,748				158,748
Pupil Transportation	47,944				47,944
Unallocated Employee Benefits	146,939	8,558			155,497

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

BLOOMSBURY BOROUGH SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
(Continued)

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Govern- mental Funds
EXPENDITURES					
Current: (cont'd)					
Capital Outlay	\$ 35,086	\$ 41,990			\$ 77,076
Debt Service:					
Principal on Capital Leases	9,077				9,077
Interest on NJ SDA Obligations	674				674
Total Expenditures	<u>2,442,075</u>	<u>141,538</u>	<u>\$ -</u>	<u>\$ -</u>	<u>2,583,613</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>249,422</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>249,422</u>
Net Change in Fund Balance	249,422				249,422
Fund Balances, July 1	<u>584,011</u>				<u>584,011</u>
Fund Balances, June 30	<u>\$ 833,433</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 833,433</u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

BLOOMSBURY BOROUGH SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Total Net Changes in Fund Balances-Governmental Fund (from B-2) \$ 249,422

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 expenses. This is the amount by which capital outlays exceeds depreciation in the period:

Capital Outlays	\$ 77,076	
Depreciation Expense	<u>(23,098)</u>	
		53,978

Repayment of debt principal and capital leases are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and are not reported in the statement of activities:

Capital Lease Payments		9,077
------------------------	--	-------

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

Change in Net Assets of Governmental Activities	<u>(19,515)</u>	
		<u>\$ 292,962</u>

BLOOMSBURY BOROUGH SCHOOL DISTRICT
STATEMENT OF FUND NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2011

	<u>Food Service Fund</u>
ASSETS	
Current Assets:	
Cash & Cash Equivalents	\$ 13,008
Due from Other Funds	3,029
Receivables from Other Governments:	
State	57
Federal	594
Inventory	1,049
Total Current Assets	<u>17,737</u>
Noncurrent Assets:	
Capital Assets	27,908
Less: Accumulated Depreciation	<u>26,351</u>
Total Noncurrent Assets	<u>1,557</u>
Total Assets	<u>19,294</u>
LIABILITIES	
Current Liabilities:	
Deferred Revenue	<u>538</u>
Total Liabilities	<u>538</u>
NET ASSETS	
Invested in Capital Assets, Net of Related Debt	1,557
Unrestricted	<u>17,199</u>
TOTAL NET ASSETS	<u>\$ 18,756</u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

BLOOMSBURY BOROUGH SCHOOL DISTRICT
STATEMENT OF REVENUES EXPENSES, AND
CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Food Service Fund
Operating Revenues:	
Charges for Services:	
Daily Sales-Reimbursable Programs	\$ 23,408
Daily Sales-Nonreimbursable Programs	4,562
Total Operating Revenues	27,970
Other Expenses:	
Salaries	19,629
Employee Benefits	3,485
Purchased Professional Services	1,000
Purchased Property Services (Repairs)	1,179
Insurance	545
Management Fee	7,070
Other Purchased Services	1,386
General Supplies	3,594
Utilities	2,175
Costs of Sales	17,570
Depreciation	173
Total Operating Expenses	57,806
Operating Income (Loss)	(29,836)
Nonoperating Revenues (Expenses):	
State Sources:	
State School Lunch Program	544
Federal Sources:	
National School Lunch Program	10,485
Food Distribution Program	3,590
Interest Income	11
Total Nonoperating Revenues (Expenses)	14,630
Change in Net Assets	(15,206)
Net Assets, Beginning	33,962
Net Assets, Ending	\$ 18,756

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

BLOOMSBURY BOROUGH SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Food Service Fund
Cash Flows from Operating Activities:	
Receipts from Customers	\$ 27,970
Payments to Food Service Management Company	(44,678)
Payments to Vendors and Employees	(9,389)
Net Cash Provided by (Used For) Operating Activities	(26,097)
Cash Flows from Noncapital Financing Activities:	
State Sources	526
Federal Sources	10,440
General Fund Interfund Activity	(1,399)
Net Cash Provided by (Used For) Noncapital Financing Activities	9,567
Cash Flows from Investing Activities:	
Interest Earned on Investments	11
Net Cash Provided by Investment Activities	11
Net Increase (Decrease) in Cash and Cash Equivalents	(16,519)
Cash and Cash Equivalents, July 1, 2010	29,527
Cash and Cash Equivalents, June 30, 2011	\$ 13,008
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used For) Operating Activities:	
Operating Income (Loss)	\$ (29,836)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used For) Operating Activities:	
Depreciation	173
Federal Food Distribution Program	3,590
(Increase) Decrease in Inventory	38
Increase (Decrease) in Deferred Revenue	(62)
Net Cash Provided by (Used For) Operating Activities	\$ (26,097)

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

BLOOMSBURY BOROUGH SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET ASSETS
JUNE 30, 2011

	Student Activity Agency Fund	Payroll Agency Fund
	<u> </u>	<u> </u>
ASSETS		
Cash & Cash Equivalents	\$ 4,138	\$ 89,262
TOTAL ASSETS	<u>4,138</u>	<u>89,262</u>
LIABILITIES		
Due to Student Groups	4,138	
Payroll Deductions & Withholdings		89,262
TOTAL LIABILITIES	<u>4,138</u>	<u>89,262</u>
NET ASSETS	<u>\$ -</u>	<u>\$ -</u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

NOTES TO FINANCIAL STATEMENTS

BLOOMSBURY BOROUGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

The basic financial statements include:

A Management's Discussion and Analysis (MD&A) providing an analysis of the Districts overall financial position and results of operations.

Basic financial statements prepared using full-accrual accounting for all of the District's activities.

A. Reporting Entity

The District is a Type II district located in the County of Hunterdon, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The Board is comprised of five members elected to three-year-terms. The purpose of the district is to educate students in Grades K-12. The District had an approximate enrollment at June 30, 2011 of 140 students.

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

1. The organization is legally separate (can sue or be sued in their own name.)
2. The District holds the corporate powers of the organization.
3. The District appoints a voting majority of the organization's board.
4. The District is able to impose its will on the organization.
5. The organization has the potential to impose a financial benefit/ burden on the District.
6. There is a fiscal dependency by the organization on the District.

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

BLOOMSBURY BOROUGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2011
(Continued)

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

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the District. For the most part, the effect of interfund activity as been removed from these statements.

The statement of activities demonstrates the degree to which the direct expenses of a given program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific program. Program revenues include 1) charges to students or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function.

Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. The District has elected to treat all of its governmental funds as major funds and they are reported as separate columns in the fund financial statements.

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, early retirement, arbitrage rebates, and post employment healthcare benefits, are recorded only when payment is due.

Property taxes, tuition and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. As under New Jersey State Statute, a municipality is required to remit to its school district the entire property tax balance, in the amount voted upon or certified prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available. The District is entitled to receive moneys under the established payment schedule and the unpaid amount is considered to be an accounts receivable. All other revenue items are considered to be measurable and available only when the District receives cash.

BLOOMSBURY BOROUGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2011
(Continued)

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

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Cont'd)

Amounts reported as program revenues include 1) charges to students for tuition, fees, rental, material, supplies, or services, provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all property taxes, and unrestricted state aids.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted, as they are needed.

The District reports the following major governmental funds:

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

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

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

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

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

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

BLOOMSBURY BOROUGH SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2011
 (Continued)

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

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Cont'd)

Additionally, the District reports the following fund types:

Proprietary Fund Types

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

Enterprise Fund - The Enterprise 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; or, where the District has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

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

All proprietary funds are accounted for on a current financial resources measurement focus. This means that all assets and liabilities, whether current or noncurrent, associated with their activity are included on their balance sheets. Their reported fund equity (net total assets) is segregated into contributed capital and unreserved retained earnings, if applicable. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in net total assets.

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

Equipment	12 Years
Light Trucks & Vehicles	4 Years
Heavy Trucks & Vehicles	6 Years

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 capacity or as an agent for individuals, private organizations, other governments and/ or other funds. Agency funds are custodial in nature and do not involve measurement of results of operations. The following is a description of the Trust and Agency Funds of the District.

BLOOMSBURY BOROUGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2011
(Continued)

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

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Cont'd)

Fiduciary Fund Types (cont'd)

Student Activities Agency Fund – This fund is used to account for funds derived from athletic events or other activities of pupil organizations and accumulated for payment of student group activities.

Payroll Agency Fund – This fund accounts for the withholding and remittance of employee salary deductions.

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

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 in April. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in NJAC 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 the 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.

BLOOMSBURY BOROUGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2011
(Continued)

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

E. Encumbrances

Under encumbrance accounting purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Open encumbrances in Governmental Funds other than the Special Revenue Fund are reported as 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.

F. Tuition Receivable

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

G. Tuition Payable

Tuition charges for the fiscal years 2010-2011 and 2009-2010 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

H. Short-Term Interfund Receivables/Payables

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

I. Inventories and Prepaid Items

Inventories and prepaid items, 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.

BLOOMSBURY BOROUGH SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2011
 (Continued)

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

J. Capital Assets

Capital assets, which include land, land improvements, buildings and improvements, vehicles and furniture and equipment, are reported in the government-wide financial statements. The District defines capital assets as assets with an initial, individual cost of more than \$2,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

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

All reported capital assets, except for land and construction in progress, of the District are depreciated using the straight-line method over the following estimated lives:

<u>Assets</u>	<u>Years</u>
Buildings	50
Building Improvements & Portable Classroom	20 to 50
Land Improvements	20
Furniture	20
Maintenance Equipment	10 to 15
Musical Instruments	10
Athletic Equipment	10
Audio Visual Equipment	10
Office Equipment	5 to 10
Computer Equipment	5 to 10

K. Compensated Absences

The District accounts for compensated absences (e.g., unused vacation and sick leave) as directed by Governmental Accounting Standards Board statement number 16 (GASB 16), "Accounting for Compensated Absences." A liability for compensated absences attributable to services already rendered and not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the rights to the benefits.

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

The liability for compensated absences was accrued using the vesting method, whereby the liability is calculated by vesting balances as of the balance sheet date for which a payment is probable. Salary related payments for the employer's share of social security and medicare taxes are included.

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

BLOOMSBURY BOROUGH SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2011
 (Continued)

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

L. Deferred Revenue

Deferred revenue in the General Fund and Special Revenue Fund represents cash, which has been received but not yet earned. See Note 1 (E) regarding the Special Revenue Fund.

M. Long-Term Obligations

In the government-wide financial statements and in internal service fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuance are reported as other financing uses.

N. Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a restricted purpose. Designations of fund balance represent tentative plans for future use of financial resources that are subject to change.

In the government-wide statements, net assets represent the difference between assets and liabilities. Invested in Capital Assets, Net of Related Debt consists of capital assets, net of accumulated depreciation, and reduced by the balance of long-term debt used to finance these assets. Net assets are reported as restricted when there are limitations externally imposed on their use either through enabling legislation or other restrictions imposed by creditors, grantors or laws or regulations of other governments. The District's restricted net assets in the governmental activities as of June 30, 2011 consists of the following:

Capital Reserve	\$	3,445
Emergency Reserve		<u>175,000</u>
		<u>\$ 178,445</u>

O. Comparative Data/Reclassifications

Comparative total data for the prior year have been presented in selected sections of the accompanying financial statements in order to provide an understanding of the changes in the District's financial position and operations. Also, certain immaterial amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

BLOOMSBURY BOROUGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2011
(Continued)

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

P. Allocation of Indirect Expenses

Certain expenses, which have not been charged to a specific function in the District's fund financial statements, have been allocated to the functions for the government-wide statements. Employee benefits, on-behalf TPAF pension contributions, reimbursed TPAF social security contributions and compensated absences accruals have been allocated based on salaries by function. Depreciation expense which was not specifically identified by function has been allocated based on the current year expenses by function.

NOTE 2. TAX ASSESSMENTS AND PROPERTY TAXES

Property valuations (assessments) are determined on true values as arrived at by a cost approach, market data approach and capitalization of net income where appropriate. Current assessments are the results of new assessments on a like basis with established comparable properties for newly assessed or purchased properties. This method assures equitable treatment to like property owners.

Upon the filing of certified adopted budgets by the municipality, the municipality's local school districts, and the county, the tax rate is struck by the County Board of Taxation based on the certified amounts in each of the taxing districts for collection to fund the budgets. The statutory provision for the assessment of property, levying of taxes and the collection thereof are set forth in NJSA 54:4 et seq. Special taxing districts are permitted in New Jersey for various special services rendered to the properties located within the special districts.

Tax bills are mailed annually in June. The taxes are due August 1 and November 1 respectively, and are adjusted to reflect the current fiscal year's total tax liability. The preliminary taxes due February 1 and May 1 of the succeeding fiscal year are based upon one-half of the current year's total tax.

Tax installments not paid on or before the due date are subject to interest penalties of eight percent per annum on the first \$1,500 of the delinquency and eighteen percent per annum on any amount in excess of \$1,500. Pursuant to Chapter 75, PL 1991, the governing body may also fix a penalty to be charged to a taxpayer with a delinquency in excess of \$10,000 who fails to pay that delinquency prior to the end of the calendar year. The penalty so fixed shall not exceed six percent of the amount of the delinquency. These interest and penalties are the highest permitted under the New Jersey statutes. Delinquent taxes are annually included in a tax sale in accordance with New Jersey statutes.

School taxes are guaranteed as to amount of collection by the municipality, the collection agency, and are transmitted to the school district in accordance with the schedule of tax installments as certified by the school district's Board of Education on an annual basis.

BLOOMSBURY BOROUGH SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2011
 (Continued)

NOTE 3. DEPOSITS 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 and are stated at cost plus accrued interest. US Treasury and agency obligations and certificates of deposit with maturities of one year or less when purchased are stated at amortized cost. All other investments are stated at fair value.

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

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

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

Deposits at June 30, 2011 appear in the financial statements as summarized below:

Cash		<u>\$ 871,287</u>
	<u>Ref.</u>	
Cash:		
Governmental Funds, Statement of Net Assets	B-1	\$ 764,879
Enterprise Fund, Statement of Net Assets	B-4	13,008
Fiduciary Funds, Statement of Net Assets	B-7	<u>93,400</u>
Total Cash		<u>\$ 871,287</u>

Deposits – The District's carrying amount of bank deposits at June 30, 2011 is \$871,287 and the bank balance is \$1,047,437. Of the bank balance, \$250,000 is covered by federal depository insurance and \$797,437 is insured by GUDPA.

BLOOMSBURY BOROUGH SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2011
 (Continued)

NOTE 3. DEPOSITS AND CASH EQUIVALENTS AND INVESTMENTS (Cont'd)

Deposit and Investment Risk

GASB Statement No. 40 "Deposit and Investment Risk Disclosures" requires state and local governments to communicate key information about deposit and investment risks. Required disclosures are as follows:

1. Custodial credit risk disclosures for investments defined as category 3 assets under GASB Statement No. 3. Since all of the deposits and investments of the district are category 1 assets, these disclosures are not required.
2. Credit quality ratings for investments in debt securities, external investment pools, money market funds, bond mutual funds, and other pooled investments of fixed-income securities. As the district has no such investments, this disclosure is not applicable.
3. Disclosure of investments by amount and issuer for any issuer that represents five percent of more of total investments. This requirement does not apply to investments issued or explicitly guaranteed by the US government and investments in mutual funds or pools. This disclosure is reported below under Concentration of Credit Risk.
4. Interest rate risk disclosures are required for all debt investments and non-money market like pools. As the district has no such investments, this disclosure is not applicable.
5. Investments that are exposed to foreign currency risk should be disclosed. As the district has no such investments this disclosure is not applicable.

Concentration of Credit Risk

The State of New Jersey does not place any limit on the amount that the district may invest with any one issuer. As of June 30, 2011, the district has no investments.

NOTE 4. CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2011 is as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
GOVERNMENTAL ACTIVITIES				
Capital Assets, Not Being				
Depreciated:				
Land	\$ 79,200	\$ -0-	\$ -0-	\$ 79,200
Capital Assets, Being				
Depreciated:				
Land Improvements	9,393			9,393
Building & Improvements	631,163	28,988		660,151
Furniture & Equipment	37,368	48,088	\$ 2,900	82,556
Total	<u>677,924</u>	<u>77,076</u>	<u>2,900</u>	<u>752,100</u>

BLOOMSBURY BOROUGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2011
(Continued)

NOTE 4. CAPITAL ASSETS (Cont'd)

	Beginning Balance	Increases	Decreases	Ending Balance
GOVERNMENTAL ACTIVITIES				
Accumulated Depreciation:				
Land Improvements	\$ 9,393			\$ 9,393
Building & Improvements	380,373	\$ 16,463		396,836
Furniture & Equipment	20,931	6,635	\$ 2,900	24,666
Total	<u>410,697</u>	<u>23,098</u>	<u>2,900</u>	<u>430,895</u>
Total Capital Assets, Being Depreciated, Net	<u>267,227</u>	<u>53,978</u>		<u>321,205</u>
Governmental Activities Capital Assets, Net	<u>\$ 346,427</u>	<u>\$ 53,978</u>	<u>\$ -0-</u>	<u>\$ 400,405</u>
Business-Type Activities:				
Furniture & Equipment	\$ 27,908			\$ 27,908
Less: Accum Depreciation	<u>26,178</u>	<u>\$ 173</u>		<u>26,351</u>
Business-Type Activities Capital Assets, Net	<u>\$ 1,730</u>	<u>\$ (173)</u>	<u>\$ -0-</u>	<u>\$ 1,557</u>

Depreciation expense was charged to governmental functions in the current year as follows:

Instruction:	
Regular	\$ 14,728
Special Education	2,087
Other Special Instruction	168
Other Instruction	61
Support Services:	
Student & Instruction	2,835
General & Business Admin	1,900
School Administration	762
Plant Operation & Maint	<u>557</u>
Total Depreciation Expense, Governmental Activities	<u>\$ 23,098</u>

NOTE 5. GENERAL LONG-TERM DEBT

Long-Term Liability Activity for the Year Ended June 30, 2011 is as Follows:

	Beginning Balance	Addition	Reductions	Ending Balance	Due Within One Year
Governmental					
Activities:					
Compensated					
Absences Payable	\$ 59,683	\$ 19,515		\$ 79,198	
Obligations Under Capital Leases	<u>18,619</u>		<u>\$ 9,077</u>	<u>9,542</u>	<u>\$ 9,542</u>
	<u>\$ 78,302</u>	<u>\$ 19,515</u>	<u>\$ 9,077</u>	<u>\$ 88,740</u>	<u>\$ 9,542</u>

Compensated absences and capital leases are paid in the current expenditures budget of the District's general fund.

BLOOMSBURY BOROUGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2011
(Continued)

NOTE 5. GENERAL LONG-TERM DEBT (Cont'd)

The general obligation bonded debt of the District is limited by state law to 4.0% of the average equalized assessed values of the total taxable property in the District for the past three years. The legal debt limit at June 30, 2011 is \$4,637,200. General obligation debt at June 30, 2011 is \$-0-, resulting in a legal debt margin of \$4,637,200.

Capital Leases Payable

The District is leasing energy lighting equipment totaling \$44,137 under capital leases. The following is a schedule of the future minimum lease payments under these capital leases and the net minimum lease payments at June 30, 2011:

<u>Year Ending June 30,</u>	<u>General Fund</u>
2012	\$ 10,030
Amount Representing Interest	<u>488</u>
Present Value of Minimum Leases Payments	<u>\$ 9,542</u>

NOTE 6. PENSION PLANS

Description of Systems

Substantially all of the Board's employees participate in one of the following contributory defined benefit public employee retirement systems which have been established by State statute: the Teachers' Pension and Annuity Fund (TPAF), Public Employees' Retirement System (PERS) and the Defined Contribution Retirement Program (DCRP). The PERS and TPAF systems are sponsored and administered by the State of New Jersey. The DCRP system is administered by Prudential Financial for the Division of Pensions and Benefits. The Teachers' Pension 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 Board and the system's other related non-contributing employers. The Public Employees Retirement System and Defined Contribution Retirement Program are considered cost sharing multiple-employer plans.

A. Teachers' Pension and Annuity Fund - The Teachers' Pension and Annuity Fund was established in January, 1955 under the provisions of NJSA 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 10 years of service for pension benefits and 25 years for health care coverage. Members are eligible for retirement at age 55 with an annual benefit generally determined to be 1/55th 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 55 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).

B. Public Employees' Retirement System - The Public Employees' Retirement System was established in January, 1955 under the provisions of NJSA 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.

BLOOMSBURY BOROUGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2011
(Continued)

NOTE 6. PENSION PLANS (Cont'd)

B. Public Employees' Retirement System – (Cont'd)

Members are eligible for retirement at age 55 with an annual benefit generally determined to be 1/55th 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 55 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).

C. Defined Contribution Retirement Program – The Defined Contribution Retirement Program (DCRP) was established under the provisions Ch 92, PL 2007 and expanded under the provisions of Ch 89, PL 2008 and Ch 1, PL 2010 to provide eligible members with a tax sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Employees eligible to enroll in the program include the following: First, employees enrolled in the Public Employees Retirement System (PERS) or Teachers Pension and Annuity Fund (TPAF) on or after July 1, 2007 who earn salary in excess of maximum compensation limits. Also, employees otherwise eligible to enroll in the TPAF and PERS who do not earn the minimum salary (\$7,700 in 2010) but who earn salary of at least \$5,000 annually are eligible to participate. The program administrator, Prudential Financial, makes information regarding the program available on its New Jersey Defined Contribution Program Web Site: www.prudential.com/njdcprp.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statement 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, PO 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 account of TPAF and PERS, respectively.

As a result of additional legislation enacted during the year ended June 30, 1997 (Ch 115, PL 1997), the asset valuation method was changed from market related value to full market value for the valuation reports dated March 31, 1996. The legislation also provides for a reduction in the normal contributions of the State to the systems from excess assets for FY's 1997 and 1998, and local employers for FY 1999, 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 2003, 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 except for the unfunded liability for local early retirement incentive benefits; accordingly, the pension costs for TPAF and PERS were reduced.

BLOOMSBURY BOROUGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2011
(Continued)

NOTE 6. PENSION PLANS (Cont'd)

Contribution Requirements

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, PERS and DCRP provide for employee contributions of 5.50% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in TPAF, PERS and DCRP. The actuarially determined contribution includes funding for cost-of-living adjustments, non-contributory death benefits and post-retirement medical premiums. Under current statute the Board is a non-contributing employer of the TPAF.

Three-Year Trend Information for TPAF (Paid On-Behalf of the District)

<u>Year</u> <u>Funding</u>	Post Retirement Benefit Costs	Percentage of APC Contributed
06/30/11	\$ 72,834	100%
06/30/10	70,011	100%
06/30/09	75,136	100%

Three-Year Trend Information for PERS

<u>Year</u> <u>Funding</u>	Annual Pension Cost (APC)	Percentage of APC Contributed
06/30/11	\$ 16,638	100%
06/30/10	15,579	100%
06/30/09	14,888	100%

During the year ended June 30, 2011, the State of New Jersey contributed \$69,559 to the TPAF for post-retirement medical benefits and \$3,275 for non-contributory insurance premiums on behalf of the Board. Also, in accordance with NJSA 18A:66-66 the State of New Jersey reimbursed the Board \$74,105 during the year ended June 30, 2011 for the employer's share of social security contributions for TPAF members calculated on their base salaries. These amounts have been included in the financial statements and the combining and individual fund and account group statements and schedules as revenues and expenditures in accordance with GASB 27.

NOTE 7. POST-RETIREMENT BENEFITS

Chapter 384 of PL 1987 and Ch 6 of PL 1990 required TPAF and PERS, respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. PL 2007, Ch 103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside the pension plans for the funding and payment of post-retirement medical benefits for retired state employees and retired educational employees. As of June 30, 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 Ch 62, PL 1994. Funding of post-retirement medical premiums changed from a prefunding basis to a pay-as-you-go basis beginning the fiscal year 1994.

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

BLOOMSBURY BOROUGH SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2011
 (Continued)

NOTE 7. POST-RETIREMENT BENEFITS (Cont'd)

GASB Statement 45 requires certain disclosures relating to governmental entities obligations for other post-employment benefits (OPEB), which are post-employment benefits other than pensions. The District's only material OPEB obligation is for healthcare provided to eligible retirees through the NJ State Health Benefits Program.

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

The SHBP was extended to employees, retirees, and dependents of participating local public employers in 1964. The school district adopted a resolution to participate in the SHBP. The State Health Benefits Commission is the executive body established by the statute to be responsible for the operation of the SHBP. The State of New Jersey Division of Pensions and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for the SHBP. That report may be obtained by writing to: State of New Jersey Division of Pensions and Benefits, P.O. Box 295, Trenton, NJ 08625-0295 or by visiting their website at <http://www.state.nj.us/treasury/pensions/pdf/financial/gasb-43-aug2010.pdf>

Funding Policy-Participating employers are contractually required to contribute based on the amount of premiums attributable to their retirees. Post-retirement medical benefits under the plan have been funded on a pay-as-you-go basis since 1994. Prior to 1994, medical benefits were funded on an actuarial basis. Information regarding the State's annual contributions, annual OPEB cost and net OPEB obligations is available through the State as noted in the previous paragraph.

NOTE 8. DEFERRED COMPENSATION

The Board offers its employees a choice of the following deferred compensation plans created in accordance with Internal Revenue Code Section 403 (b). The plans, which are administered by the entities listed below, permit participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death or unforeseeable emergency. The plan administrators are as follows:

Lincoln Investment Planning

AXA Equitable Equi-Vest

BLOOMSBURY BOROUGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2011
(Continued)

NOTE 9. INTERFUND RECEIVABLE AND PAYABLES

The composition of interfund balances as of June 30, 2011 is as follows:

Fund	Interfund Receivable	Interfund Payable
General Fund	\$ 55,612	\$ 3,029
Special Revenue Fund		55,612
Proprietary-Food Service Fund	3,029	
	<u>\$ 58,641</u>	<u>\$ 58,641</u>

The balance due from the General Fund to the Food Service Fund of \$3,029 represents cafeteria subsidy aid received in the General Fund but not yet transferred to the Food Service Fund. The balance due from the Special Revenue Fund to the General Fund represents a loan from the General Fund of \$55,612 due to cash flow issues related to the delayed receipt of grant revenues.

NOTE 10. INVENTORY

Inventory in the Food Service Fund on June 30, 2011 consisted of the following:

Food	\$ 823
Supplies	<u>226</u>
	<u>\$ 1,049</u>

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

NOTE 11. CONTINGENT LIABILITIES

The District is involved in various legal proceedings that are incidental to its operations. These legal proceedings are not likely to have a material adverse effect on the financial position of the School District.

NOTE 12. RISK MANAGEMENT

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

Property and Liability Insurance - The District maintains commercial insurance coverage for property, liability, and student accident and surety bonds. There was no significant reduction in insurance coverage from coverage of the prior year. The District did not have any insurance settlements which exceeded insurance coverage for the past three years. A complete schedule of insurance coverage can be found in the Statistical Section of the Comprehensive Annual Financial Report.

BLOOMSBURY BOROUGH SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2011
(Continued)

NOTE 13. CAPITAL AND OTHER RESERVE ACCOUNTS

A capital reserve account was established by the District by inclusion of \$1 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Beginning in fiscal year 2010, Districts are allowed as per NJSA 18A:7F-41(a) & 41(b) to deposit to the legal reserves by board resolution during the month of June for any unanticipated revenue and/or unexpended line-item appropriation amounts. Pursuant to this state statute, the District adopted a board resolution in June 2011 to authorize a deposit to their Emergency Reserve account of \$175,000.

The following schedules are a summarization of the District's legal reserve accounts:

Capital Reserve Account

The following schedule is a summarization of the Capital Reserve Account:

Fiscal Years	Transfer from Capital Projects	District Contribution	Interest Earnings	Appropriated	Ending Balance
2004-2005		\$ 1	\$ -0-	\$ -0-	\$ 1
2005-2006		84,000	2,340	84,000	2,341
2006-2007			100		2,441
2007-2008			100		2,541
2008-2009			81		2,622
2009-2010	\$ 776		14		3,412
2010-2011			33		3,445

NOTE 14. FUND BALANCES-BUDGETARY BASIS

As described in Note 1 N-Fund Equity (Fund Balance) may be restricted, committed or assigned. The following is an analysis of the General Fund Balance on the "budgetary basis" as of June 30, 2011 and 2010. The total differs from the Governmental Funds Balance Sheet, which is stated on the "GAAP" basis, by \$13,092.

	2011	2010
Restricted:		
Capital Reserve Account-Represents funds restricted to capital projects in the District's Long Range Facilities Plan	\$ 3,445	\$ 3,412
Emergency Reserve-Represents funds accumulated to finance unanticipated general fund expenditures required for a thorough and efficient education	175,000	
Excess Surplus-Represents amount in excess of allowable percentage of expenditures. In accordance with State Statute the excess surplus is designated for utilization in succeeding years budgets	87,822	353,512
Excess Surplus- Designated for Subsequent Year's Expenditures-Represents excess surplus appropriated in the succeeding year's budget to reduce tax requirements	353,512	

BLOOMSBURY BOROUGH SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2011
 (Continued)

NOTE 14. FUND BALANCES-BUDGETARY BASIS (Cont'd)

	<u>2011</u>	<u>2010</u>
Restricted:		
Tuition Reserve-Pursuant to NJAC 6A:23-3.(f). The District Has reserved fund balance for tuition applicable to a Formal sending/receiving relationship		\$ 50,715
Committed:		
Year End Encumbrance-Represents fund balance committed for purchase orders that have been issued but goods or services were not received as of June 30,	\$ 55,015	31,923
Assigned:		
Designated for Subsequent Year's Expenditures-Amount appropriated in the succeeding year's budget to reduce tax requirements	3,907	
Unassigned:		
Undesignated-Represents fund balance which has not been restricted or designated	<u>251,098</u>	<u>253,907</u>
Total Fund Balance	<u>\$ 929,799</u>	<u>\$ 693,469</u>

NOTE 15. CALCULATION OF EXCESS SURPLUS

In accordance with NJSA 18A:7F-7, as amended by PL 2004, Ch 73 (S1701), the designation for Reserved Fund Balance-Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund 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 \$441,334.

REQUIRED SUPPLEMENTARY INFORMATION-PART II

BUDGETARY COMPARISON SCHEDULES

BLOOMSBURY BOROUGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES					
Local Sources:					
Local Tax Levy	\$ 1,526,773		\$ 1,526,773	\$ 1,526,773	
Tuition-Individuals	6,000		6,000	19,200	\$ 13,200
Tuition-Other LEA's within the State				15,000	15,000
Interest on Investments				1,286	1,286
Interest Earned on Capital Reserve Funds	100		100	33	(67)
Miscellaneous	2,500		2,500	7,990	5,490
Total	1,535,373	\$ -	1,535,373	1,570,282	34,909
State Sources:					
School Choice Aid	178,376		178,376	178,376	
Categorical Special Education Aid	46,036		46,036	95,314	49,278
Equalization Aid	735,674		735,674	686,396	(49,278)
Nonpublic Transportation Aid				1,098	1,098
On-Behalf TPAF Pension Contribution				72,834	72,834
Reimbursed TPAF Social Security Contribution				74,105	74,105
Total	960,086	-	960,086	1,108,123	148,037
TOTAL REVENUES	\$ 2,495,459	\$ -	\$ 2,495,459	\$ 2,678,405	\$ 182,946
EXPENDITURES					
Current:					
Regular Programs-Instruction:					
Salaries of Teachers:					
Preschool	\$ 49,904	\$ (9,354)	\$ 40,550	\$ 40,302	\$ 248
Kindergarten	63,632	938	64,570	64,290	280
Grades 1-5	328,650	(16,567)	312,083	308,706	3,377
Grades 6-8	210,596	8,308	218,904	218,904	
Regular Programs-Undistributed Instruction:					
Other Salaries for Instruction	56,036	20,577	76,613	76,605	8
Purchased Professional-Educational Services		26,616	26,616	26,616	
Purchased Technical Services	4,750		4,750	4,508	242
Other Purchased Services	37,200	(29,054)	8,146	8,146	
General Supplies	39,250	18,425	57,675	54,255	3,420
Textbooks	10,000	(1,104)	8,896	4,222	4,674
Other Objects	1,100		1,100	1,067	33
Total	801,118	18,785	819,903	807,621	12,282
Special Education:					
Resource Room/Center:					
Salaries of Teachers	125,310	6,249	131,559	131,559	-
Total Special Education	125,310	6,249	131,559	131,559	-
School-Sponsored Co-curricular Activities:					
Salaries	7,895	1,436	9,331	5,709	3,622
Total Instruction-Regular	\$ 934,323	\$ 26,470	\$ 960,793	\$ 944,889	\$ 15,904
Undistributed Expenditures:					
Instruction-Tuition:					
Other LEAs Within the State-Regular	\$ 307,461		\$ 307,461	\$ 307,461	
Other LEAs Within the State-Special	22,500		22,500	16,902	\$ 5,598
County Vocational School District-Regular	10,875		10,875	10,875	
County Vocational School District-Special	6,500		6,500	6,500	
Private School for the Disabled within the State	110,478	\$ (21,360)	89,118	60,060	29,058
Total	457,814	(21,360)	436,454	401,798	34,656

BLOOMSBURY BOROUGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
(Continued)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES (Cont'd)					
Current: (cont'd)					
Attendance & Social Work:					
Salaries	\$ 5,456	\$ -	\$ 5,456	\$ -	\$ 5,456
Health Services:					
Salaries	45,934	531	46,465	46,465	
Purchased Professional & Technical Services	5,000	(3,918)	1,082	1,050	32
Supplies & Materials	2,600	(980)	1,620	587	1,033
Other Objects	50		50		50
Total	53,584	(4,367)	49,217	48,102	1,115
Speech, OT, PT & Related Services:					
Purchased Professional-Educational Services	65,741	(7,580)	58,161	58,161	
Supplies & Materials	250	(250)			
Total	65,991	(7,830)	58,161	58,161	-
Guidance:					
Salaries of Other Professional Staff	19,635	3,387	23,022	23,022	
Supplies & Materials	400	(400)			
Total	20,035	2,987	23,022	23,022	-
Child Study Teams:					
Salaries of Other Professional Staff	27,978	430	28,408	28,408	
Salaries of Secretarial & Clerical Assistants	27,598	(827)	26,771	26,748	23
Purchased Professional-Educational Services	5,520	9,961	15,481	15,481	
Other Purchased Professional & Technical Services	2,500	(430)	2,070	1,950	120
Miscellaneous Purchased Services	178		178		178
Supplies & Materials	1,700	(850)	850	763	87
Total	65,474	8,284	73,758	73,350	408
Improvement of Instructional Services:					
Purchased Professional-Educational Services	-	1,000	1,000	1,000	-
Educational Media Services/School Library:					
Salaries	5,505		5,505	5,483	22
Purchased Professional & Technical Services	1,355		1,355	596	759
Supplies & Materials	1,500		1,500	17	1,483
Total	8,360	-	8,360	6,096	2,264
Instructional Staff Training Services:					
Purchased Professional-Educational Services	5,000	880	5,880	2,258	3,622
Support Services-General Administration:					
Salaries	64,031	192	64,223	64,223	
Legal Services	3,500	4,462	7,962	7,962	
Audit Fees	9,500	(1,000)	8,500	8,500	
Architectural/Engineering Services		1,800	1,800	1,800	
Other Purchased Professional Services		352	352	352	
Communications/Telephone	2,250	(308)	1,942	1,942	
Board of Education Other Purchased Services	200	(200)			
Other Purchased Services	6,212	4,810	11,022	11,022	
General Supplies	500	(8)	492	492	
Miscellaneous Expenditures	250	50	300	300	
Board of Education Membership Dues & Fees	2,500	(346)	2,154	2,154	
Total	88,943	9,804	98,747	98,747	-

BLOOMSBURY BOROUGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
(Continued)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Current: (cont'd)					
Support Services-School Administration:					
Salaries of Principals & Assistant Principals	\$ 50,625	\$ (137)	\$ 50,488	\$ 50,488	
Salaries of Secretarial & Clerical Assistants	11,463	1,752	13,215	13,215	
Other Objects	1,600	(300)	1,300	1,300	
Total	63,688	1,315	65,003	65,003	\$ -
Central Services:					
Purchased Technical Services	67,600		67,600	67,600	
Miscellaneous Purchased Services		3,190	3,190	3,190	
Interest on Lease Purchase Agreements		953	953	953	
Total	67,600	4,143	71,743	71,743	-
Required Maintenance for School Facilities:					
Cleaning, Repair & Maintenance Services	51,538	(34,337)	17,201	17,201	
General Supplies	8,000	(4,028)	3,972	146	3,826
Total	59,538	(38,365)	21,173	17,347	3,826
Custodial Services:					
Salaries	68,340	2,103	70,443	66,389	4,054
Purchased Professional & Technical Services	866		866	276	590
Cleaning, Repair & Maintenance Services	19,000		19,000	1,293	17,707
Other Purchased Property Services	13,000	(2,103)	10,897	1,829	9,068
Insurance	9,500		9,500	8,545	955
Miscellaneous Purchased Services	1,200		1,200	720	480
General Supplies	15,500	4,797	20,297	8,276	12,021
Energy (Natural Gas)	16,500		16,500	8,988	7,512
Energy (Electricity)	26,524		26,524	10,620	15,904
Energy (Gasoline)	500		500	49	451
Other Objects	250		250	199	51
Total	171,180	4,797	175,977	107,184	68,793
Student Transportation Services:					
Management Fees-ESC & CTSA					
Transportation Programs		771	771	771	
Contracted Services-Aid In Lieu of Payments- Nonpublic Schools					
	45,000	(36,684)	8,316	2,652	5,664
Contracted Services (Between Home & School)- Vendors					
		14,150	14,150	14,150	
Contracted Services (Other than Between Home & School)-Vendors					
	4,000		4,000	2,996	1,004
Contracted Services (Between Home & School)- Joint Agreements					
	30,000		30,000	5,111	24,889
Contracted Services (Special Education Students)-Vendors					
	40,000	(841)	39,159		39,159
Contracted Services (Regular Students)- ESCs & CTSA					
		10,239	10,239	9,899	340
Contracted Services (Special Education Students)-ESCs & CTSA					
		12,365	12,365	12,365	
Total	119,000	-	119,000	47,944	71,056

BLOOMSBURY BOROUGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
(Continued)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES (Cont'd)					
Current: (cont'd)					
Allocated Benefits:					
Regular Programs-Instruction:					
Social Security Contributions	\$ 4,500	\$ 5,314	\$ 9,814	\$ 9,814	
Other Retirement Contributions-PERS	5,750	968	6,718	6,718	
Unemployment Compensation	3,750	(2,523)	1,227	1,227	
Workmen's Compensation	10,200	(1,053)	9,147	7,341	\$ 1,806
Health Benefits	181,760	(37,321)	144,439	132,371	12,068
Tuition Reimbursement	7,500	1,562	9,062	9,062	
Other Employee Benefits	17,000	(412)	16,588	15,428	1,160
Total	230,460	(33,465)	196,995	181,961	15,034
Special Programs-Instruction:					
Unemployment Compensation	550		550	192	358
Workmen's Compensation	1,655		1,655	1,572	83
Health Benefits	39,752		39,752	31,194	8,558
Total	41,957	-	41,957	32,958	8,999
Health Services:					
Social Security Contributions	100		100	1	99
Unemployment Compensation	250		250	31	219
Workmen's Compensation	829		829	788	41
Health Benefits	19,876	(5,684)	14,192		14,192
Total	21,055	(5,684)	15,371	820	14,551
Guidance:					
Unemployment Compensation	101	-	101	29	72
Child Study Teams:					
Social Security Contributions	2,923	987	3,910	3,910	
Other Retirement Contributions-PERS	3,250		3,250	3,250	
Unemployment Compensation	350	(161)	189	167	22
Workmen's Compensation	1,725		1,725	1,639	86
Health Benefits	8,181		8,181	8,181	
Total	16,429	826	17,255	17,147	108
Educational Media Services/School Library:					
Social Security Contributions	650		650	577	73
Other Retirement Contributions-PERS	485		485	485	
Unemployment Compensation	75		75	7	68
Workmen's Compensation	70		70	67	3
Total	1,280	-	1,280	1,136	144
Support Services-General Administration:					
Social Security Contributions	165	52	217	217	
Other Retirement Contributions-PERS	185		185	185	
Unemployment Compensation	330	(245)	85	85	
Health Benefits	8,100		8,100	8,100	
Total	8,780	(193)	8,587	8,587	-
Support Services-School Administration:					
Health Benefits	6,800	-	6,800	6,800	-
Custodial Services:					
Social Security Contributions	5,750	1,904	7,654	7,654	
Other Retirement Contributions-PERS	6,000		6,000	6,000	
Unemployment Compensation	550	(462)	88	88	
Workmen's Compensation	1,050	(451)	599	599	
Health Benefits	19,876		19,876	19,876	
Total	33,226	991	34,217	34,217	-

BLOOMSBURY BOROUGH SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
(Continued)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES (Cont'd)					
Current: (cont'd)					
Allocated Benefits (cont'd):					
Total Allocated Benefits	\$ 360,088	\$ (37,525)	\$ 322,563	\$ 283,655	\$ 38,908
On-Behalf TPAF Pension Contribution				72,834	(72,834)
Reimbursed TPAF Social Security Contribution				74,105	(74,105)
Total	-	-	-	146,939	(146,939)
Total Undistributed Expenditures	\$ 1,611,751	\$ (76,237)	\$ 1,535,514	\$ 1,452,349	\$ 83,165
TOTAL CURRENT	\$ 2,546,074	\$ (49,767)	\$ 2,496,307	\$ 2,397,238	\$ 99,069
CAPITAL OUTLAY					
Equipment:					
Undistributed Expenditures:					
Instruction		\$ 3,803	\$ 3,803	\$ 3,803	
Custodial Services		7,293	7,293	7,293	
Total	\$ -	11,096	11,096	11,096	\$ -
Facilities Acquisition and Construction Services:					
Construction Services		59,890	59,890	23,990	35,900
Lease Purchase Agreements-Principal		10,030	10,030	9,077	953
Other Objects		674	674	674	
Total	-	70,594	70,594	33,741	36,853
TOTAL CAPITAL OUTLAY	\$ -	\$ 81,690	\$ 81,690	\$ 44,837	\$ 36,853
TOTAL EXPENDITURES	\$ 2,546,074	\$ 31,923	\$ 2,577,997	\$ 2,442,075	\$ 135,922
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (50,615)	\$ (31,923)	\$ (82,538)	\$ 236,330	\$ 318,868
Fund Balances, July 1	693,469	-	693,469	693,469	-
Fund Balances, June 30	\$ 642,854	\$ (31,923)	\$ 610,931	\$ 929,799	\$ 318,868
Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures					
Adjustment for Prior Year Encumbrances		\$ (31,923)	\$ (31,923)	\$ (31,923)	
Increase in Capital Reserve	\$ 100		100	33	\$ (67)
Increase in Emergency Reserve		175,000	175,000	175,000	
Budgeted Fund Balance	(50,715)	(175,000)	(225,715)	93,220	318,935
TOTAL	\$ (50,615)	\$ (31,923)	\$ (82,538)	\$ 236,330	\$ 318,868

BLOOMSBURY BOROUGH SCHOOL DISTRICT
 BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011
 (Continued)

	<u>Actual</u>
RECAPITULATION OF FUND BALANCE	
Restricted Fund Balance:	
Excess Surplus - Designated for 2011-2012 Budget	\$ 353,512
Excess Surplus - Designated for 2012-2013 Budget	87,822
Capital Reserve	3,445
Emergency Reserve	<u>175,000</u>
	619,779
Committed Fund Balance:	
Year End Encumbrances	55,015
Assigned Fund Balance:	
Designated for Subsequent Year's Expenditures	3,907
Unassigned Fund Balance	<u>251,098</u>
	929,799
Reconciliation to Governmental Statements (GAAP):	
Last State Aid Payment not Recognized on GAAP Basis	<u>(96,366)</u>
Fund Balance Per Governmental Funds (GAAP)	<u><u>\$ 833,433</u></u>

BLOOMSBURY BOROUGH SCHOOL DISTRICT
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

(NOT APPLICABLE TO THIS REPORT)

BLOOMSBURY BOROUGH SCHOOL DISTRICT
EDUCATION JOBS FUND PROGRAM-BUDGET AND ACTUAL
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

(NOT APPLICABLE TO THIS REPORT)

BLOOMSBURY BOROUGH SCHOOL DISTRICT
 BUDGETARY COMPARISON SCHEDULE
 SPECIAL REVENUE FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES					
Federal Sources	\$ 168,293	\$ -	\$ 168,293	\$ 168,293	\$ -
TOTAL REVENUES	<u>\$ 168,293</u>	<u>\$ -</u>	<u>\$ 168,293</u>	<u>\$ 168,293</u>	<u>\$ -</u>
EXPENDITURES					
Instruction:					
Salaries	\$ 11,682	\$ 31,416	\$ 43,098	\$ 43,098	
Other Purchased Services	38,892	(756)	38,136	38,136	
Supplies & Materials	88,474	(58,338)	30,136	30,136	
Totals	<u>139,048</u>	<u>(27,678)</u>	<u>111,370</u>	<u>111,370</u>	<u>\$ -</u>
Support Services:					
Salaries	1,300		1,300	1,300	
Personal Services-Employee Benefits	2,119	6,439	8,558	8,558	
Purchase Professional & Technical Services	23,604	(22,340)	1,264	1,264	
Other Purchased Services	1,120	(900)	220	220	
Supplies & Materials	1,102	(900)	202	202	
Total	<u>29,245</u>	<u>(17,701)</u>	<u>11,544</u>	<u>11,544</u>	<u>-</u>
Facilities Acquisition & Construction Services:					
Instructional Equipment	-	45,379	45,379	45,379	-
TOTAL EXPENDITURES	<u>\$ 168,293</u>	<u>\$ -</u>	<u>\$ 168,293</u>	<u>\$ 168,293</u>	<u>\$ -</u>

NOTES TO THE REQUIRED SUPPLEMENTAL INFORMATION

BLOOMSBURY BOROUGH SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTAL INFORMATION
BUDGETARY COMPARISON SCHEDULE

Explanation of differences between budgetary inflows and outflows and GAAP revenues and expenditures:

	General Fund	Special Revenue Fund
<u>Sources/Inflows of Resources</u>		
Actual amounts (budgetary) "revenues" from the budgetary comparison schedules	\$ 2,678,405	\$ 168,293
Difference-Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures and the related revenue is recognized:		
Outstanding Encumbrances-Prior Year		3,825
Outstanding Encumbrances-Current Year		(30,580)
The last State aid payment is recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expenses (GASB 33):		
State Aid Receivable-Prior Year	109,458	
State Aid Receivable-Current Year	(96,366)	
Total Revenues (GAAP Basis)	<u>\$ 2,691,497</u>	<u>\$ 141,538</u>
<u>Uses/Outflows of Resources</u>		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	\$ 2,442,075	\$ 168,293
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:		
Outstanding Encumbrances-Prior Year		3,825
Outstanding Encumbrances-Current Year		(30,580)
Total Expenditures (GAAP Basis)	<u>\$ 2,442,075</u>	<u>\$ 141,538</u>

OTHER SUPPLEMENTAL INFORMATION

SCHOOL LEVEL SCHEDULES

(NOT APPLICABLE TO THIS REPORT)

SPECIAL REVENUE FUND

DETAIL STATEMENTS

The special revenue fund is used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted expenditures for specific purposes.

BLOOMSBURY BOROUGH SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES-BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	NCLB Title IA	NCLB Title IIA	NCLB Title IID	ARRA Title I	ARRA IDEA Basic	IDEA Basic	IDEA Preschool	REAP	Totals
REVENUES									
Federal Sources	\$ 13,968	\$ 3,508	\$ 22	\$ 3,955	\$ 38,635	\$ 38,136	\$ 756	\$ 69,313	\$ 168,293
TOTAL REVENUES	\$ 13,968	\$ 3,508	\$ 22	\$ 3,955	\$ 38,635	\$ 38,136	\$ 756	\$ 69,313	\$ 168,293
EXPENDITURES									
Instruction:									
Salaries	\$ 9,602	\$ 1,300			\$ 32,196				\$ 43,098
Other Purchased Services						\$ 38,136			38,136
Supplies & Materials	2,445			\$ 3,757				\$ 23,934	30,136
Total	12,047	1,300	\$ -	3,757	32,196	38,136	\$ -	23,934	111,370
Support Services:									
Salaries		1,300							1,300
Personal Services-Employee Benefits	1,921	198			6,439				8,558
Purchased Professional & Technical Services		508					756		1,264
Other Purchased Services			22	198					220
Supplies & Materials		202							202
Total	1,921	2,208	22	198	6,439	-	756	-	11,544
Facilities Acquisition & Construction Services:									
Instructional Equipment	-	-	-	-	-	-	-	45,379	45,379
TOTAL EXPENDITURES	\$ 13,968	\$ 3,508	\$ 22	\$ 3,955	\$ 38,635	\$ 38,136	\$ 756	\$ 69,313	\$ 168,293

CAPITAL PROJECTS FUND

DETAIL STATEMENTS

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

(NOT APPLICABLE TO THIS REPORT)

PROPRIETARY FUND

DETAIL STATEMENTS

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

BLOOMSBURY BOROUGH SCHOOL DISTRICT
STATEMENT OF FUND NET ASSETS
FOOD SERVICE ENTERPRISE FUND
JUNE 30, 2011

ASSETS

Current Assets:

Cash & Cash Equivalents	\$ 13,008
Due from Other Funds	3,029
Receivables from Other Governments:	
State	57
Federal	594
Inventory	1,049
Total Current Assets	<u>17,737</u>

Noncurrent Assets:

Capital Assets	27,908
Less: Accumulated Depreciation	<u>26,351</u>
Total Noncurrent Assets	<u>1,557</u>

Total Assets	<u>19,294</u>
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LIABILITIES

Current Liabilities:

Deferred Revenue	<u>538</u>
Total Liabilities	<u>538</u>

NET ASSETS

Invested in Capital Assets, Net of Related Debt	1,557
Unrestricted	<u>17,199</u>
TOTAL NET ASSETS	<u>\$ 18,756</u>

BLOOMSBURY BOROUGH SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET ASSETS
FOOD SERVICE ENTERPRISE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Operating Revenues:	
Charges for Services:	
Daily Sales-Reimbursable Programs	\$ 23,408
Daily Sales-Nonreimbursable Programs	4,562
Total Operating Revenues	<u>27,970</u>
Other Expenses:	
Salaries	19,629
Employee Benefits	3,485
Purchased Professional Services	1,000
Purchased Property Services (Repairs)	1,179
Insurance	545
Management Fee	7,070
Other Purchased Services	1,386
General Supplies	3,594
Utilities	2,175
Costs of Sales	17,570
Depreciation	173
Total Operating Expenses	<u>57,806</u>
Operating Income (Loss)	<u>(29,836)</u>
Nonoperating Revenues (Expenses):	
State Sources:	
State School Lunch Program	544
Federal Sources:	
National School Lunch Program	10,485
Food Donation Program	3,590
Interest Income	11
Total Nonoperating Revenues (Expenses)	<u>14,630</u>
Change in Net Assets	(15,206)
Net Assets, Beginning	<u>33,962</u>
Net Assets, Ending	<u>\$ 18,756</u>

BLOOMSBURY BOROUGH SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
FOOD SERVICE ENTERPRISE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Cash Flows from Operating Activities:	
Receipts from Customers	\$ 27,970
Payments to Food Service Management Company	(44,678)
Payments to Vendors and Employees	(9,389)
Net Cash Provided by (Used For) Operating Activities	<u>(26,097)</u>
Cash Flows from Noncapital Financing Activities:	
State Sources	526
Federal Sources	10,440
General Fund Interfund Activity	(1,399)
Net Cash Provided by (Used For) Noncapital Financing Activities	<u>9,567</u>
Cash Flows from Investing Activities:	
Interest Earned on Investments	11
Net Cash Provided by Investment Activities	<u>11</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(16,519)
Cash and Cash Equivalents, July 1, 2010	<u>29,527</u>
Cash and Cash Equivalents, June 30, 2011	<u>\$ 13,008</u>
Reconciliation of Operating Income (Loss) to Net Cash	
Provided by (Used For) Operating Activities:	
Operating Income (Loss)	\$ (29,836)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided	
by (Used For) Operating Activities:	
Depreciation	173
Federal Food Donation Program	3,590
(Increase) Decrease in Inventory	38
Increase (Decrease) in Deferred Revenue	(62)
Net Cash Provided by (Used For) Operating Activities	<u>\$ (26,097)</u>

FIDUCIARY FUND

DETAIL STATEMENTS

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

BLOOMSBURY BOROUGH SCHOOL DISTRICT
 COMBINING STATEMENT OF NET ASSETS
 FIDUCIARY FUNDS
 JUNE 30, 2011

	Student Activity Agency Fund	Payroll Agency Fund	Total
ASSETS			
Cash and Cash Equivalents	\$ 4,138	\$ 89,262	\$ 93,400
Total Assets	<u>4,138</u>	<u>89,262</u>	<u>93,400</u>
LIABILITIES			
Due to Students Groups	4,138		4,138
Payroll Deductions & Withholdings		89,262	89,262
Total Liabilities	<u>4,138</u>	<u>89,262</u>	<u>93,400</u>
NET ASSETS	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

BLOOMSBURY BOROUGH SCHOOL DISTRICT
 STUDENT ACTIVITY AGENCY FUND
 STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>Balance 07/01/10</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 06/30/11</u>
ASSETS				
Cash and Cash Equivalents	\$ 4,196	\$ 14,299	\$ 14,357	\$ 4,138
TOTAL ASSETS	<u>\$ 4,196</u>	<u>\$ 14,299</u>	<u>\$ 14,357</u>	<u>\$ 4,138</u>
LIABILITIES				
Due to Student Groups	\$ 4,196	\$ 14,299	\$ 14,357	\$ 4,138
TOTAL LIABILITIES	<u>\$ 4,196</u>	<u>\$ 14,299</u>	<u>\$ 14,357</u>	<u>\$ 4,138</u>

BLOOMSBURY BOROUGH SCHOOL DISTRICT
 PAYROLL AGENCY FUND
 STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Balance 07/01/10	Additions	Deletions	Balance 06/30/11
ASSETS				
Cash and Cash Equivalents	\$ 86,545	\$ 1,349,911	\$ 1,347,194	\$ 89,262
TOTAL ASSETS	\$ 86,545	\$ 1,349,911	\$ 1,347,194	\$ 89,262
LIABILITIES				
Payroll Deductions & Withholdings	\$ 86,220	\$ 577,721	\$ 575,007	\$ 88,934
Net Payroll	325	772,190	772,187	328
TOTAL LIABILITIES	\$ 86,545	\$ 1,349,911	\$ 1,347,194	\$ 89,262

LONG-TERM DEBT SCHEDULES

The long-term debt schedules are used to reflect the outstanding principal balances of the general long-term liabilities of the school district. This includes serial bonds outstanding, obligations under capital leases, and early retirement program.

BLOOMSBURY BOROUGH SCHOOL DISTRICT
 LONG-TERM DEBT
 SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES
 JUNE 30, 2011

	<u>Interest Rate</u>	<u>Amount of Original Issue</u>	<u>Balance 7/1/2010</u>	<u>Issued Current Year</u>	<u>Retired Current Year</u>	<u>Balance 6/30/2011</u>
Energy Lighting System	5.12%	\$ 44,137	<u>\$ 18,619</u>	<u>\$ -</u>	<u>\$ 9,077</u>	<u>\$ 9,542</u>

STATISTICAL SECTION

BLOOMSBURY BOROUGH SCHOOL DISTRICT
STATISTICAL SECTION J SERIES

CONTENTS	PAGE
FINANCIAL TRENDS	
These Schedules Contain Trend Information to Help the Reader Understand how the District's Financial Performance and Well Being have Changed Over Time.	J-1 to J-5
REVENUE CAPACITY	
These Schedules Contain Trend Information to Help the Reader Assess the District's most Significant Local Revenue Sources, the Property Tax.	J-6 to J-9
DEBT CAPACITY	
These Schedules Contain Trend Information to Help the Reader Assess the Affordability of the District's Current Levels of Outstanding Debt and the District's Ability to Issue Additional Debt in the Future.	J-10 to J-13
DEMOGRAPHIC AND ECONOMIC INFORMATION	
These Schedules Offer Demographic and Economic Indicators to Help the Reader Understand the Environment Within Which the District's Financial Activities Take Place.	J-14 to J-15
OPERATING INFORMATION	
These Schedules Contain Service and Infrastructure Data to Help the Reader Understand how the Information in the District's Financial Report Relates to the Services the District Provides and the Activities it Performs.	J-16 to J-20

Sources: Unless Otherwise noted, the Information in these Schedules is Derived from the Comprehensive Annual Financial Reports (CAFR) for the Relevant Year. The District Implemented GASB Statement 34 in the Fiscal Year Ending June 30, 2004; Schedules Presenting District-Wide Information Include Information Beginning in That Year.

BLOOMSBURY BOROUGH 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
GOVERNMENT ACTIVITIES								
Invested in Capital Assets, Net of Related Debt	\$ 151,509	\$ 150,938	\$ 236,423	\$ 285,786	\$ 295,573	\$ 312,371	\$ 327,808	\$ 390,863
Restricted	20,033	1	42,472	18,403	6,853	57,649	54,127	178,445
Unrestricted	77,371	213,635	112,704	33,510	60,179	131,903	470,201	575,790
TOTAL GOVERNMENTAL ACTIVITIES NET ASSETS	\$ 248,913	\$ 364,574	\$ 391,599	\$ 337,699	\$ 362,605	\$ 501,923	\$ 852,136	\$ 1,145,098
BUSINESS-TYPE ACTIVITIES								
Invested in Capital Assets, Net of Related Debt	\$ 3,131	\$ 979				\$ 1,903	\$ 1,730	\$ 1,557
Unrestricted	8,640	14,623	\$ 21,822	\$ 31,322	\$ 45,868	35,291	32,232	17,199
TOTAL BUSINESS-TYPE ACTIVITIES	\$ 11,771	\$ 15,602	\$ 21,822	\$ 31,322	\$ 45,868	\$ 37,194	\$ 33,962	\$ 18,756
DISTRICT-WIDE								
Invested in Capital Assets, Net of Related Debt	\$ 154,640	\$ 151,917	\$ 236,423	\$ 285,786	\$ 295,573	\$ 314,274	\$ 329,538	\$ 392,420
Restricted	20,033	1	42,472	18,403	6,853	57,649	54,127	178,445
Unrestricted	86,011	228,258	134,526	64,832	106,047	167,194	502,433	592,989
TOTAL DISTRICT-WIDE	\$ 260,684	\$ 380,176	\$ 413,421	\$ 369,021	\$ 408,473	\$ 539,117	\$ 886,098	\$ 1,163,854

BLOOMSBURY BOROUGH 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
EXPENSES								
Governmental Activities:								
Instruction:								
Regular	\$ 794,771	\$ 950,850	\$ 1,038,051	\$ 1,110,674	\$ 1,062,637	\$ 1,141,882	\$ 1,167,093	\$ 1,111,022
Special Education	143,224	111,703	172,900	265,754	220,202	206,617	139,276	225,381
Other Special Instruction							10,636	17,903
Summer School	13,835	15,125	9,066	11,446	7,502	9,269	7,204	
Other Instruction	1,541	3,592	2,400	2,412	4,403	5,349	4,469	5,770
Support Services:								
Tuition	384,385	329,306	415,579	405,697	527,153	526,430	412,176	439,934
Student & Instruction Related Services	221,870	229,674	237,765	261,852	238,978	225,068	189,938	251,082
General & Business Administrative Services	137,111	188,951	195,684	207,448	206,392	180,501	194,047	195,234
School Administration	154,154	71,147	74,621	79,769	92,584	90,445	94,318	84,871
Plant Operations & Maintenance	121,503	138,655	157,547	143,380	139,213	173,874	163,732	159,305
Pupil Transportation	82,849	69,441	54,479	67,078	57,923	100,695	87,583	68,276
Interest on Long-Term Debt					1,362	1,815	1,395	1,627
Total Governmental Activities Expenses	<u>2,055,243</u>	<u>2,108,444</u>	<u>2,358,092</u>	<u>2,555,510</u>	<u>2,558,349</u>	<u>2,661,945</u>	<u>2,471,867</u>	<u>2,560,405</u>
Business-Type Activities:								
Food Services	40,098	48,947	53,081	56,728	55,619	50,157	48,323	57,806
Total Business-Type Activities	<u>40,098</u>	<u>48,947</u>	<u>53,081</u>	<u>56,728</u>	<u>55,619</u>	<u>50,157</u>	<u>48,323</u>	<u>57,806</u>
TOTAL DISTRICT EXPENSES	<u>\$ 2,095,341</u>	<u>\$ 2,157,391</u>	<u>\$ 2,411,173</u>	<u>\$ 2,612,238</u>	<u>\$ 2,613,968</u>	<u>\$ 2,712,102</u>	<u>\$ 2,520,190</u>	<u>\$ 2,618,211</u>

BLOOMSBURY BOROUGH SCHOOL DISTRICT
CHANGES IN NET ASSETS
LAST EIGHT FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(Continued)

	Fiscal Year Ending June 30,							
	2004	2005	2006	2007	2008	2009	2010	2011
PROGRAM REVENUES								
Governmental Activities:								
Charges for Services:								
Instruction:								
Regular	\$ 2,600	\$ 1,339	\$ 1,380	\$ 10,420	\$ 17,070	\$ 21,853	\$ 13,050	\$ 19,200
Special Education								15,000
Transportation								20,332
Operating Grants & Contributions	72,368	43,935	81,301	76,636	69,103	82,759	55,730	141,538
Capital Grants & Contributions			32,831	32,831			(3,536)	
Total Governmental Activities Program Revenues	<u>74,968</u>	<u>45,274</u>	<u>115,512</u>	<u>119,887</u>	<u>86,173</u>	<u>104,612</u>	<u>65,244</u>	<u>196,070</u>
Business-Type Activities:								
Charges for Services:								
Food Service	20,401	25,882	28,821	30,117	31,393	31,843	30,997	27,970
Operating Grants & Contributions	3,532	5,918	6,005	8,194	8,451	9,577	14,049	14,619
Total Business-Type Activities Program Revenues	<u>23,933</u>	<u>31,800</u>	<u>34,826</u>	<u>38,311</u>	<u>39,844</u>	<u>41,420</u>	<u>45,046</u>	<u>42,589</u>
TOTAL DISTRICT-PROGRAM REVENUES	<u>\$ 98,901</u>	<u>\$ 77,074</u>	<u>\$ 150,338</u>	<u>\$ 158,198</u>	<u>\$ 126,017</u>	<u>\$ 146,032</u>	<u>\$ 110,290</u>	<u>\$ 238,659</u>
NET (EXPENSE) REVENUES								
Governmental Activities	\$ (1,980,275)	\$ (2,063,170)	\$ (2,242,580)	\$ (2,435,623)	\$ (2,472,176)	\$ (2,557,333)	\$ (2,406,623)	\$ (2,364,335)
Business-Type Activities	(16,165)	(17,147)	(18,255)	(18,417)	(15,775)	(8,737)	(3,277)	(15,217)
TOTAL DISTRICT-WIDE NET EXPENSES	<u>\$ (1,996,440)</u>	<u>\$ (2,080,317)</u>	<u>\$ (2,260,835)</u>	<u>\$ (2,454,040)</u>	<u>\$ (2,487,951)</u>	<u>\$ (2,566,070)</u>	<u>\$ (2,409,900)</u>	<u>\$ (2,379,552)</u>
GENERAL REVENUES & OTHER CHANGES IN NET ASSETS								
Governmental Activities:								
Property Taxes Levied for General Purposes	\$ 1,297,273	\$ 1,348,656	\$ 1,371,065	\$ 1,460,000	\$ 1,547,229	\$ 1,547,229	\$ 1,526,773	\$ 1,526,773
Unrestricted Grants & Contributions	757,416	843,099	914,523	935,695	971,144	1,144,145	1,226,325	1,121,215
Investment Earnings	820	5,365	13,013	12,913	8,918	5,059	2,036	1,319
Miscellaneous Income	1,832	2,675	34	992	56	218	5,015	7,990
Operating Transfer	(16,415)	(20,964)	(24,447)	(27,877)	(30,265)			
Special Item- Loss on Disposal of Capital Assets							(3,313)	
Contributions			16,500					
Total Governmental Activities	<u>2,040,926</u>	<u>2,178,831</u>	<u>2,290,688</u>	<u>2,381,723</u>	<u>2,497,082</u>	<u>2,696,651</u>	<u>2,756,836</u>	<u>2,657,297</u>

BLOOMSBURY BOROUGH SCHOOL DISTRICT
 CHANGES IN NET ASSETS
 LAST EIGHT FISCAL YEARS
 (ACCRUAL BASIS OF ACCOUNTING)
 (Continued)

	Fiscal Year Ending June 30,							
	2004	2005	2006	2007	2008	2009	2010	2011
GENERAL REVENUES & OTHER CHANGES IN NET ASSETS (Cont'd)								
Business-Type Activities:								
Investment Earnings	\$ 16	\$ 14	\$ 28	\$ 40	\$ 56	\$ 63	\$ 45	\$ 11
Transfers	16,415	20,964	24,447	27,877	30,265			
Total Business-Type Activities	16,431	20,978	24,475	27,917	30,321	63	45	11
TOTAL DISTRICT-WIDE	<u>\$ 2,057,357</u>	<u>\$ 2,199,809</u>	<u>\$ 2,315,163</u>	<u>\$ 2,409,640</u>	<u>\$ 2,527,403</u>	<u>\$ 2,696,714</u>	<u>\$ 2,756,881</u>	<u>\$ 2,657,308</u>
CHANGE IN NET ASSETS								
Governmental Activities	\$ 60,651	\$ 115,661	\$ 48,108	\$ (53,900)	\$ 24,906	\$ 139,318	\$ 350,213	\$ 292,962
Business-Type Activities	266	3,831	6,220	9,500	14,546	(8,674)	(3,232)	(15,206)
TOTAL DISTRICT	<u>\$ 60,917</u>	<u>\$ 119,492</u>	<u>\$ 54,328</u>	<u>\$ (44,400)</u>	<u>\$ 39,452</u>	<u>\$ 130,644</u>	<u>\$ 346,981</u>	<u>\$ 277,756</u>

BLOOMSBURY BOROUGH 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	\$ 24,853	\$ 40,282	\$ 21,535	\$ 6,128	\$ 6,230	\$ 104,052	\$ 439,562	\$ 674,794
Unreserved	87,551	198,354	147,483	89,682	121,969	141,245	144,449	158,639
Total General Fund	<u>\$ 112,404</u>	<u>\$ 238,636</u>	<u>\$ 169,018</u>	<u>\$ 95,810</u>	<u>\$ 128,199</u>	<u>\$ 245,297</u>	<u>\$ 584,011</u>	<u>\$ 833,433</u>
All Other Governmental Funds:								
Unreserved, Reported In:								
Capital Projects Fund			\$ 40,131	\$ 15,962	\$ 4,312	\$ 4,312		
Total All Other Governmental Funds	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 40,131</u>	<u>\$ 15,962</u>	<u>\$ 4,312</u>	<u>\$ 4,312</u>	<u>\$ -</u>	<u>\$ -</u>

BLOOMSBURY BOROUGH SCHOOL DISTRICT
 CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS,
 LAST TEN FISCAL YEARS
 (MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Revenues:										
Tax Levy	\$ 1,007,856	\$ 1,054,983	\$ 1,297,273	\$ 1,348,656	\$ 1,371,065	\$ 1,460,000	\$ 1,547,229	\$ 1,547,229	\$ 1,526,773	\$ 1,526,773
Tuition Charges	2,200	1,840	2,600	1,339	1,380	10,420	17,070	21,853	13,050	34,200
Interest Earnings	2,580	1,101	820	5,365	13,013	12,913	8,918	5,059	2,036	1,319
Miscellaneous	325	6,526	1,832	2,675	34	992	56	218	5,015	7,990
State Sources	576,699	722,408	766,122	846,350	917,179	941,787	971,144	1,144,145	1,094,013	1,121,215
State Sources- Capital Projects					32,831	32,831			(3,536)	
Federal Sources	28,701	55,137	63,662	40,684	78,645	70,544	69,103	82,759	188,041	141,538
Total Revenues	1,618,361	1,841,995	2,132,309	2,245,069	2,414,147	2,529,487	2,613,520	2,801,263	2,825,392	2,833,035
Expenditures:										
Instruction:										
Regular Instruction	595,219	595,690	575,973	688,545	754,751	766,946	724,119	800,185	859,843	807,621
Special Education Instruction	107,281	112,922	107,725	73,907	119,779	177,539	145,784	144,691	96,246	131,559
Other Instruction	1,300	1,350	1,400	3,575	2,400	2,400	4,370	5,300	4,424	5,709
Support Services:										
Tuition	258,749	251,345	384,385	329,306	375,836	367,491	488,085	487,399	373,387	401,798
Student & Instruction Related Services	228,708	136,037	141,337	168,587	192,755	215,236	191,529	189,460	159,788	211,989
General Administration	42,626	46,373	59,835	95,976	90,185	93,200	94,508	93,228	86,792	98,747
School Administration Services		100,701	120,371	56,653	57,761	60,071	64,538	66,363	69,157	65,003
Central Services / Business	57,131	53,616	59,491	61,236	64,455	64,923	66,833	69,167	83,055	71,743
Plant Operations & Maintenance	106,608	109,197	103,858	121,432	137,778	120,900	117,523	177,897	134,298	124,531
Pupil Transportation	38,489	52,747	82,849	69,441	54,479	67,078	57,923	100,695	87,583	47,944
Employee Benefits	160,560	206,835	232,442	264,339	280,798	321,672	298,978	296,620	282,377	283,655
On-Behalf TPAF Pension & Soc Sec Contributions	60,178	84,350	93,226	100,244	118,050	196,449	211,403	152,917	154,886	146,939
Capital Outlay	7,762	13,724	5,572	5,572	3,164		44,137		27,586	35,086
Special Schools	11,579	12,492	12,998	15,125	8,995	11,446	7,502	9,269	7,204	
Special Revenue Funds	38,419	64,789	71,967	43,935	81,301	76,636	69,103	82,759	55,729	141,538
Capital Projects					76,700	57,000	11,650			
Debt Service										
Principal							8,668	8,215	8,635	9,077
Interest										674
Total Expenditures	1,714,609	1,842,168	2,047,857	2,097,873	2,419,187	2,598,987	2,606,653	2,684,165	2,490,990	2,583,613
Excess (Deficiency) of Revenues										
Over (Under) Expenditures	(96,248)	(173)	84,452	147,196	(5,040)	(69,500)	6,867	117,098	334,402	249,422
Other Financing Sources (Uses):										
Capital Leases (Non-Budgeted)							44,137			
Transfers Out	(12,118)	(12,639)	(16,415)	(20,964)	(24,447)	(27,877)	(30,265)			
Total Other Financing Sources (Uses)	(12,118)	(12,639)	(16,415)	(20,964)	(24,447)	(27,877)	13,872	-	-	-
Net Change in Fund Balances	\$ (108,366)	\$ (12,812)	\$ 68,037	\$ 126,232	\$ (29,487)	\$ (97,377)	\$ 20,739	\$ 117,098	\$ 334,402	\$ 249,422
Debt Service as a Percentage of Non-capital Expenditures	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.34%	0.31%	0.35%	0.39%

Source: District Records

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

BLOOMSBURY BOROUGH SCHOOL DISTRICT
 GENERAL FUND-OTHER LOCAL REVENUES BY SOURCE
 LAST TEN FISCAL YEARS
 (MODIFIED ACCRUAL BASIS OF ACCOUNTING)

Description	Fiscal Year Ending June 30,									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Interest Income	\$ 2,580	\$ 1,101	\$ 820	\$ 5,365	\$ 13,013	\$ 12,913	\$ 8,918	\$ 5,059	\$ 2,036	\$ 1,319
Tuition	2,200	1,840	2,600	1,339	1,380	10,420	17,070	21,853	13,050	34,200
Prior Year Accounts Payable Canceled										870
Prior Year Refunds			1,784	1,516		982				7,120
Miscellaneous Other	325	6,526	48		34		56	218	5,015	
Outstanding Checks Voided				1,159						
Sale of Surplus Equipment						10				
Annual Totals	<u>\$ 5,105</u>	<u>\$ 9,467</u>	<u>\$ 5,252</u>	<u>\$ 9,379</u>	<u>\$ 14,427</u>	<u>\$ 24,325</u>	<u>\$ 26,044</u>	<u>\$ 27,130</u>	<u>\$ 20,101</u>	<u>\$ 43,509</u>

Source: District Records

BLOOMSBURY BOROUGH SCHOOL DISTRICT
 ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY,
 LAST TEN FISCAL YEARS

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Vacant Land	\$ 563,200	\$ 494,000	\$ 494,000	\$ 386,100	\$ 837,900	\$ 832,500	\$ 832,500	\$ 774,700	\$ 755,400	\$ 777,900
Residential	45,318,300	45,415,200	46,159,300	46,506,100	95,067,400	95,540,300	95,535,400	95,335,700	83,676,900	84,031,300
Farm Regular	716,800	716,800	426,400	426,400	879,900	432,100	432,100	432,100	367,100	367,100
Q Farm	118,800	118,700	115,700	115,700	127,100	124,400	124,400	124,400	124,400	124,400
Commercial	8,133,200	8,559,300	8,559,300	8,559,300	18,963,800	18,905,700	18,955,700	19,016,100	18,650,200	18,539,300
Industrial	3,082,200	2,450,100	2,450,100	2,450,100	4,850,500	4,850,500	4,850,500	4,850,500	4,184,200	4,232,300
Apartment	724,300	724,300	724,300	724,300	1,203,900	1,203,900	1,203,900	1,203,900	1,258,100	1,258,100
Total Assessed Value	58,656,800	58,478,400	58,929,100	59,168,000	121,930,500	121,889,400	121,934,500	121,737,400	109,016,300	109,330,400
Public Utilities (a)	212,104	161,483	157,994	139,022	175,301	181,627	169,013	132,429	152,334	156,440
Net Valuation Taxable	\$ 58,868,904	\$ 58,639,883	\$ 59,087,094	\$ 59,307,022	\$ 122,105,801	\$ 122,071,027	\$ 122,103,513	\$ 121,869,829	\$ 109,168,634	\$ 109,486,840
Estimated Actual County Equalized Value	\$ 69,801,780	\$ 77,330,395	\$ 82,365,018	\$ 99,036,703	\$ 114,214,302	\$ 119,307,311	\$ 119,094,693	\$ 112,862,682	\$ 115,942,350	\$ 116,376,318
Percentage of Net Valuation to Estimated Actual County Equalized Value	84.34%	75.83%	71.74%	59.88%	106.91%	102.32%	102.53%	107.98%	94.16%	94.08%
Total Direct School Tax Rate (b)	\$ 1.80	\$ 2.21	\$ 2.28	\$ 2.31	\$ 1.20	\$ 1.27	\$ 1.27	\$ 1.25	\$ 1.40	\$ 1.39

*

*

Source: Municipal Tax Assessor

NOTE

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

Reassessment occurs when the County Board of Taxation requests Treasury to order a reassessment

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

(b) Tax rates are per \$100

*

Revalued/Reassessed

BLOOMSBURY BOROUGH SCHOOL DISTRICT
 DIRECT AND OVERLAPPING PROPERTY TAX RATES
 LAST TEN FISCAL YEARS
 (RATE PER \$100 OF ASSESSED VALUE)

Assessment Year	School District Direct Rate				Overlapping Rates		Total Direct & Overlapping Tax Rate
	Basic Rate (a)	General Obligation Debt Service (b)	(From J-6)		Municipality	County	
			Regional School Debt	Total Direct School Tax Rate			
2002	\$ 1.80		\$ 1.80		\$ 0.38	\$ 0.54	\$ 2.72
2003	2.21		2.21		0.38	0.57	3.16
2004	2.28		2.28		0.43	0.57	3.28
2005	2.31		2.31		0.43	0.63	3.37
2006	* 1.20		1.20		0.22	0.33	1.75
2007	1.27		1.27		0.23	0.32	1.82
2008	1.27		1.27		0.27	0.32	1.86
2009	1.25		1.25		0.27	0.32	1.84
2010	* 1.40		1.40		0.34	0.36	2.10
2011	1.39		1.39		0.44	0.37	2.20

Sources: Municipal Tax Collector

NOTE: NJSIA 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 by more than the spending growth limitation calculated as follows: the prebudget year net budget increased by the cost of living or 2.5 percent, whichever is greater, plus any spending growth adjustments.

- (a) The district's basic tax rate is calculated from the A4F form which is submitted with the budget and the Net valuation taxable.
- (b) Rates for debt service are based on each year's requirements.

* Revalued/Reassessed

BLOOMSBURY BOROUGH SCHOOL DISTRICT
 PRINCIPAL PROPERTY TAXPAYERS,
 CURRENT YEAR AND NINE YEARS AGO

	2011			2002		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
HPT TA Properties Trust	\$ 5,821,800	1	5.32%	\$ 3,584,100	1	6.09%
Brown Holding LLC	4,139,400	2	3.78%			
Quovadis LLC	2,114,200	3	1.93%	2,239,100	2	3.80%
Pilot Travel Centers	1,962,100	4	1.79%	1,212,300	3	2.06%
Bloomsbury Mets LLC	1,634,000	5	1.49%	1,057,700	4	1.80%
75 North Holdings LLC	1,226,400	6	1.12%			
Bloomsbury Associates	792,400	7	0.72%	624,000	5	1.06%
Individual Property Owner #1	579,600	8	0.53%			
Growmark FS Inc	579,100	9	0.53%	342,600	9	0.58%
Individual Property Owner #2	493,900	10	0.45%			
Individual Property Owner #3				449,200	6	0.76%
Pro Investment Inc				431,100	7	0.73%
Individual Property Owner #4				351,200	8	0.60%
Individual Property Owner #5				293,500	10	0.50%
	<u>\$ 19,342,900</u>		<u>17.66%</u>	<u>\$ 10,584,800</u>		<u>17.98%</u>

Source: Municipal Tax Assessor

BLOOMSBURY BOROUGH SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

Year Ending December 31,	Taxes Levied for the Year	Collected Within the Fiscal Year of the Levy (a)	
		Amount	Percentage of Levy
2001	\$ 1,515,989	\$ 1,503,256	99.16%
2002	1,599,672	1,575,071	98.46%
2003	1,854,870	1,827,119	98.50%
2004	1,979,859	1,942,481	98.11%
2005	2,028,292	1,963,457	96.80%
2006	2,137,809	2,073,392	96.99%
2007	2,222,853	2,154,958	96.95%
2008	2,275,337	2,173,020	95.50%
2009	2,242,088	2,108,875	94.06%
2010	2,305,619	2,163,535	93.83%

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

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

BLOOMSBURY BOROUGH SCHOOL DISTRICT
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

Fiscal Year Ending June 30,	Governmental Activities			Business-Type Activities		Total District	% of Personal Income (a)	Per Capita (a)
	General Obligation Bonds (b)	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases			
2002								
2003								
2004								
2005								
2006								
2007								
2008			\$ 35,469			\$ 35,469	0.06%	\$ 41
2009			27,254			27,254	0.05%	32
2010			18,619			18,619	0.03%	22
2011			9,542			9,542	N/A	11

NOTE

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

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

Note: The Bloomsbury Borough School District has had no bonded debt for the current and prior nine years.

BLOOMSBURY BOROUGH SCHOOL DISTRICT
 RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
 LAST TEN FISCAL YEARS

Fiscal Year Ending June 30,	General Bonded Debt Outstanding		% of Actual Taxable Value (a) of Property	Per Capita (a)
	General Obligation Bonds	Deductions		
2002				
2003				
2004				
2005				
2006				
2007				
2008				
2009				
2010				
2011				

Note: The Bloomsbury Borough School District has had no bonded debt for the current and prior nine years.

BLOOMSBURY BOROUGH SCHOOL DISTRICT
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2010

GOVERNMENTAL UNIT	<u>Debt Outstanding</u>	<u>Estimated % Applicable (a)</u>	<u>Estimated Share of Overlapping Debt</u>
Debt Repaid with Property Taxes:			
Municipality	\$ -	100.00	\$ -
County General Obligation Debt	100,047,622	0.48	<u>476,604</u>
Subtotal, Overlapping Debt			476,604
School District Direct Debt			<u>-</u>
Total Direct and Overlapping Debt			<u>\$ 476,604</u>

Sources: Assessed Value Data Used to Estimate Applicable Percentages
 Provided by the 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 the Municipality. This Process Recognizes that, when Considering the District's Ability to Issue and Repay Long-Term Debt, the Entire Debt Burden Borne by the Residents and Businesses Should be Taken into Account. However this Does Not Imply that Every Taxpayer is a resident, and Therefore Responsible for Repaying the Debt, of Each Overlapping Payment.

(a) For Debt Repaid with Property Taxes, the Percentage of Overlapping Debt Applicable is Estimated Using Taxable Assessed Property Values. Applicable Percentages were Estimated by Determining the Portion of Another Governmental Unit's Taxable Value that is Within the District's Boundaries and Dividing it by Each Unit's Total Taxable Value.

BLOOMSBURY BOROUGH SCHOOL DISTRICT
 DEMOGRAPHIC AND ECONOMIC STATISTICS
 LAST TEN FISCAL YEARS

<u>Year</u>	<u>Population (a)</u>	<u>Personal Income (b)</u>	<u>Per Capita Personal Income (c)</u>	<u>Unemployment Rate (d)</u>
2002	890	\$ 50,827,900	\$ 57,110	5.8%
2003	893	52,388,738	58,666	6.2%
2004	884	52,966,628	59,917	5.1%
2005	876	52,202,592	59,592	4.9%
2006	873	56,156,598	64,326	5.5%
2007	869	59,225,826	68,154	4.8%
2008	865	59,469,615	68,751	6.3%
2009	863	56,391,872	65,344	11.2%
2010	863	N/A	N/A	11.4%
2011	863	N/A	N/A	N/A

Sources:

- (a) Population Information Provided by the NJ Dept of Labor and Workforce Development
- (b) Personal Income has Been Estimated Based Upon the Municipal Population and Per Capita Personal Income Presented
- (c) Per Capita Personal Income by County Estimated Based Upon the 2000 Census Published by the US Bureau of Economic Analysis.
- (d) Unemployment Data Provided by the NJ Dept of Labor and Workforce Development

BLOOMSBURY BOROUGH SCHOOL DISTRICT
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO

Employer	2011			2002		
	Employees	Rank	Percentage of Total Municipal Employment	Employees	Rank	Percentage of Total Municipal Employment

INFORMATION IS NOT AVAILABLE FOR THIS SCHOOL DISTRICT

BLOOMSBURY BOROUGH SCHOOL DISTRICT
 FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
 LAST TEN FISCAL YEARS

FUNCTION/PROGRAM	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Instruction:										
Regular	11.4	11.4	10.8	11.8	12.9	12.9	11.9	11.2	11.6	12.6
Special Education	3.0	4.0	3.0	3.0	4.0	4.0	3.0	4.0	4.0	3.0
Other Special Education	1.5	2.0	2.0	5.0	5.0	4.6	3.6	2.4	2.0	2.0
Support Services:										
Student and Instruction Related Services	2.0	2.6	2.6	2.9	2.3	2.7	2.9	3.0	3.0	3.0
General Administration	0.6	0.6	0.6	0.5	0.5	0.5	0.5	0.5	0.5	0.5
School Administration Services	1.2	1.2	1.2	0.9	0.9	0.9	0.9	0.9	0.9	0.9
Business Administrative Services	1.0	1.0	1.0	1.0	1.0	1.0	1.0			
Plant Operations and Maintenance	1.5	1.5	1.5	1.5	1.5	1.6	1.6	1.5	1.5	1.5
Food Service	1.0	1.0	1.0	1.0	1.0	1.3	1.3			
Total	23.2	25.3	23.7	27.6	29.1	29.5	26.7	23.5	23.5	23.5

Sources: District Personnel Records

BLOOMSBURY BOROUGH SCHOOL DISTRICT
 OPERATING STATISTICS
 LAST TEN FISCAL YEARS

Fiscal Year	Enrollment	Operating Expenditures (a)	Cost Per Pupil	Percentage Change	Teaching Staff (b)	Teacher Ratio	Average Daily Enrollment (ADE) (c)	Average Daily Attendance (ADA) (c)	% Change in Average Daily Enrollment	Student Attendance Percentage
2002	137	\$ 1,706,847	\$ 12,459	-5.45%	21	1 to 6.52	137.0	131.0	5.38%	95.62%
2003	132	1,828,444	13,852	11.18%	23	1 to 5.74	135.0	129.0	-1.46%	95.56%
2004	138	2,047,857	14,840	7.13%	22	1 to 6.27	138.0	132.0	2.22%	95.65%
2005	147	2,092,301	14,233	-4.09%	21	1 to 7.00	151.0	145.0	9.42%	96.03%
2006	165	2,339,323	14,178	-0.39%	22	1 to 7.50	163.7	157.5	8.41%	96.21%
2007	154	2,541,987	16,506	16.43%	24	1 to 6.42	154.1	148.2	-5.86%	96.17%
2008	146	2,542,198	17,412	5.49%	22	1 to 6.64	145.1	140.5	-5.84%	96.83%
2009	138	2,675,950	19,391	11.36%	21	1 to 6.58	138.9	132.9	-4.27%	95.68%
2010	134	2,454,769	18,319	-5.53%	21	1 to 6.38	133.1	127.6	-4.18%	95.87%
2011	140	2,496,786	17,834	-2.65%	21	1 to 6.67	140.0	134.4	5.18%	96.00%

Source: District Records

(a) Operating Expenditures Equal Total Expenditures Less Debt Service and Capital Outlay.

(b) Teaching Staff Includes Only Full-Time Equivalents or Certificated Staff.

(c) Average Daily Enrollment and Average Daily Attendance are Obtained from the School Register Summary (SRS).

BLOOMSBURY BOROUGH SCHOOL DISTRICT
 SCHOOL BUILDING INFORMATION
 LAST TEN FISCAL YEARS

DISTRICT BUILDING	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Elementary (1905)										
Square Feet	18,651	18,651	18,651	18,651	18,651	18,651	18,651	18,651	18,651	18,651
Capacity (Students)	200	200	200	200	200	200	200	200	200	200
Enrollment	137	132	138	147	165	154	146	138	125	140
Number of Schools at June 30, 2011:										
Elementary	1									
Middle School	0									
High School	0									
Other	0									

District Facilities Office

Year of Original Construction is shown in Parentheses. Increase in Square Footage and Capacity are the Result of Renovations and Additions. Enrollment is Based on the Annual October District Count.

BLOOMSBURY BOROUGH SCHOOL DISTRICT
SCHEDULE OF REQUIRED MAINTENANCE
LAST TEN FISCAL YEARS

UNDISTRIBUTED EXPENDITURES - REQUIRED
MAINTENANCE FOR SCHOOL FACILITIES

*School Facilities

	<u>Amount</u>	<u>Total</u>
2002	\$ 154	\$ 154
2003	12,780	12,780
2004	11,675	11,675
2005	20,645	20,645
2006	24,805	24,805
2007	15,705	15,705
2008	19,992	19,992
2009	56,715	56,715
2010	31,598	31,598
2011	<u>17,347</u>	<u>17,347</u>
Total School Facilities	<u>\$ 211,416</u>	<u>\$ 211,416</u>

* School Facilities as Defined Under EFCFA.
(NJAC 6A:26-1.2 and NJAC 6A:26A-1.3)

Source: District Records

BLOOMSBURY BOROUGH SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2011
(UNAUDITED)

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy - NJ School Boards Association:		
Property-Blanket Building & Contents (Per Occurrence)	\$ 300,000,000	\$ 1,000
Equipment Breakdown	100,000,000	1,000
Comprehensive General Liability	11,000,000	
Comprehensive Automobile Liability	11,000,000	
Blanket Position Bond	100,000	
Student Accident Insurance	5,000,000	
School Board Legal Liability - NJ School Boards Association:		
Directors and Officers Policy	11,000,000	5,000
Worker's Compensation - NJ School Boards Association:		
Per Accident, Disease and Disease Limit	2,000,000	
Public Employees' Faithful Performance-Selective Insurance Company:		
Treasurer of School Monies Bond	140,000	
Business Administrator's Bond	130,000	

Source: District Records

SINGLE AUDIT SECTION

Certified Public Accountant
Public School Accountant
Registered Municipal Accountant

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Fax # (908) 689-8388
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INDEPENDENT AUDITORS' 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

October 21, 2011

Honorable President and
Members of the Board of Education
Bloomsbury Borough School
County of Hunterdon, New Jersey

We have audited the financial statements of the Board of Education of the Bloomsbury School District in the County of Hunterdon as of and for the year ended June 30, 2011, and have issued our report thereon dated October 21, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; Government Auditing Standards issued by the Comptroller General of the United States; and audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey.

Internal Control Over Financial Reporting

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

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

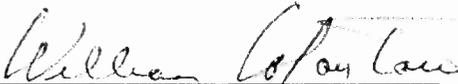
A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

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

Compliance and Other Matters

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

This report is intended solely for the information of the management of the Board of Education and federal and state awarding agencies and pass through entities and is not intended to be and should not be used by anyone other than these specified parties.



William M. Colantano, Jr.
Public School Accountant
No. CS 0128

Certified Public Accountant
Public School Accountant
Registered Municipal Accountant

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INDEPENDENT AUDITORS' 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 04-04

October 21, 2011

Honorable President and
Members of the Board of Education
Bloomsbury Borough School
County of Hunterdon, New Jersey

Compliance

We have audited the compliance of the Board of Education of the Bloomsbury School District in the County of Hunterdon, with the types of compliance requirements described in the US Office of Management and Budget (OMB) Circular A-133 Compliance Supplement and New Jersey OMB's Circular 04-04 that are applicable to its major federal and state programs for the year ended June 30, 2011. The Board of Education's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal and state programs is the responsibility of the Board of Education's management. Our responsibility is to express an opinion on the Board of Education's compliance based on our audit.

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

In our opinion the Board of Education complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal and state programs for the fiscal year ended June 30, 2011.

Internal Control Over Compliance

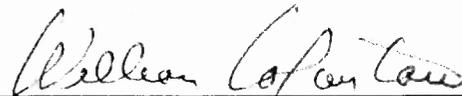
The management of the Board of Education is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal and state programs. In planning and performing our audit we considered the Board of Education's internal control over compliance with requirements that could have a direct and material effect on a major federal and state programs in order to determine our audit procedures for the purpose of expressing our opinion on compliance but not for the purpose of expressing an opinion on the effectiveness on internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Board of Education's internal control over compliance.

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal and state program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal or state program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal or state program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented or detected by the entity's internal control.

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

This report is intended for the information of the Board of Education, the New Jersey State Department of Education (the cognizant audit agency) and other state and federal awarding agencies and is not intended to be and should not be used by anyone other than those specified parties.



William M. Colantano, Jr.
Public School Accountant
No. CS 0128

BLOOMSBURY BOROUGH SCHOOL DISTRICT
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS SCHEDULE A
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Grantor/Program Title	Federal CFDA Number	Project Number	Program or Award Amount	Grant Period From To	Balance June 30, 2010	Carryover Amount	Cash Received	Budgetary Expenditure	Adjustment	Repayment of Prior Year Balance	Balance June 30, 2011		
											Accounts Receivable	Deferred Revenue	Due to Grantor
US Department of Education													
General Fund:													
Education Jobs Fund	84.410A	ARRA-043011	\$ 36,173	08/10/2010-09/30/2012									
Total General Fund					\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
US Department of Education Passed Through State Department of Education:													
Special Revenue Fund:													
Small, Rural School Achievement Program	84.358B	S358AO 83529	24,837	07/01/2008-09/30/2009	(3,314)		24,837	21,523					
Small, Rural School Achievement Program	84.358B	S358AO 93529	23,698	07/01/2009-09/30/2010			21,586	23,698			(2,112)		
Small, Rural School Achievement Program	84.358B	S358A 103529	24,092	07/01/2010-09/30/2011				24,092			(24,092)		
NCLB Title I A	84.010A	NCLB-043009	16,006	09/01/2008-08/31/2009	(5,750)		5,703				(47)		
NCLB Title I A- Carryover	84.010A	NCLB-043009	16,006	09/01/2009-08/31/2010	1,944			1,944					
NCLB Title I A	84.010A	NCLB-043010	12,002	09/01/2009-08/31/2010	(9,060)		9,561	501					
NCLB Title I A	84.010A	NCLB-043011	11,523	09/01/2010-08/31/2011				11,523			(11,523)		
NCLB Title II A	84.367A	NCLB-043009	3,860	09/01/2008-08/31/2009	(1,542)						(1,542)		
NCLB Title II A	84.367A	NCLB-043010	3,459	09/01/2009-08/31/2010	(3,459)		3,459						
NCLB Title II A	84.367A	NCLB-043011	3,508	09/01/2010-08/31/2011				3,508			(3,508)		
NCLB Title IID	84.318X	NCLB-043010	123	09/01/2009-08/31/2010	(31)		31						
NCLB Title IID	84.318X	NCLB-043011	22	09/01/2010-08/31/2011					22		(22)		
IDEA Basic	84.027	IDEA-043010	38,789	09/01/2009-08/31/2010	(38,789)		38,789						
IDEA Basic	84.027	IDEA-043011	38,136	09/01/2010-08/31/2011			38,136	38,136					
IDEA Preschool	84.173	IDEA-043011	756	09/01/2010-08/31/2011				756			(756)		
ARRA Title I Part A	84.389	ARRA-043010	3,955	09/01/2009-08/31/2011				3,955			(3,955)		
ARRA IDEA Basic	84.391	ARRA-043010	38,635	09/01/2009-08/31/2011				38,635			(38,635)		
Total Special Revenue Fund					(60,001)	-	142,102	168,293	-	-	(86,192)	-	
US Department of Agriculture Passed Through State Department of Education:													
Enterprise Fund:													
Food Donation Program	10.550	N/A	3,665	07/01/2009-06/30/2010	600			600					
Food Donation Program	10.550	N/A	3,528	07/01/2010-06/30/2011			3,528	2,990			538		
National School Lunch Program	10.555	N/A	9,983	07/01/2009-06/30/2010	(549)		549						
National School Lunch Program	10.555	N/A	10,485	07/01/2010-06/30/2011			9,891	10,485			(594)		
Total Enterprise Fund					51	-	13,968	14,075	-	-	(594)	538	
TOTAL FEDERAL FINANCIAL ASSISTANCE					\$ (59,950)	\$ -	\$ 156,070	\$ 182,368	\$ -	\$ -	\$ (86,786)	\$ 538	

SEE ACCOMPANYING NOTES TO SCHEDULES OF FINANCIAL ASSISTANCE

BLOOMSBURY BOROUGH SCHOOL DISTRICT
 SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE SCHEDULE B
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Grantor/Program Title	Project Number	Program or Award Amount	Grant Period From To	Balance June 30, 2010	Cash Received	Budgetary Expenditure	Adjustment	Balance June 30, 2011			Memo	
								Accounts Receivable	Deferred Revenue	Due to Grantor	Budgetary Receivable	Cumulative Expenditures
<u>State Department of Education</u>												
General Fund:												
Categorical Special Education Aid	11-495-034	\$ 95,314	07/01/2010-									
	-5120-089		06/30/2011		\$ 95,314	\$ 95,314					\$ 4,621	\$ 95,314
Equalization Aid	11-495-034	686,396	07/01/2010-									
	-5120-078		06/30/2011		686,396	686,396					73,841	686,396
School Choice Aid	11-495-034	178,376	07/01/2010-									
	-5120-068		06/30/2011		178,376	178,376					17,904	178,376
Non-public Remote Transportation Aid	10-495-034	3,907	07/01/2009-									
	-5120-014		06/30/2010	\$ (3,907)	3,907							3,907
Non-public Remote Transportation Aid	11-495-034	1,098	07/01/2010-									
	-5120-014		06/30/2011			1,098		\$ (1,098)				1,098
Reimbursed TPAF Social Security Contribution	10-495-034	84,875	07/01/2009-									
	-5095-002		06/30/2010	(3,653)	3,653							84,875
Reimbursed TPAF Social Security Contribution	11-495-034	74,105	07/01/2010-									
	-5095-002		06/30/2011		70,282	74,105		(3,823)				74,105
On-Behalf TPAF Non-contributory Insurance	11-495-034	3,275	07/01/2010-									
	-5095-007		06/30/2011		3,275	3,275						3,275
On-Behalf TPAF Post Retirement Medical	11-495-034	69,559	07/01/2010-									
	-5095-001		06/30/2011		69,559	69,559						69,559
Total General Fund				<u>(7,560)</u>	<u>1,110,762</u>	<u>1,108,123</u>	<u>\$ -</u>	<u>(4,921)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>96,366</u>	<u>1,196,905</u>
<u>State Department of Agriculture</u>												
Enterprise Fund:												
State School Lunch Program	10-100-010	682	07/01/2009-									
	-3350-023		06/30/2010	(39)	39							682
State School Lunch Program	11-100-010	544	07/01/2010-									
	-3350-023		06/30/2011		487	544		(57)				544
Total Enterprise Fund				<u>(39)</u>	<u>526</u>	<u>544</u>	<u>-</u>	<u>(57)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,226</u>
TOTAL STATE FINANCIAL ASSISTANCE				<u>\$ (7,599)</u>	<u>\$ 1,111,288</u>	<u>\$ 1,108,667</u>	<u>\$ -</u>	<u>\$ (4,978)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 96,366</u>	<u>\$ 1,198,131</u>

SEE ACCOMPANYING NOTES TO SCHEDULES OF FINANCIAL ASSISTANCE

BLOOMSBURY BOROUGH SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF AWARDS AND FINANCIAL ASSISTANCE
JUNE 30, 2011

NOTE 1. GENERAL

The accompanying schedules of financial assistance present the activity of all federal and state financial assistance programs of the Board of Education, Bloomsbury Borough School District. The Board of Education is defined in Note 1 (A) to the Board's financial statements. All federal financial assistance received directly from federal agencies, as well as federal financial assistance passed through other government agencies, is included on the schedule of federal financial assistance.

NOTE 2. BASIS OF ACCOUNTING

The accompanying schedules of financial assistance are presented using the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting and those recorded in the special revenue fund, which are presented using the budgetary basis of accounting. These bases of accounting are described in Notes 1 (C) and 1 (D) to the Board's financial statements.

NOTE 3. RELATIONSHIP OF GENERAL-PURPOSE FINANCIAL STATEMENTS

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

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the last state aid payment in the current budget year, which is mandated pursuant to PL 2003, Ch 97 (A3521). 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 net adjustment to reconcile from the budgetary basis to the GAAP basis is \$13,092 for the general fund and (\$26,755) for the special revenue fund. See Exhibit C-3 for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds.

Financial assistance revenues are reported in the Board's financial statements on a GAAP basis as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund		\$ 1,121,215	\$ 1,121,215
Special Revenue Fund	\$ 141,538		141,538
Food Service Fund	<u>14,075</u>	<u>544</u>	<u>14,619</u>
	<u>\$ 155,613</u>	<u>\$ 1,121,759</u>	<u>\$ 1,277,372</u>

BLOOMSBURY BOROUGH SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF AWARDS AND FINANCIAL ASSISTANCE
JUNE 30, 2011
(Continued)

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

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 Contribution represents the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the year ended June 30, 2011.

BLOOMSBURY BOROUGH SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
(Continued)

SECTION I-SUMMARY OF AUDITOR'S RESULTS

Federal Awards (Cont'd) NOT APPLICABLE

Dollar Threshold used to Distinguish Between
Type A and Type B Programs: _____

Auditee qualified as a low-risk auditee _____ Yes _____ No

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

Type of Auditor's Report Issued on Compliance
for Major Programs: Unqualified

Internal Control Over Major Programs:

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

2. Reportable conditions identified
that are not considered to be material
weaknesses? _____ Yes X No

Any Audit Findings Disclosed That are Required
to be Reported in Accordance with NJ OMB
Circular Letter 04-04? _____ Yes X No

Identification of Major Programs:

<u>GMIS Numbers</u>	<u>Amount</u>	<u>Name of State Program</u>
11-495-034-5120-078	\$ 686,396	Equalization Aid

BLOOMSBURY BOROUGH SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

SECTION II-FINANCIAL STATEMENT FINDINGS

There were no findings or questioned costs for the year ended June 30, 2011.

SECTION III-FEDERAL AWARDS AND STATE FINANCIAL
ASSISTANCE FINDINGS AND QUESTIONED COSTS

There were no findings or questioned costs for the year ended June 30, 2011.

BLOOMSBURY BOROUGH SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

K-7

There were no prior year findings or questioned costs.