

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**OF THE**  
**BORDENTOWN REGIONAL SCHOOL DISTRICT**  
**BOARD OF EDUCATION**  
**BURLINGTON COUNTY, NEW JERSEY**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

Prepared by  
Bordentown Regional School District

BOARD OF EDUCATION OF THE  
BORDENTOWN REGIONAL SCHOOL DISTRICT  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

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## **INTRODUCTORY SECTION**

THOMAS P. DALTON  
President

JOANN M. DANSBURY  
Vice President

# BORDENTOWN REGIONAL SCHOOL DISTRICT

318 WARD AVENUE  
BORDENTOWN, NJ 08505

DR. CONSTANCE BAUER  
Superintendent

PEGGY A. IANOALE  
Business Administrator

<b>Business Office</b> (609)298-0025 Press 1, then 1207	<b>FAX</b> (609)298-2515	<b>Superintendent's Office</b> (609)298-0025 Press 1, then 1211
<b>Internet Web Site: <a href="http://www.bordentown.k12.nj.us">www.bordentown.k12.nj.us</a></b>		

November 1, 2011

Honorable President and Members  
of the Board of Education  
Bordentown Regional School District  
Bordentown, NJ 08505

Dear Board Members and Citizens of the Regional District:

The Comprehensive Annual Financial Report of the Bordentown Regional 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 Board of Education (the Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds 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 three sections; Introductory, Financial, and Statistical. The Introductory section includes this transmittal letter, the District's organizational chart, and a list of principal officials. The Financial section includes, under the new Governmental Accounting Standard Board Statement No. 34 as amended, the Report of Independent Accountants, the Management's Discussion and Analysis, the Basic Financial Statements, and the combining and individual fund statements. Required Supplementary Information includes Budgetary Comparison Schedules, Special Revenue Fund Schedules, as well as Capital Projects, Enterprise, Fiduciary Fund and Long Term Debt schedules. The Statistical section includes selected financial and demographic information. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act and the U.S. Office of Management and Budget Circular A-133, "Audits of State and Local Governments", and the State Treasury Circular Letter 04-04 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments". Information related to the Single Audit requirement is included in this section.

The financial statements include:

- A Management Discussion and Analysis (MD&A) section providing an analysis of the District's overall financial position and results of operations.
- Financial statements prepared using full accrual accounting for all of the District's activities, including infrastructure.
- A change in the fund financial statements to focus on the major funds.

These and other changes are reflected in the accompanying financial statements and notes to financial statements. The District has elected to implement the general provisions of the Statement in the current year.

1. REPORTING ENTITY AND ITS SERVICES: The Bordentown Regional School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board (GASB) as established by NCGA Statement No. 3. The District's basic financial statements include both government-wide (reporting the District as a whole) and fund financial statements (reporting the District's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type. Food Service and Community and District Alliance functions are classified as business-type activities. All funds of the district are included in this report. This Comprehensive Annual Financial Report for the year ended June 30, 2011 is presented in GASB 34 format. The Bordentown Regional Board of Education and all its schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels K through 12. These include regular and vocational as well as special education for handicapped youngsters. The District student enrollment as of October 15, 2010 was 2461.

2. MAJOR INITIATIVES: The district has continued its focus on bringing out-of-district special education programs back into the five district schools. We continue to build on our autistic program. As children age out of preschool autistic programs, many are able to be mainstreamed into regular education classes with in class support. For those remaining students who are not ready, we have developed new classes for the older children. The district is also completing the landscaping at the new high school, and held a successful referendum in December of 2009 to build turf physical education and athletic fields as well as to place solar panels on the roof of the new high school. Both of those projects are finished and benefitting the students and community.

3. INTERNAL ACCOUNTING CONTROLS: Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with Generally Accepted Accounting Principals (GAAP). The internal control structure is designed to provide reasonable, but no absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

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

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

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line-item basis. Open encumbrances at year end are either cancelled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance at June 30, 2011.

5. ACCOUNTING SYSTEMS AND REPORTS: The District's accounting records reflect Generally Accepted Accounting Principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds. These funds are explained in "Notes to the Financial Statements", Note 1.

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

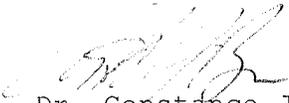
7. RISK MANAGEMENT: The Board carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds.

8. OTHER INFORMATION: Independent Audit - State statutes require an annual audit by an independent certified public accountant or registered municipal accountant. The accounting firm of John J. Maley, Jr., CPA was selected by the Board's Finance committee. In addition to meeting requirements set forth in state statutes, the audit also was designed to meet the requirements of the Audit Policy for Recipients of Federal Grants, State Grants and State Aid and the related NJOMB Circular 04-04

and OMB Circular A-133. The auditor's report on the financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's report relating specifically to the single audit is included in the Single Audit section of this report.

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

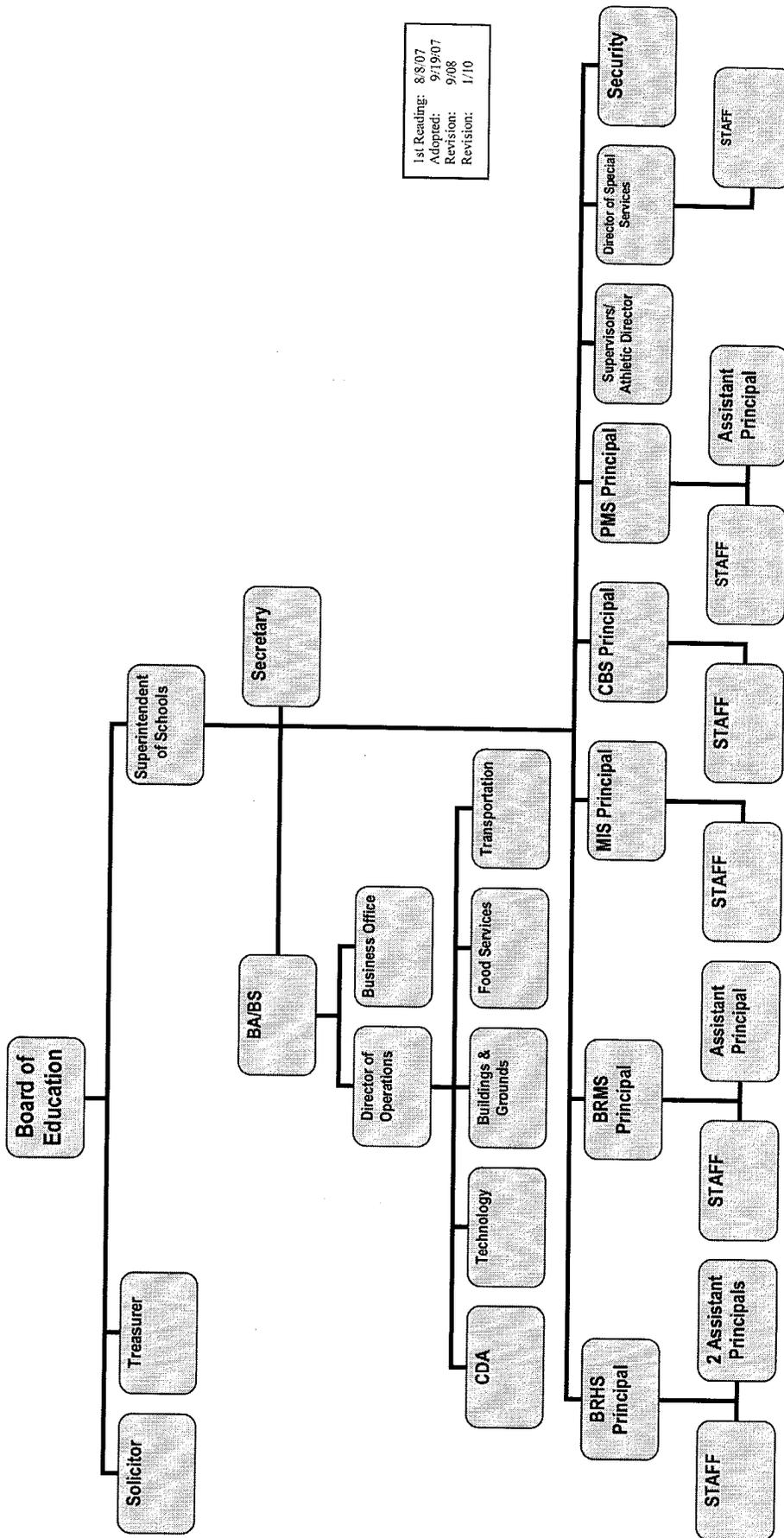
Respectfully submitted,



Dr. Constance J. Bauer, Ed.D.  
Superintendent of Schools



Peggy A. Ianoale  
School Business Administrator/Board Secretary



1st Reading: 8/8/07  
 Adopted: 9/19/07  
 Revision: 9/08  
 Revision: 1/10

**BORDENTOWN REGIONAL SCHOOL DISTRICT  
BORDENTOWN, NEW JERSEY 08505**

**BOARD OF EDUCATION  
ROSTER OF OFFICIALS**

<b>TERM EXPIRES</b>	<b>MEMBERS OF THE BOARD OF EDUCATION</b>
2012	MR. THOMAS DALTON, PRESIDENT
2012	MS. JOANN DANSBURY, VICE PRESIDENT
2012	MS. ELLEN WEHRMAN
2013	MR. MARK DREW
2013	MS. KIMBERLY ZABLOW
2013	MS. PEGGY GENS
2014	MS. LISA KAY HARTMANN
2014	MS. MONA GOFF
2014	MR. THOMAS POTTS
NEW HANOVER REP.	MR. CHRISTPHER SIRAK
<b>ADMINISTRATION:</b>	
SUPERINTENDENT	DR. CONSTANCE J. BAUER
BUSINESS ADMIN./ BOARD SECRETARY	MRS. PEGGY A. IANOALE

**BORDENTOWN REGIONAL SCHOOL DISTRICT**  
**CONSULTANTS AND ADVISORS**

**AUDIT FIRM**

John J. Maley, C.P.A.  
6 E. Park Street  
Bordentown, New Jersey 08505

**ATTORNEY**

Stephen J. Mushinski, Esq.  
Parker, McCay, Criscuolo  
3 Greentree Center & State Hwy 73  
Marlton, New Jersey 08053

**OFFICIAL DEPOSITORY**

PNC Bank  
Bordentown, New Jersey 08505

**FINANCIAL SECTION**

**JOHN J. MALEY, JR.**

*Certified Public Accountant*

Registered Municipal Accountant

P.O. Box 614

BORDENTOWN, NEW JERSEY 08505

PHONE: (609) 298-8639

FAX: (609) 298-1198

MEMBER  
AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditor's Report

The Honorable President and  
Members of the Board of Education  
Bordentown Regional School District  
County of Burlington  
Bordentown, New Jersey 08505

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

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

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

In accordance with *Government Auditing Standards*, I have also issued my report dated September 22, 2011 on my consideration of the Bordentown Regional School District Board of Education's internal control over financial reporting and my test of its compliance with certain provisions of laws, regulations, contracts and grants. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results

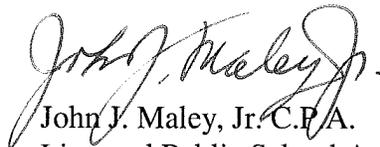
of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. This report is an integral part of our audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of my audit.

The Management discussion and Analysis and Budgetary Comparison Information on pages 9 through 18 and pages 49 through 52 are not a required part of the basic financial statements but are supplementary information required accounting principals generally accepted in the United States of America. I have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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

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

Respectfully submitted,



John J. Maley, Jr. C.F.A.  
Licensed Public School Accountant No. 454  
Registered Municipal Accountant

September 22, 2011

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

## MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the Bordentown Regional School District's annual financial report presents a discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2011. Please read it in conjunction with the Transmittal letter at the beginning of the report and with the District's financial statements, which immediately follow this section.

### FINANCIAL HIGHLIGHTS:

State aid funding for the district was reduced by (\$1,102,683) for the 2010-2011 budget. Total regular state support was \$6,645,291. The tax levy was increased by \$552,663, leaving the district with (\$550,020) reduced funding for the year. Fortunately, the district applied for and received additional Extraordinary Aid funding, and still had the balance of ARRA funds to support programs for students.

During the 2009-2010 school year, a new funding source came from the Federal government in the form of ARRA (American Recovery and Reinvestment Act) Title I and IDEA funds. Title I funds totaled \$74,172 and IDEA funds totaled \$592,999. These two grants were spent over two years, and the district initiated a summer school program in the middle school with the Title I funds, and purchased much needed technology and special education school vehicles with the IDEA funds. The district had expended all ARRA funds as of August 31, 2011.

An ongoing and important funding source to the District resulted from the passage of the No Child Left Behind (NCLB) legislation. Since NCLB's inception in 2003, the district has received a total of \$2,063,044 in NCLB funding. The NCLB grant provides funds for Basic Skills education, staff development, class size reduction aid, and English as a Second Language programs. On October 15, 2010 the district had 66 ESL students, and the NCLB funds have helped the district meet the unique needs of those students. Basic skills programs are available after school and in the summer to help at-risk students improve their proficiency on NCLB tests. Class size reduction aid has enabled the district to add an additional kindergarten section and keep class sizes low for our youngest students.

Enrollment decreased from 2,480 to 2,460 students as of October 15, 2010, ending an 8-year trend of rising enrollment. Overall, special education spending for the year was reduced by over 7% from the previous year. This decrease is mainly attributed to a reduction in out-of-district tuition, as the district continues to return many special needs children to district programs. Regular education spending also went down by over 5%. This reduction was necessary as the district funding was also reduced.

In July of 2002, the District sold \$37,447,000 in bonds to finance the building of a new high school and renovations to the existing schools. The renovations have all been completed, and the 2010-2011 school year was the fifth year that the new high school was open. Students are enjoying the additional space and new facility, with the addition of the new athletic fields. The district was successful in a December 8, 2009 referendum for the addition of turf athletic fields and solar panels on the roof of the new high school, and sold \$8,499,000 in bonds in March of 2010. Both projects are complete. Revenue from the sale of excess energy produced by the solar panels in the form of SREC's is expected to offset the debt service payment for both the fields and the solar panels. Although Solar Renewal Energy Certificates are currently selling at a lower price than realized in the beginning of the year, the district budgeted conservatively and did not report lower funding than anticipated.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts – management's discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the District:

- The first two statements are district-wide financial statements that provide both short-term and long term information about the District's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the district, report the District's operations in more detail than the district-wide statements. For example, the District has two Enterprise Funds – Food Service and Community and District Alliance. These funds are broken out in detail in the fund financial statements, but are combined into the overall District financial statements. The fund financial statements also show the changes in the Capital Projects fund, which is significant in our district.
- The Governmental Funds statements tell how basic services like regular and special education and overall operating expenses were financed for the school year, as well as an analysis of fund balance remaining for future spending or tax relief.
- Proprietary funds statements offer short and long-term financial information about the activities the district operates like businesses, in our case the Food Service and Community and District Alliance mentioned above.
- Fiduciary funds statements provide information about the financial relationships in which the District acts solely as a trustee or agent for the benefit of others. In the Bordentown Regional School District, these include funds held for Unemployment Insurance, Scholarships, Student Activities, and Payroll Agency.
- The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The financial statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the District's budget for the year. The chart below shows how the various parts of this report are arranged and related to one another.

**ORGANIZATION OF BORDENTOWN REGIONAL SCHOOL DISTRICT'S ANNUAL FINANCIAL REPORT**

<i>Management's Discussion And Analysis</i>	<b>Basic Financial Statements</b>	<b>Required Supplementary Information</b>
<b>District-Wide Financial Statements</b>	<b>Fund Financial Statements</b>	<i>Notes to the Financial Statements</i>
<b>Summary</b>	↔	<b>Detail</b>

**MAJOR FEATURES OF DISTRICT-WIDE  
AND FUND FINANCIAL STATEMENTS**

	<b>District-Wide Statements</b>	<b>Governmental Funds</b>	<b>Proprietary Funds</b>	<b>Fiduciary Funds</b>
<b>Scope</b>	Entire District Except Fiduciary funds	The activities of the district that are not proprietary or fiduciary such as special revenue and building maintenance	Activities the district operates similar to private businesses – Food Service and CDA	Instances in which the district administers resources on behalf of someone else such as scholarship programs and student activities monies.
<b>Required financial statements</b>	<ul style="list-style-type: none"> <li>• Statement of Net Assets</li> <li>• Statement of activities</li> </ul>	<ul style="list-style-type: none"> <li>• Balance sheet</li> <li>• Statement of revenues, expenditures, and changes in fund balances</li> </ul>	<ul style="list-style-type: none"> <li>• Statement of net assets</li> <li>• Statement of revenues, expenses, and changes in fund net assets</li> <li>• Statement of cash flows</li> </ul>	<ul style="list-style-type: none"> <li>• Statement of fiduciary net assets</li> <li>• Statement of changes in fiduciary net assets</li> </ul>
<b>Accounting basis and measurement focus</b>	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus.	Accrual accounting and economic resources focus	Accrual Accounting and economic resources focus
<b>Type of asset/liability information</b>	All assets and liabilities, both financial and capital, short-term and long term.	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both financial and capital, and short-term and long-term.	All assets and liabilities, both short-term and long-term.
<b>Type of inflow/outflow information.</b>	All revenues and expenses during the year regardless of when cash is received or paid.	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable.	All revenues and expenses during the year, regardless of when cash is received or paid.	All revenues and expenses during the year, regardless of when cash is received or paid.

## DISTRICT-WIDE STATEMENTS

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

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

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

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

- Governmental activities – Most of the district's basic services are included here, such as regular and special education, transportation, and administration. Property taxes and state aid finance most of these activities, with property taxes being the largest percentage of the revenue base.
- Business-type activities – The District's food service and Community and District Alliance programs.

The fund financial statements provide more detailed information about the District's funds, focusing on its most significant or "major" funds – not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs. The District's funds are those recognized in Generally Accepted Accounting Practices (GAAP), and are prescribed by law.

The District has three kinds of funds:

- Governmental funds – Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can be readily converted to cash flow in and out, and; (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the district-wide statements, we provide additional information with the governmental funds statements which explain the relationship (or differences) between them.
- Proprietary funds – Services for which the District charges a fee are reported in proprietary funds. In Bordentown's case, these include an internal service fund and an enterprise fund.
- Fiduciary funds include the Scholarship, Student Activity, and Payroll Agency funds – funds in which the district is the trustee, or fiduciary, for assets that belong to others. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. These activities are excluded from the district-wide financial statements because the District cannot use their assets to finance its operations.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

At June 30, 2010 the district's net assets were \$13,191,617, and at June 30, 2011, the district's net assets were \$13,502,335. The difference is primarily a difference of long term debt outstanding.

**TABLE A-1** shows the comparison of the District's net assets.

**TABLE A-1**  
**Bordentown Regional Net Assets**  
**(in 000 of dollars)**

	Governmental Type Activities		Business Type Activities		School District Totals		% Change
	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010-2011</u>
Current and other assets	10,086	4,084	257	443	10,343	4,527	128.5%
Capital Assets – Net	52,097	56,365	244	227	52,341	56,592	-7.5%
<b>Total Assets</b>	<b>62,183</b>	<b>60,449</b>	<b>501</b>	670	<b>62,684</b>	<b>61,119</b>	<b>0</b>
Long-term debt outstanding	46,102	44,610	-	-	46,102	44,610	3.3%
Other liabilities	3,284	2,667	95	340	3,379	3,007	12.4%
<b>Total liabilities</b>	<b>49,386</b>	<b>47,277</b>	<b>106</b>	<b>340</b>	<b>49,481</b>	<b>47,617</b>	<b>3.9%</b>
<b>NET ASSETS</b>							
Invested in capital assets, net of relat	6,666	12,400	244	227	6,910	12,627	-45.3%
Comitted	8,304	1,254	-	-	8,304	1,254	562.2%
Unrestricted	(2,174)	(482)	151	103	(2,023)	(379)	433.8%
<b>Total Net assets</b>	<b>12,796</b>	<b>13,172</b>	<b>395</b>	<b>330</b>	<b>13,191</b>	<b>13,502</b>	<b>-2.3%</b>

Note: Totals may not add due to rounding

Changes in net assets – Property taxes account for the highest percentage of revenues, totaling 46.4% of the general fund revenue. The District accepts tuition students from New Hanover, and tuition revenue amounted to \$985,147. The district also developed a general education preschool, offered to parents on a tuition basis. The revenue from that program was \$22,573.

TABLE A-2 shows the changes in net assets for both revenues and expenses, as well as total dollar and percentage changes.

**TABLE A-2**  
**Changes in Bordentown's Net Assets**  
**(in 000 of dollars)**

	Governmental Activities		Business-Type Activities		School District Totals		% Change
	2010	2011	2010	2011	2010	2011	2010-2011
<b>REVENUES:</b>							
Program revenues:							
Charges for services	-		1,140	1,019	1,140	1,019	-11.87%
Federal and State Cat. Grants	3,280	3,516	315	333	3,595	3,849	6.60%
General revenues:							
Property taxes	25,868	26,424	-	-	25,868	26,424	2.10%
Federal or State Aid	7,792	7,182	-	-	7,792	7,182	-8.49%
Tuition	919	1,041	-	-	919	1,041	11.72%
Other	795	796	-	-	795	796	0.13%
<b>Total Revenues</b>	<b>38,654</b>	<b>38,959</b>	<b>1,455</b>	<b>1,352</b>	<b>40,109</b>	<b>40,311</b>	<b>0.50%</b>
<b>EXPENSES</b>							
Instruction Related	17,907	17,490	-	-	17,907	17,490	-2.38%
Tuition	1,502	1,320	-	-	1,502	1,320	-13.79%
Student & Inst. Related Svcs	4,815	4,590	-	-	4,815	4,590	-4.90%
Administrative Services	2,881	2,872	-	-	2,881	2,872	-0.31%
Maintenance	4,493	4,343	-	-	4,493	4,343	-3.45%
Transportation	2,245	2,355	-	-	2,245	2,355	4.67%
Benefits	2,055	2,158	-	-	2,055	2,158	4.77%
Other	3,220	3,456	1,173	1,417	4,393	4,873	9.85%
<b>Total expenses</b>	<b>39,118</b>	<b>38,584</b>	<b>1,173</b>	<b>1,417</b>	<b>40,291</b>	<b>40,001</b>	<b>-0.72%</b>
Increase (decrease) in net assets	(464)	375	282	(65)	(182)	310	

Business-type Activities – The District's food service fund showed a net loss of (\$24,526). The Community District Alliance runs a before-and-after-school program, as well as the school district auditoriums. This year the CDA showed a net loss of (\$40,177).

Chart A-3 breaks down the District's revenues for Fiscal Year 2011, and Chart A-4 displays the District's Expenses.

### 2010-2011 EXPENSES

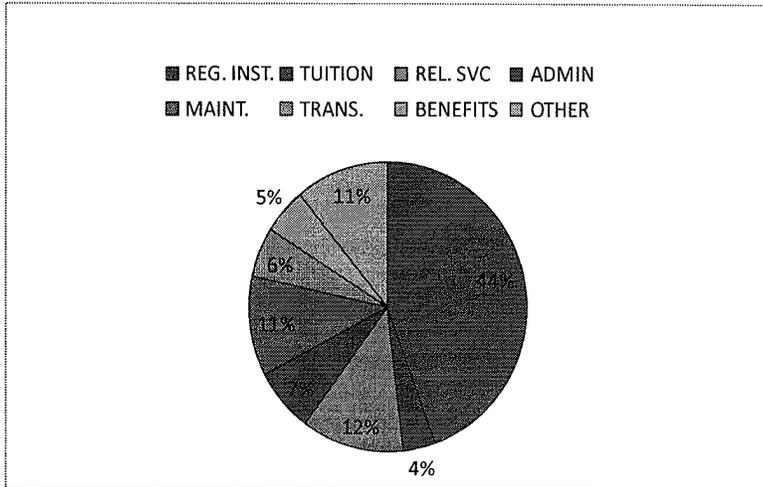


CHART  
A-3

CHART  
A-4

TABLE A-3 provides a summary of the cost of all governmental activities for the 2010-11 school year.

**TABLE A-3**  
**Net Cost of Governmental Activities**  
**(in 000 of dollars)**

	Total Cost of Services		% Change	Net Cost of Services		% Change
	2010	2011	2010-2011	2010	2011	2010-2011
Instruction Related	17,907	17,490	-2.38%	17,041	16,416	-3.81%
Tuition	1,502	1,321	-13.70%	1,502	1,321	-13.70%
Stud. & Instr. Rel. Svs	4,815	4,590	-4.90%	4,669	4,385	-6.48%
Administrative Services	2,881	2,872	-0.31%	2,881	2,872	-0.31%
Maintenance	4,493	4,343	-3.45%	4,493	4,343	-3.45%
Transportation	2,245	2,355	4.67%	2,245	2,355	4.67%
Benefits	2,055	2,159	4.82%	(50)	10	0.00%
Other	3,220	3,456	6.83%	3,056	3,368	9.26%
<b>Total</b>	<b>39,118</b>	<b>38,586</b>		<b>35,837</b>	<b>35,070</b>	

Note: Totals may not add due to rounding

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

The surplus allocation for the 2010-2011 budget was \$836,216. At June 30, 2011, the general fund budgetary fund balance was \$1,455,447. Of that, \$67,319 is reserved for encumbrances, \$924,707 is reserved as excess surplus to be appropriated to future budgets, \$246,668 has been assigned and is designated for expenditures in the subsequent year to replace buses destroyed by fire, and (\$126,589) is unreserved and undesignated. For the 2011-2012 year, \$338,065 was included as anticipated revenue in the budget and \$5,277 remains as reserved in the Capital Reserve account.

GENERAL FUND BUDGETARY HIGHLIGHTS

The district's general fund revenues are comprised of tax levies, state aid, and miscellaneous other revenues. For the year ending June 30, 2011, Transportation revenues were \$62,402 over budget, as the district continues to seek out joint transportation contracts with other school districts. The District also received tuition revenue in the amount of \$4,988 for students educated in the district, but considered homeless, and also received Extraordinary Aid for those students with special education services in the amount of \$229,248. Miscellaneous revenue came in \$180,183 higher than expected, and other revenues were close to anticipated, with surplus generated due to lower expenditures than anticipated. The general education preschool had lower than anticipated enrollment, with a corresponding reduction in revenue, but expenses for this program were also lower than anticipated. This program helps to offset costs associated with required general education experiences for special education preschool children.

CAPITAL ASSET AND DEBT ADMINISTRATION

This is the seventh year the District is reporting its activities in GASB 34 format, so comparative data is now available. In August of 2003, bids were awarded for the renovations projects in the amount of \$4,481,120 and those projects were completed in 2005-06 year. Bids for the construction of the new high school were awarded in March of 2004 for a total of \$31,170,300 and work now completed. The new high school opened September 11, 2006, with only a slight increase over original budgeted costs. Remaining bond funds are now being utilized for field development and landscaping – all part of the original plan but not included in the project as bid. A successful referendum in December of 2009 added \$8,499,000 in bond funds to construct turf athletic and physical education fields and to place solar panels on the roof of the new high school. Excess electricity will be sold in the form of SREC's (Solar Energy Renewable Certificates) to help offset the cost of debt service on the issue.

TABLE A-4 provides information regarding Bordentown's capital assets.

**TABLE A-4**  
**Bordentown's Capital Assets**  
**(net of depreciation, in 000 of dollars)**

	Governmental Activities		Business Type Activities		Total School District		% Change
	2010	2011	2010	2011	2010	2011	2010-2011
Land	1,780	1,780	-	-	1,780	1,780	0.00%
Construction in Progress	1,847	7,333	-	-	1,847	7,333	74.81%
Site Improvements	874	874	-	-	874	874	0.00%
Buildings	57,791	57,791	-	-	57,791	57,791	0.00%
Equipment and furniture	7,744	7,219	469	476	8,213	7,695	-6.73%
<b>Total</b>	<b>70,036</b>	<b>74,997</b>	<b>469</b>	<b>476</b>	<b>72,515</b>	<b>77,484</b>	<b>6.41%</b>

Note: Totals may not add due to rounding

## LONG TERM DEBT

At year-end the district had \$44,188,710 in general obligation bonds and other long-term debt outstanding. This represents normal activity in the debt service account payments. More detailed information about the District's long-term liabilities is presented in Note 6 to the financial statements. The District's general obligation bonds carry a rating of 6AA2, in accordance with the School Bond Reserve Act. The state limits the amount of general obligation debt to 4% of the districts' average ratable base, so in order to finance the building of the new high school and the renovations, the District had to receive approval from the Local Finance Board, which it received in January, 2002. In the 2010-2011 school year, the district retired \$1,030,000 in long term debt.

**TABLE A-5**  
**Bordentown's Outstanding Long-Term Debt**  
**(in 000 of dollars)**

	Total School		Total %
	District		Change
	<u>2010</u>	<u>2011</u>	<u>2010-2011</u>
General Obligation Bonds	46,809	45,779	-2.25%
Commissioner Approved Lease Purchase	-	-	-
Capital Leases	516	357	-44.54%
Deferred PERS Pension Payment	137	137	0.00%
Compensated Absences	1,600	1,667	4.02%
<b>Total</b>	<b>49,062</b>	<b>47,940</b>	<b>2.29%</b>

Note: Totals may not add due to rounding

## FACTORS BEARING ON THE DISTRICT'S FUTURE

At the time these financial statements were prepared and audited, the District was aware of no existing circumstances that could significantly affect its financial health in the future. In July of 2004, the State of New Jersey enacted Senate Bill No. 1701, which limits school districts to undesignated surplus of no more than 2% of its general fund budget. Recent legislation limited the district to a 2% cap on tax levy increases, which has had a negative impact on the district's budget. In the current economic climate, it has been difficult to pass a budget with a 2% cap, and state aid has been reduced. The district, like many others, has instituted a series of financial economies, including increased class sizes and reductions in administrative and office staff. There is no outstanding litigation that could affect the District's financial picture.

## CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, vendors, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have any questions about this report or need additional financial information, please contact the School Business Administrator, Bordentown Regional School District, 318 Ward Avenue, Bordentown, New Jersey, 08505, or call 609/298-0025, ext. 1204.

## **BASIC FINANCIAL STATEMENTS**

**Bordentown Regional School District**  
**Statement of Net Assets**  
**June 30, 2011**

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 809,659	\$ 412,276	\$ 1,221,935
Receivables, net	743,080	25,476	768,556
Internal balance	7,305	(7,200)	105
Inventory	-	12,753	12,753
Restricted assets:			
Cash and cash equivalents	2,192,628	-	2,192,628
Capital reserve account - cash	5,277	-	5,277
Unamortized debt issue costs	326,667	-	326,667
Capital assets, net (Note 4):	56,365,099	227,164	56,592,263
Total Assets	<u>60,449,715</u>	<u>670,469</u>	<u>61,120,184</u>
<b>LIABILITIES</b>			
Accounts payable	48,377	121,167	169,544
Accrued interest payable	803,615	-	803,615
Payable to state government	22,883	-	22,883
Deferred revenue	52,983	219,164	272,147
Noncurrent liabilities (Note 6):			
Due within one year	1,739,361	-	1,739,361
Due beyond one year	44,610,299	-	44,610,299
Total liabilities	<u>47,277,518</u>	<u>340,331</u>	<u>47,617,849</u>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	12,400,387	227,164	12,627,551
Restricted for:			
Debt service	324,238	-	324,238
Capital projects	5,277	-	5,277
Other purposes	924,707	-	924,707
Unrestricted	(482,412)	102,974	(379,438)
Total net assets	<u>\$ 13,172,197</u>	<u>\$ 330,138</u>	<u>\$ 13,502,335</u>

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

Bordentown Regional School District  
Statement of Activities  
For the Year Ended June 30, 2011

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
Instruction:							
Regular	\$ 11,412,860	\$ -	\$ -	\$ -	\$ (11,412,860)	\$ -	\$ (11,412,860)
Special education	4,459,110	-	1,073,575	-	(3,385,535)	-	(3,385,535)
Other special instruction	780,307	-	-	-	(780,307)	-	(780,307)
Other instruction	837,571	-	-	-	(837,571)	-	(837,571)
Support services:							
Tuition	1,320,514	-	-	-	(1,320,514)	-	(1,320,514)
Student & instruction related services	4,589,935	-	205,159	-	(4,384,776)	-	(4,384,776)
General administration	484,317	-	-	-	(484,317)	-	(484,317)
School administrative services	1,737,531	-	-	-	(1,737,531)	-	(1,737,531)
Central services - business administration	414,613	-	-	-	(414,613)	-	(414,613)
Administrative information technology	236,061	-	-	-	(236,061)	-	(236,061)
Plant operations and maintenance	4,343,102	-	-	-	(4,343,102)	-	(4,343,102)
Pupil transportation	2,355,307	-	-	-	(2,355,307)	-	(2,355,307)
Employee benefits	2,148,568	-	2,148,568	-	(9,999)	-	(9,999)
Interest on long-term debt	2,072,048	-	88,632	-	(1,983,416)	-	(1,983,416)
Amortization of debt issue costs	23,478	-	-	-	(23,478)	-	(23,478)
Unallocated depreciation	1,360,714	-	-	-	(1,360,714)	-	(1,360,714)
Total governmental activities	38,586,035	-	3,515,934	-	(35,070,101)	-	(35,070,101)
Business-type activities:							
Food service	741,888	436,567	280,795	-	-	(24,526)	(24,526)
Community district alliance	675,613	583,040	52,596	-	-	(40,177)	(40,177)
Total business-type activities	1,417,501	1,019,607	333,191	-	-	(64,703)	(64,703)
Total primary government	\$ 40,003,536	\$ 1,019,607	\$ 3,849,125	\$ -	\$ (35,070,101)	\$ (64,703)	\$ (35,134,804)
General revenues:							
Taxes:							
Property taxes, levied for general purposes, net					23,744,262		23,744,262
Taxes levied for debt service					2,680,506		2,680,506
Federal and State aid not restricted					7,182,584		7,182,584
Tuition revenue					1,041,527		1,041,527
Investment earnings					6,199		6,199
Miscellaneous income					636,551		636,551
Extraordinary item - Fire loss impairment (buses)					(92,775)		(92,775)
Extraordinary item - Insurance proceeds from fire loss - buses					246,668		246,668
Total general revenues					35,445,522		35,445,522
Change in Net Assets					375,421	(64,703)	310,718
Net Assets—beginning					12,796,776	394,841	13,191,617
Net Assets—ending					\$ 13,172,197	\$ 330,138	\$ 13,502,335

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

**Bordentown Regional School District  
Balance Sheet  
Governmental Funds  
June 30, 2011**

Exhibit B-1

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>ASSETS</b>					
Cash and cash equivalents	\$ 809,659	\$ -	\$ 2,192,628	\$ -	\$ 3,002,287
Due from other funds	210,017	-	-	-	210,017
Receivables from other governments	110,205	271,901	-	-	382,106
Other receivables	360,974	-	-	-	360,974
Restricted cash for capital reserve	5,277	-	-	-	5,277
Total assets	<u>\$ 1,496,132</u>	<u>\$ 271,901</u>	<u>\$ 2,192,628</u>	<u>\$ -</u>	<u>\$ 3,960,661</u>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Accounts payable	40,685	7,692	-	-	48,377
Interfund payable	-	188,343	14,365	4	202,712
Payable to state government	-	22,883	-	-	22,883
Deferred revenue	-	52,983	-	-	52,983
Total liabilities	<u>40,685</u>	<u>271,901</u>	<u>14,365</u>	<u>4</u>	<u>326,955</u>
Fund Balances:					
Restricted for:					
Excess Surplus - current year	924,707	-	-	-	924,707
Capital reserve	5,277	-	-	-	5,277
Assigned to:					
Debt service	-	-	324,238	(4)	324,234
Designated by the BOE for subsequent year's expenditures	211,476	-	-	-	211,476
Designated by the BOE for subsequent year's expenditures - Fire Proceeds	246,668	-	-	-	246,668
Capital projects	-	-	1,582,519	-	1,582,519
Other purposes	67,319	-	271,506	-	338,825
Unassigned:					
General fund	-	-	-	-	-
Total Fund balances	<u>1,455,447</u>	<u>-</u>	<u>2,178,263</u>	<u>(4)</u>	<u>3,633,706</u>
Total liabilities and fund balances	<u>\$ 1,496,132</u>	<u>\$ 271,901</u>	<u>\$ 2,192,628</u>	<u>\$ -</u>	

Amounts reported for *governmental activities* in the statement of net assets (A-1) are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$74,996,868 and the accumulated depreciation is \$18,631,769 (See Note 4). 56,365,099

Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds (see Note 6).

Bonds Payable	(45,779,000)	
Deferred PERS Obligation	(137,303)	
Capital Leases Payable	(357,098)	
Compensated Absences	(1,666,549)	(47,939,950)

Deferred charge on School Refunding Bonds (amortized as interest expense).

Deferred Charge	2,189,484	
Less: Accumulated Amortization	(515,993)	1,673,491

Premium on Bonds (amortized as a credit to interest expense).

Deferred Charge	(127,453)	
Less: Accumulated Amortization	44,252	(83,201)

Accrued interest payable is not due and payable in the current period and therefore is not reported as a liability in the funds. (803,615)

Unamortized Debt Issue Costs are not current financial resources and are not reported as assets in the funds.

Debt Issue Costs	450,960	
Less: Accumulated Amortization	(124,293)	326,667

Net assets of governmental activities \$ 13,172,197

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

**Bordentown Regional School District**  
**Statement of Revenues, Expenditures, And Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended June 30, 2011**

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>REVENUES</b>					
Local sources:					
Local tax levy	\$ 23,744,262	\$ -	\$ -	\$ 2,680,506	\$ 26,424,768
Other local government units unrestricted	139,377	-	-	-	139,377
Tuition charges	1,041,527	-	-	-	1,041,527
Transportation fees from other LEA's	122,402	-	-	-	122,402
Interest earned	4,032	-	6,199	-	10,231
Miscellaneous	424,079	19,445	-	-	443,524
Total - Local sources	25,475,679	19,445	6,199	2,680,506	28,181,829
State sources	9,200,597	61,220	-	88,632	9,350,449
Federal sources	-	1,348,069	-	-	1,348,069
Total revenues	34,676,276	1,428,734	6,199	2,769,138	38,880,347
<b>EXPENDITURES</b>					
Current:					
Regular instruction	9,482,923	-	-	-	9,482,923
Special education instruction	2,702,563	1,073,575	-	-	3,776,138
Other special instruction	624,840	-	-	-	624,840
Other instruction	704,413	-	-	-	704,413
Support services:					
Tuition	1,320,514	-	-	-	1,320,514
Student & instruction related services	3,621,475	205,159	-	-	3,826,634
General administrative services	474,862	-	-	-	474,862
School administrative services	1,434,687	-	-	-	1,434,687
Business administrative/central services	337,996	-	-	-	337,996
Administrative information technology	197,235	-	-	-	197,235
Plant operations and maintenance	3,849,549	-	-	-	3,849,549
Pupil transportation	1,557,314	-	-	-	1,557,314
Employee benefits	7,566,334	-	-	-	7,566,334
Debt service:					
Principal	-	-	-	1,030,000	1,030,000
Interest and other charges	-	-	-	1,887,427	1,887,427
Capital outlay	332,004	150,000	5,486,175	-	5,968,179
Total expenditures	34,206,709	1,428,734	5,486,175	2,917,427	44,039,045
Excess (Deficiency) of revenues over expenditures	469,567	-	(5,479,976)	(148,289)	(5,158,698)
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	6,199	-	-	-	6,199
Transfers out	-	-	(6,199)	-	(6,199)
Total other financing sources and uses	6,199	-	(6,199)	-	-
<b>EXTRAORDINARY ITEMS (USES)</b>					
Insurance proceeds from fire loss - buses	246,668	-	-	-	246,668
Total extraordinary items	246,668	-	-	-	246,668
Net change in fund balances	722,434	-	(5,486,175)	(148,289)	(4,912,030)
Fund balance—July 1	733,013	-	7,664,438	148,285	8,545,736
Fund balance—June 30	\$ 1,455,447	\$ -	\$ 2,178,263	\$ (4)	\$ 3,633,706

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

**Bordentown Regional School District  
 Reconciliation of the Statement of Revenues, Expenditures,  
 and Changes in Fund Balances of Governmental Funds  
 to the Statement of Activities  
 For the Year Ended June 30, 2011**

**Total net change in fund balances - governmental funds (from B-2)** \$ (4,912,030)

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

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

	Depreciation expense	\$ (693,685)	
	Capital outlays	<u>4,961,480</u>	
			4,267,795

Repayment of bond and capital lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities.

Payment of bond principal	1,030,000		
Payment of capital leases	<u>159,437</u>		1,189,437

In the statement of activities, interest on long-term debt is accrued regardless of when due. In the governmental funds, interest is reported when due. 12,073

In the statement of activities, amortization of bond premium is capitalized and earned over the life of the bonds. In the governmental funds, bond premium is expended. 7,216

In the statement of activities, amortization of debt issue costs is capitalized and amortized over the life of the bonds. In the governmental funds, debt issue costs are expended. (23,478)

In the statement of activities, deferred charges associated with refunding bonds is capitalized and amortized over the life of the bonds. In the governmental funds, deferred charges costs are expended. (99,038)

In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the earned amount, the difference is an addition to the reconciliation (+). (66,554)

**Change in net assets of governmental activities** \$ 375,421

**Bordentown Regional School District**  
**Statement of Net Assets**  
**Proprietary Funds**  
**June 30, 2011**

	<b>Business-type Activities - Enterprise Funds</b>		
	<b>Food Service</b>	<b>Community District Alliance</b>	<b>Totals</b>
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 139,402	\$ 272,874	\$ 412,276
Accounts receivable:			
Federal	808	-	808
State	12,734	11,934	24,668
Inventories	12,753	-	12,753
	<u>165,697</u>	<u>284,808</u>	<u>450,505</u>
Noncurrent assets:			
Furniture, machinery & equipment	476,323	-	476,323
Less accumulated depreciation	(249,159)	-	(249,159)
	<u>227,164</u>	<u>-</u>	<u>227,164</u>
Total assets	<u><u>392,861</u></u>	<u><u>284,808</u></u>	<u><u>677,669</u></u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	35,386	-	35,386
Interfund payable - general fund	-	7,200	7,200
Deferred revenue	-	219,164	219,164
Total current liabilities	<u>35,386</u>	<u>226,364</u>	<u>261,750</u>
Noncurrent liabilities:			
Interfund payable - general fund	85,781	-	85,781
Total noncurrent liabilities	<u>85,781</u>	<u>-</u>	<u>85,781</u>
Total liabilities	<u><u>121,167</u></u>	<u><u>226,364</u></u>	<u><u>347,531</u></u>
<b>NETASSETS</b>			
Invested in capital assets net of related debt	227,164	-	227,164
Unrestricted	44,530	58,444	102,974
Total net assets	<u><u>\$ 271,694</u></u>	<u><u>\$ 58,444</u></u>	<u><u>\$ 330,138</u></u>

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

**Bordentown Regional School District**  
**Statement of Revenues, Expenses, and Changes in Fund Net Assets**  
**Proprietary Funds**  
**For the Year Ended June 30, 2011**

	Business-type Activities - Enterprise Fund		
	Food	Community	Total
	Service	District Alliance	
			Enterprise
Operating revenues:			
Charges for services:			
Daily sales - reimbursable programs	\$ 285,059	\$ -	\$ 285,059
Daily sales - non-reimbursable programs	137,362	-	137,362
Special functions	14,146	-	14,146
Community service activities	-	583,040	583,040
Total operating revenues	<u>436,567</u>	<u>583,040</u>	<u>1,019,607</u>
Operating expenses:			
Cost of sales	718,156	-	718,156
Salaries	-	478,162	478,162
Employee benefits	-	75,756	75,756
Other purchased professional services	-	77,624	77,624
Supplies and materials	-	28,215	28,215
Bank card fees	-	15,856	15,856
Depreciation	23,732	-	23,732
Total Operating Expenses	<u>741,888</u>	<u>675,613</u>	<u>1,417,501</u>
Operating income (loss)	<u>(305,321)</u>	<u>(92,573)</u>	<u>(397,894)</u>
Nonoperating revenues (expenses):			
State sources:			
State school lunch program	7,757	-	7,757
Adult basic skills program	-	52,396	52,396
Federal sources:			
National school lunch program	196,344	-	196,344
National breakfast program	40,578	-	40,578
Special milk program	49	-	49
Food distribution program	36,067	-	36,067
Total nonoperating revenues (expenses)	<u>280,795</u>	<u>52,396</u>	<u>333,191</u>
Income (loss) before contributions & transfers	<u>(24,526)</u>	<u>(40,177)</u>	<u>(64,703)</u>
Transfers in (out)	-	-	-
Change in net assets	<u>(24,526)</u>	<u>(40,177)</u>	<u>(64,703)</u>
Total net assets—beginning	296,220	98,621	394,841
Total net assets—ending	<u>\$ 271,694</u>	<u>\$ 58,444</u>	<u>\$ 330,138</u>

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

**Bordentown Regional School District  
Statement of Cash Flows  
Proprietary Funds  
For the Year Ended June 30, 2011**

	<b>Business-type Activities - Enterprise Funds</b>		
	<b>Food Service</b>	<b>Community District Alliance</b>	<b>Total Enterprise</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers	\$ 436,567	\$ 799,160	\$ 1,235,727
Payments to employees	-	(478,162)	(478,162)
Payments for employee benefits	-	(75,756)	(75,756)
Payments to suppliers	(652,612)	(107,004)	(759,616)
Payments to bank card fees	-	(15,856)	-
Net cash provided by (used for) operating activities	<u>(216,045)</u>	<u>122,382</u>	<u>(77,807)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
State Sources	8,059	47,439	55,498
Federal Sources	242,080	-	242,080
Net cash provided by (used for) non-capital financing activities	<u>250,139</u>	<u>47,439</u>	<u>297,578</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Purchases of capital assets	(6,603)	-	(6,603)
Net cash provided by (used for) capital and related financing activities	<u>(6,603)</u>	<u>-</u>	<u>(6,603)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest and dividends	-	-	-
Net cash provided by (used for) investing activities	<u>-</u>	<u>-</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	27,491	169,821	213,168
Balances—beginning of year	111,911	103,053	214,964
Balances—end of year	<u>\$ 139,402</u>	<u>\$ 272,874</u>	<u>\$ 428,132</u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>			
Operating income (loss)	\$ (305,321)	\$ (92,573)	\$ (397,894)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation and net amortization	23,732	-	23,732
Food Distribution Program	36,067	-	36,067
(Increase) decrease in inventories	2,757	-	2,757
Increase (decrease) in interfund payable	-	(3,044)	(3,044)
Increase (decrease) in accounts payable	26,720	(1,165)	25,555
Increase (decrease) in deferred revenue	-	219,164	219,164
Total adjustments	<u>89,276</u>	<u>214,955</u>	<u>304,231</u>
Net cash provided by (used for) operating activities	<u>\$ (216,045)</u>	<u>\$ 122,382</u>	<u>\$ (93,663)</u>

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

**Bordentown Regional School District  
Statement of Fiduciary Net Assets  
Fiduciary Funds  
June 30, 2011**

	<u>Unemployment Compensation Trust</u>	<u>Private Purpose Scholarship Fund</u>	<u>Agency Funds</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 30	\$ 138,674	\$ 315,927
Total assets	<u>30</u>	<u>138,674</u>	<u>315,927</u>
<b>LIABILITIES</b>			
Payable to student groups	-	-	139,225
Payroll deductions and withholdings	<u>-</u>	<u>-</u>	<u>176,702</u>
Total liabilities	<u>-</u>	<u>-</u>	<u>\$ 315,927</u>
<b>NET ASSETS</b>			
Held in trust for unemployment claims and other purposes	<u>\$ 30</u>		
Reserved for scholarships		<u>\$ 138,674</u>	

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

**Exhibit B-8**

**Bordentown Regional School District  
Statement of Changes in Fiduciary Net Assets  
Fiduciary Funds  
For the Year Ended June 30, 2011**

	Unemployment Compensation Trust	Private Purpose Scholarship Fund
<b>ADDITIONS</b>		
Contributions:		
Plan members	\$ -	\$ -
Other	-	22,700
Total Contributions	<u>-</u>	<u>22,700</u>
Investment earnings:		
Interest	-	1,527
Net investment earnings	<u>-</u>	<u>1,527</u>
Total additions	<u>-</u>	<u>24,227</u>
<b>DEDUCTIONS</b>		
Other	-	208
Scholarships awarded	<u>-</u>	<u>23,000</u>
Total deductions	<u>-</u>	<u>23,208</u>
Change in net assets	-	1,019
Net assets—beginning of the year	<u>30</u>	<u>137,655</u>
Net assets—end of the year	<u>\$ 30</u>	<u>\$ 138,674</u>

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

**NOTES TO FINANCIAL STATEMENTS**

**NOTES TO FINANCIAL STATEMENTS**

BORDENTOWN REGIONAL 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 of Bordentown Regional School District (the "District") have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. School Districts are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989 (when applicable) that do not conflict with or contradict GASB pronouncements. Although the District has the option to apply FASB pronouncements issued after that date to its business-type activities and enterprise funds, the District has chosen not to do so. The more significant of the Board's accounting policies are described below.

The GASB unanimously approved Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*. Certain of the significant changes in the Statement include the following:

- A Management Discussion and Analysis (MD&A) section providing an analysis of the District's overall financial position and results of operations.
- Financial statements prepared using full accrual accounting for all of the District's activities, including infrastructure.
- A change in the fund financial statements to focus on the major funds.

These and other changes are reflected in the accompanying financial statements and notes to financial statements.

**A. Reporting Entity**

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

The primary criterion for including activities within the District's reporting entity, as set forth in Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards, is the degree of oversight responsibility maintained by the District. Oversight

BORDENTOWN REGIONAL SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2011

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

responsibility includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters. The combined financial statements include all funds and account groups of the District over which the Board exercises operating control. The operations of the District include elementary, junior and senior high schools located in Bordentown Township and Bordentown City. There were no additional entities required to be included in the reporting entity under the criteria as described above, in the current fiscal year. Furthermore, the District is not includable in any other reporting entity on the basis of such criteria.

**Basic Financial Statements**

The District's basic financial statements include both government-wide (reporting the District as a whole) and fund financial statements (reporting the District's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type. Food Service and Community District Alliance functions are classified as business-type activities.

**B. Government-Wide Statements**

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

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

Total net costs by function or business-type activity are supported by general revenues such as property taxes, intergovernmental revenues and interest income. This government-wide focus is more on the sustainability of the District as an entity and the change in the District's net assets resulting from the current year's activities.

BORDENTOWN REGIONAL SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2011

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Net Assets**

Net assets represent the difference between assets and liabilities. Net asset invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition construction or improvement of those assets. Assets restricted for capital projects include unexpended bond proceeds reduced by an equal amount of debt outstanding. Net asset are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Net assets restricted for other purposes include amounts resulting from the calculation of excess surplus in accordance with N.J.S.A. 18A:7F-7.

The District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net asset are available.

**C. Fund Financial Statements**

The accounts of the District are maintained in accordance with the principles of fund accounting to ensure observance of limitations and restrictions on the resources available. The principles of fund accounting require that resources be classified for accounting and reporting purposes into funds or account groups in accordance with activities or objectives specified for the resources. Each fund is a separate accounting entity with a self-balancing set of accounts. Funds are classified into three categories: governmental, proprietary and fiduciary. Each category, in turn, is divided into separate "fund types"

**Governmental Fund Types**

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

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

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

Capital Projects Funds - 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).

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 and certificates of participation issued to finance major property acquisition, construction and improvement programs.

BORDENTOWN REGIONAL SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2011

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES(Continued)**

**Proprietary Fund Type**

The focus of the proprietary fund measurement is upon determination of operating income, changes in net assets, 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 governmental funds of the District:

Enterprise Funds - The enterprise funds account for all revenues and expenses pertaining to food service and community district alliance operations. The community district alliance enterprise fund was established in 1995-96 with a residual equity transfer from the general fund totaling \$154,907. These enterprise funds account for operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that the cost (i.e. expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis are financed or recovered primarily through user charges.

**Fiduciary Fund Types**

Trust and Agency Funds - The trust and agency funds are used to account for assets held by the District on behalf of outside parties, including other governments, or on behalf of other funds within the District.

Expendable Trust Fund - An expendable trust fund is used to account for assets held to be expended for specified purposes. Expendable Trust Funds include Unemployment Compensation and certain Scholarship accounts.

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

**Fund Balance**

Fund balance is divided into five classifications based primarily on the extent to which the District is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

Nonspendable – The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of interfund loans.

Restricted – Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or is imposed by law through constitutional provisions or enabling legislation.

BORDENTOWN REGIONAL SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2011

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES(Continued)**

**Fund Balance (Continued)**

The term “enabling legislation” means legislation that authorizes a government to assess, levy, charge, or otherwise mandate payment of resources from external resource providers and includes a legally enforceable requirement that those resources be used only for the specific purposes defined in the legislation. Legal enforceability means that the government can be compelled by an external party-such as citizens, public interest groups, or the judiciary to use resources created by enabling legislation only for the purposes specified by the legislation.

Committed – The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action (resolution) of Board of Education. Those committed amounts cannot be used for any other purpose unless Board of Education removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. In contrast to fund balance that is restricted by enabling legislation, the committed fund balance classification may be redeployed for other purposes with appropriate due process. Constraints imposed on the use of committed amounts are imposed by the Board of Education, separate from the authorization to raise the underlying revenue; therefore, compliance with these constraints are not considered to be legally enforceable. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned – Amounts in the assigned fund balance classification are intended to be used by the District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the General Fund, assigned amounts represent intended uses established by the Board of Education or a District official delegated that authority by resolution or policy of the Board.

**D. Measurement of Focus, and Financial Statement Presentation**

The basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

**Accrual:**

Both governmental and business-type activities in the government-wide financial statements and the proprietary and fiduciary fund financial statement are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred. The accrual basis of accounting is also used for measuring financial position and operating results of the business-type activities in the governmental-wide financial statements.

BORDENTOWN REGIONAL SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2011

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES(Continued)**

**Modified Accrual:**

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

**Property Taxes**

Ad Valorem (Property) Taxes are susceptible to accrual as under New Jersey Statute a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of 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".

**E. Cash, Cash Equivalents and Investments**

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

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 investment 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 loss of funds on deposit with a failed banking institution in New Jersey.

N.J.S.A. 17:9-41 et. seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Act. Public depositories include Savings and Loan institutions, banks (both state and national banks) and savings banks ate 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.

BORDENTOWN REGIONAL SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2011

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES(Continued)**

**F. Inventories and Prepaid Expenses**

The cost of inventory items and prepaid expenses are recorded as expenditures in the governmental fund types. In the Enterprise fund, inventories are valued at cost, which approximates market, using the first-in, first-out (FIFO) method.

**G. Capital Assets**

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$2,000.

During the year ended June 30, 1994 the District established a formal system of accounting for its capital assets. Capital assets acquired or constructed subsequent to June 30, 1993 are recorded at original cost. General capital assets acquired or constructed prior to the establishment of the formal system are valued at cost based on historical records or through estimation procedures performed by an independent appraisal company. Donated capital assets are valued at their estimated fair market value on the date received.

Capital assets are reflected as expenditures in the applicable governmental funds. Capital outlays which enhance the asset or significantly extend the useful life of the asset are considered improvements and are added to the asset's currently capitalized cost. The cost of normal repairs and maintenance are not capitalized. Capital assets in the proprietary funds are capitalized in the fund in which they are utilized.

Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Buildings	20 - 50 years
Machinery and Equipment	7 - 20 years
Improvements	10 - 20 years
Other infrastructure	10 - 50 years

**H. Compensated Absences**

District employees are granted vacation and sick leave in varying amounts under the District's personnel policies. In the event of retirement, an employee is reimbursed for accumulated sick leave. Sick leave benefits provide for ordinary sick pay and begin vesting with the employee upon employment.

The noncurrent portion of the liability for vested compensated absences of the governmental fund types is maintained separately and is not recorded as a fund liability. The amount is recorded as a government wide liability and represents a reconciling item between the fund and government-wide presentations.

The liability for compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees.

BORDENTOWN REGIONAL SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2011

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**I. Deferred Revenue**

In applying GASBS No.33 to grant revenues, the provider recognizes liabilities and expenses and the recipient recognizes receivables and revenue when the applicable eligibility requirements, including time and reimbursement requirements, are met. Resources transmitted before the eligibility requirements are met are reported as advances by the provider and deferred revenue by the recipient.

**J. Long-Term Obligations**

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using 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.

**K. Interfund Activity**

Interfund activity is reported as either loans, services provided, reimbursements or transfers. Interfund receivables and payables are eliminated from the Government-Wide financial statements.

**L. Comparative Data**

Comparative total data for the prior year has not been presented in the government-wide or the fund financial statements.

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

**A. 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

BORDENTOWN REGIONAL SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2011

**Note 2: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)**

established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. All budget amendments must be approved by School Board resolution. The 2010-2011 budget was amended several times during the year.

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles with the exception of the legally mandated revenue recognition of the last state aid payment for budgetary purposes only and 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. Notes to the Required Supplemental Information provide a budget-to-GAAP reconciliation.

**B. 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.

**Note 3: CASH AND INVESTMENTS**

Deposits - Deposits are carried at cost, which approximates market value. The carrying amount of deposits is separately displayed on the balance sheets as Cash and Cash Equivalents.

Custodial Credit Risk Related to Deposits – Custodial credit risk is the risk that, in the event of a bank failure, the District's deposits might not be recovered. The District does not have a formal deposit policy for custodial credit risk but complies with N.J.S.A. 17:9-41et seq, requiring governmental units to deposit public funds in public depositories protected from loss under the provisions GUDPA as explained in Note 1E.

BORDENTOWN REGIONAL SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2011

**Note 3: CASH AND INVESTMENTS (Continued)**

At June 30, 2011, the carrying value of cash of the District consisted of the following:

	<u>Total</u>
Interest Bearing Demand Deposits	\$ 3,874,247
Cash Held By Fiscal Agents	<u>0</u>
	<u>\$ 3,847,247</u>

The carrying amount of cash at June 30, 2011 was \$3,847,247 and the bank balance was \$4,374,622. Of the bank balance, \$308,918 was covered by federal depository insurance and \$4,065,704 was covered by a collateral pool maintained by the banks as required by New Jersey statutes (GUDPA). Reconciliation to Government-Wide: Statement of Net Asset:

Unrestricted Cash	\$ 1,410,281
Restricted Cash	2,009,558
Agency Fund Cash	<u>454,408</u>
	<u>\$ 3,874,247</u>

Investments - New Jersey Statutes (N.J.S.A. 18A –20-37) establish the following securities as eligible for the investment of the Bordentown Regional School District's funds:

1. Bonds or other obligations of the United States or obligations guaranteed by the United States.
2. Government money market mutual funds.
3. Any federal agency or instrumentality obligation authorized by Congress that matures within 397 days from the date of purchase, and has a fixed rate of interest not dependent on any index or other external factor.
4. Bonds or other obligations of the local unit or school districts of which the local unit is a part.
5. Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, approved by the Division of Investment of the Department of the Treasury for investment by local units.
6. Local government investment pools.
7. Deposits with the State of New Jersey Cash Management Fund.
8. Agreements for the repurchase of fully collateralized securities, subject to conditions.

The District had no investments at June 30, 2011. Throughout the year available cash is deposited in certificates of deposit to earn interest.

Credit Risk – Credit risk is that an issuer or other counter party to an investment will not fulfill its obligations. The District limits its investments to those permitted by N.J.S.A. 18A:20-37.

Investment Risk Policy – The District does not have a formal investment policy addressing credit risk, including custodial credit risk and concentrations of credit risk, or interest rate risk.

Concentration of Credit Risk – The District does not limit the amount that may be invested in any one issuer.

Interest Rate Risk – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District has no policy addressing interest rate risk.

BORDENTOWN REGIONAL SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2011

**Note 3: CASH AND INVESTMENTS (Continued)**

Custodial Credit Risk: Custodial credit risk for investments is the risk that a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party if the counterparty to the transaction fails. Investments are exposed to custodial credit risk when they are uninsured, unregistered, and are held by either a counterparty's trust department or agent but not in the government's name.

**Note 4: CAPITAL ASSETS**

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

	<b>Primary Government</b>			Balance June 30, 2011
	Balance June 30, 2010	Additions/ Adjustments	Deletions/ Adjustments	
<b><u>Governmental activities:</u></b>				
Capital assets, not being depreciated:				
Land	\$ 1,779,651	\$ -	\$ -	\$ 1,779,651
Construction in progress	1,847,019	5,486,171	-	7,333,190
<b>Total capital assets, not being depreciated</b>	<b>3,626,670</b>	<b>5,486,171</b>	<b>-</b>	<b>9,112,841</b>
Capital assets, being depreciated:				
Site improvements	873,653	-	-	873,653
Buildings and building improvements	57,790,881	-	-	57,790,881
Machinery and equipment	7,744,184	377,135	(901,826)	7,219,493
<b>Total capital assets, being depreciated</b>	<b>66,408,718</b>	<b>377,135</b>	<b>(901,826)</b>	<b>65,884,027</b>
<b>Total Capital Assets</b>	<b>70,035,388</b>	<b>5,863,306</b>	<b>(901,826)</b>	<b>74,996,868</b>
Less accumulated depreciation for:				
Site improvements	2,165,257	116,194	-	2,281,451
Buildings and building improvements	12,054,499	1,142,144	-	13,196,643
Machinery and equipment	3,718,328	244,398	(809,051)	3,153,675
<b>Total accumulated depreciation</b>	<b>17,938,084</b>	<b>1,502,736</b>	<b>(809,051)</b>	<b>18,631,769</b>
<b>Governmental activities capital assets, net</b>	<b>\$ 52,097,304</b>	<b>\$ 4,360,570</b>	<b>\$ (92,775)</b>	<b>\$ 56,365,099</b>
	Balance June 30, 2010	Additions/ Adjustments	Deletions/ Adjustments	Balance June 30, 2011
<b><u>Business-type Activities:</u></b>				
Capital assets, being depreciated:				
Machinery and equipment	\$ 469,721	\$ 6,602	\$ -	\$ 476,323
Less accumulated depreciation for:				
Machinery and equipment	(225,427)	(23,732)	-	(249,159)
<b>Business-type activities capital assets, net</b>	<b>\$ 244,294</b>	<b>\$ (17,130)</b>	<b>\$ -</b>	<b>\$ 227,164</b>

BORDENTOWN REGIONAL SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2011

**Note 4: CAPITAL ASSETS (Continued)**

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:	
General and Business Administrative Services	\$ 6,355
Pupil Transportation	135,667
Unallocated Depreciation Expense	<u>964,022</u>
Total depreciation expense - governmental activities	<u>\$ 1,106,044</u>
Business-type activities:	
Food service fund	<u>\$ 23,732</u>
Total depreciation expense - business-type activities	<u>\$ 23,732</u>

**Note 5: OPERATING LEASES**

The District has a commitment to lease copier equipment under an operating lease which expires January 2016. The lease contains a cancellation provision and is subject to annual appropriation. Normal operating lease payments made during the year ended June 30, 2011 totaled \$100,452. Additionally, the District paid \$87,223 for scheduled lease payments on copier equipment returned to the lessor prior to completion of the lease term. Revenue to make this payment was realized from the vendor who provided the new copier equipment and related lease. Future minimum lease payments are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2012	\$ 55,011
2013	55,011
2014	55,011
2015	55,011
2016	<u>4,584</u>
Total future minimum lease payments	<u>\$ 224,628</u>

**Note 6: LONG-TERM DEBT**

Long-term liability activity for the year ended June 30, 2011 was as follows:

	<u>Balance</u>			<u>Balance</u>	<u>Amounts Due</u>
	<u>6/30/10</u>	<u>Increases</u>	<u>Decreases</u>	<u>6/30/11</u>	<u>Within One</u>
					<u>Year</u>
Governmental Activities:					
Bonds Payable:					
Outstanding Bonds	\$ 46,809,000	\$ 0	\$ 1,030,000	\$ 45,779,000	\$ 1,465,000
Unamortized Bond Premium	90,417	0	7,216	83,201	0
Deferred Amount on Refunding	<u>(1,772,529)</u>	0	<u>(99,038)</u>	<u>(1,673,491)</u>	0
Total Bonds Payable	45,126,888	0	938,178	44,188,710	1,465,000
Deferred PERS Pension Obligation	137,303	0	0	137,303	0
Capital Leases Payable	516,535	0	159,437	357,098	168,144
Compensated Absences Payable	<u>1,599,995</u>	<u>194,089</u>	<u>127,535</u>	<u>1,666,549</u>	<u>106,217</u>
Governmental Activities					
Long-term Liabilities	<u>\$ 47,380,721</u>	<u>\$ 194,089</u>	<u>\$ 1,225,150</u>	<u>\$ 46,349,660</u>	<u>\$ 1,739,361</u>

BORDENTOWN REGIONAL SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2011

**Note 6: LONG-TERM DEBT (Continued)**

A. Bonds Payable

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

2010 School Bonds dated March 12, 2010 in the amount of \$8,499,000 due in annual installments through March 1, 2025 bearing interest rates ranging from 1.50% to 3.50%. The bonds were issued to fund improvements at the High School Complex to include installation of a solar energy system and reconstruction of athletic fields.

2006 School Refunding Bonds (refunded a portion of the 2002 Bonds) dated November 28, 2006 in the original amount of \$36,650,000 due in annual installments through January 15, 2033 bearing interest rates ranging from 4% to 5%.

2003 School Refunding Bonds (refunded 1994 Bonds) dated October 1, 2003 in the original amount of \$3,805,000 due in annual installments through February 1, 2013 bearing interest rates ranging from 2.00% to 3.50%.

2002 School Bonds dated July 15, 2002 in the amount of \$37,447,000. All but \$2,190,000 of this issue was refunded by the issuance of 2006 School Refunding Bonds. The remaining bonds not refunded finally mature January 15, 2012 and bear interest at 4.7%.

Principal and interest due on serial bonds outstanding is as follows:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	1,465,000	1,855,180	3,320,180
2013	1,540,000	1,804,665	3,344,665
2014	1,455,000	1,753,265	3,208,265
2015	1,775,000	1,701,790	3,476,790
2016	1,880,000	1,624,290	3,504,290
2017	1,960,000	1,543,415	3,503,415
2018	2,050,000	1,456,415	3,506,415
2019	2,125,000	1,380,165	3,505,165
2020	2,185,000	1,297,353	3,482,353
2021	2,285,000	1,210,740	3,495,740
2022-2026	11,729,000	4,642,591	16,371,591
2027-2031	10,595,000	2,386,694	12,981,694
2032-2033	<u>4,735,000</u>	<u>301,537</u>	<u>5,036,537</u>
	<u>\$ 45,779,000</u>	<u>\$ 22,958,100</u>	<u>\$ 68,737,100</u>

Bonds Authorized But Not Issued

As of June 30, 2011 there were no bonds or notes authorized but not issued.

BORDENTOWN REGIONAL SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2011

**Note 6: LONG-TERM DEBT (Continued)**

B. Deferred PERS Pension Obligation

In accordance with P.L. 2010, c19, districts could elect to defer 50 % of the 2008-09 regular PERS pension liability. The district elected to defer 50%, amounting to \$137,303, by resolution dated May 6, 2009. The district must begin repaying the deferred amount starting in April 2012, over 15 years. The amount to be paid will fluctuate based on pension system investment earnings on the unfunded liability. The liability accrues interest at “regular interest” rates as defined by N.J.S.A. 43:15A-24b which is currently 8.25%. Districts are permitted to pay off the obligation at any time.

C. Prior Year Debt Defeasance

During fiscal year 2007 \$36,650,000 of Refunding School Bonds were issued to advance refund \$34,607,000 of the previously issued and outstanding 2002 School Bonds. The proceeds of \$36,400,281.22 (includes a premium of \$92,150.10) were deposited with an escrow agent to purchase direct obligations of the United States of America. The reacquisition price exceeded the net carrying amount of the old debt by \$1,998,507. This amount is being amortized over the remaining life of the refunded debt, which is equal to the life of the new debt issued. Under the escrow reserve agreement, the escrow fund is irrevocably pledged to the payment of principal and interest on the refunded bonds. As a result, the \$34,607,000 of the refunded obligations is considered to be defeased and the liability for those bonds has been removed from the District’s financial statements. As a result of the refunding, the District reduced its aggregate debt service payments to maturity by \$1,678,006 and obtained an economic gain (difference between present value of the debt service payments on the old and new debt) of \$1,037,995.

At June 30, 2011 the amount of defeased debt outstanding and removed from the financial statements amounted to \$34,607,000. The defeased debt will be called January 15, 2012.

D. Capital Lease Payable

The District entered into a lease agreement as lessee for financing the acquisition of computers and voice over internet protocol (VOIP). These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the inception date.

The assets acquired through capital leases are as follows:

	<u>Governmental Activities</u>
Asset:	
Machinery and Equipment	\$ 698,509
Less: Accumulated Depreciation	<u>139,702</u>
Total	<u>\$ 558,807</u>

BORDENTOWN REGIONAL SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2011

**Note 6: LONG-TERM DEBT (Continued)**

Future Minimum Lease Payments – The future minimum lease obligations and the net present value of these minimum lease payments are as follows:

<u>Year</u> <u>Ending</u> <u>June 30</u>	<u>Governmental</u> <u>Activities</u>
2012	\$ 184,285
2013	99,680
2014	<u>99,680</u>
Total Minimum Lease Payment	383,645
Less: Amount Representing Interest	<u>26,548</u>
Present Value of Lease Payments	<u>\$ 357,097</u>

**Note 7: PENSION PLANS**

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

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

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

BORDENTOWN REGIONAL SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2011

**Note 7: PENSION PLANS (Continued)**

**Vesting and Benefit Provisions** - The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A and 43.3B, and N.J.S.A. 18A: 6C for TPAF. All benefits vest after eight to ten years of service, except for medical benefits that vest after 25 years of service. Retirement benefits for age and service are available at age 60 and are generally determined to be 1/60 of the final average salary for each year of service credit, as defined. Final average salary equals the average salary for the final three years of service prior to retirement (or highest three years of service credit or they may elect deferred retirement after the member attains normal retirement age. The TPAF and PERS provides for specified medical benefits for members who retire after achieving 25 years of qualified service, as defined, or under the disability provisions of the System.

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

**Contribution Requirements** - The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994 and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. PERS provide for employee contributions of 5.5% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate. The actuarially determined contribution includes funding for both cost-of-living adjustments, non-contributory death benefits, and post-retirement medical premiums. Under current statute the District is a non-contributing employer of the TPAF.

**Three-Year Trend Information for PERS**

<b><u>Year</u></b>	<b><u>Annual</u></b>
<b><u>Funding</u></b>	<b><u>Pension</u></b>
	<b><u>Costs</u></b>
6/30/11	\$ 485,260
6/30/10	348,482
6/30/09	274,605

In accordance with P.L. 2010, c19, districts could elect to defer 50 % of the 2008-09 regular PERS pension liability. The district must begin repaying the deferred amount starting in April 2012, over 15 years. The district elected to defer 50%, amounting to \$137,302, by resolution dated May 6, 2009.

The normal contribution due in 2010-11 was \$187,111; the accrued liability due was \$298,149 totaling \$485,260. Total regular pension contributions plus the non-contributory group life insurance premium amount of \$36,855, totaling \$522,115 was paid by the school district.

BORDENTOWN REGIONAL SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2011

**Note 7: PENSION PLANS (Continued)**

**Three-Year Trend Information for TPAF (Paid on-behalf of the Board)**

<u>Year</u> <u>Funding</u>	<u>Annual</u> <u>Pension</u> <u>Costs</u>	<u>Post-Retirement</u> <u>Medical</u> <u>Benefits</u>
6/30/11	\$ 0	\$ 977,529
6/30/10	0	906,474
6/30/09	0	837,197

Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$1,125,016 during the year ended June 30, 2011 for the employer's share of social security contributions for TPAF members, as calculated on their base salaries. These amounts have been included in the financial statements, and the combining and individual fund statements and schedules as a revenue and expenditure in accordance with GASB 27.

**Note 8: POST-RETIREMENT BENEFITS**

Chapter 384 of Public Laws 1987 and Chapter 6 of Public Laws 1990 required Teachers' Pensions and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2010, there were 87,288 retirees eligible for post-retirement medical benefits. The cost of these benefits is funded through contributions by the State in accordance with Chapter 62, P.L. 1994. Funding of post-retirement medical premiums changed from a pre-funding basis to a pay-as-you-go basis beginning in fiscal year 1994.

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

BORDENTOWN REGIONAL SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
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**Note 9: DEFERRED COMPENSATION**

The Board offers its employees 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 plan are not available to employee until termination, retirement, death or unforeseeable emergency. The plan administrators are as follows: Laurel Financial Group, Inc.; The Franklin Life Insurance Company; VALIC; Siracusa Benefits Programs; UBS Financial Services, Inc.; Lincoln Investment Planning, Inc.; Equitable; Retirement Annuity Consultants Inc.; Thomas Seely Agency.

**Note 10: INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS**

New Jersey statute requires that interest earned on the investments in capital projects funds be credited to the general fund or debt service based on Board resolution. In accordance with Board resolution, interest earned on capital projects funds will be credited to the General Fund.

Interfund balances consists of the following:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 210,017	\$ -
Special Revenue Fund	-	188,343
Capital Project Fund	-	14,365
Debt Service Fund	-	4
Enterprise Fund	-	7,200
Agency Funds	-	105
	<u>\$ 210,017</u>	<u>\$ 210,017</u>

Internal Balances consists of the following:

General Fund	\$ 85,781	\$ -
Enterprise Fund	-	85,781
	<u>\$ 85,781</u>	<u>\$ 85,781</u>

Because the internal fund balance does not satisfy the “available” criteria, the general fund does not recognize the receivable. Further, the balance is not expected to be liquidated within one year of the balance sheet date and is not recognized as an asset on the government-wide statement of net assets.

**Note 11: 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 for property, liability, student accident and surety bonds. A complete schedule of insurance coverage can be found in the Statistical Section of this Comprehensive Annual Financial Report.

New Jersey Unemployment Compensation Insurance - The District has elected to fund its New Jersey Unemployment Compensation Insurance under the (Benefit Reimbursement Method). Under this plan, the District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State.

BORDENTOWN REGIONAL SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
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**Note 11: RISK MANAGEMENT (Continued)**

The following is a summary of District contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the District's expendable trust fund for the current and previous two years:

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2010-2011	\$ 87,999	\$ 37,243	\$ 124,436	\$ 30
2009-2010	181	37,574	130,951	30
2008-2009	1,393	52,673	46,369	90,939

**Note 12: CONTINGENT LIABILITIES**

The Board of Education is the defendant in lawsuits arising principally in the normal course of operations and generally covered by insurance. In the opinion of the administration, the outcome of these lawsuits will not have a material adverse effect on the accompanying financial statements and accordingly, no provision for losses has been provided.

**Note 13: FUND BALANCE APPROPRIATED**

General Fund (Exhibit B-1) - Of the \$1,455,447 General Fund fund balance at June 30, 2011, \$67,319 is reserved for encumbrances; \$924,707 is reserved as excess surplus in accordance with N.J.S.A. 18A:7F-7; \$5,277 has been reserved in the Capital Reserve Account; \$338,065 has been appropriated and included as anticipated revenue for the year ending June 30, 2012. Insurance proceeds of \$246,668 has been assigned and is designated for expenditures in the subsequent year to replace buses destroyed by fire. The remaining unreserved fund balance is a deficit of \$126,589. The District has not adopted a policy addressing the order of fund balance reductions when a deficit exists. The deficit has been applied to reduce the amount designated and appropriated for the year ending June 30, 2011 from \$338,065 to \$211,473 in accordance with GASB 54 ordering rules.

Debt Service Fund – The Debt Service Fund fund balance at June 30, 2011 was a deficit of \$(4). The District appropriated \$324,238 of fund balance in the 2011-12 budget as anticipated from the results of 2011-12 operations. This amount represents a portion of the unexpended proceeds of the capital project approved by the voters December 8, 2009 and will be applied to principal payments due.

**Note 14: DEFICIT URESTRICTED NET ASSETS AND UNASSIGNED FUND BALANCE**

The District has a deficit in unrestricted net assets of \$482,412 as reported in the statement of net assets (accrual basis). The deficit in the general fund amounts to \$126,589 (modified accrual basis). The deficits resulted from recording the June 2011 state aid payments in accordance with N.J.S.A. 18A: 22-44.2 which provides that in the event state school aid payments are not made until the following school budget year, districts must record the state aid payments as revenue, for budget purposes only, in the current school budget year. For intergovernmental transactions, GASB Statement No. 33 requires recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability.

BORDENTOWN REGIONAL SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2011

**Note 14: DEFICIT URESTRICTED NET ASSETS AND UNRESERVE FUND BALANCE**  
**(Continued)**

Since the State is recording the June state aid payments in the subsequent fiscal year, the school district can not recognize the June state aid payments on the GAAP financial statements until the year the State records the payable.

Also contributing to the deficit in net assets is the amount of compensated absences, \$1,666,549 recorded on the accrual basis. While reflected as a liability, the obligation will not be funded until a future date coincident with termination of services. Due to the resulting timing differences, the deficits do not alone indicate that the district is facing financial difficulties.

Pursuant to N.J.S.A.18A:22-44.2 any negative unreserved, undesignated (unassigned) general fund balance that is reported as a direct result from a delay in the payment of state aid until the following fiscal year, is not considered in violation of New Jersey stature and regulation nor is need of corrective action. The District deficit in the GAAP fund statements of \$126,589 is less than the last state aid payments. The District deficit in the government-wide financial statements of \$482,412 is also less than the last state aid payments.

**Note 15: CAPITAL RESERVE ACCOUNT**

A capital reserve account was established in the general fund for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years.

Funds placed in the capital reserve account are restricted to capital projects in the district's approved Long Range Facilities Plan (LRFP) and updated annually in the Quality Assurance Annual Report (QAAR). Upon submission of the LRFP to the department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6:23A-5.1(d) 7, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

During the year the district had no activity in the capital reserve account. The balance at year-end totaled \$5,277.

**Note 16: DEBT ISSUANCE COSTS AND BOND PERMIUMS**

Costs associated with the issuance of debt are deferred and amortized over the life of the debt in the government-wide financial statements. Total costs amount to \$450,960. Accumulated amortization at year-end is \$124,293 and the unamortized balance is \$326,667. Amortization for the year amounted to \$23,478.

BORDENTOWN REGIONAL SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2011

**Note 16: DEBT ISSUANCE COSTS AND BOND PERMIUMS (Continued)**

Premiums associated with the issuance of debt are deferred and amortized over the life of the debt in the government-wide financial statements. Total premiums amounted to \$127,453. Accumulated amortization at year-end is \$44,252 and the unamortized balance is \$83,201. Amortization amounted to \$7,216 and is reported as a credit to interest expense.

**Note 17: CALCULATION OF EXCESS SURPLUS**

In accordance with N.J.S.A. 18A:7F-7, as amended, the designation for Reserve Fund Balance-Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvements and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end 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 \$924,707 and was appropriated in the 2011-12 budget.

**Note 18: SPECIAL AND EXTRADINARY ITEMS**

**SPECIAL ITEM:**

The District paid \$86,526 to a vendor for scheduled operating lease payments on copier equipment returned to the lessor prior to completion of the lease term. The revenue to make this payment was realized from another copier vendor related to obtaining a new lease and credited to the special item of expenditure resulting in no reduction in fund balance or net assets.

**EXTRAORDINARY ITEM:**

On May 19, 2011 a fire destroyed 11 buses in the bus parking lot. The buses had a net book value of \$92,775 which was written off as an extraordinary item. Insurance proceeds related to the damaged buses amounted to \$246,668 and is recognized resulting in a net credit of \$153,893 in the statement of activities.

The estimated replacement costs associated with the fire is \$720,144 and was expended in 2011-12. The balance of insurance proceeds is expected to be recovered in 2011-12.

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**REQUIRED SUPPLEMENTARY INFORMATION - Part II**

**BORDENTOWN REGIONAL SCHOOL DISTRICT**  
**Budgetary Comparison Schedule**  
**General Fund**  
**Fiscal Year Ended June 30, 2011**

Exhibit C-1

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual Favorable (Unfavorable)</u>
<b>REVENUES:</b>					
Local Sources:					
Local Tax Levy	23,744,262	-	23,744,262	23,744,262	-
Other Local Governmental Units - unrestricted	75,000	-	75,000	139,377	64,377
Tuition	1,009,147	-	1,009,147	1,041,527	32,380
Transportation Fees from Other LEA's	60,000	-	60,000	122,402	62,402
Miscellaneous	275,000	-	275,000	428,111	153,111
<b>Total - Local Sources</b>	<u>25,163,409</u>	<u>-</u>	<u>25,163,409</u>	<u>25,475,679</u>	<u>312,270</u>
State Sources:					
Categorical Special Education Aid	645,054	-	645,054	645,054	-
Equalization Aid	6,000,237	-	6,000,237	6,000,237	-
Extraordinary Aid	200,208	-	200,208	229,248	29,040
Non Public Transportation	-	-	-	11,832	11,832
Homeless Tuition	-	-	-	4,988	4,988
TPAF Pension (On-Behalf - Non-Budgeted)	-	-	-	46,023	46,023
TPAF Post Retirement Medical (On-Behalf - Non-Budgeted)	-	-	-	977,529	977,529
TPAF Social Security (Reimbursed - Non-Budgeted)	-	-	-	1,125,016	1,125,016
<b>Total State Sources</b>	<u>6,845,499</u>	<u>-</u>	<u>6,845,499</u>	<u>9,039,927</u>	<u>2,194,428</u>
<b>Total Revenues</b>	<u>32,008,908</u>	<u>-</u>	<u>32,008,908</u>	<u>34,515,606</u>	<u>2,506,698</u>
<b>EXPENDITURES:</b>					
<b>Current Expense:</b>					
<b>Regular Programs - Instruction</b>					
Preschool/Kindergarten - Salaries of Teachers	556,127	28,560	584,687	578,242	6,445
Grades 1-5 - Salaries of Teachers	3,202,857	144,906	3,347,763	3,347,763	-
Grades 6-8 - Salaries of Teachers	2,049,638	(28,438)	2,021,200	2,021,200	-
Grades 9-12 - Salaries of Teachers	2,795,116	(185,465)	2,609,651	2,609,651	-
<b>Regular Programs - Home Instruction:</b>					
Salaries of Teachers	30,000	-	30,000	13,951	16,049
<b>Regular Programs - Undistributed Instruction</b>					
Purchased Technical Services	213,850	3,477	217,327	197,370	19,957
Other Purchased Services (400-500 series)	234,839	(5,373)	229,466	214,007	15,459
General Supplies	487,226	63,937	551,163	463,475	87,688
Textbooks	58,610	(3,277)	55,333	37,264	18,069
<b>TOTAL REGULAR PROGRAMS - INSTRUCTION</b>	<u>9,628,263</u>	<u>18,327</u>	<u>9,646,590</u>	<u>9,482,923</u>	<u>163,667</u>
<b>SPECIAL EDUCATION - INSTRUCTION</b>					
<b>Learning and/or Language Disabilities:</b>					
Salaries of Teachers	715,456	(130,506)	584,950	584,950	-
Other Salaries for Instruction	240,430	34,959	275,389	272,426	2,963
General Supplies	14,779	-	14,779	8,361	6,418
Textbooks	2,950	-	2,950	237	2,713
<b>Total Learning and/or Language Disabilities</b>	<u>973,615</u>	<u>(95,547)</u>	<u>878,068</u>	<u>865,974</u>	<u>12,094</u>
<b>Multiple Disabilities:</b>					
Salaries of Teachers	140,696	73,434	214,130	214,092	38
Other Salaries for Instruction	70,592	4,119	74,711	74,711	-
General Supplies	11,881	-	11,881	9,258	2,623
<b>Total Multiple Disabilities</b>	<u>223,169</u>	<u>77,553</u>	<u>300,722</u>	<u>298,061</u>	<u>2,661</u>
<b>Resource Room/Resource Center:</b>					
Salaries of Teachers	673,003	33,583	706,586	706,417	169
Other Salaries for Instruction	241,796	(17,189)	224,607	224,126	481
General Supplies	6,500	(160)	6,340	3,955	2,385
Textbooks	1,500	(80)	1,420	209	1,211
<b>Total Resource Room/Resource Center</b>	<u>922,799</u>	<u>16,154</u>	<u>938,953</u>	<u>934,707</u>	<u>4,246</u>
<b>Autism:</b>					
Salaries of Teachers	276,771	(78,792)	197,979	197,922	57
Other Salaries for Instruction	291,131	(11,204)	279,927	279,927	-
General Supplies	23,200	(2,500)	20,700	2,948	17,752
<b>Total Autism</b>	<u>591,102</u>	<u>(92,496)</u>	<u>498,606</u>	<u>480,797</u>	<u>17,809</u>
<b>Preschool Disabilities - Part-Time:</b>					
Salaries of Teachers	61,888	(1,400)	60,488	60,480	8
Other Salaries for Instruction	37,705	(62)	37,643	37,643	-
General Supplies	1,700	-	1,700	1,352	348
<b>Total Preschool Disabilities - Part-Time</b>	<u>101,293</u>	<u>(1,462)</u>	<u>99,831</u>	<u>99,475</u>	<u>356</u>
<b>Preschool Disabilities - Full-Time:</b>					
Other Salaries for Instruction	-	23,586	23,586	23,549	37
<b>Total Preschool Disabilities - Full-Time</b>	<u>-</u>	<u>23,586</u>	<u>23,586</u>	<u>23,549</u>	<u>37</u>
<b>TOTAL SPECIAL EDUCATION - INSTRUCTION</b>	<u>2,811,978</u>	<u>(70,812)</u>	<u>2,739,766</u>	<u>2,702,563</u>	<u>37,203</u>

**BORDENTOWN REGIONAL SCHOOL DISTRICT**  
**Budgetary Comparison Schedule**  
**General Fund**  
**Fiscal Year Ended June 30, 2011**

Exhibit C-1

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual Favorable (Unfavorable)</u>
<b>Basic Skills/Remedial - Instruction</b>					
Salaries of Teachers	468,278	27,579	495,857	473,644	22,213
General Supplies	9,290	(120)	9,170	4,776	4,394
Textbooks	350	456	806	806	-
<b>Total Basic Skills/Remedial - Instruction</b>	<u>477,918</u>	<u>27,915</u>	<u>505,833</u>	<u>479,226</u>	<u>26,607</u>
<b>Bilingual Education - Instruction</b>					
Salaries of Teachers	124,369	25,457	149,826	142,076	7,750
General Supplies	6,225	(392)	5,833	3,538	2,295
<b>Total Bilingual Education - Instruction</b>	<u>130,594</u>	<u>25,065</u>	<u>155,659</u>	<u>145,614</u>	<u>10,045</u>
<b>School-Spon. Cocurricular Actvts. - Inst.</b>					
Salaries	127,460	25,295	152,755	140,031	12,724
Supplies and Materials	22,363	(339)	22,024	13,924	8,100
<b>Total School-Spon. Cocurricular Actvts. - Instruction</b>	<u>149,823</u>	<u>24,956</u>	<u>174,779</u>	<u>153,955</u>	<u>20,824</u>
<b>School-Spon. Cocurricular Athletics - Instruction</b>					
Salaries	392,431	13,688	406,119	406,119	-
Purchased Services (300-500 series)	112,576	5,324	117,900	84,819	33,081
Supplies and Materials	54,338	12,897	67,235	59,520	7,715
<b>Total School-Spon. Cocurricular Athletics - Instruction</b>	<u>559,345</u>	<u>31,909</u>	<u>591,254</u>	<u>550,458</u>	<u>40,796</u>
<b>TOTAL INSTRUCTION</b>	<u>13,757,921</u>	<u>57,360</u>	<u>13,813,881</u>	<u>13,514,739</u>	<u>299,142</u>
<b>Undistributed Expenditures - Instruction:</b>					
Tuition to Other LEAs Within the State - Regular	-	14,378	14,378	13,260	1,118
Tuition to County Voc. School Dist. - Regular	27,500	10,000	37,500	37,500	-
Tuition to County Voc. School Dist. - Special	15,000	(7,500)	7,500	7,500	-
Tuition to CSSD & Regional Day Schools	274,710	184,280	458,990	458,990	-
Tuition to Private Schools for the Disabled - Within State	821,840	(134,631)	687,209	683,916	3,293
Tuition - State Facilities	63,885	(33,135)	30,750	30,750	-
Tuition - Other	136,990	(48,392)	88,598	88,598	-
<b>Total Undistributed Expenditures - Instruction:</b>	<u>1,339,925</u>	<u>(15,000)</u>	<u>1,324,925</u>	<u>1,320,514</u>	<u>4,411</u>
<b>Undistributed Expend. - Attend. &amp; Social Work</b>					
Salaries	1,000	-	1,000	-	1,000
<b>Total Undistributed Expend. - Attend. &amp; Social Work</b>	<u>1,000</u>	<u>-</u>	<u>1,000</u>	<u>-</u>	<u>1,000</u>
<b>Undist. Expend. - Health Services</b>					
Salaries	379,896	(55,053)	324,843	324,663	180
Other Purchased Services (400-500 series)	6,043	(56)	5,987	3,192	2,795
Supplies and Materials	9,681	1,117	10,798	9,209	1,589
<b>Total Undistributed Expenditures - Health Services</b>	<u>395,620</u>	<u>(53,992)</u>	<u>341,628</u>	<u>337,064</u>	<u>4,564</u>
<b>Undist. Expend. - Other Supp. Serv. Students - Related Services</b>					
Salaries of Other Professional Staff	394,111	(12,900)	381,211	381,183	28
Purchased Professional - Educational Services	19,600	-	19,600	17,300	2,300
Supplies and Materials	4,112	-	4,112	3,733	379
<b>Total Undist. Expend. - Other Supp. Serv. Students - Related Services</b>	<u>417,823</u>	<u>(12,900)</u>	<u>404,923</u>	<u>402,216</u>	<u>2,707</u>
<b>Undist. Expend. - Other Supp. Serv. Students - Extra Services</b>					
Salaries of Other Professional Staff	96,172	33,591	129,763	129,686	77
<b>Total Undist. Expend. - Other Supp. Serv. Students - Extra Services</b>	<u>96,172</u>	<u>33,591</u>	<u>129,763</u>	<u>129,686</u>	<u>77</u>
<b>Undist. Expend. - Other Supp. Serv. Students - Regular</b>					
Salaries of Other Professional Staff	554,301	(10,434)	543,867	543,867	-
Salaries of Secretarial and Clerical Assistants	52,421	(3,000)	49,421	43,708	5,713
Other Purchased Services (400-500 series)	1,000	(168)	832	832	-
Supplies and Materials	8,348	(400)	7,948	3,097	4,851
<b>Total Undist. Expend. - Other Supp. Serv. Students-Regular</b>	<u>616,070</u>	<u>(14,002)</u>	<u>602,068</u>	<u>591,504</u>	<u>10,564</u>
<b>Undist. Expend. - Other Supp. Serv. Students - Special</b>					
Salaries of Other Professional Staff	939,944	(13,900)	926,044	922,687	3,357
Salaries of Secretarial and Clerical Assistants	131,814	1,119	132,933	132,933	-
Purchased Professional - Educational Services	15,980	-	15,980	5,064	10,916
Other Purchased Prof. and Tech. Services	525,777	(10,910)	514,867	416,085	98,782
Mis. Purchase Serv. (400-500 series other than Residential Costs)	4,450	-	4,450	1,951	2,499
Supplies and Materials	28,922	46	28,968	13,177	15,791
<b>Total Undist. Expend. - Other Supp. Serv. Students - Special</b>	<u>1,646,887</u>	<u>(23,645)</u>	<u>1,623,242</u>	<u>1,491,897</u>	<u>131,345</u>
<b>Undist. Expend. - Improvement of Inst. Services</b>					
Salaries of Supervisor of Instruction	381,294	(29,370)	351,924	351,898	26
Salaries of Secr and Clerical Assist.	46,088	1,270	47,358	47,357	1
Other Purch Services (400-500)	6,000	800	6,800	6,147	653
Supplies and Materials	2,600	-	2,600	2,378	222
<b>Total Undist. Expend. - Improvement of Inst. Services</b>	<u>435,982</u>	<u>(27,300)</u>	<u>408,682</u>	<u>407,780</u>	<u>902</u>
<b>Undist. Expend. - Edu. Media Serv./Sch. Library</b>					
Salaries	283,141	(40,325)	242,816	242,427	389
Other Purchased Services (400-500 series)	15,984	6,437	22,421	18,901	3,520
<b>Total Undist. Expend. - Edu. Media Serv./Sch. Library</b>	<u>299,125</u>	<u>(33,888)</u>	<u>265,237</u>	<u>261,328</u>	<u>3,909</u>

**BORDENTOWN REGIONAL SCHOOL DISTRICT**  
**Budgetary Comparison Schedule**  
**General Fund**  
**Fiscal Year Ended June 30, 2011**

Exhibit C-1

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual Favorable (Unfavorable)</u>
<b>Undist. Expend. - Supp. Serv. - General Administration</b>					
Salaries	211,616	(1,000)	210,616	206,822	3,794
Legal Services	40,000	6,000	46,000	44,425	1,575
Other Purchased Professional Services	35,000	-	35,000	34,075	925
Communications/Telephone	90,000	(10,700)	79,300	79,300	-
Other Purchased Services (400-500 series)	64,807	17,585	82,392	78,257	4,135
Supplies and Materials	6,000	-	6,000	5,307	693
Miscellaneous Expenditures	29,000	-	29,000	26,676	2,324
<b>Total Undist. Expend. - Supp. Serv. - General Administration</b>	<u>476,423</u>	<u>11,885</u>	<u>488,308</u>	<u>474,862</u>	<u>13,446</u>
<b>Undist. Expend. - Support Serv. - School Administration</b>					
Salaries of Principals/Assistant Principals	892,670	2,000	894,670	894,670	-
Salaries of Secretarial and Clerical Assistants	352,563	30,200	382,763	382,763	-
Other Purchased Services (400-500 series)	166,922	(14,016)	152,906	152,066	840
Supplies and Materials	13,744	(607)	13,137	5,188	7,949
<b>Total Undist. Expend. - Support Serv. - School Administration</b>	<u>1,425,899</u>	<u>17,577</u>	<u>1,443,476</u>	<u>1,434,687</u>	<u>8,789</u>
<b>Undist. Expend. - Business and Other Support Services</b>					
Salaries	308,421	5,833	314,254	314,245	9
Purchased Technical Services	10,000	-	10,000	4,624	5,376
Mis. Purchase Serv. (400-500 series other than Residential Costs)	10,000	-	10,000	4,353	5,647
Supplies and Materials	17,000	-	17,000	14,774	2,226
<b>Total Undist. Expend. - Business and Other Support Services</b>	<u>345,421</u>	<u>5,833</u>	<u>351,254</u>	<u>337,996</u>	<u>13,258</u>
<b>Undist. Expend. - Admin. Info. Technology</b>					
Salaries	156,326	3,128	159,454	159,246	208
Purchased Technical Services	40,250	-	40,250	37,989	2,261
<b>Total Undist. Expend. - Admin. Info. Technology</b>	<u>196,576</u>	<u>3,128</u>	<u>199,704</u>	<u>197,235</u>	<u>2,469</u>
<b>Undist. Expend. -Allowable Maintenance for School Facilities</b>					
Salaries	575,069	14,346	589,415	589,370	45
Cleaning, Repair, and Maintenance Services	400,925	47,757	448,682	430,352	18,330
General Supplies	94,300	(4,500)	89,800	76,555	13,245
<b>Total Undist. Expend. -Allowable Maintenance for School Facilities</b>	<u>1,070,294</u>	<u>57,603</u>	<u>1,127,897</u>	<u>1,096,277</u>	<u>31,620</u>
<b>Undist. Expend. - Oth. Oper. &amp; Maint. of Plant</b>					
Salaries	1,393,709	(8,899)	1,384,810	1,377,366	7,444
Purchased Professional and Technical Services	68,850	-	68,850	59,678	9,172
Cleaning, Repair and Maintenance Services	60,500	(16,850)	43,650	39,049	4,601
Other Purchased Property Services	60,000	5,000	65,000	64,700	300
Insurance	85,000	-	85,000	85,000	-
Miscellaneous Purchased Services	20,000	-	20,000	15,416	4,584
General Supplies	140,395	6,495	146,890	128,399	18,491
Energy (Energy and Electricity)	1,061,268	(9,300)	1,051,968	979,981	71,987
Other Objects	17,300	(9,094)	8,206	3,683	4,523
<b>Total Undist. Expend. - Other Oper. &amp; Maint. Of Plant</b>	<u>2,907,022</u>	<u>(32,648)</u>	<u>2,874,374</u>	<u>2,753,272</u>	<u>121,102</u>
<b>Total Undist. Expend. - Oper. &amp; Maint. Of Plant</b>	<u>3,977,316</u>	<u>24,955</u>	<u>4,002,271</u>	<u>3,849,549</u>	<u>152,722</u>
<b>Undist. Expend. - Student Transportation Serv.</b>					
Sal. For Transp. Aides	59,123	45,140	104,263	103,791	472
Sal. For Pup.Trans. (Bet. Home and School) - Regular	519,024	(13,520)	505,504	494,509	10,995
Sal. For Pup.Trans. (Bet. Home and School) - Special	320,431	(50,400)	271,431	259,417	12,014
Sal. For Pup. Trans. (Other than Bet. Home and School)	50,000	(15,298)	34,702	32,555	2,147
Cleaning, Repair and Maintenance Services	30,000	(6,480)	23,520	15,679	7,841
Lease Purchase Payments - School Buses	80,000	(57,379)	22,621	-	22,621
Contr Serv (Spl. Ed. Students) - Vendors	170,000	(19,000)	151,000	150,346	654
Contr Serv (Spl. Ed. Students) - Joint Agrmt	15,000	(5,000)	10,000	9,932	68
Contr Serv. - Aid in Lieu Payments	65,000	(8,000)	57,000	54,572	2,428
Misc. Purchased Serv. - Transportation	25,000	-	25,000	25,000	-
Supplies and Materials	380,000	36,813	416,813	411,513	5,300
<b>Total Undist. Expend. - Student Transportation Serv.</b>	<u>1,713,578</u>	<u>(93,124)</u>	<u>1,621,854</u>	<u>1,557,314</u>	<u>64,540</u>
<b>ALLOCATED BENEFITS</b>					
<b>Student Transportation Services</b>					
Social Security Contributions	74,000	-	74,000	71,845	2,155
Workmen's Compensation	92,430	-	92,430	92,430	-
Health Benefits	427,642	-	427,642	427,642	-
<b>Total Student Transportation Services</b>	<u>594,072</u>	<u>-</u>	<u>594,072</u>	<u>591,917</u>	<u>2,155</u>
<b>TOTAL ALLOCATED BENEFITS</b>	<u>594,072</u>	<u>-</u>	<u>594,072</u>	<u>591,917</u>	<u>2,155</u>

**BORDENTOWN REGIONAL SCHOOL DISTRICT**  
**Budgetary Comparison Schedule**  
**General Fund**  
**Fiscal Year Ended June 30, 2011**

Exhibit C-1

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual Favorable (Unfavorable)</u>
<b>UNALLOCATED BENEFITS</b>					
Social Security Contributions	375,000	31,890	406,890	393,793	13,097
Other Retirement Contributions - Regular	-	6,314	6,314	6,314	-
Unemployment Compensation	75,000	12,999	87,999	56,277	31,722
Other Retirement Contributions - Regular (PERS)	427,437	94,768	522,205	522,141	64
Workmen's Compensation	175,000	(25,161)	149,839	149,839	-
Health Benefits	3,809,652	(58,346)	3,751,306	3,520,429	230,877
Tuition Reimbursement	50,000	-	50,000	49,521	479
Other Employee Benefits	70,056	57,521	127,577	127,535	42
<b>TOTAL UNALLOCATED BENEFITS</b>	<u>4,982,145</u>	<u>119,985</u>	<u>5,102,130</u>	<u>4,825,849</u>	<u>276,281</u>
On-behalf TPAF Pension Contributions (non-budgeted)	-	-	-	46,023	(46,023)
On-behalf TPAF-OPEB Post. Retire. Medial) Contrib. (non-budgeted)	-	-	-	977,529	(977,529)
Reimbursed TPAF Social Security Contributions (non-budgeted)	-	-	-	1,125,016	(1,125,016)
<b>TOTAL ON-BEHALF CONTRIBUTIONS</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,148,568</u>	<u>(2,148,568)</u>
<b>TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS</b>	<u>5,576,217</u>	<u>119,985</u>	<u>5,696,202</u>	<u>7,566,334</u>	<u>(1,870,132)</u>
<b>TOTAL UNDISTRIBUTED EXPENDITURES</b>	<u>18,960,034</u>	<u>(56,897)</u>	<u>18,904,537</u>	<u>20,359,966</u>	<u>(1,457,898)</u>
<b>TOTAL GENERAL CURRENT EXPENSE</b>	<u>32,717,955</u>	<u>463</u>	<u>32,718,418</u>	<u>33,874,705</u>	<u>(1,156,287)</u>
<b>CAPITAL OUTLAY</b>					
<b>Equipment</b>					
Undistributed Expenditures - Instruction	-	2,117	2,117	2,117	-
Undistributed Expenditures - Support Serv. - Student - Special	10,000	-	10,000	5,521	4,479
Undistributed Expenditures - Req. Maint. - School Facilities	12,300	45,558	51,763	50,596	1,167
Student Transportation - School Buses - Regular	-	152,526	152,526	152,526	-
<b>Total Equipment</b>	<u>22,300</u>	<u>200,201</u>	<u>216,406</u>	<u>210,760</u>	<u>5,646</u>
<b>Facilities Acquisition and Construction Services</b>					
Other Purchased Prof. & Tech. Serv.	-	17,550	17,550	16,375	1,175
Other Objects	104,869	-	104,869	104,869	-
<b>Total Facilities Acquisition and Construction Services</b>	<u>104,869</u>	<u>17,550</u>	<u>122,419</u>	<u>121,244</u>	<u>1,175</u>
<b>TOTAL CAPITAL OUTLAY</b>	<u>127,169</u>	<u>217,751</u>	<u>338,825</u>	<u>332,004</u>	<u>6,821</u>
<b>TOTAL EXPENDITURES</b>	<u>32,845,124</u>	<u>218,214</u>	<u>33,057,243</u>	<u>34,206,709</u>	<u>(1,149,466)</u>
<b>Excess (Deficiency) of Revenues</b>					
Over (Under) Expenditures	(836,216)	(218,214)	(1,048,335)	308,897	1,357,232
<b>Other Financing Sources and (Uses):</b>					
<b>Operating Transfers In:</b>					
Interest Income Capital Projects	-	-	-	6,199	6,199
<b>Total Other Financing Sources and (Uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,199</u>	<u>6,199</u>
<b>Extraordinary Items:</b>					
Fire Loss Insurance Proceeds- Buses	-	-	-	246,668	246,668
<b>Total Extraordinary Items</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>246,668</u>	<u>246,668</u>
<b>Excess (Deficiency) of Revenues and Other Financing Sources</b>					
Over (Under) Expenditures and Other Financing Sources (Uses)	(836,216)	(218,214)	(1,048,335)	561,764	1,610,099
<b>Fund Balance, July 1</b>	<u>1,673,267</u>	<u>-</u>	<u>1,673,267</u>	<u>1,673,267</u>	<u>-</u>
<b>Fund Balance, June 30</b>	<u>837,051</u>	<u>(218,214)</u>	<u>624,932</u>	<u>2,235,031</u>	<u>1,610,099</u>

**Recapitulation:**

**Restricted Fund Balance:**

Capital Reserve	5,277
Excess Surplus - Designated for Subsequent Year's Expenditures	-
Excess Surplus - Current Year	924,707

**Assigned Fund Balance:**

Other Purposes	-
Designated for Subsequent Year's Expenditures	338,065
Designated for Subsequent Year's Expenditures - Fire Proceeds	246,668
Year-End Encumbrances	67,319

**Unassigned Fund Balance**

652,995  
2,235,031

**Reconciliation to Governmental Funds Statements (GAAP):**

Extraordinary Aid not recognized on GAAP basis	(229,248)
Last State Aid Payment not recognized on GAAP basis	(550,336)
<b>Fund Balance per Governmental Funds (GAAP)</b>	<u>1,455,447</u>

**Bordertown Regional 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
<b>REVENUES:</b>					
Local Sources	\$ -	\$ 22,817	\$ 22,817	\$ 18,482	\$ (4,335)
State Sources	93,180	351	93,531	61,220	(32,311)
Federal Sources	778,991	685,307	1,464,298	1,280,529	(183,769)
<b>Total Revenues</b>	<b>872,171</b>	<b>708,475</b>	<b>1,580,646</b>	<b>1,360,231</b>	<b>(220,415)</b>
<b>EXPENDITURES:</b>					
<b>Instruction</b>					
Salaries of Teachers	246,076	22,288	268,364	241,364	27,000
Purchased Professional and Technical Services	-	12,953	12,953	12,779	174
Other Purchased Services (400-500 series)	532,915	12,257	545,172	545,172	-
General Supplies	-	383,229	383,229	268,327	114,902
Textbooks	10,742	(397)	10,345	10,317	28
<b>Total Instruction</b>	<b>789,733</b>	<b>430,330</b>	<b>1,220,063</b>	<b>1,077,959</b>	<b>142,104</b>
<b>Support Services</b>					
Salaries of Other Professional Staff	-	3,300	3,300	809	2,491
Other Salaries	12,738	9,321	22,059	12,631	9,428
Personal Services - Employee Benefits	-	46,115	46,115	45,863	252
Purchased Professional and Technical Services	-	84,323	84,323	77,824	6,499
Purchased Professional - Educational Services	69,700	48,540	118,240	67,030	51,210
Travel	-	17,835	17,835	11,591	6,244
Supplies & Materials	-	6,200	6,200	4,013	2,187
<b>Total Support Services</b>	<b>82,438</b>	<b>215,634</b>	<b>298,072</b>	<b>219,761</b>	<b>78,311</b>
<b>Facilities Acquisition and Construction Services:</b>					
Non-instructional Equipment	-	62,511	62,511	62,511	-
<b>Total Facilities Acquisition and Construction Services</b>	<b>-</b>	<b>62,511</b>	<b>62,511</b>	<b>62,511</b>	<b>-</b>
Total Expenditures	872,171	708,475	1,580,646	1,360,231	220,415
<b>Other Financing Sources (Uses)</b>					
Transfer to General Fund	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-
<b>Total Outflows</b>	<b>872,171</b>	<b>708,475</b>	<b>1,580,646</b>	<b>1,360,231</b>	<b>220,415</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

**Bordentown Regional School District  
Required Supplementary Information  
Budgetary Comparison Schedule  
Note to RSI  
For the Fiscal Year Ended June 30, 2011**

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

		General Fund		Special Revenue Fund
<b>Sources/inflows of resources</b>				
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	[C-1]	\$ 34,602,132	[C-2]	\$ 1,360,231
Difference - budget to GAAP:				
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		-		68,503
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes		740,046		-
State aid payment recognized for budgetary purposes, not recognized for GAAP statements		(550,336)		-
Extraordinary aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes		200,208		-
Extraordinary aid payment recognized for budgetary purposes, not recognized for GAAP statements		(229,248)		-
 Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	 [B-2]	 \$ 34,762,802	 [B-2]	 \$ 1,428,734
<b>Uses/outflows of resources</b>				
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1]	\$ 34,206,710	[C-2]	\$ 1,360,231
Differences - budget to GAAP				
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for <i>financial reporting</i> purposes.		-		68,503
Prior year accounts receivable that are not available are presented as outflows of budgetary resources but are not expenditures for financial reporting purposes.		-		-
Transfers to and from other funds are presented as outflows of budgetary resources but are not expenditures for financial reporting purposes.		-		-
Net transfers (outflows) to general fund		-		-
 Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	 [B-2]	 \$ 34,206,710	 [B-2]	 \$ 1,428,734

**OTHER SUPPLEMENTARY INFORMATION**

SECTION - E  
SPECIAL REVENUE FUND  
DETAIL STATEMENTS

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

**Bordentown Regional School District**  
**Special Revenue Fund**  
**Combining Schedule of Program Revenues and Expenditures - Budgetary Basis**  
**For the Fiscal Year Ended June 30, 2011**

	Title I, Part A - Improving Basic Programs Operated by LEA's		I.D.E.A. Part B		Title II, Part A Teacher & Principal Training & Recruiting		Totals 2011
	2010-2011		2010-2011		2010-2011		
	Carryover	Basic	Preschool	Carryover	2011		
<b>REVENUES</b>							
Local Sources	\$ 18,482	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 18,482
State Sources	61,220	-	-	-	-	-	61,220
Federal Sources	423,992	205,507	29,442	533,311	26,358	9,531	1,280,529
<b>Total Revenues</b>	<b>503,694</b>	<b>205,507</b>	<b>29,442</b>	<b>533,311</b>	<b>26,358</b>	<b>9,531</b>	<b>1,360,231</b>
<b>EXPENDITURES:</b>							
<b>Instruction:</b>							
Salaries of Teachers	41,072	150,810	20,000	-	-	-	241,364
Purchased Professional and Technical Services	7,815	4,964	-	-	-	-	12,779
Other Purchased Services (400-500 series)	-	-	-	518,814	26,358	-	545,172
General Supplies	256,335	11,992	-	-	-	-	268,327
Textbooks	10,317	-	-	-	-	-	10,317
<b>Total instruction</b>	<b>315,539</b>	<b>167,766</b>	<b>20,000</b>	<b>518,814</b>	<b>26,358</b>	<b>29,482</b>	<b>1,077,959</b>
<b>Support services:</b>							
Salaries of Other Professional Staff	809	-	-	-	-	-	809
Other Salaries	12,631	-	-	-	-	-	12,631
Personal Services - Employee Benefits	3,957	29,663	5,443	-	-	904	45,863
Purchased Professional - Technical Services	63,327	-	-	14,497	-	-	77,824
Purchased Professional - Educational Services	38,721	2,672	-	-	-	8,627	67,030
Travel	2,186	5,406	3,999	-	-	-	11,591
Supplies & Materials	4,013	-	-	-	-	-	4,013
<b>Total support services</b>	<b>125,644</b>	<b>37,741</b>	<b>9,442</b>	<b>14,497</b>	<b>-</b>	<b>22,906</b>	<b>219,761</b>
<b>EXPENDITURES (CONT'D):</b>							
<b>Facilities acquisition and construction services:</b>							
Non-instructional Equipment	62,511	-	-	-	-	-	62,511
<b>Total facilities acquisition and construction services</b>	<b>62,511</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>62,511</b>
<b>Total Expenditures</b>	<b>503,694</b>	<b>205,507</b>	<b>29,442</b>	<b>533,311</b>	<b>26,358</b>	<b>9,531</b>	<b>1,360,231</b>
<b>Other Financing Sources (Uses)</b>							
Transfer to General Fund	-	-	-	-	-	-	-
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**Bordentown Regional School District**  
**Special Revenue Fund**  
**Combining Schedule of Program Revenues and Expenditures - Budgetary Basis**  
**For the Fiscal Year Ended June 30, 2011**

	Total Brought Forward (Ex. E-1b)	Title II, Part D Enhancing Education Through Technology		Title III, Part A English Language Acquisition		Total Carried Forward
		2010-2011	Carryover	2010-2011	Carryover	
<b>REVENUES</b>						
Local Sources	\$ 18,482	\$ -	\$ -	\$ -	\$ -	\$ 18,482
State Sources	61,220	-	-	-	-	61,220
Federal Sources	404,339	449		12,715	6,489	423,992
<b>Total Revenues</b>	<b>484,041</b>	<b>449</b>	<b>449</b>	<b>12,715</b>	<b>6,489</b>	<b>503,694</b>
<b>EXPENDITURES:</b>						
<b>Instruction:</b>						
Salaries of Teachers	27,322	-	-	9,750	4,000	41,072
Purchased Professional and Technical Services	7,815	-	-	-	-	7,815
General Supplies	256,335	-	-	-	-	256,335
Textbooks	10,317	-	-	-	-	10,317
<b>Total instruction</b>	<b>301,789</b>	<b>-</b>	<b>-</b>	<b>9,750</b>	<b>4,000</b>	<b>315,539</b>
<b>Support services:</b>						
Salaries of Other Professional Staff	809	-	-	-	-	809
Other Salaries	12,631	-	-	-	-	12,631
Personal Services - Employee Benefits	689	-	-	1,856	1,412	3,957
Purchased Professional - Technical Services	63,327	-	-	-	-	63,327
Purchased Professional - Educational Services	38,272	449		-	-	38,721
Travel	-	-	-	1,109	1,077	2,186
Supplies & Materials	4,013	-	-	-	-	4,013
<b>Total support services</b>	<b>119,741</b>	<b>449</b>	<b>449</b>	<b>2,965</b>	<b>2,489</b>	<b>125,644</b>
<b>EXPENDITURES (CONT'D):</b>						
<b>Facilities acquisition and construction services:</b>						
Non-instructional Equipment	62,511	-	-	-	-	62,511
<b>Total facilities acquisition and construction services</b>	<b>62,511</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>62,511</b>
<b>Total Expenditures</b>	<b>484,041</b>	<b>449</b>	<b>449</b>	<b>12,715</b>	<b>6,489</b>	<b>503,694</b>
<b>Other Financing Sources (Uses)</b>						
Transfer to General Fund	-	-	-	-	-	-
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**Bordentown Regional School District**  
**Special Revenue Fund**  
**Combining Schedule of Program Revenues and Expenditures - Budgetary Basis**  
**For the Fiscal Year Ended June 30, 2011**

	Total Brought Forward (Ex. E-1c)	ARRA Title I	ARRA IDEA, Part B	ARRA IDEA, Preschool	N.J. Nonpublic Auxiliary Services Ch. 192		Total Carried Forward
					Compensatory Education		
<b>REVENUES</b>							
Local Sources	\$ 18,482	\$ -	\$ -	\$ -	\$ -	\$ -	18,482
State Sources	41,711	-	-	-	19,509	-	61,220
Federal Sources	-	55,087	335,806	13,446	-	-	404,339
<b>Total Revenues</b>	<b>60,193</b>	<b>55,087</b>	<b>335,806</b>	<b>13,446</b>	<b>19,509</b>	<b>-</b>	<b>484,041</b>
<b>EXPENDITURES</b>							
<b>Instruction:</b>							
Salaries of Teachers	-	27,322	-	-	-	-	27,322
Purchased Professional and Technical Services	-	-	7,815	-	-	-	7,815
General Supplies	14,469	27,076	214,670	120	-	-	256,335
Textbooks	10,317	-	-	-	-	-	10,317
<b>Total instruction</b>	<b>24,786</b>	<b>54,398</b>	<b>222,485</b>	<b>120</b>	<b>-</b>	<b>-</b>	<b>301,789</b>
<b>Support services:</b>							
Salaries of Other Professional Staff	-	-	809	-	-	-	809
Other Salaries	12,631	-	-	-	-	-	12,631
Personal Services - Employee Benefits	-	689	-	-	-	-	689
Purchased Professional - Technical Services	-	-	50,001	13,326	-	-	63,327
Purchased Professional - Educational Services	18,763	-	-	-	19,509	-	38,272
Supplies & Materials	4,013	-	-	-	-	-	4,013
<b>Total support services</b>	<b>35,407</b>	<b>689</b>	<b>50,810</b>	<b>13,326</b>	<b>19,509</b>	<b>-</b>	<b>119,741</b>
<b>EXPENDITURES (CONT'D):</b>							
<b>Facilities acquisition and const. serv.:</b>							
Non-instructional Equipment	-	-	62,511	-	-	-	62,511
<b>Total facilities acquisition and const. serv.</b>	<b>-</b>	<b>-</b>	<b>62,511</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>62,511</b>
<b>Total Expenditures</b>	<b>60,193</b>	<b>55,087</b>	<b>335,806</b>	<b>13,446</b>	<b>19,509</b>	<b>-</b>	<b>484,041</b>
<b>Other Financing Sources (Uses)</b>							
Transfer to General Fund	-	-	-	-	-	-	-
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**Bordentown Regional School District**  
**Special Revenue Fund**  
**Combining Schedule of Revenues and Expenditures - Budgetary Basis (Cont'd.)**  
**For the Fiscal Year Ended June 30, 2011**

	Total Brought Forward (Ex. E-1d)	N.J. Supplemental Instruction	N.J. Nonpublic Examination & Classification	N.J. Nonpublic Handicapped Services Ch. 193 Corrective Speech	N.J. Nonpublic Nursing Aid	N.J. Nonpublic Textbook Aid	Total Carried Forward
<b>REVENUES</b>							
Local Sources	\$ 18,482	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 18,482
State Sources	373	5,767	4,469	8,527	12,258	10,317	41,711
<b>Total Revenues</b>	<b>18,855</b>	<b>5,767</b>	<b>4,469</b>	<b>8,527</b>	<b>12,258</b>	<b>10,317</b>	<b>60,193</b>
<b>EXPENDITURES</b>							
<b>Instruction:</b>							
General Supplies	14,469	-	-	-	-	-	14,469
Textbooks	-	-	-	-	-	10,317	10,317
<b>Total instruction</b>	<b>14,469</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10,317</b>	<b>24,786</b>
<b>Support services:</b>							
Other Salaries	373	-	-	-	12,258	-	12,631
Purchased Professional - Educational Services	-	5,767	4,469	8,527	-	-	18,763
Supplies and Materials	4,013	-	-	-	-	-	4,013
<b>Total support services</b>	<b>4,386</b>	<b>5,767</b>	<b>4,469</b>	<b>8,527</b>	<b>12,258</b>	<b>-</b>	<b>35,407</b>
<b>Facilities acquisition and construction services:</b>							
Non-instructional equipment	-	-	-	-	-	-	-
<b>Total facilities acquisition and construction services</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Expenditures</b>	<b>18,855</b>	<b>5,767</b>	<b>4,469</b>	<b>8,527</b>	<b>12,258</b>	<b>10,317</b>	<b>60,193</b>
<b>Other Financing Sources (Uses)</b>							
Transfer to General Fund	-	-	-	-	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**Bordentown Regional School District  
Special Revenue Fund  
Combining Schedule of Revenues and Expenditures - Budgetary Basis (Cont'd.)  
For the Fiscal Year Ended June 30, 2011**

	Nelchen Sievers Library Grants	Bordentown Regional School District Education Foundation Grant 2010-2011	Carryover	Teacher Quality Mentoring Program Carryover	Subaru of America Foundation Grant	Total Carried Forward
<b>REVENUES</b>						
Local Sources	\$ 1,324	\$ 13,066	\$ 79	\$ -	\$ 4,013	\$ 18,482
State Sources	-	-	-	373	-	373
<b>Total Revenues</b>	<b>1,324</b>	<b>13,066</b>	<b>79</b>	<b>373</b>	<b>4,013</b>	<b>18,855</b>
<b>EXPENDITURES</b>						
<b>Instruction:</b>						
General Supplies	1,324	13,066	79	-	-	14,469
<b>Total instruction</b>	<b>1,324</b>	<b>13,066</b>	<b>79</b>	<b>-</b>	<b>-</b>	<b>14,469</b>
<b>Support services:</b>						
Other Salaries	-	-	-	373	-	373
Supplies and Materials	-	-	-	-	4,013	4,013
<b>Total support services</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>373</b>	<b>4,013</b>	<b>4,386</b>
<b>Facilities acquisition and construction services:</b>						
Non-instructional equipment	-	-	-	-	-	-
<b>Total facilities acquisition and construction services</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Expenditures</b>	<b>1,324</b>	<b>13,066</b>	<b>79</b>	<b>373</b>	<b>4,013</b>	<b>18,855</b>
<b>Other Financing Sources (Uses)</b>						
Transfer to General Fund	-	-	-	-	-	-
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

SECTION - F

CAPITAL PROJECTS

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.

**Bordentown Regional School District  
Capital Projects Fund  
Summary Schedule of Project Expenditures  
For the Fiscal Year Ended June 30, 2011**

Project Title/Issue	Approval Date	Revised Budgetary Appropriations	GAAP Expenditures to Date		Unexpended Appropriations 6/30/2011
			Prior Years	Current Year	
Renovations to Clara Barton Elementary School	6/19/2002	\$ 1,831,755	\$ 1,713,569		\$ 118,186
Renovations to MacFarland Elementary School	6/19/2002	1,613,832	1,522,328		91,504
Renovations to Peter Muschal Elementary School	6/19/2002	923,063	854,715		68,348
Renovations to Bordentown Middle School	6/19/2002	2,324,235	1,953,922		370,313
Renovations to New Bordentown Regional High School	6/19/2002	40,420,241	40,208,637	373,578	(161,974)
Bond Proceeds \$37,447,000; Grant \$9,666,126		47,113,126	46,253,171	373,578	486,377
Completion of Various Renovations at the Bordentown Regional High School Complex Bond Proceeds \$8,499,000	12/8/2009	8,499,000	1,694,521	5,112,593	1,691,886
Totals		\$ 55,612,126	\$ 47,947,692	\$ 5,486,171	\$ 2,178,263

B-1:

Fund Balance	2,178,263
Assigned to Debt Service 2011-12 budget	(324,238)
Encumbrances	(271,506)
EDA Grant Receivable	-
	\$ 1,582,519

**Bordentown Regional School District  
Capital Projects Fund**

F-2

**Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budgetary Basis  
For the Year Ended June 30, 2011**

	<u>Prior Periods</u>	<u>Current Period</u>	<u>2002 Renovatioons Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources:</b>				
State sources - SCC Grant	\$ 9,666,126	\$ -	\$ 9,666,126	\$ 9,666,126
Bond proceeds and transfers	37,447,000	-	37,447,000	37,447,000
Contribution from private source	-	-	-	-
Transfer from capital reserve	-	-	-	-
Transfer from capital outlay	-	-	-	-
Total revenues	47,113,126	-	47,113,126	47,113,126
<b>Expenditures and Other Financing Uses:</b>				
Purchased professional and technical services	3,613,892	-	3,613,892	5,267,016
Land and Improvements	1,616,000	-	1,616,000	1,616,000
Construction services	40,362,311	628,000	40,990,311	40,230,110
Equipment purchases	14,221	88,023	102,244	-
Other objects	614,036	198	614,234	-
Total expenditures	46,220,460	716,221	46,936,681	47,113,126
Excess (Deficiency) of revenues over (under) expenses	\$ 892,666	\$ (716,221)	\$ 176,445	\$ -
Fund Balance - Beginning	7,664,434			
Fund Balance - Ending	\$ 2,178,263			

**Bordentown Regional School District  
Capital Projects Fund**

F-2a

**Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budgetary Basis  
Renovations to Clara Barton Elementary School  
From Inception and For the Year Ended June 30, 2011**

	Prior Periods	Current Period	Totals	Revised Authorized Cost
<b>Revenues and Other Financing Sources:</b>				
State sources - SCC Grant	\$ 452,844	\$ -	\$ 452,844	\$ 452,844
Bond proceeds and transfers	1,378,911	-	1,378,911	1,378,911
Contribution from private source	-	-	-	-
Transfer from capital reserve	-	-	-	-
Transfer from capital outlay	-	-	-	-
Total revenues	<u>1,831,755</u>	<u>-</u>	<u>1,831,755</u>	<u>1,831,755</u>
<b>Expenditures and Other Financing Uses:</b>				
Purchased professional and technical services	211,046	-	211,046	444,062
Land and Improvements	-	-	-	-
Construction services	1,502,523	-	1,502,523	1,387,693
Equipment purchases	-	-	-	-
Other objects	-	-	-	-
Total expenditures	<u>1,713,569</u>	<u>-</u>	<u>1,713,569</u>	<u>1,831,755</u>
Excess (Deficiency) of revenues over (under) expenses	<u>\$ 118,186</u>	<u>\$ -</u>	<u>\$ 118,186</u>	<u>\$ -</u>

**Additional project information:**

Project Number	SP#202335
Grant Date	19-Jun-02
Bond Authorization Date	12-Mar-02
Bonds Authorized	\$ 1,378,911
Bonds Issued	25-Jul-02
Original Authorized Cost	\$ 1,831,755
Additional Authorized Cost	\$ -
Revised Authorized Cost	\$ 1,831,755

Percentage Increase over Original Authorized Cost	0%
Percentage completion	100%
Original target completion date	11/30/2005
Revised target completion date	8/1/2006

**Bordentown Regional School District  
Capital Projects Fund**

F-2b

**Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budgetary Basis  
Renovations to MacFarland Elementary School  
From Inception and For the Year Ended June 30, 2011**

	<u>Prior Periods</u>	<u>Current Period</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources:</b>				
State sources - SCC Grant	\$ 447,466	\$ -	\$ 447,466	\$ 447,466
Bond proceeds and transfers	1,166,366	-	1,166,366	1,166,366
Contribution from private source	-	-	-	-
Transfer from capital reserve	-	-	-	-
Transfer from capital outlay	-	-	-	-
Total revenues	<u>1,613,832</u>	<u>-</u>	<u>1,613,832</u>	<u>1,613,832</u>
<b>Expenditures and Other Financing Uses:</b>				
Purchased professional and technical services	173,904	-	173,904	391,232
Land and Improvements	-	-	-	-
Construction services	1,348,424	-	1,348,424	1,222,600
Equipment purchases	-	-	-	-
Other objects	-	-	-	-
Total expenditures	<u>1,522,328</u>	<u>-</u>	<u>1,522,328</u>	<u>1,613,832</u>
Excess (Deficiency) of revenues over (under) expenses	<u>\$ 91,504</u>	<u>\$ -</u>	<u>\$ 91,504</u>	<u>\$ -</u>

**Additional project information:**

Project Number	SP#202336
Grant Date	19-Jun-02
Bond Authorization Date	12-Mar-02
Bonds Authorized	\$ 1,166,366
Bonds Issued	25-Jul-02
Original Authorized Cost	\$ 1,613,832
Additional Authorized Cost	\$ -
Revised Authorized Cost	\$ 1,613,832
Percentage Increase over Original Authorized Cost	0%
Percentage completion	100%
Original target completion date	11/30/2005
Revised target completion date	8/1/2006

**Bordentown Regional School District  
Capital Projects Fund**

F-2c

**Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budgetary Basis  
Renovations to Peter Muschal Elementary School  
From Inception and For the Year Ended June 30, 2011**

	Prior Periods	Current Period	Totals	Revised Authorized Cost
<b>Revenues and Other Financing Sources:</b>				
State sources - SCC Grant	\$ 120,606	\$ -	\$ 120,606	\$ 120,606
Bond proceeds and transfers	802,457	-	802,457	802,457
Contribution from private source	-	-	-	-
Transfer from capital reserve	-	-	-	-
Transfer from capital outlay	-	-	-	-
<b>Total revenues</b>	<b>923,063</b>	<b>-</b>	<b>923,063</b>	<b>923,063</b>
<b>Expenditures and Other Financing Uses:</b>				
Purchased professional and technical services	135,713	-	135,713	223,773
Land and Improvements	-	-	-	-
Construction services	719,002	-	719,002	699,290
Equipment purchases	-	-	-	-
Other objects	-	-	-	-
<b>Total expenditures</b>	<b>854,715</b>	<b>-</b>	<b>854,715</b>	<b>923,063</b>
Excess (Deficiency) of revenues over (under) expenses	\$ 68,348	\$ -	\$ 68,348	\$ -

**Additional project information:**

Project Number	SP#202337
Grant Date	19-Jun-02
Bond Authorization Date	12-Mar-02
Bonds Authorized	\$ 802,457
Bonds Issued	25-Jul-02
Original Authorized Cost	\$ 923,063
Additional Authorized Cost	\$ -
Revised Authorized Cost	\$ 923,063

Percentage Increase over Original

Authorized Cost	0%
Percentage completion	100%
Original target completion date	11/30/2005
Revised target completion date	8/1/2006

**Bordentown Regional School District  
Capital Projects Fund**

F-2d

**Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budgetary Basis  
Renovations to Bordentown Middle School  
From Inception and For the Year Ended June 30, 2011**

	Prior Periods	Current Period	Totals	Revised Authorized Cost
<b>Revenues and Other Financing Sources:</b>				
State sources - SCC Grant	\$ 669,693	\$ -	\$ 669,693	\$ 669,693
Bond proceeds and transfers	1,654,542	-	1,654,542	1,654,542
Contribution from private source	-	-	-	-
Transfer from capital reserve	-	-	-	-
Transfer from capital outlay	-	-	-	-
<b>Total revenues</b>	<b>2,324,235</b>	<b>-</b>	<b>2,324,235</b>	<b>2,324,235</b>
<b>Expenditures and Other Financing Uses:</b>				
Purchased professional and technical services	185,264	-	185,264	405,875
Land and Improvements	-	-	-	-
Construction services	1,764,129	-	1,764,129	1,918,360
Equipment purchases	-	-	-	-
Other objects	4,529	-	4,529	-
<b>Total expenditures</b>	<b>1,953,922</b>	<b>-</b>	<b>1,953,922</b>	<b>2,324,235</b>
Excess (Deficiency) of revenues over (under) expenses	\$ 370,313	\$ -	\$ 370,313	\$ -

**Additional project information:**

Project Number	SP#202338
Grant Date	19-Jun-02
Bond Authorization Date	12-Mar-02
Bonds Authorized	\$ 1,654,542
Bonds Issued	25-Jul-02
Original Authorized Cost	\$ 2,324,235
Additional Authorized Cost	\$ -
Revised Authorized Cost	\$ 2,324,235
Percentage Increase over Original Authorized Cost	0%
Percentage completion	100%
Original target completion date	11/30/2005
Revised target completion date	8/1/2006

**Bordentown Regional School District  
Capital Projects Fund**

F-2e

**Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budgetary Basis  
Renovations to New Bordentown Regional High School  
From Inception and For the Year Ended June 30, 2011**

	Prior Periods	Current Period	Totals	Revised Authorized Cost
<b>Revenues and Other Financing Sources:</b>				
State sources - SCC Grant	\$ 7,975,517	\$ -	\$ 7,975,517	\$ 7,975,517
Bond proceeds and transfers	32,444,724	-	32,444,724	32,444,724
Contribution from private source	-	-	-	-
Transfer from capital reserve	-	-	-	-
Transfer from capital outlay	-	-	-	-
Total revenues	40,420,241	-	40,420,241	40,420,241
<b>Expenditures and Other Financing Uses:</b>				
Purchased professional and technical services	2,909,270	-	2,909,270	3,802,074
Land and Improvements	1,615,500	-	1,615,500	1,616,000
Construction services	35,028,233	347,760	35,375,993	35,002,167
Equipment purchases	14,221	36,718	50,939	-
Other objects	641,411	198	641,609	-
Total expenditures	40,208,635	384,676	40,593,311	40,420,241
Excess (Deficiency) of revenues over (under) expenses	\$ 211,606	\$ (384,676)	\$ (173,070)	\$ -

**Additional project information:**

Project Number	SP#202339
Grant Date	19-Jun-02
Bond Authorization Date	12-Mar-02
Bonds Authorized	\$ 32,444,724
Bonds Issued	25-Jul-02
Original Authorized Cost	\$ 40,420,241
Additional Authorized Cost	\$ -
Revised Authorized Cost	\$ 40,420,241

Percentage Increase over Original

Authorized Cost	0%
Percentage completion	95%
Original target completion date	2/1/2006
Revised target completion date	7/1/2007

**Bordentown Regional School District  
Capital Projects Fund**

F-2f

**Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budgetary Basis  
Completion of Various Renovations at the Bordentown Regional High School Complex  
From Inception and For the Year Ended June 30, 2011**

	<u>Prior Periods</u>	<u>Current Period</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources:</b>				
State sources - SCC Grant	\$ -	\$ -	\$ -	\$ -
Bond proceeds and transfers	8,499,000	-	8,499,000	8,499,000
Contribution from private source	-	-	-	-
Transfer from capital reserve	-	-	-	-
Transfer from capital outlay	-	-	-	-
Total revenues	<u>8,499,000</u>	<u>-</u>	<u>8,499,000</u>	<u>8,499,000</u>
<b>Expenditures and Other Financing Uses:</b>				
Purchased professional and technical services	104,911	-	104,911	650,000
Land and Improvements	-	-	-	-
Construction services	6,599,674	280,240	6,879,914	7,799,000
Equipment purchases	-	51,305	51,305	-
Other objects	31,392	-	31,392	50,000
Total expenditures	<u>6,735,978</u>	<u>331,545</u>	<u>7,067,523</u>	<u>8,499,000</u>
Excess (Deficiency) of revenues over (under) expenses	<u>\$ 1,763,022</u>	<u>\$ (331,545)</u>	<u>\$ 1,431,477</u>	<u>\$ -</u>

**Additional project information:**

Project Number	0495-050-09-1000
Grant Date	N/A
Bond Authorization Date	8-Dec-09
Bonds Authorized	\$ 8,499,000
Bonds Issued	2-Mar-10
Original Authorized Cost	\$ 8,499,000
Additional Authorized Cost	\$ -
Revised Authorized Cost	\$ 8,499,000

**Percentage Increase over Original**

Authorized Cost	0%
Percentage completion	25%
Original target completion date	9/30/2010
Revised target completion date	11/30/2010

## SECTION - G

### ENTERPRISE FUNDS - DETAIL STATEMENTS

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

Food Service Fund - This fund provides for the operation of food services in all schools within the school district.

Community District Alliance - This fund accounts for community education and recreation activity funded by user charges from individuals and constituent municipalities.

**BORDENTOWN REGIONAL SCHOOL DISTRICT**  
**ENTERPRISE FUNDS**  
**COMBINING STATEMENT OF NET ASSETS**  
**AS OF JUNE 30, 2011**  
**(With comparative totals for June 30, 2010)**

	Food Service Fund		Community District Alliance		Total Enterprise Funds	
	2011	2010	2011	2010	2011	2010
<b>ASSETS</b>						
Current Assets:						
Cash and Cash Equivalents	\$ 139,402	\$ 111,911	\$ 272,874	\$ 103,053	\$ 412,276	\$ 214,964
Accounts Receivable:						
Federal	808	17,843	-	-	808	17,843
State	12,734	1,110	11,934	6,977	24,668	8,087
Inventories	12,753	15,509	-	-	12,753	15,509
Total Current Assets	<u>165,697</u>	<u>146,373</u>	<u>284,808</u>	<u>110,030</u>	<u>450,505</u>	<u>256,403</u>
Fixed Assets:						
Equipment	476,323	469,721	-	-	476,323	469,721
Accumulated Depreciation	(249,159)	(225,427)	-	-	(249,159)	(225,427)
Total Fixed Assets	<u>227,164</u>	<u>244,294</u>	<u>-</u>	<u>-</u>	<u>227,164</u>	<u>244,294</u>
Total Assets	<u>392,861</u>	<u>390,667</u>	<u>284,808</u>	<u>110,030</u>	<u>677,669</u>	<u>500,697</u>
<b>LIABILITIES</b>						
Current Liabilities:						
Accounts Payable	35,386	8,666	-	1,165	35,386	9,831
Interfund Payable - General Fund	-	-	7,200	10,244	7,200	10,244
Deferred Revenue	-	-	219,164	-	219,164	-
Total Current Liabilities	<u>35,386</u>	<u>8,666</u>	<u>226,364</u>	<u>11,409</u>	<u>261,750</u>	<u>20,075</u>
Noncurrent Liabilities:						
Interfund Payable - General Fund	85,781	85,781	-	-	85,781	85,781
Total Noncurrent Liabilities	<u>85,781</u>	<u>85,781</u>	<u>-</u>	<u>-</u>	<u>85,781</u>	<u>85,781</u>
Total Liabilities	<u>121,167</u>	<u>94,447</u>	<u>226,364</u>	<u>11,409</u>	<u>347,531</u>	<u>105,856</u>
<b>NET ASSETS</b>						
Invested in capital assets net of related debt	227,164	244,294	-	-	227,164	244,294
Unrestricted	44,530	51,926	58,444	98,621	102,974	150,547
	<u>\$ 271,694</u>	<u>\$ 296,220</u>	<u>\$ 58,444</u>	<u>\$ 98,621</u>	<u>\$ 330,138</u>	<u>\$ 394,841</u>

**BORDENTOWN REGIONAL SCHOOL DISTRICT**  
**ENTERPRISE FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENSES**  
**AND CHANGES IN FUND NET ASSETS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2011**  
 (With comparative totals for the fiscal year ended June 30, 2010)

	Food Service Fund		Community District Alliance		Community District Alliance (Without Deferred Revenue)		Total Enterprise Funds	
	2011	2010	2011	2010	2011	2010	2011	2010
<b>OPERATING REVENUES:</b>								
Local Sources:								
Daily Sales - Reimbursable Programs:								
School Lunch Program	\$ 285,059	\$ 303,839	\$ -	\$ -	\$ -	\$ -	\$ 285,059	\$ 303,839
Special Milk Program	-	59	-	-	-	-	-	59
Daily Sales - Non-Reimbursable Programs:								
Special Functions	137,362	136,826	-	-	-	-	137,362	136,826
Community Service Activities	14,146	18,752	-	-	-	-	14,146	18,752
Tuition, Trips and Rentals	-	-	583,040	-	696,804	-	583,040	680,671
Total Operating Revenue	436,567	459,476	583,040	583,040	696,804	696,804	1,019,607	1,140,147
<b>OPERATING EXPENSES:</b>								
Salaries	-	-	478,162	-	465,944	-	478,162	465,944
Employee Benefits	-	-	75,756	-	76,241	-	75,756	76,241
Supplies and Materials	-	-	28,215	-	49,547	-	28,215	49,547
Purchased Services	-	-	77,624	-	37,623	-	77,624	37,623
Bank Card Fees	-	-	15,856	-	16,133	-	15,856	-
Depreciation	23,732	62,234	-	-	-	-	23,732	62,234
Cost of Sales	718,156	686,892	-	-	-	-	718,156	686,892
Total Operating Expenses	741,888	749,126	675,613	675,613	645,488	645,488	1,417,501	1,378,481
Operating Income (Loss)	(305,321)	(289,650)	(92,573)	(92,573)	51,316	51,316	(397,894)	(238,334)
<b>NONOPERATING REVENUES:</b>								
State Sources:								
State School Lunch Program	7,757	10,673	-	-	-	-	7,757	10,673
State Breakfast Program	-	3,677	-	-	-	-	-	3,677
Adult Basic Skills Program	-	-	52,396	-	29,236	-	52,396	29,236
Federal Sources:								
National School Lunch Program	196,344	190,850	-	-	-	-	196,344	190,850
National Breakfast Program	40,578	38,026	-	-	-	-	40,578	38,026
Special Milk Program	49	624	-	-	-	-	49	624
Food Distribution Program	36,067	36,089	-	-	-	-	36,067	36,089
General Fund capital assets purchased	-	5,876	-	-	-	-	-	5,876
Total Nonoperating Income	280,795	285,815	52,396	52,396	29,236	29,236	333,191	315,051
Net Income (Loss) Before Contributions and Transfers	(24,526)	(3,835)	(40,177)	(40,177)	80,552	80,552	(64,703)	76,717
Operating Transfer In - General Fund	-	-	-	-	-	-	-	-
Change in Net Assets	(24,526)	(3,835)	(40,177)	(40,177)	80,552	80,552	(64,703)	76,717
Total Net Assets - beginning	296,220	94,555	98,621	98,621	18,069	18,069	394,841	112,624
Capital Asset Adjustment	-	205,500	-	-	-	-	-	205,500
Total Net Assets - ending	\$ 271,694	\$ 296,220	\$ 58,444	\$ 58,444	\$ 98,621	\$ 98,621	\$ 330,138	\$ 394,841

**BORDENTOWN REGIONAL SCHOOL DISTRICT  
COMBINING STATEMENT OF CASH FLOWS  
ENTERPRISE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2011**

	Food Service Fund	Community District Alliance	Total Enterprise Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers	\$ 436,567	\$ 799,160	\$ 1,235,727
Payments to employees	-	(478,162)	(478,162)
Payments for employee benefits	-	(75,756)	(75,756)
Payments to suppliers	(652,612)	(107,004)	(759,616)
Payments to bank card fees	-	(15,856)	(15,856)
Net cash provided by (used for) operating activities	<u>(216,045)</u>	<u>122,382</u>	<u>(93,663)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
State Sources	8,059	47,439	55,498
Federal Sources	242,080	-	242,080
Net cash provided by (used for) non-capital financing activities	<u>250,139</u>	<u>47,439</u>	<u>297,578</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Purchases of capital assets	(6,603)	-	(6,603)
Net cash provided by (used for) capital and related financing activities	<u>(6,603)</u>	<u>-</u>	<u>(6,603)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest and dividends	-	-	-
Net cash provided by (used for) investing activities	<u>-</u>	<u>-</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	27,491	169,821	197,312
Balances—beginning of year	111,911	103,053	214,964
Balances—end of year	<u>\$ 139,402</u>	<u>\$ 272,874</u>	<u>\$ 412,276</u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>			
Operating income (loss)	\$ (305,321)	\$ (92,573)	(397,894)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation	23,732	-	23,732
Food Distribution Program	36,067	-	36,067
(Increase) decrease in inventories	2,757	-	2,757
Increase (decrease) in interfund payable	-	(3,044)	(3,044)
Increase (decrease) in accounts payable	26,720	(1,165)	25,555
Increase (decrease) in deferred revenue	-	219,164	219,164
Total adjustments	<u>89,276</u>	<u>214,955</u>	<u>304,231</u>
Net cash provided by (used for) operating activities	<u>\$ (216,045)</u>	<u>\$ 122,382</u>	<u>\$ (93,663)</u>

SECTION - H

TRUST AND AGENCY FUNDS - DETAIL STATEMENTS

Trust funds are used to account for gifts and bequests to the school district for a specific purpose.

Scholarship Fund - This is an expendable trust fund and limits expenses to the amounts earned on the trust principal.

Unemployment Compensation Fund - this is an expendable trust fund used to account for deductions from employees' salaries which are utilized to pay unemployment compensation insurance claims as they arise.

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

Student Activity Fund - This agency fund is used to account for student funds held at the school.

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

BORDENTOWN REGIONAL SCHOOL DISTRICT  
 COMBINING STATEMENT OF FIDUCIARY NET ASSETS  
 FIDUCIARY FUNDS  
 JUNE 30, 2011  
 (WITH COMPARATIVE TOTALS FOR JUNE 30, 2010)

	Expendable Trusts		Agency		Totals	
	Unemployment Insurance	Scholarship	Student Activity	Payroll	2011	2010
<b>ASSETS:</b>						
Cash and Cash Equivalents	\$ 30	\$ 138,674	\$ 139,225	\$ 176,702	\$ 454,631	\$ 455,488
	30	138,674	139,225	176,702	454,631	455,488
<b>LIABILITIES:</b>						
Payroll Deductions and Withholdings	-	-	-	176,702	176,702	177,077
Due to Student Groups	-	-	139,225	-	139,225	140,726
Total Liabilities	-	-	139,225	176,702	315,927	317,803
<b>NET ASSETS:</b>						
Held in trust for Unemployment Claims and other purposes	\$ 30	\$ 138,674	\$ -	\$ -	\$ 138,704	\$ 137,685

BORDENTOWN REGIONAL SCHOOL DISTRICT  
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS  
 FIDUCIARY FUNDS  
 FOR THE FISCAL YEARS ENDED JUNE 30, 2011

	Unemployment Insurance Expendable Trust Fund	Scholarship Expendable Trust Fund
<b>ADDITIONS</b>		
Local Sources:		
Payroll Withholding	\$ -	\$ -
Donations	-	22,700
Interest and Investment Income	-	1,527
Total Additions	-	24,227
<b>DEDUCTIONS</b>		
Quarterly Contribution Reports	-	-
Other	-	208
Scholarship Payments	-	23,000
Total Deductions	-	23,208
Change in Net Assets	-	1,019
Net Assets, July 1	30	137,655
Net Assets, June 30	\$ 30	\$ 138,674

BORDENTOWN REGIONAL SCHOOL DISTRICT  
STUDENT ACTIVITY AGENCY FUND  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Balance		Cash		Cash		Accounts		Balance
	July 1, 2010	July 1, 2010	Receipts	Disbursements	Disbursements	Adjustments	Payable	June 30, 2011	
<b>ELEMENTARY SCHOOLS:</b>									
Clara Barton	\$ 2,188	\$ 2,920	\$	1,309	\$	-	\$	-	\$ 3,799
Peter Muschal	15,674	13,432		13,280		13		-	15,839
MacFarland	11,013	9,860		6,056		(61)		-	14,756
Total Elementary Schools	28,875	26,212		20,645		(48)		-	34,394
<b>JUNIOR HIGH SCHOOL:</b>									
Bordentown Regional Middle School	33,715	66,210		69,652		66		-	30,339
Total Junior High School	33,715	66,210		69,652		66		-	30,339
<b>SENIOR HIGH SCHOOL:</b>									
Bordentown Regional High School	75,251	215,475		217,411		6		-	73,321
Bordentown Regional Athletics	2,885	11,507		13,221		-		-	1,171
Total Senior High School	78,136	226,982		230,632		6		-	74,492
Total All Schools	\$ 140,726	\$ 319,404	\$	320,929	\$	24	\$	-	\$ 139,225

BORDENTOWN REGIONAL SCHOOL DISTRICT  
 PAYROLL AGENCY FUND  
 SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Balance July 1, 2010	Cash Receipts	Cash Disbursements	Balance June 30, 2011
<b>ASSETS:</b>				
Cash and Cash Equivalents	\$ 177,077	\$ 9,577,446	\$ 9,577,821	\$ 176,702
Total Assets	<u>\$ 177,077</u>	<u>\$ 9,577,446</u>	<u>\$ 9,577,821</u>	<u>\$ 176,702</u>
<b>LIABILITIES:</b>				
Payroll Deductions and Withholdings	\$ 177,077	\$ 9,577,446	\$ 9,577,821	\$ 176,702
Total Liabilities	<u>\$ 177,077</u>	<u>\$ 9,577,446</u>	<u>\$ 9,577,821</u>	<u>\$ 176,702</u>

SECTION - I

LONG - TERM DEBT

This section includes serial bonds outstanding and the outstanding principal balance on capital leases. Also included in this section is a debt service budgetary comparison schedule.



**BORDENTOWN REGIONAL SCHOOL DISTRICT  
LONG-TERM DEBT  
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

Purpose	Date of Lease	Term of Lease	Amount of Original Lease		Interest Rate	Balance June 30, 2010	Issued	Retired	Balance June 30, 2011
			Principal	Interest					
<u>2009-10</u>									
Dell Computers	5/12/2009	3 Years	\$ 236,306	\$ 17,509		\$ 151,701		\$ 73,073	\$ 78,628
VOIP	8/13/2009	5 Years	462,203	36,199	3.65%	364,834		86,364	278,470
						\$ 516,535	\$ -	\$ 159,437	\$ 357,098

**Bordentown Regional School District  
Budgetary Comparison Schedule  
Debt Service Fund**

**For the Fiscal Year Ended June 30, 2011**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<b>REVENUES:</b>					
Local Sources:					
Local Tax Levy	\$ 2,680,506	\$ -	\$ 2,680,506	\$ 2,680,506	\$ -
State Sources:					
Debt Service Aid Type II	88,632	-	88,632	88,632	-
Total - State Sources	88,632	-	88,632	88,632	-
<b>Total Revenues</b>	<b>2,769,138</b>	<b>-</b>	<b>2,769,138</b>	<b>2,769,138</b>	<b>-</b>
<b>EXPENDITURES:</b>					
Regular Debt Service:					
Interest on Bonds	1,887,427	-	1,887,427	1,887,426	1
Redemption of Principal	1,030,000	-	1,030,000	1,030,000	-
Total Regular Debt Service	2,917,427	-	2,917,427	2,917,426	1
<b>Total expenditures</b>	<b>2,917,427</b>	<b>-</b>	<b>2,917,427</b>	<b>2,917,426</b>	<b>1</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(148,289)	-	(148,289)	(148,288)	(1)
Fund Balance, July 1	148,285	-	148,285	148,285	-
Fund Balance, June 30	\$ (4)	\$ -	\$ (4)	\$ (3)	(1)
<b>Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures</b>					
Budgeted Fund Balance	\$ (148,289)	\$ -	\$ (148,289)	\$ (148,288)	\$ 1

SECTION - J  
STATISTICAL SECTION

**Bordentown Regional Board of Education**  
**Net Assets by Component,**  
**Last Eight Fiscal Years**  
*(accrual basis of accounting)*

Exhibit J-1

	Fiscal Year Ending June 30,							
	2004	2005	2006	2007	2008	2009	2010	2011
<b>Governmental activities</b>								
Invested in capital assets, net of related debt	\$ 15,544,253	\$ 31,717,290	\$ 7,739,406	\$ 13,184,835	\$ 13,652,363	\$ 13,454,206	\$ 6,666,723	\$ 12,400,387
Restricted	32,526,830	16,125,909	4,525,256	3,517,076	2,978,547	1,558,161	8,304,216	1,254,222
Unrestricted	953,946	247,148	(1,464,512)	(1,700,333)	(1,757,992)	(1,751,761)	(2,174,163)	(482,412)
<b>Total governmental activities net assets</b>	<b>\$ 49,025,029</b>	<b>\$ 48,090,347</b>	<b>\$ 10,800,150</b>	<b>\$ 15,001,578</b>	<b>\$ 14,872,918</b>	<b>\$ 13,260,606</b>	<b>\$ 12,796,776</b>	<b>\$ 13,172,197</b>
<b>Business-type activities</b>								
Invested in capital assets, net of related debt	\$ 71,710	\$ 86,601	\$ 69,584	\$ 55,042	\$ 73,690	\$ 95,152	\$ 244,294	\$ 227,164
Restricted	-	-	-	-	-	-	-	-
Unrestricted	86,859	163,251	215,441	226,514	101,636	17,471	150,547	102,974
<b>Total business-type activities net assets</b>	<b>\$ 158,569</b>	<b>\$ 249,852</b>	<b>\$ 285,025</b>	<b>\$ 281,556</b>	<b>\$ 175,326</b>	<b>\$ 112,623</b>	<b>\$ 394,841</b>	<b>\$ 330,138</b>
<b>District-wide</b>								
Invested in capital assets, net of related debt	\$ 15,615,963	\$ 31,803,891	\$ 7,808,990	\$ 13,239,877	\$ 13,726,053	\$ 13,549,358	\$ 6,911,017	\$ 12,627,551
Restricted	32,526,830	16,125,909	4,525,256	3,517,076	2,978,547	1,558,161	8,304,216	1,254,222
Unrestricted	1,040,805	410,399	(1,249,071)	(1,473,819)	(1,656,356)	(1,734,290)	(2,023,616)	(379,438)
<b>Total district net assets</b>	<b>\$ 49,183,598</b>	<b>\$ 48,340,199</b>	<b>\$ 11,085,175</b>	<b>\$ 15,283,134</b>	<b>\$ 15,048,244</b>	<b>\$ 13,373,229</b>	<b>\$ 13,191,617</b>	<b>\$ 13,502,335</b>

Source: CAFR, Schedule A-1

**Bordentown Regional Board of Education**  
**Changes in Net Assets, Last Eight Fiscal Years**  
*(accrual basis of accounting)*

	Fiscal Year Ending June 30,							
	2004	2005	2006	2007	2008	2009	2010	2011
<b>Expenses</b>								
Governmental activities								
Instruction								
Regular	\$ 9,272,556	\$ 9,849,940	\$ 9,715,050	\$ 10,488,195	\$ 11,688,411	\$ 12,507,348	\$ 11,871,087	\$ 11,412,860
Special education	2,058,889	2,181,614	2,517,377	2,705,156	2,947,124	3,080,964	4,399,350	4,459,110
Other special education	669,004	748,383	784,338	729,727	846,962	839,047	839,047	780,307
Other instruction	711,269	677,010	660,403	653,518	726,262	760,495	797,930	837,571
Support Services:								
Tuition	1,528,632	2,062,935	2,331,451	2,246,932	2,224,270	1,960,912	1,502,383	1,320,514
Student & instruction related services	3,444,965	3,683,407	3,716,220	4,110,578	4,429,658	4,798,095	4,815,094	4,589,935
General administrative services	618,488	412,829	462,473	521,550	562,799	516,934	498,491	484,317
School administrative services	1,499,225	1,718,141	1,478,987	1,665,674	1,539,553	1,723,832	1,745,775	1,737,531
Business administrative services	273,722	586,719	352,100	336,078	381,874	392,340	413,037	414,613
Administrative information technology	-	-	281,890	282,637	234,162	246,673	224,176	236,061
Plant operations and maintenance	2,457,686	2,323,818	2,493,909	3,960,477	4,146,037	4,501,470	4,492,522	4,343,102
Pupil transportation	1,776,350	1,953,514	2,109,979	2,085,718	2,322,669	2,227,234	2,244,822	2,355,307
Employee benefits	1,607,664	1,677,663	1,977,192	2,885,783	3,037,029	2,004,611	2,055,060	2,158,567
Charter schools	3,827	7,802	-	-	-	-	-	-
Interest on long-term debt	2,057,703	2,024,987	1,978,611	1,293,503	1,850,805	1,805,871	1,832,474	2,072,048
Amortization of debt issue costs	13,714	15,612	15,612	18,909	21,265	21,265	21,846	23,478
Miscellaneous expenses	-	-	136,718	-	-	-	-	-
Unallocated depreciation	439,921	483,179	443,316	419,500	1,539,004	1,393,099	1,364,802	1,360,714
Total governmental activities expenses	28,433,615	30,407,553	31,453,626	34,403,935	38,497,884	38,679,408	39,117,896	38,586,035
Business-type activities:								
Food service	574,907	574,106	591,951	670,690	714,710	668,933	543,626	741,888
Community education and recreation	438,825	486,760	503,879	661,765	800,985	-	-	-
Community district alliance	-	-	-	-	-	836,681	629,355	675,613
Total business-type activities expense	1,013,732	1,060,866	1,095,830	1,332,455	1,515,695	1,505,614	1,172,981	1,417,501
Total district expenses	29,447,347	31,468,419	32,551,456	35,736,390	40,013,579	40,183,022	40,290,877	40,003,536
<b>Program Revenues</b>								
Governmental activities:								
Charges for services:								
Instruction (tuition)	\$ 653,720	\$ 738,285	\$ 739,080	\$ 824,765	\$ 941,368	\$ 1,148,999	\$ 919,689	\$ 1,041,527
Business and other support services	74,020	-	-	4,089,974	4,237,640	3,186,749	3,279,942	3,515,934
Operating grants and contributions	2,751,273	2,877,660	3,143,766	-	-	-	-	-
Total governmental activities program revenues	3,479,013	3,615,945	3,882,846	4,914,739	5,179,008	4,335,748	4,199,631	4,557,461
Business-type activities:								
Charges for services	399,071	400,210	416,705	468,371	486,904	484,032	459,476	436,567
Food service	445,155	496,523	547,924	643,833	641,174	-	-	-
Community education and recreation	-	-	-	-	-	675,696	680,671	583,040
Community district alliance	-	-	-	216,781	281,387	283,184	315,051	333,191
Operating grants and contributions	1,024,052	1,091,902	1,168,458	1,328,985	1,409,465	1,442,912	1,455,198	1,352,798
Total business type activities program revenues	4,503,065	4,707,847	5,051,304	6,243,724	6,588,473	5,778,660	5,654,829	5,910,259
Total district program revenues	\$ (24,954,602)	\$ (26,791,608)	\$ (27,572,780)	\$ (29,489,196)	\$ (33,318,876)	\$ (34,343,660)	\$ (34,918,265)	\$ (34,028,574)
<b>Net (Expense)/Revenue</b>								
Governmental activities	10,320	31,036	72,628	(3,470)	(106,230)	(62,702)	282,217	(64,703)
Business-type activities	(24,944,282)	(26,760,572)	(27,500,152)	(29,492,666)	(33,425,106)	(34,406,362)	(34,636,048)	(34,093,277)
Total district-wide net expense	\$ (24,933,962)	\$ (26,729,536)	\$ (27,427,524)	\$ (29,496,136)	\$ (33,342,878)	\$ (34,369,062)	\$ (34,353,841)	\$ (34,157,980)

**Bordentown Regional Board of Education**  
**Changes in Net Assets, Last Eight Fiscal Years**  
*(accrual basis of accounting)*

	Fiscal Year Ending June 30,							
	2004	2005	2006	2007	2008	2009	2010	2011
<b>General Revenues and Other Changes in Net Assets</b>								
Governmental activities:								
Property taxes levied for general purposes, net	\$ 16,076,871	\$ 16,681,425	\$ 18,728,834	\$ 22,499,730	\$ 23,001,615	\$ 22,299,615	\$ 23,191,599	\$ 23,744,262
Taxes levied for debt service	3,139,833	2,570,503	2,073,514	2,797,567	2,480,316	2,588,064	2,676,172	2,680,506
Unrestricted grants and contributions	6,502,008	6,751,191	6,762,260	6,811,870	7,241,981	7,532,102	7,792,162	7,182,584
EDA Grant not restricted to specific functions	169,051	-	7,095,958	1,196,318	-	-	358,898	-
Investment earnings	623,571	593,334	243,292	91,854	108,191	61,291	20,964	6,199
Miscellaneous income	295,693	199,782	256,116	310,092	358,113	250,276	345,220	723,078
Accounts receivable canceled	-	-	-	(16,807)	-	-	-	-
Extraordinary item - Fire loss impairment - buses	-	-	-	-	-	-	-	(92,775)
Extraordinary item - Insurance proceeds for fire loss - buses	-	-	-	-	-	-	-	246,668
Special item - Capital lease buyout	-	-	-	-	-	-	-	(86,527)
<b>Total governmental activities</b>	<b>26,807,027</b>	<b>26,796,235</b>	<b>35,159,974</b>	<b>33,690,624</b>	<b>33,190,216</b>	<b>32,731,348</b>	<b>34,385,015</b>	<b>34,403,995</b>
Business-type activities:								
Transfers	-	-	-	-	-	-	-	-
<b>Total business-type activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total district-wide</b>	<b>\$ 26,807,027</b>	<b>\$ 26,796,235</b>	<b>\$ 35,159,974</b>	<b>\$ 33,690,624</b>	<b>\$ 33,190,216</b>	<b>\$ 32,731,348</b>	<b>\$ 34,385,015</b>	<b>\$ 34,403,995</b>
<b>Change in Net Assets</b>								
Governmental activities	\$ 1,852,425	\$ 4,627	\$ 7,587,194	\$ 4,201,428	\$ (128,660)	\$ (1,612,312)	\$ (533,250)	\$ 375,421
Business-type activities	10,320	31,036	72,628	(3,470)	(106,230)	(62,702)	282,217	(64,703)
<b>Total district</b>	<b>\$ 1,862,745</b>	<b>\$ 35,663</b>	<b>\$ 7,659,822</b>	<b>\$ 4,197,958</b>	<b>\$ (234,890)</b>	<b>\$ (1,675,014)</b>	<b>\$ (251,033)</b>	<b>\$ 310,718</b>

Source: CAFR Schedule A-2

**Bordertown Regional 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
<b>General Fund</b>								
Reserved	\$ 320,864	\$ 282,305	\$ 54,666	\$ 1,958,248	\$ 2,109,404	\$ 912,273	\$ 709,405	\$ -
Unreserved	393,088	(127,663)	392,123	434,250	479,871	487,105	23,608	-
Restricted	-	-	-	-	-	-	-	929,984
Assigned	-	-	-	-	-	-	-	652,052
Unassigned	-	-	-	-	-	-	-	(126,589)
<b>Total general fund</b>	<b>\$ 713,952</b>	<b>\$ 154,642</b>	<b>\$ 446,789</b>	<b>\$ 2,392,498</b>	<b>\$ 2,589,275</b>	<b>\$ 1,399,378</b>	<b>\$ 733,013</b>	<b>\$ 1,455,447</b>
<b>All Other Governmental Funds</b>								
Reserved	\$ 35,007,960	\$ 20,603,814	\$ 4,616,728	\$ 1,130,254	\$ 610,306	\$ 149,460	\$ 5,041,460	\$ -
Unreserved, reported in:								
Special revenue fund	(1,804)	(1,795)	(1,799)	(1,799)	(1,799)	-	-	-
Capital projects fund	(3,459,406)	(5,833,026)	(139,471)	309,164	224,096	532,461	2,622,978	-
Debt service fund	662,375	858,449	196,768	259,097	63,045	818	148,285	-
Assigned, reported in:								
Capital projects fund	-	-	-	-	-	-	-	2,178,263
Debt service fund	-	-	-	-	-	-	-	(4)
<b>Total all other governmental funds</b>	<b>\$ 32,209,125</b>	<b>\$ 15,627,442</b>	<b>\$ 4,672,226</b>	<b>\$ 1,696,716</b>	<b>\$ 895,648</b>	<b>\$ 682,739</b>	<b>\$ 7,812,723</b>	<b>\$ 2,178,259</b>

Source: CAFR Schedule B-1

Exhibit J-4

Bordentown Regional School District  
 Changes in Fund Balances, Governmental Funds,  
 Last Eight Fiscal Years

	Fiscal Year Ending June 30,							
	2004	2005	2006	2007	2008	2009	2010	2011
<b>Revenues</b>								
Tax levy	\$ 19,216,704	\$ 19,251,928	\$ 20,802,348	\$ 25,297,297	\$ 25,481,931	\$ 24,887,679	\$ 25,867,771	\$ 26,424,768
Other Local Government Units Unrestricted								
Tuition charges	653,720	738,285	739,080	824,765	941,368	1,166,594	922,089	1,041,577
Interest earnings	623,571	593,334	336,641	148,153	108,191	61,291	20,964	6,199
Miscellaneous	375,686	278,550	232,614	325,018	348,858	261,227	341,702	656,484
State sources	8,622,751	8,772,139	16,172,070	11,266,854	10,607,622	9,803,262	9,599,187	9,350,449
Federal sources	793,603	856,712	829,914	831,308	871,999	915,589	2,031,815	1,348,069
Total revenue	30,286,040	30,490,948	39,112,667	38,695,395	38,447,538	37,163,406	38,653,655	38,966,873
<b>Expenditures</b>								
Instruction								
Regular instruction	7,963,239	8,411,107	8,164,984	8,931,708	9,908,516	10,644,014	10,005,949	9,482,923
Special education instruction	1,711,706	1,779,003	2,047,719	2,215,441	2,415,427	2,560,531	3,729,164	3,776,138
Other special instruction	554,915	632,367	667,117	589,073	696,558	623,779	674,688	624,840
Other instruction	630,698	600,608	579,577	570,155	628,148	657,324	678,015	704,413
Support Services:								
Tuition	1,528,632	2,062,935	2,331,451	2,246,932	2,224,270	1,960,912	1,502,383	1,320,514
Student & instruction related services	3,004,827	3,157,590	3,213,285	3,530,931	3,743,521	4,096,468	4,038,281	3,826,654
General administrative services	618,488	412,829	411,632	425,748	520,807	465,229	451,495	474,862
School Administrative services	1,272,518	1,330,665	1,288,289	1,319,625	1,353,135	1,395,819	1,423,889	1,434,687
Business administrative services	273,722	386,719	548,812	547,801	528,519	552,070	532,512	535,231
Plant operations and maintenance	2,187,206	2,069,532	2,218,505	3,480,838	3,747,089	4,098,322	4,011,396	3,849,549
Pupil transportation	1,825,006	1,936,689	2,160,698	2,034,257	2,270,472	1,899,234	1,519,994	1,557,314
Unallocated employee benefits	4,515,923	4,768,453	5,482,696	6,614,253	7,135,392	6,623,538	7,403,035	7,566,334
Charter schools	3,827	7,802	-	-	-	-	-	-
Capital outlay	3,650,428	16,844,300	17,665,516	4,395,749	1,012,909	600,306	2,577,558	5,968,179
Debt service:								
Principal	1,205,000	1,115,000	975,000	1,650,000	1,100,000	1,080,000	1,155,000	1,030,000
Interest and other charges	2,946,725	2,022,251	1,969,610	1,301,670	1,767,086	1,726,776	1,684,187	1,887,827
Total expenditures	33,892,860	47,738,550	49,724,891	39,834,181	39,031,849	38,694,322	41,387,546	44,039,043
Excess (Deficiency) of revenues over (under) expenditures	(3,606,820)	(17,247,402)	(10,612,224)	(1,160,786)	(604,291)	(1,530,916)	(2,733,891)	(5,072,172)
<b>Other Financing sources (uses)</b>								
Prior year receivable	-	-	-	(16,807)	-	(17,594)	-	-
Capital leases (non-budgeted)	440,137	512,711	-	147,792	-	145,704	698,509	-
Bond proceeds	-	-	-	-	-	-	8,499,000	-
Payment to refunded debt escrow agent	-	-	-	(36,400,282)	-	-	-	-
Par amount of bonds	-	30,125,000	-	36,650,000	-	-	-	-
Original issue premium	-	1,469,908	-	92,150	-	-	-	-
Accrued interest	-	77,801	-	-	-	-	-	-
Deposit to escrow fund	-	(31,272,619)	-	-	-	-	-	-
Costs of issuance	-	(322,189)	-	(34,868)	-	-	-	-
Accrued interest	-	(77,801)	-	-	-	-	-	-
Other	-	-	(50,845)	-	-	-	-	-
Transfers in	35,052	66,414	-	286,229	45,700	22,390	8,165	6,199
Transfers out	(35,052)	(66,414)	-	(286,229)	(45,700)	(22,390)	(8,165)	(6,199)
Total other financing sources (uses)	440,137	512,711	(50,845)	130,985	-	128,110	9,197,509	-
<b>Special &amp; Extraordinary Items (uses)</b>								
Copier Lease buyout	-	-	-	-	-	-	-	(86,526)
Insurance proceeds from fire loss - buses	-	-	-	-	-	-	-	246,668
Total special items	-	-	-	-	-	-	-	160,142
Net change in fund balances	\$ (3,166,683)	\$ (16,734,691)	\$ (10,663,069)	\$ (1,029,801)	\$ (604,291)	\$ (1,402,806)	\$ 6,463,618	\$ (4,912,030)
Debt service as a percentage of noncapital expenditures	13.7%	10.2%	9.2%	8.3%	7.5%	7.4%	7.3%	7.7%

Source: CAFR Schedule B-2

**BORDENTOWN REGIONAL SCHOOL DISTRICT  
GENERAL FUND OTHER LOCAL REVENUE BY SOURCE  
LAST TEN FISCAL YEARS  
UNAUDITED**

<u>Fiscal Year Ended June 30,</u>	<u>Interest on Investments</u>	<u>Tuition Revenue</u>	<u>Rentals</u>	<u>Misc.</u>	<u>Solar SREC's</u>	<u>Total</u>
2002	18,344	452,929	18,405	237,749		727,427
2003	450	657,928	-	193,989		852,367
2004	450	653,720	-	262,444		916,614
2005	45,563	738,285	-	216,129		999,977
2006	243,292	739,080	-	325,963		1,308,335
2007	136,260	824,765	-	166,635		1,127,660
2008	108,191	941,368	-	348,858		1,398,417
2009	38,402	1,166,594	-	299,650		1,504,646
2010	12,758	919,689	-	391,565		1,324,012
2011	4,032	1,041,527	-	477,155	69,326	1,592,040

Source: District Records

**Bordentown Regional School District  
Assessed Value and Actual Value of Taxable Property,  
Last Seven Fiscal Years**

**TOWNSHIP OF BORDENTOWN**

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial
2005	51,055,800	438,747,050	1,262,600	312,100	114,630,960	16,937,830
2006	43,005,900	476,348,650	1,050,100	200,400	117,354,860	16,937,830
2007	35,599,100	502,616,250	1,050,100	200,300	118,175,260	20,537,830
2008	34,690,400	505,312,150	949,300	522,400	118,741,560	20,537,830
2009	65,906,700	1,058,439,300	2,476,400	238,700	285,255,600	49,643,600
2010	64,306,800	1,055,478,400	2,476,400	272,600	280,438,000	45,765,900
2011	63,821,300	1,057,960,900	2,476,400	272,200	269,614,600	45,462,200

Fiscal Year Ended June 30,	Apartment	Total Assessed Value	Less: Tax-Exempt Property	Public Utilities	Net Valuation Taxable	Total Direct School Tax Rate	Estimated Actual (County Equalized Value)
2005	17,901,800	640,848,140	-	2,841,591	643,689,731	2.311	991,114,635
2006	17,901,800	672,799,540	-	2,537,724	675,337,264	2.554	1,151,105,288
2007	17,901,800	696,080,640	-	2,337,418	698,418,058	2.772	1,331,080,728
2008	15,557,000	696,310,640	-	2,135,846	698,446,486	2.767	1,331,134,908
2009	46,645,400	1,508,605,700	-	4,393,296	1,512,998,996	1.282	1,454,238,314
2010	44,299,900	1,493,038,000	-	4,797,374	1,497,835,374	1.332	1,433,678,607
2011	43,036,900	1,482,644,500	-	4,524,928	1,487,169,428	1.371	N/A

**Bordertown Regional School District  
Assessed Value and Actual Value of Taxable Property,  
Last Seven Fiscal Years**

**CITY OF BORDERTOWN**

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial
2005	2,812,200	126,472,260	-	-	26,148,700	18,479,700
2006	3,155,000	127,132,560	-	-	26,067,900	9,089,600
2007	3,065,000	128,491,960	-	-	25,673,300	9,089,600
2008	7,107,200	293,454,900	-	-	56,856,000	16,517,600
2009	7,496,400	293,763,600	-	-	54,322,300	16,517,600
2010	7,496,400	293,955,600	-	-	54,322,300	16,517,600
2011	6,178,400	293,129,600	-	-	55,828,300	18,017,600

Fiscal Year Ended June 30,	Apartment	Total Assessed Value	Less: Tax-Exempt Property	Public Utilities	Net Valuation Taxable	Total Direct School Tax Rate	Estimated Actual (County Equalized Value)
2005	13,981,200	187,894,060	-	210,565	188,104,625	1.779	286,140,912
2006	13,955,200	179,400,260	-	195,486	179,595,746	2.809	291,949,730
2007	13,720,600	180,040,460	-	184,828	180,225,288	2.852	327,503,703
2008	28,155,300	402,091,000	-	351,264	402,442,264	1.233 R	731,314,309
2009	28,155,300	400,255,200	-	351,264	400,606,464	1.282	385,998,922
2010	28,155,300	400,447,200	-	351,264	400,798,464	1.345	383,078,207
2011	27,775,300	400,929,200	-	503,525	401,432,725	1.364	N/A

**Bordertown Regional School District  
Assessed Value and Actual Value of Taxable Property,  
Last Seven Fiscal Years**

**BOROUGH OF FIELDSBORO**

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial
2005	830,500	18,576,300	-	-	1,284,500	7,865,900
2006	784,300	18,862,800	-	-	1,379,800	7,865,900
2007	815,900	18,971,100	-	-	1,285,100	7,865,900
2008	815,900	18,944,300	-	-	1,287,400	7,865,900
2009	1,775,300	42,160,800	-	-	2,365,400	13,800,000
2010	1,775,300	42,010,400	-	-	2,365,400	10,300,000
2011	1,775,300	41,974,800	-	-	2,365,400	10,300,000

Fiscal Year Ended June 30,	Apartment	Total Assessed Value	Less: Tax-Exempt Property	Public Utilities	Net Valuation Taxable	Total Direct School Tax Rate	Estimated Actual (County Equalized Value)
2005	-	28,557,200	-	39,474	28,596,674	2.238	40,796,419
2006	-	28,892,800	-	27,127	28,919,927	2.630	52,662,812
2007	-	28,938,000	-	23,828	28,961,828	3.068	59,567,725
2008	-	28,913,500	-	24,966	28,938,466	3.082	59,519,675
2009	-	60,101,500	-	65,050	60,166,550	1.397 R	61,248,946
2010	-	56,451,100	-	59,909	56,511,009	1.437	54,808,333
2011	-	56,415,500	-	44,879	56,460,379	1.409	N/A

Source: District records Tax list summary & Municipal Tax Assessor

R: Reassessment year

**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

**BORDENTOWN REGIONAL SCHOOL DISTRICT**

Exhibit J-7

**Direct and Overlapping Property Tax Rates**

**Last Eight Fiscal Years**

(rate per \$100 of assessed value)

**TOWNSHIP OF BORDENTOWN**

Fiscal Year Ended June 30,	BORDENTOWN REG. SCHOOL DIST.			Overlapping Rates				Total Direct and Overlapping Tax Rate
	Basic Rate <sup>a</sup>	General Obligation Debt Service <sup>b</sup>	Total Direct	Township of Bordentown	Municipal Open Space	County Library/Other	Burlington County	
2004	2.163	0.233	2.396	0.474	0.000	0.000	0.673	3.543
2005	2.043	0.268	2.311	0.475	0.000	0.114	0.592	3.492
2006	2.292	0.262	2.554	0.476	0.000	0.157	0.628	3.815
2007	2.470	0.302	2.772	0.499	0.000	0.139	0.668	4.078
2008	2.489	0.278	2.767	0.623	0.000	0.138	0.632	4.160
2009	1.149	0.133	1.282	0.336	0.000	0.068	0.298	1.984 R
2010	1.205	0.136	1.341	0.390	0.000	0.068	0.287	2.086
2011	1.234	0.137	1.371	0.379	0.030	0.068	0.315	2.133

**CITY OF BORDENTOWN**

Fiscal Year Ended June 30,	BORDENTOWN REG. SCHOOL DIST.			Overlapping Rates				Total Direct and Overlapping Tax Rate
	Basic Rate <sup>a</sup>	General Obligation Debt Service <sup>b</sup>	Total Direct	City of Bordentown	Municipal Open Space	County Library/Other	Burlington County	
2004	2.098	0.232	2.330	1.146	0.000	0.000	0.607	4.083
2005	2.122	0.278	2.400	1.207	0.000	0.112	0.583	4.302
2006	2.516	0.293	2.809	1.405	0.000	0.120	0.600	4.934
2007	2.527	0.325	2.852	1.459	0.000	0.128	0.612	5.051
2008	1.109	0.124	1.233	0.707	0.000	0.065	0.295	2.300 R
2009	1.149	0.133	1.282	0.735	0.000	0.068	0.298	2.383
2010	1.216	0.138	1.354	0.764	0.000	0.069	0.306	2.493
2011	1.223	0.137	1.360	0.794	0.000	0.068	0.300	2.522

**BOROUGH OF FIELDSBORO**

Fiscal Year Ended June 30,	BORDENTOWN REG. SCHOOL DIST.			Overlapping Rates				Total Direct and Overlapping Tax Rate
	Basic Rate <sup>a</sup>	General Obligation Debt Service <sup>b</sup>	Total Direct	Borough of Fieldsboro	Municipal Open Space	County Library/Other	Burlington County	
2004	2.049	0.228	2.277	0.647	0.000	0.000	0.615	3.539
2005	1.978	0.260	2.238	0.748	0.000	0.105	0.546	3.637
2006	2.353	0.277	2.630	0.900	0.000	0.134	0.670	4.334
2007	2.736	0.332	3.068	0.950	0.000	0.155	0.747	4.920
2008	2.772	0.310	3.082	1.067	0.000	0.162	0.738	5.049
2009	1.252	0.145	1.397	0.689	0.000	0.071	0.316	2.473 R
2010	1.301	0.147	1.448	0.680	0.000	0.071	0.314	2.513
2011	1.268	0.141	1.409	0.680	0.000	0.071	0.314	2.474

Source: District Records and Municipal Tax Collector

**Note:** of the district's net budget may not exceed the prebudget year net budget by more than the spending growth limitation calculated as R Reassessment year

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

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

**BORDENTOWN REGIONAL SCHOOL DISTRICT**  
**Principal Property Tax Payers,**  
**Current Year and Ten Years Ago**

Exhibit J-8

**TOWNSHIP OF BORDENTOWN**

Taxpayer	2010			2000		
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
Bordentown Investors LLC	\$ 18,391,500	1	1.23%			
Bord Investment C/O Thomson Tax	17,445,300	2	1.17%			
Rock IDI Central Crossings LLC	17,275,400	3	1.16%			
Mosholu Reality LLC	14,984,000	4	1.00%	\$ 6,225,000	5	1.20%
HPT PSC Properties Trust DBA:TCA	13,705,100	5	0.92%			
Bordentown VF LLC	12,844,800	6	0.86%	9,600,000	2	1.85%
Central Crossings Business Prk, LLC	11,309,500	7	0.76%			
Hedding Hotels, LLC	11,130,800	8	0.75%			
PSE&G Co. Mgr Tax Dept	10,525,200	9	0.70%	13,143,200	1	2.53%
Public Service Electric & Gas Co.	9,156,200	10	0.61%			
Bennetton Sports System USA, Inc.				8,626,700	3	1.66%
Square D. Company				6,230,600	4	1.20%
Quaker Group Development, LP				6,023,300	6	1.16%
Mastoris Diner/Restaurant, Inc.				5,887,800	7	1.13%
Bordentown Truck Stop J.V.				5,814,100	8	1.12%
Hunter Industries				4,836,700	9	0.93%
Tadco, LLC				3,917,500	10	0.75%
<b>Total</b>	<b>\$ 136,767,800</b>		<b>9.16%</b>	<b>\$ 70,304,900</b>		<b>5.57%</b>

**CITY OF BORDENTOWN**

Taxpayer	2010			2000		
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
Ocean Spray Cranberries	\$ 14,800,000	1	3.70%	\$ 17,440,500	1	9.61%
Park Apartments	11,200,000	2	2.80%	5,036,000	2	2.77%
Schino Property Mgmt.	6,100,000	3	1.52%			
Bob Maguire	2,900,000	4	0.72%	1,553,400	5	0.86%
Bordentown New Valley Realty	2,750,000	5	0.69%			
Storage Depot	2,700,000	6	0.67%			
Thompson Realty of Princeton	2,203,000	7	0.55%			
860-206 Associates	1,865,900	8	0.47%			
Riverwood Gardens	1,825,000	9	0.46%	888,000	10	0.49%
New Punjab Equity	1,400,000	10	0.35%			
Insight Properties				2,597,500	3	1.43%
Bordentown Estates				1,612,000	4	0.89%
Individual #1				1,220,300	6	0.67%
101 Farnsworth Ave.				1,079,400	7	0.59%
J & B Investments				981,800	8	0.54%
Individual #2				970,000	9	0.53%
<b>Total</b>	<b>\$ 47,743,900</b>		<b>11.92%</b>	<b>\$ 33,378,900</b>		<b>18.39%</b>

**BOROUGH OF FIELDSBORO**

Taxpayer	2010			2000		
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
Stepan Chemical	\$ 10,030,000	1	17.77%	\$ 7,670,600	1	27.30%
Individual # 1	641,800	2	1.14%	320,900	2	1.14%
Olivia Konek Group, LLC	550,000	3	0.97%			
Balon Real Estate LLC	485,300	4	0.86%			
Individual # 2	456,900	5	0.81%	292,700	3	1.04%
Reddy Holding LLC	448,500	6	0.79%			
Individual # 3	436,000	7	0.77%	168,400	4	0.60%
Individual # 4	422,800	8	0.75%	161,900	5	0.58%
Individual # 5	416,600	9	0.74%	161,100	6	0.57%
Individual # 6	411,000	10	0.73%	157,800	7	0.56%
Individual # 7				154,300	8	0.55%
Individual # 8				151,400	9	0.54%
Stepan Company				147,400	10	0.52%
<b>Total</b>	<b>\$ 14,298,900</b>		<b>25.33%</b>	<b>\$ 9,386,500</b>		<b>33.41%</b>

Source: District CAFR & Municipal Tax Assessor

**BORDENTOWN REGIONAL SCHOOL DISTRICT**  
**Property Tax Levies and Collections,**  
**Last Ten Fiscal Years**

**Exhibit J-9**

**TOWNSHIP OF BORDENTOWN**

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy	
		Amount	Percentage of Levy
2001	17,452,153	17,038,620	97.63%
2002	18,612,648	18,344,556	98.56%
2003	22,217,298	21,943,665	98.77%
2004	23,379,371	23,175,544	99.13%
2005	24,580,228	24,370,126	99.15%
2006	28,007,096	27,584,314	98.49%
2007	30,539,803	30,100,509	98.56%
2008	31,172,847	30,838,124	98.93%
2009	31,892,057	31,486,722	98.73%
2010	32,943,260	32,690,253	99.23%

**CITY OF BORDENTOWN**

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy	
		Amount	Percentage of Levy
2001	6,502,067	6,199,662	95.35%
2002	6,635,273	6,368,217	95.98%
2003	7,276,773	6,983,697	95.97%
2004	7,706,937	7,462,437	96.83%
2005	8,115,789	7,939,809	97.83%
2006	8,905,282	8,646,793	97.10%
2007	9,235,616	9,016,444	97.63%
2008	9,286,951	8,994,125	96.85%
2009	9,571,273	9,240,199	96.54%
2010	9,952,334	9,589,673	96.36%

**BOROUGH OF FIELDSBORO**

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy	
		Amount	Percentage of Levy
2001	928,297	848,773	91.43%
2002	932,070	862,753	92.56%
2003	983,706	924,126	93.94%
2004	1,012,965	970,330	95.79%
2005	1,045,071	1,009,332	96.58%
2006	1,254,768	1,210,062	96.44%
2007	1,426,717	1,371,801	96.15%
2008	1,465,632	1,390,578	94.88%
2009	1,487,919	1,417,056	95.24%
2010	1,413,906	1,347,402	95.30%

Source: Municipal records.

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

**BORDENTOWN REGIONAL SCHOOL DISTRICT**  
**Ratios of Outstanding Debt by Type**  
**Last Eight Fiscal Years**

Fiscal Year Ended June 30,	Governmental Activities				Business-Type Activities		Percentage of Personal Income	Per Capita
	General Obligation Bonds	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases	Total District		
2004	41,387,000	1,965,000	76,492	-	-	43,428,492	7.73%	3,006
2005	40,642,000	1,595,000	141,873	-	-	42,378,873	7.53%	2,876
2006	40,052,000	1,210,000	39,576	-	-	41,301,576	6.79%	2,778
2007	40,850,000	805,000	72,129	-	-	41,727,129	6.61%	2,857
2008	40,070,000	485,000	-	-	-	40,555,000	6.42%	2,798
2009	39,215,000	250,000	71,916	-	-	39,536,916	6.26%	2,736
2010	46,809,000	-	516,535	-	-	47,325,535	7.49%	3,284
2011	45,779,000	-	357,098	-	-	46,136,098	N/A	N/A

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

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

**BORDENTOWN REGIONAL SCHOOL DISTRICT**  
**Ratios of Net General Bonded Debt Outstanding**  
**Last Seven Fiscal Years**

**Exhibit J-11**

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value of Property	Debt per Capita	Population	Taxable Value of Property
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding				
2005	40,642,000	-	40,642,000	4.72%	2,758	14,737	861,391,030
2006	40,052,000	-	40,052,000	4.53%	2,694	14,869	883,852,937
2007	40,850,000	-	40,850,000	4.50%	2,797	14,603	907,605,174
2008	40,070,000	-	40,070,000	3.55%	2,764	14,495	1,129,827,216
2009	39,215,000	-	39,215,000	1.99%	2,714	14,448	1,973,772,010
2010	46,809,000	-	46,809,000	2.39%	3,248	14,410	1,955,144,847
2011	45,779,000	-	45,779,000	2.36%	3,177	14,410	1,943,115,532

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

**Bordentown Regional School District  
Ratios of Overlapping Governmental Activities Debt  
As of June 30, 2011**

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
<b>Debt repaid with property taxes</b>			
Bordentown Township	9,257,000	100.000%	9,257,000
Bordentown City	2,433,000	100.000%	2,433,000
Fieldsboro Borough	453,000	100.000%	453,000
<b>Other debt</b>			
Bordentown Sewer Authority	22,476,949	100.000%	22,476,949
Burlington County	761,405,544	3.678%	28,004,496
Subtotal, overlapping debt			62,624,445
<b>Bordentown Regional School District Direct Bonded Debt</b>			<u>45,779,000</u>
<b>Total direct and overlapping debt</b>			<u>\$ 108,403,445</u>

**Sources:** Each entity's finance records and information provided by the County Finance Office.

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

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

**BORDENTOWN REGIONAL SCHOOL DISTRICT**  
**Legal Debt Margin Information,**  
**Last Eight Fiscal Years**

**Legal Debt Margin Calculation**

Equalized valuation basis December 31, 2010	
Bordentown City	388,052,487
Bordentown Twp.	1,448,408,999
Fieldsboro	56,961,393
	<u>\$ 1,893,422,879</u>
Debt limit (4 % of average equalization value)	\$ 75,736,915
Net bonded school deb	(45,779,000)
Legal debt margin	<u>\$ 29,957,915</u>

	Fiscal Year							
	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Debt limit	37,429,486	40,862,529	49,915,456	57,807,513	65,802,251	74,681,041	74,681,041	75,736,915
Total net debt applicable to limit	41,387,000	40,642,000	40,052,000	40,850,000	40,070,000	39,215,000	46,809,000	45,779,000
Legal debt margin	<u>\$ (3,957,514)</u>	<u>\$ 220,529</u>	<u>\$ 9,863,456</u>	<u>\$ 16,957,513</u>	<u>\$ 25,732,251</u>	<u>\$ 35,466,041</u>	<u>\$ 27,872,041</u>	<u>\$ 29,957,915</u>
Total net debt applicable to the limit as a percentage of debt limit	110.57%	99.46%	80.24%	70.67%	60.89%	52.51%	62.68%	60.44%

Source:  
 Abstract of Ratables and District Records.

**BORDENTOWN REGIONAL SCHOOL DISTRICT**  
**Demographic and Economic Statistics**  
**Last Ten Fiscal Years**

Exhibit J-14

**BORDENTOWN TOWNSHIP**

<u>Year</u>	<u>Population <sup>a</sup></u>	<u>Personal Income <sup>b</sup></u>	<u>Per Capita Personal Income <sup>c</sup></u>	<u>Unemployment Rate <sup>d</sup></u>
2001	9,367	\$ 337,783,387	\$ 36,061	3.50%
2002	9,463	344,481,589	36,403	5.10%
2003	9,627	357,152,073	37,099	5.10%
2004	9,905	384,769,630	38,846	4.70%
2005	10,228	410,142,800	40,100	3.30%
2006	10,395	440,727,210	42,398	3.80%
2007	10,201	432,216,370	42,370	3.50%
2008	10,110	445,618,470	44,077	9.20%
2009	10,068	468,806,352	46,564	8.20%
2010	10,088	469,253,408	46,516	8.70%

**BORDENTOWN CITY**

<u>Year</u>	<u>Population <sup>a</sup></u>	<u>Personal Income <sup>b</sup></u>	<u>Per Capita Personal Income <sup>c</sup></u>	<u>Unemployment Rate <sup>d</sup></u>
2001	3,942	\$ 142,152,462	\$ 36,061	1.80%
2002	4,001	145,648,403	36,403	2.70%
2003	3,397	126,025,303	37,099	2.70%
2004	3,985	154,801,310	38,846	2.40%
2005	3,958	158,715,800	40,100	5.20%
2006	3,925	166,412,150	42,398	4.20%
2007	3,854	163,293,980	42,370	3.80%
2008	3,817	168,241,909	44,077	9.20%
2009	3,820	177,874,480	46,564	9.00%
2010	3,759	174,853,644	46,516	9.50%

**FIELDSBORO**

<u>Year</u>	<u>Population <sup>a</sup></u>	<u>Personal Income <sup>b</sup></u>	<u>Per Capita Personal Income <sup>c</sup></u>	<u>Unemployment Rate <sup>d</sup></u>
2001	535	\$ 19,292,635	\$ 36,061	6.20%
2002	549	19,985,247	36,403	8.80%
2003	564	20,923,836	37,099	8.90%
2004	580	22,530,680	38,846	8.10%
2005	575	23,057,500	40,100	3.30%
2006	573	24,294,054	42,398	7.00%
2007	568	24,066,160	42,370	6.40%
2008	562	24,771,274	44,077	9.20%
2009	560	26,075,840	46,564	14.50%
2010	540	25,118,640	46,516	15.30%

**Source:**

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

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

<sup>c</sup> Per capita personal income by municipality based on projected 2009 information.

<sup>d</sup> Unemployment data provided by the NJ Dept of Labor and Workforce Development as of 6/30/2011.

**BORDENTOWN REGIONAL SCHOOL DISTRICT  
Principal Employers,  
2010 and Ten Years Ago**

**TOWNSHIP OF BORDENTOWN, CITY OF BORDENTOWN, AND BOROUGH OF FIELDSBORO COMBINED**

Employer	2010			2000		
	Employees	Rank (Optional)	Percentage of Total Employment	Employees	Rank (Optional)	Percentage of Total Employment
Bordentown Reg. School Dist.	380	1	22.35%	-		0.00%
Ocean Spray	295	2	17.35%	-		0.00%
Petro Shopping Center	225	3	13.24%	-		0.00%
Mastoris	200	4	11.76%	-		0.00%
N.A.D.E.	150	5	8.82%	-		0.00%
Acme Supermarket	125	6	7.35%	-		0.00%
Shoprite Supermarket	100	7	5.88%	-		0.00%
PSE&G	80	8	4.71%	-		0.00%
Stepan Chemical	75	9	4.41%	-		0.00%
Township of Bordentown	70	10	4.12%	-		0.00%
	<u>1,700</u>		<u>100.00%</u>	<u>-</u>		<u>0.00%</u>

Source: Municipal Records. Year 2000 information is not available

**Bordertown Regional School District  
Full-time Equivalent District Employees by Function/Program  
Last Eight Fiscal Years**

<u>Function/Program</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Instruction								
Regular	115	123	132	129	137	139	140	142
Special education	60	63	67	68	69	70	86	92
Other special education	12	15	14	15	15	15	11	13
Vocational	-	-	-	-	-	-	-	-
Other instruction	-	-	-	-	-	-	-	-
Nonpublic school programs	-	-	-	-	-	-	-	-
Adult/continuing education programs	-	-	-	-	-	-	-	-
Support Services:								
Tuition	-	-	-	-	-	-	-	-
Student & instruction related services	31	35	35	36	40	40	38	33
General administrative services	1	1	1	1	1	1	1	1
School administrative services	55	54	52	59	60	61	63	58
Business administrative services	2	2	2	1	1	1	1	1
Plant operations and maintenance	32	30	29	34	39	41	44	43
Pupil transportation	39	42	43	39	38	39	38	35
Special Schools	-	-	-	-	-	-	-	-
Food Service	-	-	-	-	-	-	-	-
Child Care	-	-	-	-	-	-	-	-
<b>Total</b>	<b>347</b>	<b>365</b>	<b>375</b>	<b>382</b>	<b>400</b>	<b>407</b>	<b>422</b>	<b>418</b>

Source: District Personnel Records

**Bordentown Regional School District  
Operating Statistics  
Last Eight Fiscal Years**

**Exhibit J-17**

<b>Fiscal Year</b>	<b>Enrollment</b>	<b>Operating Expenditures</b>	<b>Cost Per Pupil</b>	<b>% Change</b>	<b>Teaching Staff</b>
2004	2,044	26,090,707	12,765	-	204
2005	2,109	27,761,080	13,163	3.12%	207
2006	2,192	27,489,119	12,541	-4.73%	215
2007	2,276	28,536,152	12,538	-0.02%	216
2008	2,346	31,401,380	13,385	6.76%	224
2009	2,427	32,806,502	13,517	0.99%	224
2010	2,480	32,968,346	13,294	-1.65%	215
2011	2,461	32,718,416	13,295	0.01%	217

**Pupil/Teacher Ratio**

<b>Fiscal Year</b>	<b>Elementary</b>	<b>Middle School</b>	<b>High School</b>	<b>Average Daily Enrollment (ADE)</b>	<b>Average Daily Attendance (ADA)</b>	<b>% Change in Average Daily Enrollment</b>	<b>Student Attendance Percentage</b>
2004	12.5:1	10.4:1	13.2:1	2,001.60	1,912.70	-	95.56%
2005	11.4:1	9.7:1	12.8:1	2,088.80	1,989.30	4.36%	95.24%
2006	11.4:1	10.1:1	11.0:1	2,151.20	2,056.00	2.99%	95.60%
2007	10.9:1	10.7:1	12.5:1	2,263.50	2,161.50	5.22%	95.50%
2008	7.9:1	10.9:1	12.8:1	2,325.60	2,213.20	2.74%	95.20%
2009	10.9:1	10.5:1	12.7:1	2,434.00	2,275.30	4.66%	93.50%
2010	10.1:1	10.8:1	11.8:1	2,400.02	2,320.60	-1.40%	96.70%
2011	9.3:1	10.9:1	11.8:1	2,409.40	2,334.50	0.39%	96.90%

**Sources:** District records, ASSA and Schedules J-12, J-14

**Note:** Enrollment based on annual October district count.

**Bordentown Regional School District  
School Building Information  
Last Eight Fiscal Years**

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
<b><u>Elementary</u></b>								
Clara Barton Elementary School (1953)								
Square Feet	51,432	51,432	51,432	51,432	51,432	51,432	51,432	51,432
Capacity (students)	346	346	346	346	346	346	346	346
Enrollment	357	361	379	229	220	221	254	249
Peter Muschal Elementary School (1953)								
Square Feet	83,309	83,309	83,309	83,309	83,309	83,309	83,309	83,309
Capacity (students)	517	517	517	517	517	517	517	517
Enrollment	692	728	755	460	572	537	553	612
<b><u>Junior School</u></b>								
MacFarland Intermediate School (1924)								
Square Feet	61,837	61,837	61,837	61,837	61,837	61,837	61,837	61,837
Capacity (students)	334	334	334	334	334	334	334	334
Enrollment	324	326	351	353	343	344	352	345
<b><u>Middle School</u></b>								
Bordentown Regional Middle School (1965)								
Square Feet	87,720	87,720	87,720	87,720	87,720	87,720	87,720	87,720
Capacity (students)	545	545	545	545	545	545	545	545
Enrollment	672	672	697	493	533	532	541	541
<b><u>High School</u></b>								
Bordentown Regional High School (2006)								
Square Feet	-	-	-	192,000	192,000	192,000	192,000	192,000
Capacity (students)	-	-	-	1,102	1,102	1,102	1,102	1,102
Enrollment	-	-	-	678	766	723	712	716
<b><u>Other</u></b>								
James F. Black Administration Building								
Square Feet	2,990	2,990	2,990	2,990	2,990	2,990	2,990	2,990
Transportation (1990)								
Square Feet	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000

Number of Schools at June 30, 2011

Elementary = 3

Middle School = 1

High School = 1

Other = 2

**Source:** District records, ASSA

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

It should also be noted that the District opened a new 9-12 High School and reconfigured the remaining buildings to lower the number of students per building. The Elementary Schools are PreK-3, the Intermediate School is grades 4 & 5, and the old High School is a 6-8 Middle School.

**BORDENTOWN REGIONAL SCHOOL DISTRICT  
GENERAL FUND  
SCHEDULED OR REQUIRED MAINTENANCE FOR SCHOOL FACILITIES  
For the Fiscal Year Ended June 30, 2011**

UNDISTRIBUTED EXPENDITURES-REQUIRED  
MAINTENANCE FOR SCHOOL FACILITIES  
11-000-261-xxx

School Facilities	Project # (s)	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
James Black Dist. Admin. Building	N/A	2,838	2,965	3,496	3,027	2,457	908	9,331	9,109	7,353	6,699
Transportation / Bus Building	N/A	4,745	4,952	5,846	5,063	4,109	2,512	15,604	15,233	12,296	11,202
Bordentown Regional Middle School	N/A	83,250	86,887	102,567	88,818	72,099	51,241	160,510	156,692	215,725	196,520
Clara Barton School	N/A	48,811	50,944	60,137	52,076	42,273	30,745	259,992	253,809	126,484	115,224
MacFarland Junior School	N/A	58,686	61,250	72,303	62,611	50,825	35,867	192,982	188,392	152,073	138,534
Peter Muschal School	N/A	79,064	82,518	97,409	84,352	68,474	49,533	273,758	267,247	204,878	186,638
Bordentown Regional High School	N/A	180,306	188,184	222,142	192,365	156,158	-	-	-	-	-
		457,700	477,700	563,900	488,312	396,395	170,806	912,177	890,482	718,809	654,817
Other Facilities		-	-	-	-	-	-	-	-	-	-
<b>Grand Total</b>		<b>457,700</b>	<b>477,700</b>	<b>563,900</b>	<b>488,312</b>	<b>396,395</b>	<b>170,806</b>	<b>912,177</b>	<b>890,482</b>	<b>718,809</b>	<b>654,817</b>

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

**BORDENTOWN REGIONAL SCHOOL DISTRICT  
INSURANCE SCHEDULE  
JUNE 30, 2011  
UNAUDITED**

	<u>Coverage</u>	<u>Deductible</u>
Property Insurance - School Alliance Insurance Fund		
Commercial Property - Blanket Building & Contents	\$ 92,296,000	\$ 1,000
Includes:		
Buildings, Contents, Boiler & Machinery	2,500,000,000	
EDP Equipment/Media/Extra Expense	Included	
Newly Acquired Property	5,000,000	
Builders Risk/New Construction	5,000,000	
Contractors Mobile Equipment	5,000,000	
Automobile Physical Damage	Included	
Unnamed Locations	5,000,000	
Demolition & Increased Cost of Construction	Included	
Earthquake	10,000,000	
Flood	10,000,000	
Accounts Receivable, Fine Arts, Loss of Rents (each)	200,000	
Blanket Employee Dishonesty	100,000	
Computer Fraud, Forgery & Alterations (each)	50,000	
Comprehensive General Liability - School Alliance Insurance Fund		
Limit of Liability - per occurrence	5,000,000	
Now Includes Envrionmental Liability - per claim	1,000,000	
Aggregate	25,000,000	
Retention	10,000	
Commercial Automobile - School Alliance Insurance Fund		
Bodily Injury & Property Damage - each accident	5,000,000	
Personal Injury Protection	Statutory	250
Uninsured Motorist - each accident	5,000,000	
Underinsured Motorist - each accident	5,000,000	
Comprehensive - each vehicle	1,000	
Collision - each vehicle	1,000	
Workers' Compensation - School Alliance Insurance Fund		
Each Accident	5,000,000	
Disease - Limit	5,000,000	
Bodily Injury Limit - each employee	5,000,000	
Member Underlying Insurance:		
Auto & General Liability	5,000,000	
Employer's Liability	5,000,000	
School Leaders Errors & Omissions - N.J.S.B.A.I.G.		
Claims Made Coverage Form - Coverage A	1,000,000	5,000
Aggregate - Coverage A	1,000,000	5,000
Claims Made Coverage Form - Coverage B	100,000	5,000
Aggregate - Coverage B	300,000	5,000
Travel Accident - School Board Members - Hartford Insurance		
Principal Sum	50,000	
Aggregate	250,000	
Board Secretary - Selective Insurance Co.	100,000	
Treasurer - Selective Insurance Co.	340,000	
Student Physical Ed & Athletics - T.L. Groseclose Assoc. Inc	25,000	

Source: District Records

**SECTION - K**  
**SINGLE AUDIT SECTION**

*Certified Public Accountant*

Registered Municipal Accountant

P.O. Box 614

BORDENTOWN, NEW JERSEY 08505

PHONE: (609) 298-8639

FAX: (609) 298-1198

MEMBER  
AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS

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

The Honorable President and  
Members of the Board of Education  
Bordentown Regional School District  
County of Burlington  
Bordentown, New Jersey 08505

I have audited the financial statements of the Board of Education of the Bordentown Regional School District, in the County of Burlington, State of New Jersey, as of and for the year ended June 30, 2011, and have issued my report thereon dated September 22, 2011. I conducted my audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey.

Internal Control Over Financial Reporting

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

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

My 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 weakness. I did not identify any deficiencies in internal control over financial reporting that I consider to be a material weakness, as defined above

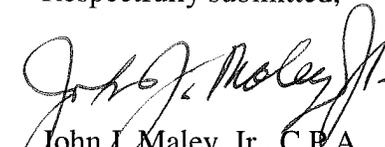
Compliance and Other Matters

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

I noted certain matters that I have reported to management of the Bordentown Regional School District Board of Education in a separate *Auditor's Management Report on Administrative Findings – Financial, Compliance and Performance* dated September 22, 2011.

This report is intended solely for the information of the management of the Bordentown Regional School District 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 these specified parties.

Respectfully submitted,



John J. Maley, Jr., C.P.A.  
Public School Accountant No. 454  
Registered Municipal Accountant

September 22, 2011

**JOHN J. MALEY, JR.**

*Certified Public Accountant*

Registered Municipal Accountant

P.O. Box 614

BORDENTOWN, NEW JERSEY 08505

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EXHIBIT K-2

MEMBER  
AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS

**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**

The Honorable President and  
Members of the Board of Education  
Bordentown Regional School District  
County of Burlington  
Bordentown, New Jersey 08505

Compliance

I have audited the compliance of the Board of Education of the Bordentown Regional School District, in the County of Burlington, State of New Jersey, with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* and the *New Jersey State Grant Compliance Supplement* that are applicable to each of its major state programs for the year ended June 30, 2011. Bordentown Regional School District's major federal and state programs are identified in the *Summary of Auditor's Results Section* of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major state programs is the responsibility of the Bordentown Regional School District's management. My responsibility is to express an opinion on the Bordentown Regional School District's compliance based on my audit.

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

In my opinion, the Board of Education of the Bordentown Regional School District, in the County of Burlington, State of New Jersey, 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

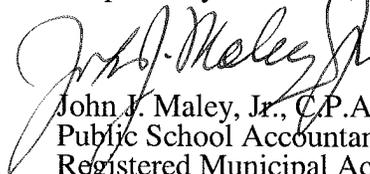
The management of the Board of Education of the Bordentown Regional School District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal and state programs. In planning and performing my audit, I considered Bordentown Regional School District'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 my auditing procedures for the purposes of expressing my opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, I do not express an opinion on the effectiveness of the Bordentown Regional School District's internal control over compliance.

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

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

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

Respectfully submitted,



John J. Maley, Jr., C.P.A.  
Public School Accountant No. 454  
Registered Municipal Accountant

September 22, 2011

BORDENTOWN REGIONAL SCHOOL DISTRICT  
Schedule of Expenditures of Federal Awards  
for the Fiscal Year ended June 30, 2011

Federal Grant or State Project Number	CFDA Program Title	Grant or State Project Number	Program or Award Amount	Grant Period From To	Balance at June 30, 2010	Carryover/(Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	Balance at June 30, 2011		
											Accounts Receivable	Deferred Revenue	Due to Grantor
<b>U.S. Department of Education</b>													
<b>General Fund:</b>													
84-394	ARRA - SFSF - ESF (Educ. State Grants)	N/A	NONE	7/1/09	\$ -	-	\$ -	-	-	-	-	-	\$ -
84-397	ARRA - SFSF - GSF (Government Services)	N/A	NONE	7/1/09	\$ -	-	-	-	-	-	-	-	-
<b>Total General Fund</b>													
<b>U.S. Department of Education</b>													
<b>Passed-through State Department of Education:</b>													
<b>Special Revenue Fund:</b>													
84-010A	Title I-A, Improving Basic Programs Operated by LEA's	NCLB-0475-11	\$ 234,867	9/1/10	\$ -	-	\$ 133,225	\$ (205,507)	5,193	a. b.	\$ (72,282)	5,192	\$ -
84-010A	Title I-A, Improving Basic Programs Operated by LEA's	NCLB-0475-10	225,921	9/1/09	(105,075)	-	134,516	(29,442)	-	-	-	-	-
84-389	ARRA - Title I, Part A	ARRA-0475-10	74,172	7/1/09	-	-	21,281	(55,087)	1	a.	(33,805)	-	-
84-281A	Title II-A, Teacher & Principal Training & Recruiting	NCLB-0475-11	53,536	9/1/10	(10,112)	-	31,761	(52,388)	1,549	b.	(20,627)	1,564	-
84-281A	Title II-A, Teacher & Principal Training & Recruiting	NCLB-0475-10	51,490	9/1/09	(805)	-	11,149	(9,531)	-	-	(449)	-	-
84-281D	Title II-D, Enhancing Education Through Technology	NCLB-0475-10	459	9/1/10	(4,000)	-	3,109	(12,715)	91	c.	(9,606)	91	-
84-281D	Title II-D, Enhancing Education Through Technology	NCLB-0475-11	2,300	9/1/09	(4,000)	-	10,489	(6,489)	-	-	-	-	-
84-291	Title III - English Language Acquisition & Enhancement	NCLB-0475-10	17,024	9/1/10	(1,137)	-	1,137	-	22	b.	(104,247)	22	-
84-291	Title III - English Language Acquisition & Enhancement	NCLB-0475-11	14,489	9/1/09	(117,171)	-	429,064	(533,311)	-	-	-	-	-
84-186	Title IV - Safe and Drug Free Schools and Communities	IDEA-0475-10	6,298	9/1/09	(5,093)	-	117,171	(26,358)	-	-	(26)	-	-
84-027A	IDEA, Part B - Basic	IDEA-0475-11	536,381	9/1/10	(94,308)	-	26,358	(335,806)	(1)	a.	(12,439)	2,011	-
84-027	IDEA, Part B - Basic	IDEA-0475-10	525,638	9/1/09	(7,825)	-	5,067	(13,446)	-	-	-	-	-
84-173	IDEA, Part B - Preschool	IDEA-0475-11	26,358	9/1/10	-	-	432,126	-	-	-	-	-	-
84-173	IDEA, Part B - Preschool	IDEA-0475-10	25,358	9/1/09	-	-	1,007	-	-	-	-	-	-
84-391A	ARRA - IDEA, Part B	ARRA-0475-10	572,335	7/1/09	5,191	-	-	-	-	-	-	-	-
84-391A	ARRA - IDEA, Preschool	ARRA-0475-11	20,664	7/1/09	-	-	-	-	-	-	-	-	-
84-027A	Governor's Initiative: Enhancing & Expanding In-District Program Options for Students With Disabilities - Year 2	07-FC02-H03	150,000	6/1/08	-	-	-	-	-	-	-	-	-
84-027A	Local Capacity Building & Improvement Project for Special Education Least Restrictive Environment	04-BC26-H03	200,000	10/1/04	(340,335)	-	1,358,265	(1,280,529)	6,855	-	(269,815)	14,071	-
<b>Total Special Revenue Fund</b>													
<b>U.S. Department of Agriculture</b>													
<b>Passed-through State Department of Education:</b>													
<b>Enterprise Fund:</b>													
10-550	Food Distribution Program	N/A	38,824	7/1/10	-	-	34,860	(38,824)	1	a.	-	1,876	-
10-550	Food Distribution Program	N/A	36,553	7/1/09	5,839	(5,839)	-	-	-	-	-	-	-
10-553	School Breakfast Program	N/A	40,578	7/1/10	5,839	-	38,251	(40,578)	-	-	(2,327)	-	-
10-553	School Breakfast Program	N/A	38,026	7/1/09	(3,298)	-	3,298	-	-	-	-	-	-
10-555	National School Lunch Program	N/A	196,344	7/1/10	(14,493)	-	185,940	(196,344)	(1)	a.	(10,405)	-	-
10-555	National School Lunch Program	N/A	190,851	7/1/09	(49)	-	14,493	-	-	-	-	-	-
10-556	Special Milk Program	N/A	624	7/1/10	(52)	-	46	(49)	-	-	(3)	-	-
10-556	Special Milk Program	N/A	624	7/1/09	(12,004)	-	276,940	(275,795)	-	-	(12,735)	1,876	-
<b>Total Enterprise Fund</b>													
<b>Total Federal Financial Awards</b>													
<b>\$ (352,339) \$ - \$ 1,635,205 \$ (1,556,324) \$ 6,855 \$ - \$ (282,550) \$ 15,947 \$ -</b>													

a. Rounding adjustment.  
b. Prior year P.O. adjustment.  
c. Prior year adjustment.

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

BORDENTOWN REGIONAL SCHOOL DISTRICT  
Schedule of Expenditures of State Financial Assistance  
for the Fiscal Year Ended June 30, 2011

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Balance at June 30, 2010		Due to Grantor	Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments/ Repayment of Prior Years' Balances	Balance June 30, 2011		MEMO	
			Deferred Revenue/ (Accruals Receivable)	Due to Grantor						(Accounts Receivable)	Deferred Revenue/ Payable	Budgetary Receivable	Cumulative Total Expenditures
<b>State Department of Education:</b>													
<b>General Fund:</b>													
Equalization Aid	11-495-034-5120-078	\$ 5,302,847	7/1/10	6/30/11			\$ 5,302,847				\$ -	\$ 407,377	\$ 5,302,847
Special Education Categorical Aid	11-495-034-5120-089	1,342,444	7/1/10	6/30/11			1,342,444						1,342,444
Extraordinary Aid 10-1	11-100-034-5120-473	229,248	7/1/09	6/30/10			229,248						229,248
Extraordinary Aid 09-10	10-100-034-5120-473	200,208	7/1/09	6/30/10									
Reimbursed Non Public Transportation Costs	N/A	11,832	7/1/09	6/30/11				(11,832)			(11,832)		11,832
Reimbursed Non Public Transportation Costs	N/A	9,443	7/1/09	6/30/10			9,443						9,488
Department of Children & Families Homeless Tuition Aid	N/A	4,988	7/1/09	6/30/11				(4,988)			(4,988)		4,988
Department of Children & Families Homeless Tuition Aid	N/A	11,139	7/1/09	6/30/10			11,139						46,023
Out-Reach TPAF Group Insurance	11-100-034-5095-116	46,023	7/1/10	6/30/11			46,023						977,529
Out-Reach TPAF Peer-Refinement Contributions	11-495-034-5095-201	977,529	7/1/10	6/30/11			977,529						1,125,016
Reimbursed TPAF Social Security Contributions	11-495-034-5095-202	1,125,016	7/1/10	6/30/11			1,125,016						1,125,016
<b>Total General Fund</b>							<b>9,043,689</b>	<b>(9,039,927)</b>			<b>(16,820)</b>	<b>779,584</b>	<b>9,039,927</b>
<b>Capital Projects Fund:</b>													
New Jersey Schools Construction Corporation Grant (NIEDA):													
New High School	0475-N01-02-0339	7,975,517	-	-	-	-	-	-	-	-	-	-	-
Middle School	0475-N01-02-0338	669,693	-	-	-	-	-	-	-	-	-	-	-
Marlton School	0475-090-02-0336	407,466	-	-	-	-	-	-	-	-	-	-	-
Chambers School	0475-060-02-0335	452,844	-	-	-	-	-	-	-	-	-	-	-
Peter Apostol School	0475-100-02-0337	120,696	-	-	-	-	-	-	-	-	-	-	-
<b>Total Capital Projects Fund</b>													
<b>Enterprise Fund:</b>													
Adult Basic Skills Grant Program	3-67144-9701	471,199	7/1/10	6/30/11			44,068	(52,396)			(8,328)		52,396
Adult Basic Skills Grant Program	3-67144-9701	29,236	7/1/09	6/30/10			3,371				(3,605)		
Adult Basic Skills Grant Program	3-67144-9701	28,100	7/1/07	6/30/08			3,371				(3,605)		
<b>Total Enterprise Fund</b>													
<b>Special Revenue Fund:</b>													
N.J. Nonpublic Aid:													
Feedback Aid	11-100-034-5120-064	10,345	7/1/10	6/30/11			10,345	(10,317)					10,317
Feedback Aid	10-100-034-5120-064	10,742	7/1/09	6/30/10									
Ch 192 - Auxiliary Services:													
Compensatory Education	11-100-034-5120-067	35,165	7/1/10	6/30/11			35,165	(19,509)					19,509
Compensatory Education	10-100-034-5120-067	42,227	7/1/09	6/30/10									
Ch 193 - Handicapped Services:													
Supplemental Instruction	11-100-034-5120-066	7,643	7/1/10	6/30/11			7,643	(5,767)					5,767
Supplemental Instruction	10-100-034-5120-066	7,964	7/1/09	6/30/10									
Examination & Classification	11-100-034-5120-066	8,791	7/1/10	6/30/11			8,991	(4,469)					4,469
Examination & Classification	10-100-034-5120-066	9,368	7/1/09	6/30/10									
Competitive Speech	11-100-034-5120-066	17,397	7/1/10	6/30/11			9,388	(8,577)					8,527
Competitive Speech	10-100-034-5120-066	17,397	7/1/09	6/30/10									
Nursing Aid	11-100-034-5120-070	12,238	7/1/10	6/30/11			12,238	(12,238)					12,238
Character Education Aid	5-861	10,000	9/1/05	6/30/06									
NJ School Counseling Initiative & SSSFDI	N/A	10,000	9/1/01	6/30/03									
Teacher Quality Mentoring Program	N/A	1,093	9/1/08	6/30/09									
Governor's School of Excellence Award	05-100-034-5063-298	25,000	9/1/05	6/30/06									
Other Special Projects:													
Subaru of America Foundation Grant	N/A	5,000	7/1/10	6/30/11									
Bordentown Regional School District Education Foundation	N/A	14,096	7/1/10	6/30/11			5,000	(4,013)					4,013
Bordentown Regional School District Education Foundation	N/A	10,860	7/1/09	6/30/10			14,096	(13,066)					13,066
Bordentown Regional School District Education Foundation	N/A	11,416	7/1/08	6/30/09				(79)					79
Neilchen Stevens Library Grant	N/A	1,450	7/1/10	6/30/11									
Neilchen Stevens Library Grant	N/A	1,450	7/1/09	6/30/10			1,450						1,450
Ernst-Meyers Squibb - Rider University Science Grant	N/A	7,000	7/1/07	6/30/08									
<b>Total Special Revenue Fund</b>							<b>104,276</b>	<b>(79,702)</b>			<b>(2,086)</b>	<b>18,964</b>	<b>79,702</b>
<b>State Department of Education:</b>													
Debt Service Fund:													
Debt Service Aid Type II	11-100-034-5120-125	88,632	7/1/10	6/30/11			88,632	(88,632)					88,632
<b>Total Debt Service Fund</b>													
<b>State Department of Agriculture:</b>													
Enterprise Fund:													
State School Breakfast Program	10-100-010-3350-021	3,677	7/1/09	6/30/10									
State School Lunch Program	11-100-010-3350-023	7,371	7/1/10	6/30/11			313						7,371
State School Lunch Program	10-100-010-3350-023	10,673	7/1/09	6/30/10			6,949	(7,371)			(42)		7,371
<b>Total Enterprise Fund</b>							<b>8,059</b>	<b>(7,371)</b>			<b>(42)</b>		<b>7,371</b>
<b>Total State Financial Assistance</b>							<b>9,248,027</b>	<b>(9,215,632)</b>			<b>(16,801)</b>	<b>18,964</b>	<b>9,215,632</b>

a. Repayment of prior year balances.  
b. Prior year P.O. adjustment.

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

BORDENTOWN REGIONAL SCHOOL DISTRICT  
NOTES TO THE SCHEDULES OF EXPENDITURES OF AWARDS  
AND FINANCIAL ASSISTANCE  
JUNE 30, 2011

Note 1: GENERAL

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

Note 2: BASIS OF ACCOUNTING

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

Note 3: RELATIONSHIP TO GENERAL PURPOSE FINANCIAL STATEMENTS

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

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

The net adjustment to reconcile from budgetary basis to the GAAP basis is \$160,670 for the general fund and \$68,503 for the special revenue fund. See Note A (the Notes to Required Supplementary Information) for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenues are reported in the Board's basic financial statements on GAAP basis as presented below.

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 0	\$ 9,200,597	\$ 9,200,597
Special Revenue Fund	1,348,069	61,220	1,409,289
Capital Projects Fund	0	0	0
Debt Service Fund	0	88,632	88,632
Enterprise Funds	<u>273,038</u>	<u>60,153</u>	<u>333,191</u>
Total Financial Assistance	<u>\$1,621,107</u>	<u>\$ 9,410,602</u>	<u>\$ 11,031,709</u>

BORDENTOWN REGIONAL SCHOOL DISTRICT  
NOTES TO THE SCHEDULES OF EXPENDITURES OF AWARDS  
AND FINANCIAL ASSISTANCE  
JUNE 30, 2011

Note 4: RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

Note 5: OTHER

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

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**BORDENTOWN REGIONAL SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

*Section I - Summary of Auditor's Results*

**Financial Statements**

[Reference – Section .510 and .520 of Circular OMB-133]

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

- 1) Material weakness(es) identified?  X  yes   no
- 2) Significant deficiencies identified that are not considered to be material weaknesses?   yes  X  no

Noncompliance material to basic financial statements noted?   yes  X  no

**Federal Awards**

Internal Control over major programs:

- 1) Material weakness(es) identified?   yes  X  no
- 2) Significant deficiencies identified that are not considered to be material weaknesses?   yes  X  none reported

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

Any audit findings disclosed that are required to be reported in accordance with section .510(a) of Circular A-133?   yes  X  no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program Or Cluster</u>
<u>84.391</u>	<u>ARRA – IDEA, Part B</u>
<u>10.550</u>	<u>Food Distribution Program</u>
<u>10.553</u>	<u>School Breakfast Program</u>
<u>10.555</u>	<u>National School Lunch Program</u>
<u>10.556</u>	<u>Special Milk Program</u>

Dollar threshold used to distinguish between type A and type B programs:[520] \$ 300,000

Auditee qualified as low-risk auditee?  X  yes   no



**BORDENTOWN REGIONAL SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
(continued)**

***Section II - Schedule of Financial Statement Findings***

[This section identified the significant deficiencies, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with *Government Auditing Standards*. See the AICPA Audit Guide *Government Auditing Standards and Circular A-133 Audits* for further guidance on this schedule.]

There were no findings or questioned costs.

**BORDENTOWN REGIONAL SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

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

[This section identifies audit findings required to be reported by of Circular A-133 and NJOMB Circular Letter 04-04.]

**FEDERAL AWARDS**

There were no findings or questioned costs.

**STATE AWARDS**

There were no findings or questioned costs.

**SUMMARY SCHEDULE OF PRIOR-YEAR AUDIT FINDINGS  
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT  
FOR THE YEAR ENDED JUNE 30, 2011**

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

**STATUS OF PRIOR-YEAR FINDINGS**

**FINANCIAL STATEMENT FINDINGS**

Finding 2010-1

Condition:

Recorded state aid revenue and the associated accounts receivable were overstated by \$319,372.

Current Status:

The condition was corrected.

**FEDERAL AWARDS**

There were no findings or questioned costs.

**STATE AWARDS**

Finding 2010-1

Condition:

Recorded state aid revenue and the associated accounts receivable were overstated by \$319,372.

Current Status:

The condition was corrected.

Finding 2010-2

Condition:

A budget transfer amounting to \$20,410 was made to the Tuition line-item which exceeded the 10% threshold without prior approval of the Executive County Superintendent.

Current Status:

The condition was corrected.

Finding 2010-3

Condition:

A contract was awarded to an individual to provide physical therapy services to students. The contractor was paid \$136,320 to provide professional services. A resolution authorizing a professional services agreement for the 2009-10 school year pursuant to N.J.S.A 18A:18A-5 was not adopted. In June of 2010 a professional services resolution was adopted for the 2010-11 school year.

Current Status:

The condition was corrected.