

**SCHOOL DISTRICT
OF THE BOROUGH OF
BRIELLE**



**BOROUGH OF BRIELLE BOARD OF EDUCATION
BRIELLE, NEW JERSEY**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

OF THE

BOROUGH OF BRIELLE BOARD OF EDUCATION

BRIELLE, NEW JERSEY

FOR THE FISCAL YEAR ENDED JUNE 30, 2011

PREPARED BY

**BOROUGH OF BRIELLE BOARD OF EDUCATION
FINANCE DEPARTMENT**

BRIELLE SCHOOL DISTRICT

TABLE OF CONTENTS

	<u>Page</u>
INTRODUCTORY SECTION	
Letter of Transmittal	1 to 5.
Roster of Officials	6.
Consultants and Advisors	7.
Organizational Chart	8.
FINANCIAL SECTION	
Independent Auditor's Report	9 & 10.
Required Supplementary Information – Part I	
Management's Discussion and Analysis	11 to 16.
<u>Basic Financial Statements</u>	
A. District-wide Financial Statements:	
A-1 Statement of Net Assets	17.
A-2 Statement of Activities	18 & 19.
B. Fund Financial Statements:	
Governmental Funds:	
B-1 Balance Sheet	20.
B-2 Statement of Revenues, Expenditures, and Changes in Fund Balances	21 & 22.
B-3 Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	23.
Proprietary Funds:	
B-4 Statement of Net Assets	24.
B-5 Statement of Revenues, Expenses, and Changes in Fund Net Assets	25.
B-6 Statement of Cash Flows	26.
Fiduciary Funds:	
B-7 Statement of Fiduciary Net Assets	27.
B-8 Statement of Changes in Fiduciary Net Assets	28.
Notes to Financial Statements	29 to 45.

BRIELLE SCHOOL DISTRICT

TABLE OF CONTENTS

	<u>Page</u>
Required Supplementary Information – Part II	
C. Budgetary Comparison Schedules:	
C-1 Budgetary Comparison Schedule – General Fund	46 to 54.
C-2 Budgetary Comparison Schedule – Special Revenue Fund	55.
Notes to the Required Supplementary Information	
C-3 Budget to GAAP Reconciliation	56.
Other Supplementary Information	
D. School Level Schedules:	
D-1 Combining Balance Sheet	N/A
D-2 Blended Resource Fund – Schedule of Expenditures Allocated by Resource Type – Actual	N/A
D-3 Blended Resource Fund – Schedule of Blended Expenditures – Budget and Actual	N/A
E. Special Revenue Fund:	
E-1 Combining Schedule of Revenues and Expenditures Special Revenue Fund – Budgetary Basis	57.
E-2 Demonstrably Effective Program Aid Schedule of Expenditures – Budgetary Basis	N/A
E-3 Early Childhood Program Aid Schedule of Expenditures – Budgetary Basis	N/A
E-4 Distance Learning Network Aid Schedule of Expenditures – Budgetary Basis	N/A
E-5 Instructional Supplement Aid Schedule of Expenditures – Budgetary Basis	N/A

BRIELLE SCHOOL DISTRICT

TABLE OF CONTENTS

	<u>Page</u>
F. Capital Projects Fund:	
F-1 Summary Schedule of Project Revenues, Expenditures and Changes in Fund Balance	N/A
F-1a Summary Schedule of Revenues, Expenditures, Project Balance, And Project Status	N/A
F-1b Schedule of Project Revenues and Expenditures	N/A
G. Proprietary Fund:	
Enterprise Fund:	
G-1 Statement of Net Assets	58.
G-2 Statement of Revenues, Expenses and Changes in Fund Net Assets	59.
G-3 Statement of Cash Flows	60.
Internal Service Fund:	
G-4 Combining Statement of Net Assets	N/A
G-5 Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets	N/A
G-6 Combining Statement of Cash Flows	N/A
H. Fiduciary Funds:	
H-1 Combining Statement of Fiduciary Net Assets	61.
H-2 Combining Statement of Changes in Fiduciary Net Assets	62.
H-3 Student Activity Agency Fund Schedule of Receipts and Disbursements	63.
H-4 Payroll Agency Fund Schedule of Receipts and Disbursements	64.
H-4a Summer Payroll – Schedule of Receipts and Disbursements	N/A
I. Long-Term Debt:	
I-1 Schedule of Serial Bonds	65.
I-1a Schedule of Loans Payable	N/A
I-2 Schedule of Obligations Under Capital Leases	66.
I-3 Debt Service Fund Budgetary Comparison Schedule	67.

BRIELLE SCHOOL DISTRICT

TABLE OF CONTENTS

	<u>Page</u>
STATISTICAL SECTION (Unaudited)	
Introduction to the Statistical Section	
Financial Trends	
J-1 Net Assets by Component	68.
J-2 Changes in Net Assets	69 & 70.
J-3 Fund Balances – Governmental Funds	71.
J-4 Changes in Fund Balances – Governmental Funds	72.
J-5 General Fund Other Local Revenue by Source	73.
Revenue Capacity	
J-6 Assessed Value and Estimated Actual Value of Taxable Property	74.
J-7 Direct and Overlapping Property Tax Rates	75.
J-8 Principal Property Taxpayers*	76.
J-9 Property Tax Levies and Collections	77.
Debt Capacity	
J-10 Ratios of Outstanding Debt by Type	78.
J-11 Ratios of General Bonded Debt Outstanding	79.
J-12 Direct and Overlapping Governmental Activities Debt	80.
J-13 Legal Debt Margin Information	81.
Demographic and Economic Information	
J-14 Demographic and Economic Statistics	82.
J-15 Principal Employers	83.
Operating Information	
J-16 Full-time Equivalent District Employees by Function/Program	84.
J-17 Operating Statistics	85.
J-18 School Building Information	86.
J-19 Schedule of Required Maintenance Expenditures by School Facility	87.
J-20 Insurance Schedule	88.

*Private citizens should be listed as Individual Taxpayer 1, Individual Taxpayer 2, etc.

BRIELLE SCHOOL DISTRICT

TABLE OF CONTENTS

Page

SINGLE AUDIT SECTION

K-1	Report on Compliance and on Internal Control Over Financial Reporting And on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards	89 & 90.
K-2	Report on Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance with OMB Circular A-133 and New Jersey OMB Circular 04-04	91 & 92.
K-3	Schedule of Expenditures of Federal Awards, Schedule A	93.
K-4	Schedule of Expenditures of State Financial Assistance, Schedule B	94.
K-5	Notes to Schedules of Awards and Financial Assistance	95 to 97.
K-6	Schedule of Findings and Questioned Costs	98 to 101.
K-7	Summary Schedule of Prior Audit Findings	102.

INTRODUCTORY SECTION



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605 UNION LANE
BRIELLE, NEW JERSEY 08730
www.brielle.k12.nj.us

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FAX 732/528-0810

CHRISTINE E. CARLSON
Superintendent/
Principal

MARCI L. GRABELLE
Vice Principal/
Director of Special Services

EDWARD McMANUS
School Business Administrator/
Board Secretary

November 8, 2011

President and Members of the Brielle Board of Education
Brielle School District
Monmouth County, New Jersey

Dear Board Members:

Enclosed is the Comprehensive Annual Financial Report (CAFR) of the Brielle School District for the fiscal year ended June 30, 2011. This CAFR includes the District's Basic Financial Statement prepared in accordance with Governmental Accounting Standards Board Statement 34 (GASB 34). Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the District. To the best of our knowledge and belief, 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 District. Disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

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

- 1) The Introductory Section contains a table of contents, Letter of Transmittal, List of Principal Officials, and an Organization Chart of the School District
- 2) The Financial Section begins with the independent Auditors Report and includes the Management's Discussion and Analysis, the Basic Financial Statements and Notes providing an overview of the School District's financial position and operating results, and other schedules providing detailed budgetary information
- 3) The statistical section includes selected economic and demographic information, financial trends, and the fiscal capacity of the school District, generally presented on a multi-year basis
- 4) The Single Audit Section-The District is required to undergo an annual audit in conformity with the provisions of the Single Audit Act of 1986, as amended, the US Office of Management and Budget Circular A-133, "Audits of States, Local Governments and Non-Profit Organizations", and the State Treasury Circular Letter 04-04 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid". Information related to this single audit, including the independent auditor's report on the internal control and compliance with applicable laws, regulations, contracts and grants, along with findings and questioned costs, if any, is included in the single audit section of this report.

REPORTING ENTITY AND ITS SERVICES

Brielle School District is an independent reporting entity within the criteria adopted by the GASB as established by Statement No. 14. All funds and account groups of the District are included in this report. The Brielle Board of Education and the Brielle Elementary School constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels Kindergarten through Eight (8). The Brielle School District has a sending/receiving association with Manasquan High School where Brielle sends students to Manasquan High on a per student tuition basis. Brielle community parents can also select to send students to private schools. The district curriculum has been aligned with the New Jersey Core Curriculum Contents Standards. Educational services include regular, vocational as well as special education for handicapped children. The district completed the 2010-2011 fiscal year with an decrease in enrollment in the elementary school and an increased enrollment of Brielle students attending Manasquan High School. This trend is expected to continue in the 2011-2012 school year. The following details the changes in the student enrollment over recent years.

Fiscal Year	Brielle Elementary Student Enrollment	Manasquan High Student Enrollment	% Change
2010-2011	665	242	(4.7%)
2009-2010	728	224	3.8%
2008-2009	713	204	(0.2%)
2007-2008	712	207	1.0%
2006-2007	704	206	1.2%
2005-2006	697	202	3.9%
2004-2005	658	207	3.1%
2003-2004	638	201	1.8%
2002-2003	631	193	9.5%
2001-2002	574	177	7.1%
2000-2001	546	156	2.0%
1999-2000	516	173	6.5%
1998-1999	483	163	3.2%
1997-1998	455	171	2.1%
1996-1997	435	177	2.1%
1995-1996	432	163	3.2%
1994-1995	414	163	1.4%
1993-1994	393	176	5.2%
1992-1993	385	156	2.1%
1991-1992	374	155	2.0%
1990-1991	369	151	

ECONOMIC CONDITION AND OUTLOOK

As compared to surrounding sending districts to Manasquan, the Borough of Brielle School District has experienced rapid growth in student population over the last ten years while the surrounding districts have either remained the same or have seen declining

student population. As the above demographics shows, the Brielle Elementary School has almost doubled in population over the past twenty years while the town population has remained constant. The District is now experiencing a decline in elementary school population and an increase in the overall number of Brielle Students attending Manasquan High School as well as other Monmouth County Vocational Public Schools. The current forecast is that the 2011-2012 Brielle student enrollment at Manasquan High School will reach its peak enrollment. Brielle, as the other sending districts to Manasquan, pays a tuition rate per student and this has been a significantly increasing expenses for the district. The second major financial factor impacting the district is rising special education costs, particularly for the Brielle students attending Manasquan High School. Lastly, state aid was reduced for the Brielle School District by over \$550,000 during the 2010-2011 school year. This is expected to improve as the economy improves in the state. These factors will continue to have major impacts on the district in future years. As a result of a recent demographic study conducted by the Brielle Board of Education, the Brielle School District will experience a decline in Brielle Elementary School population with a target of 560 students enrolled during the 2014-2015 school year. This will lead to new approaches for the foreseeable future as the elementary school population has essentially peaked during the 2009-2010 school year.

MAJOR INITIATIVES

The district has made progress towards its Strategic Plan which was unanimously passed by the Brielle Board of Education at its July 19, 2006 meeting. The plan centered around the areas of improving student achievement, growing its use of community resources and improving its internal use of resources. During the 2008-2009 school year, the district offered a new Literacy Curriculum for grades Kindergarten through Fifth Grade. During the 2009-2010 school year, the district introduced a new Math Curriculum for Grades Kindergarten through Fifth Grades. The goal is to improve student achievement as reflected in a higher number of students achieving both proficiency and advanced proficiency in standardized testing. The Strategic Plan will continue to serve as the blueprint for future district initiatives.

INTERNAL ACCOUNTING CONTROLS

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

As a recipient of federal and state financial assistance, the District is 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's 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.

BUDGETARY CONTROLS

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

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

ACCOUNTING SYSTEM AND REPORTS

The District's accounting records reflect generally accepted accounting principles as required by the Governmental Accounting Standard Board (GASB). The accounting system of the District is organized on the basis of funds and account groups.

FINANCIAL INFORMATION AT FISCAL YEAR-END

The District has met its responsibility for sound financial management as demonstrated by the various statements and schedules included in the financial section of this report.

DEBT ADMINISTRATION

At June 30, 2011 the District had outstanding debt as a result of a Bond Sale that took place in February, 2001.

CASH MANAGEMENT

The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements". The District had adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the Government 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.

RISK MANAGEMENT

The Board carries various forms of insurance, including but not limited to general liability, and theft insurance on property and contents, and fidelity bonds.

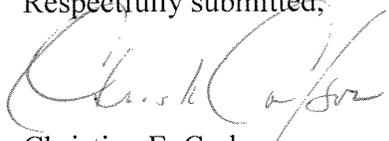
ADDITIONAL INFORMATION

State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Robert A. Hulsart & Company, CPAs was selected by the Board at its May 4, 2011 Brielle Board of Education reorganization meeting. In addition to meeting the requirements set forth in state statutes, the audit was designed to meet the requirements of the Single Audit Act of 1984 and the related OMB Circular A-133 and State Treasury Circular Letter 04-04 OMB. The auditor's reports on the general purpose financial statements and combining and individual fund statements and schedules are included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

ACKNOWLEDGEMENTS

We would like to express our appreciation to the Brielle School Board of Education for your concern in providing fiscal responsibility to the citizens and taxpayers of the school district and thereby contributing your 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 staff. A special note of thanks goes out to Mrs. Mary Beth Westrol, Payroll and Accounts Payable Manager, who was integral in assisting the District through challenging financial times.

Respectfully submitted,



Christine E. Carlson
Superintendent



Edward F. McManus
Business Administrator/Board Secretary

Brielle Board of Education
Roster of Officials

Members of the Board of Education	Term Expires
Julia R. Barnes	2012
Eliot Colon	2014
Stephen DePaul	2013
Edward Hendricks	2013
Madaly Jones	2014
Glenn Miller	2012
John Pierciey	2013
Kevin Roddy	2012
Tedd Vitale	2014
 Other Officials	
Christine E. Carlson	Superintendent
Edward F. McManus	Business Administrator/Board Secretary
Wayne S. Oppito	Board Attorney
David Tonzola	Treasurer

Brielle Board of Education

Consultants and Advisors

Auditor-Robert A. Hulsart & Company, PO Box 1409, Hurley Pond Road, Wall, NJ 07719

Board Attorney-Wayne S. Oppito, Esq., 6 William Lane, Wayside, NJ 07712

Negotiations Attorney-Andrew Brown, Schwartz Simon Edelstein Celso & Kessler LLP, Morristown, NJ 07960

Financial Attorney-Bonds-Ronald Ianoale, McManimon & Scotland, Newark, NJ

Special Education Attorney- Cherie Adams, Adams, Stern, Gutierrez & Lattiboudere, LLC, Newark, NJ

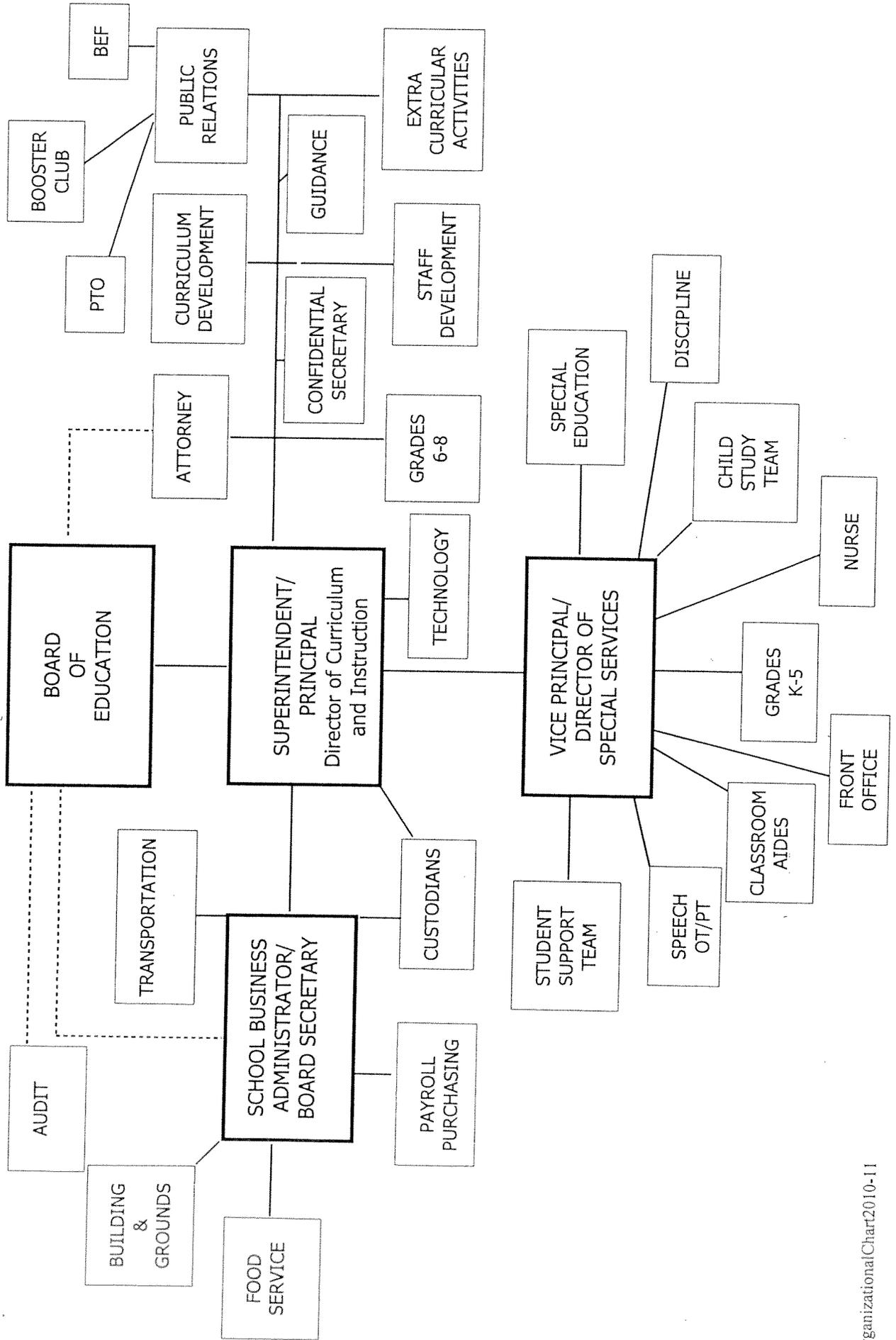
Insurance Broker of Record-General Insurance-Robert Jeffery, Holmes & McDowell, Holmdel, NJ

Insurance Broker of Record-Health Insurance-Gary Goldfarb, Brown & Brown Insurance, Shrewsbury, NJ

Tokarski & Millemann Architects, LLC,-Michael Millemann, 228 Brick Boulevard, Brick, NJ 08723

Official Depository-Ocean First Bank, 2445 Route 34, Wall, NJ 08736

Brielle School District
Organizational Chart
2010-2011



FINANCIAL SECTION

Robert A. Hulsart and Company

CERTIFIED PUBLIC ACCOUNTANTS

ARMOUR S. HULSART, C.P.A., R.M.A., P.S.A. (1959-1992)
 ROBERT A. HULSART, C.P.A., R.M.A., P.S.A.
 ROBERT A. HULSART, JR., C.P.A., P.S.A.

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RICHARD J. HELLENBRECHT, JR., C.P.A., P.S.A.

INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
 of the Board of Education
 Brielle School District
 County of Monmouth
 Brielle, New Jersey

We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund of the Board of Education of the Brielle School District, in the County of Monmouth, 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 Brielle Board of Education's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated November 8, 2011, on our consideration of the Brielle Board of Education's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements and other matters. The purpose of this 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 our audit.

The Management Discussion and Analysis and Budgetary Comparison Information on pages 11 through 16 are not a required part of the basic financial statements but are supplementary information required by the accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Brielle Board of Education's basic financial statements. The accompanying introductory section and other supplementary information such as the combining and non-major individual fund financial statements, long-term debt 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 our opinion, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole. The introductory section and statistical information have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

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

Respectfully submitted,

ROBERT A. HULSART AND COMPANY

Robert A. Hulsart
Licensed Public School Accountant
No. 322
Robert A. Hulsart and Company

November 8, 2011

**REQUIRED SUPPLEMENTARY INFORMATION
PART I**

**BRIELLE BOROUGH SCHOOL DISTRICT
BRIELLE BOROUGH**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

UNAUDITED

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

Financial Highlights

Key financial highlights for 2011 are as follows:

- ◆ General revenues accounted for \$12,810,045 in revenue. Program specific revenues for operating grants and contributions, and capital grants and contributions accounted for \$746,071 for total revenue of \$13,556,116.
- ◆ The School District had \$12,830,210 in expenses; only \$746,071 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes) of \$12,810,045 were adequate to provide for these programs.
- ◆ The General Fund had \$12,239,429 in revenues and \$11,679,955 in expenditures. Other financing uses included transfer to the Fund Service Fund of \$18,083. Overall, the General Fund's balance increased from 2010 by \$541,308.

Using this Comprehensive Annual Financial Report (CAFR)

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

The *Statement of Net Assets* and *Statement of Activities* provide information about the activities of the whole School district, presenting both an aggregate view of the School district's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. In the case of Brielle Borough Public school district, the General Fund is by far the most significant fund.

Statement of Net Assets and the Statement of Activities

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School district as a whole looks at all financial transactions and asks the question, “How did we do financially during 2010-2011?” The Statement of Net Assets and the Statement of Activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account, all of the current year’s revenues and expenses regardless of when cash is received or paid.

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

In the Statement of Net Assets and the Statement of Activities, the School District is divided into two distinct kinds of activities:

- ◆ Governmental activities – All of the School District’s programs and services are reported here including, but not limited to, instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities.
- ◆ Business-Type Activities – This service is provided on a charge for goods or services basis to recover all the expense of the goods or services provided. The Food Service enterprise fund is reported as a business activity.

Reporting the School District’s Most Significant Funds

Fund Financial Statements

Fund financial reports provide detailed information about the School District’s funds. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School district’s most significant funds.

Governmental Funds

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

Enterprise Fund

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

The School District as a Whole

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

Table 1 provides a summary of the School District's net assets for 2011 and 2010.

Table I
Net Assets

	<u>2011</u>	<u>2010</u>
Assets		
Current and Other Assets	\$ 840,952	311,325
Capital Assets	<u>8,583,871</u>	<u>8,825,586</u>
Total Assets	<u>9,424,823</u>	<u>9,136,911</u>
Liabilities		
Long-Term Liabilities	3,815,393	4,230,989
Other Liabilities	<u>448,540</u>	<u>485,708</u>
Total Liabilities	<u>4,263,933</u>	<u>4,716,697</u>
Total Net Assets	<u>\$ 5,160,890</u>	<u>4,420,214</u>

Governmental Activities

The unique nature of property taxes in New Jersey creates the need to routinely seek voter approval for the School District operations. Property taxes made up 93% percent of revenues for governmental activities for the Brielle Borough School District for fiscal year 2011. The District's total revenues were \$12,810,045 for the year ended June 30, 2011.

Business-Type Activities

Revenues for the District's business-type activities (food service program) were comprised of charges for services and federal and state reimbursements.

- ◆ Enterprise Fund revenues were \$517,589.
- ◆ Changes in Net Assets was \$20,495, after adjustments.
- ◆ Federal and state reimbursements for meals, including payments for free and reduced lunches and donated commodities was \$32,384.

Governmental Activities

	<u>2011</u>	<u>2010</u>
Instruction	\$ 3,327,687	3,983,710
Support Services:		
Pupils and Instructional Staff	5,000,031	4,590,101
General Administration, School Administration, Business Administration	640,244	731,920
Operation and Maintenance of Facilities	659,907	749,205
Pupil Transportation	431,551	497,645
Interest on Debt	202,733	219,747
Unallocated Benefits	1,783,669	1,734,344
Unallocated Depreciation	<u>274,728</u>	<u>269,210</u>
Total Expenses	<u>\$ 12,320,550</u>	<u>12,755,882</u>

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

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

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

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

Curriculum and staff development includes expenses related to planning, research, development and evaluation of support services, as well as the reporting of this information internally and to the public.

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

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

Interest and fiscal charges involve the transactions associated with the payment of interest and other related charges to debt of the School District.

Other includes unallocated depreciation.

General Fund Budgeting Highlights

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

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

Capital Assets

At the end of the fiscal year 2011, the School District had \$8,572,173 invested in land, buildings, furniture and equipment, and vehicles as follows:

Capital Assets (Net of Depreciation) at June 30, 2011 & 2010

	2011	2010
Land	\$ 60,584	60,584
Building and Improvements	8,390,364	8,623,030
Machinery and Equipment	121,225	125,282
Totals	<u>\$ 8,572,173</u>	<u>8,808,896</u>

Debt Administration

At June 30, 2011, the School district had \$4,229,577 of outstanding debt. Of this amount \$220,633 is for compensated absences, and the balance \$8,944 is for capital leases. There is a balance due for the renovation of the school of \$4,000,000.

For the Future

The Brielle Borough School District is in good financial condition presently. A major concern is the continued enrollment growth of the district with the increased reliance on local property taxes. However, future finances are not without challenges as the community continues to grow and state funding is decreased.

Brielle Borough is primarily a residential community, with very few ratables. The majority of the tax levy is raised by residential property taxes.

In conclusion, the Brielle Borough School District has committed itself to financial excellence for many years. In addition, the School District's system for financial planning, budgeting, and internal financial controls are well regarded. The School District plans to continue its sound fiscal management to meet the challenge of the future.

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School district's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional information contact Mr. Edward McManus, School Business Administrator/Board Secretary at Brielle Borough Board of Education, 605 Union Lane, Brielle, NJ 08730 or email at emcmanus@brielle.k12.nj.us.

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS – A

BRIELLE SCHOOL DISTRICT

STATEMENT OF NET ASSETS

Exhibit A-1

JUNE 30, 2011

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<u>Assets</u>			
Cash and Cash Equivalents	\$ 84,976	72,245	157,221
Receivables, Net	237,324	4,550	241,874
Restricted Assets:			
Capital Reserve Account - Cash	1		1
Restricted - Cash	437,693		437,693
Capital Assets-Non Depreciable	60,584		60,584
Capital Assets, Net	8,511,589	11,698	8,523,287
Inventory		4,163	4,163
Total Assets	<u>9,332,167</u>	<u>92,656</u>	<u>9,424,823</u>
<u>Liabilities</u>			
Accounts Payable and Accrued Expenses	20,565	19,031	39,596
Noncurrent Liabilities:			
Due Within One Year	408,944		408,944
Due Beyond One Year	3,815,393		3,815,393
Total Liabilities	<u>4,244,902</u>	<u>19,031</u>	<u>4,263,933</u>
<u>Net Assets</u>			
Invested in Capital Assets, Net of Related Debt	4,563,229	11,698	4,574,927
Restricted For:			
Other Purposes	437,694		437,694
Unrestricted	86,342	61,927	148,269
Total Net Assets	<u>\$ 5,087,265</u>	<u>73,625</u>	<u>5,160,890</u>

The accompanying notes to financial statements are an integral part of this statement.

BRIELLE SCHOOL DISTRICT

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2011

	Program Revenues		Net (Expense) Revenue and Changes in Net Assets			
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<u>Functions/Programs</u>						
Governmental Activities:						
Instruction:						
Regular	\$2,583,188	38,025		(2,545,163)		(2,545,163)
Special Education	727,741		195,408	(532,333)		(532,333)
Other Instruction	16,758			(16,758)		(16,758)
Support Services:						
Tuition	4,218,993			(4,218,993)		(4,218,993)
Student & Instruction Related Services	781,038		690	(780,348)		(780,348)
School Administrative Services	192,847			(192,847)		(192,847)
Other Administrative Services	447,397			(447,397)		(447,397)
Plant Operations and Maintenance	659,907			(659,907)		(659,907)
Pupil Transportation	431,551			(431,551)		(431,551)
Unallocated Benefits	1,783,669			(1,783,669)		(1,783,669)
Interest on Long-Term Debt	202,733			(202,733)		(202,733)
Unallocated Depreciation	274,728			(274,728)		(274,728)
Total Government Activities	12,320,550	38,025	196,098	(12,086,427)	-	(12,086,427)
Business-Type Activities:						
Other	299,665	329,855			30,190	30,190
Food Service	209,995	149,709	32,384		(27,902)	(27,902)
Total Business-Type Activities	509,660	479,564	32,384	-	2,288	2,288
Total Primary Government	12,830,210	517,589	228,482	(12,086,427)	2,288	(12,084,139)

BRIELLE SCHOOL DISTRICT

Exhibit A-2
Sheet 2 of 2

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2011

	Program Revenues		Net (Expense) Revenue and Changes in Net Assets			
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
General Revenues:						
Taxes						
Property Taxes, Levied for General Purpose, Net				11,329,491		11,329,491
Taxes Levied for Debt Service				608,600		608,600
Federal and State Aid Not Restricted				868,122		868,122
Miscellaneous Income				3,791		3,791
Other				(83)	124	41
Transfer to Food Service				(18,083)	18,083	-
Total General Revenues, Special Items, Extraordinary Items and Transfers				12,791,838	18,207	12,810,045
Change in Net Assets				705,411	20,495	725,906
Adjustment for Fixed Assets and Changes in Long-Term Debt				14,770		14,770
Net Assets - Beginning				4,367,084	53,130	4,420,214
Net Assets - Ending				\$ 5,087,265	73,625	5,160,890

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

FUND FINANCIAL STATEMENTS – B

BALANCE SHEETGOVERNMENTAL FUNDSJUNE 30, 2011

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<u>Assets</u>				
Cash and Cash Equivalents-Restricted	\$ 434,689		5	434,694
Cash and Cash Equivalents-Nonrestricted	87,976			
Receivables, Net	194,159	43,165		237,324
Interfund Receivable	43,165			43,165
Total Assets	<u>\$ 759,989</u>	<u>43,165</u>	<u>5</u>	<u>-</u> <u>803,159</u>
<u>Liabilities and Fund Balance</u>				
Liabilities:				
Accounts Payable	\$ 20,565			20,565
Interfund Payable		43,165		43,165
Total Liabilities	<u>20,565</u>	<u>43,165</u>	<u>-</u>	<u>63,730</u>
Fund Balance:				
Committed To:				
Capital Reserve		1		1
Maintenance Reserve	332,003			332,003
Assigned To:				
Reserve for Encumbrances	105,685			105,685
Debt Service			5	5
Unassigned-General Fund	301,735			301,735
Total Fund Balances	<u>739,424</u>	<u>-</u>	<u>5</u>	<u>739,429</u>
Total Liabilities and Fund Balance	<u>\$ 759,989</u>	<u>43,165</u>	<u>5</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 \$14,406,131 and the accumulated depreciation is \$ 5,833,958 .

8,572,173

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. (see Note 3)

(4,224,337)

Net assets of governmental activities

\$ 5,087,265

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

BRIELLE SCHOOL DISTRICT

Exhibit B-2
Sheet 1 of 2

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2011

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<u>Revenues</u>				
Local Sources:				
Tuition	\$ 38,025			38,025
Local Tax Levy	11,329,491		608,600	11,938,091
Miscellaneous	3,791			3,791
Total Local Sources	<u>11,371,307</u>	<u>-</u>	<u>608,600</u>	<u>11,979,907</u>
State Sources	868,122			868,122
Federal Sources	196,098	196,098		196,098
Total Revenues	<u>12,239,429</u>	<u>196,098</u>	<u>608,600</u>	<u>13,044,127</u>
<u>Expenditures</u>				
Current:				
Regular Instruction	2,577,948			2,577,948
Special Education Instruction	532,333	195,408		727,741
Other Instruction	16,758			16,758
Support Services and Undistributed Costs:				
Tuition	4,218,993			4,218,993
Student and Instruction Related Services	780,348	690		781,038
School Administrative Services	192,847			192,847
Other Administrative Services	447,397			447,397
Plant Operations and Maintenance	659,907			659,907
Pupil Transportation	431,551			431,551
Unallocated Benefits	1,783,669			1,783,669
Capital Outlay	38,204			38,204
Debt Service:				
Principal			400,000	400,000
Interest and Other Charges			208,600	208,600
Total Expenditures	<u>11,679,955</u>	<u>196,098</u>	<u>608,600</u>	<u>12,484,653</u>

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

BRIELLE SCHOOL DISTRICT

Exhibit B-2
Sheet 2 of 2

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2011

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
Excess (Deficiency) of Revenues Over Expenditures	559,474	-	-	559,474
Other Financing Sources (Uses):				
Net Write Off of Old Receivable	(83)			(83)
Transfer to Food Service	(18,083)			(18,083)
Total Other Financing Sources (Uses)	<u>(18,166)</u>	<u>-</u>	<u>-</u>	<u>(18,166)</u>
Net Change in Fund Balances	541,308	-	-	541,308
Fund Balance - July 1	198,116		5	198,121
Fund Balance - June 30	<u>\$ 739,424</u>	<u>-</u>	<u>5</u>	<u>739,429</u>

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

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES

AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

Exhibit B-3

TO THE STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2011

Total Net Change in Fund Balances - Governmental Funds (From B-2)	\$	541,308
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	(274,728)	
Capital Outlays	<u>38,204</u>	
		(236,524)
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities.		400,000
Compensated Absences		(5,240)
Interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental fund, interest is reported when due.		<u>5,867</u>
Change in Net Assets of Governmental Activities	<u>\$</u>	<u>705,411</u>

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

BRIELLE SCHOOL DISTRICT**STATEMENT OF NET ASSETS**

Exhibit B-4

PROPRIETARY FUNDS**JUNE 30, 2011**

	<u>Business-type Activities Enterprise Fund</u>
<u>Assets</u>	
Current Assets:	
Cash and Cash Equivalents	\$ 72,245
Accounts Receivable:	
State	524
Federal	4,026
Inventories	4,163
Total Current Assets	<u>80,958</u>
Noncurrent Assets:	
Equipment	68,465
Accumulated Depreciation	<u>(56,767)</u>
Total Noncurrent Assets	<u>11,698</u>
Total Assets	<u>\$ 92,656</u>
<u>Liabilities</u>	
Accounts Payable	<u>\$ 19,031</u>
Total Liabilities	<u>\$ 19,031</u>
<u>Net Assets</u>	
Investment in Fixed Assets	\$ 11,698
Unrestricted	<u>61,927</u>
Total Net Assets	<u>\$ 73,625</u>

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

STATEMENT OF REVENUES, EXPENSES AND CHANGES

Exhibit B-5

IN FUND NET ASSETS

PROPRIETARY FUNDS

JUNE 30, 2011

	<u>Business-type Activities Enterprise Fund</u>
Operating Revenues:	
Local Sources:	
Daily Sales Reimbursable Programs	\$ 149,709
Fees	329,855
Total Operating Revenue	<u>479,564</u>
Operating Expenses:	
Salaries	167,143
Benefits	29,070
Cost of Sales	182,233
Computer Supplies	1,395
Depreciation	4,992
Miscellaneous	124,827
Total Operating Expenses	<u>509,660</u>
Operating (Loss)/Profit	(30,096)
Non-Operating Revenues:	
State Sources:	
State School Lunch Program	2,120
Federal Sources:	
National School Lunch Program	21,356
Food Distribution Program	8,908
Interest Revenue	124
Board Subsidy	18,083
Total Non-Operating Revenues	<u>50,591</u>
Change in Net Assets	20,495
Net Assets, July 1	<u>53,130</u>
Net Assets, June 30	<u>\$ 73,625</u>

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

BRIELLE SCHOOL DISTRICT

STATEMENT OF CASH FLOWS

Exhibit B-6

PROPRIETARY FUNDS

JUNE 30, 2011

	<u>Business-type Activities Enterprise Fund</u>
Cash Flows from Operating Activities:	
Receipts from Daily Sales	\$ 479,564
Payments to Employees	(196,213)
Payments to Suppliers	(275,138)
Net Cash Used by Operating Activities	<u>8,213</u>
Cash Flows from Noncapital Financing Activities:	
State Sources	2,103
Federal Sources	21,544
Board Subsidy	18,083
Net Cash Provided by Noncapital Financing Activities	<u>41,730</u>
Cash Flows from Investing Activities:	
Interest Received	124
Net Cash Provided by Investing Activities	<u>124</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	50,067
Cash and Cash Equivalents July 1	<u>22,178</u>
Cash and Cash Equivalents June 30	<u>\$ 72,245</u>
Cash Flows from Operating Activities:	
Operating (Loss)/Profit	\$ (30,096)
Adjustments to Reconcile Operating Loss to Cash Provided (Used) by Operating Activities:	
Federal Commodities Consumed	8,908
Depreciation	4,992
Changes in Assets and Liabilities:	
Increase/(Decrease) in Accounts Payable	15,717
(Increase)/Decrease in Inventory	8,692
Net Cash Used by Operating Activities	<u>\$ 8,213</u>

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

BRIELLE SCHOOL DISTRICT**STATEMENT OF FIDUCIARY NET ASSETS**

Exhibit B-7

FIDUCIARY FUNDS**JUNE 30, 2011**

	<u>Scholarship Fund</u>	<u>Unemployment Compensation Trust</u>	<u>Agency Funds</u>
Assets:			
Cash and Cash Equivalents	\$ 7,885	3,078	483
Total Assets	<u>\$ 7,885</u>	<u>3,078</u>	<u>483</u>
Liabilities:			
Payroll Deductions and Withholdings			\$ 483
Total Liabilities			<u>\$ 483</u>
Net Assets:			
Reserved - Scholarship	\$ 7,855		
Reserved - Unemployment Benefits		3,078	
Total Net Assets	<u>\$ 7,855</u>	<u>3,078</u>	

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

BRIELLE SCHOOL DISTRICT**STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS**

Exhibit B-8

FIDUCIARY FUNDS**JUNE 30, 2011**

	Scholarship Fund	Unemployment Compensation Trust
	<hr/>	<hr/>
<u>Additions</u>		
Interest on Investments	\$ 58	
Contributions	-	120,201
Total Additions	<hr/> 58 <hr/>	<hr/> 120,201 <hr/>
<u>Deductions</u>		
Scholarship Payments	450	
Unemployment Claims	-	128,545
Total Deductions	<hr/> 450 <hr/>	<hr/> 128,545 <hr/>
Change in Net Assets	(392)	(8,344)
Net Assets - Beginning of Year	<hr/> 8,277 <hr/>	<hr/> 11,422 <hr/>
Net Assets - End of the Year	<hr/> <u>\$ 7,885</u> <hr/>	<hr/> <u>3,078</u> <hr/>

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

NOTES TO FINANCIAL STATEMENTS

BOARD OF EDUCATION
BRIELLE SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 1: Summary of Significant Accounting Policies

The financial statements of the Board of Education (Board) of the Brielle School District (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. The more significant of the Board's accounting policies are described below.

A. Reporting Entity:

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

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

B. Government-Wide Financial Statements

The focus of government-wide financial statements is on the overall financial position and activities of the government as a whole. These financial statements are constructed around the concept of a primary government as defined by GASB-14 (The Financial Reporting Entity) and therefore encompass the primary government and its component units except for fiduciary funds of the primary government and component units that are fiduciary in nature. Financial statements of fiduciary funds are not presented in the government-wide financial statements but are included in the fund financial statements.

NOTE 1: Summary of Significant Accounting Policies (Continued)

B. Government-Wide Financial Statements (Continued)

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include (1) charges for services which report fees and other charges to users of the District's services and (2) operating grants and contributions. These revenues are subject to externally imposed restrictions to these program uses. Tax levies and other revenue sources not properly included with program revenues are reported as general revenues.

Fund Financial Statements

Fund financial statements are provided for governmental, proprietary and fiduciary funds. Major individual governmental and enterprise funds are reported in separate columns with composite columns for non-major funds.

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

The financial statements of the District are prepared in accordance with generally accepted accounting principles (GAAP). The District's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements. The government-wide and proprietary fund financial statements apply Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails.

The government-wide statements report using the economic resources measurement focus and the accrual basis of accounting generally including the reclassification or elimination of internal activity (between or within funds). Proprietary and fiduciary fund financial statements also report using this same focus and basis of accounting although internal activity is not eliminated in these statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred regardless of the timing of related cash flows. County tax revenues are recognized in the year for which they are levied while grants are recognized when grantor eligibility requirements are met. The Unemployment Trust Fund recognizes employer and employee contributions in the period in which contributions are due.

Governmental fund financial statements report using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to apply current liabilities. The District considers revenues to be available if they are collected within 60 days of the end of the fiscal year. Expenditures are recorded when the related fund liability is incurred, except for long-term pension and compensated absences, which are reported as expenditures in the year due.

Major revenue sources susceptible to accrual includes Intergovernmental revenues, and the county tax levy. In general, other revenues are recognized when cash is received.

NOTE 1: Summary of Significant Accounting Policies (Continued)

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

Operating income reported in proprietary fund financial statements includes revenues and expenses related to the primary continuing operations of the fund. Principal operating revenues for proprietary funds are charges to customers for food sales and for services provided to other governmental entities. Principles operating expenses are the costs of providing goods or services and include administrative expenses and depreciation of capital assets. Other revenues and expenses are classified as non-operating in the financial statements.

D. Fund Accounting:

The accounts of the District are maintained in accordance with the principles of fund accounting to ensure observance of limitations and restrictions on the resources available. The principles of fund accounting require that resources be classified for accounting and reporting purposes into funds or account groups in accordance with activities or objectives specified for the resources. Each fund is a separate accounting entity with a self-balancing set of accounts. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources. Funds are classified into three categories: governmental, proprietary and fiduciary. Each category, in turn, is divided into separate "fund types".

Governmental Fund Types

General Fund: The general fund is the general operating fund of the District and is used to account for all 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 trust or major capital projects) that are legally restricted to expenditures for specified purposes in the special revenue funds.

Capital Projects Fund: the capital projects fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds).

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

NOTE 1: Summary of Significant Accounting Policies (Continued)

D. Fund Accounting (Continued):

Proprietary Fund Type

Enterprise Fund: To account for operations that are financed and operated in a manner similar to private business enterprises, in which the intent of the District is that the costs of providing goods or services to the District on a continuing basis be 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.

Unemployment Compensation Trust Fund: The trust fund is used to account for assets held under the terms of a formal trust agreement. The District reimburses the costs of unemployment benefits paid by the New Jersey Department of Labor.

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.

E. Budgets/Budgetary Control:

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. The budgets are submitted to the County office and are voted upon at the annual school election on the third Tuesday in April. Budgets are prepared using the modified accrual basis of accounting; the legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23-2.2(g). All budget amendments must be approved by School Board resolution. Budget amendments during the year ended June 30, 2011 were insignificant.

The Public School Education Act of 1975, limits the annual increase of any district's net current expense budget. The Commissioner of Education certifies the allowable amount for each district but may grant a higher level of increase if he determines that the sums so provided would be insufficient to meet the identified goals and needs of the district or that an anticipated enrollment increase requires additional funds.

The Commissioner must also review every proposed local school district budget for the next school year. He examines every item of appropriations for current expenses and budgeted capital outlay to determine their adequacy in relation to the identified needs and goals of the district. If, in his view, they are insufficient, the Commissioner must order remedial action. If necessary, he is authorized to order changes in the local district budget.

NOTE 1: Summary of Significant Accounting Policies (Continued)

E. Budgets/Budgetary Control (Continued):

Once a budget is approved, it can be amended by transfers or additional appropriation of fund balances by approval of a majority of the members of the Board. Amendments are presented to the Board at their regular meetings. Each amendment must have Board approval. Such amendments are made before the fact, are reflected in the official minutes of the Board, and are not made after fiscal year-end as dictated by law. Individual transfers were not material in relation to the original appropriations. All uncommitted budget appropriations lapse at year-end.

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 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.

F. Encumbrances:

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

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

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

G. Short-Term Interfund Receivables/Payables:

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

H. Inventories and Prepaid Expenses

Inventories and prepaid expenses, which benefit future periods, are recorded as an expenditure during the year of purchase. The value of inventories remaining at the end of the fiscal year is not included on the balance sheet.

NOTE 1: Summary of Significant Accounting Policies (Continued)

H. Inventories and Prepaid Expenses (Continued)

Enterprise fund inventories are valued at cost, which approximates market, using the first-in-first-out (FIFO) method. Prepaid expenses in the enterprise fund represent payments made to vendors for services that will benefit periods beyond June 30, 2011.

I. Capital Assets and Depreciation

The District's property, buildings and improvements, equipment, vehicles, furniture and fixtures with useful lives of five years or more are stated at historical or estimated historical cost and are reported in the government-wide financial statements. Proprietary Fund capital assets are reported in its respective fund.

The District contracted with an outside service company during the 2006 fiscal year to provide a report with a comprehensive detail of capital assets and depreciation. The report has been updated to include capital assets purchased subsequently with a historical cost of \$2,000 or more. Accumulated depreciation prior to fiscal year 2006, fiscal year 2006 depreciation expense, total accumulated depreciation and book values were also provided. The costs of normal maintenance and repairs that do not add to the asset value or materially extend the useful lives are not capitalized. Capital assets are depreciated using the straight-line method. When capital assets are disposed, the cost and applicable accumulated depreciation are removed from the respective accounts. Estimated useful lives, in years, for depreciable assets are as follows:

Buildings and Improvements	20 – 50
Equipment and Vehicles	5 – 20
Furniture and Fixtures	5 – 20

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

	Balance July 1, 2010	<u>Additions</u>	<u>Retirements</u>	Balance June 30, 2011
Governmental Activities:				
Capital Assets That Are Not Being Depreciated:				
Land	\$ 60,584	_____	_____	60,584
Total Capital Assets Not Being Depreciated	<u>60,584</u>	_____	_____	<u>60,584</u>
Depreciable Assets:				
Site Improvements	18,798			18,798
Buildings	13,985,864			13,985,864
Equipment	<u>302,880</u>	<u>38,005</u>	_____	<u>340,885</u>
Total	<u>14,307,542</u>	<u>38,005</u>	_____	<u>14,345,547</u>

NOTE 1: Summary of Significant Accounting Policies (Continued)I. Capital Assets and Depreciation (Continued)

	<u>Balance</u> <u>July 1, 2010</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>June 30, 2011</u>
Less: Accumulated Depreciation For:				
Sites	(18,798)			(18,798)
Buildings	(5,362,834)	(232,666)		(5,595,500)
Equipment	<u>(177,598)</u>	<u>(42,062)</u>		<u>(219,660)</u>
Total Accumulated Depreciation	<u>(5,559,230)</u>	<u>(274,728)</u>		<u>(5,833,958)</u>
Net Depreciable Assets	<u>8,748,312</u>	<u>(236,723)</u>		<u>8,511,589</u>
Government Activities:				
Capita Assets, Net	<u>\$ 8,808,896</u>	<u>(236,723)</u>		<u>8,572,173</u>
Business-Type Activities:				
Equipment	\$ 68,465			68,465
Less: Accumulated Depreciation:				
Equipment	<u>(51,775)</u>	<u>(4,992)</u>		<u>(56,767)</u>
Business-Type Activities Capital Assets (Net)	<u>\$ 16,690</u>	<u>(4,992)</u>		<u>11,698</u>

Depreciation expense was charged to governmental functions as follows:

Unallocated	<u>\$ 274,728</u>
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J. Compensated Absences

District employees are permitted, within certain limitations, to accrue vacation and sick leave in varying amounts under the Districts personnel policies and may be paid at a later date according to contractual agreements.

The liability for vested compensated absences of the governmental fund types is recorded in the government-wide financial statements as a non-current liability. Governmental funds report only matured compensated absences payable to currently terminating employees and are included in wages and benefits payable.

NOTE 1: Summary of Significant Accounting Policies (Continued)

K. Deferred Revenue

Deferred revenue in the special revenue funds represent cash which has been received but not yet earned. See Note 1(F) regarding the special revenue fund.

L. Fund Equity

The governmental fund financial statements report reserved fund balance for amounts not available for appropriation or legally restricted for specified purposes. The general fund reserve for restricted purposes includes net assets relating to capital reserve (See Note 9).

NOTE 2: Cash and Cash Equivalents and Investments

Cash and cash equivalents includes petty cash, change funds, amounts in deposits, and short term investments with original maturities of three months or less.

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

Deposits

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

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

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

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

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

NOTE 2: Cash and Cash Equivalents and Investments (Continued)

Investments

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

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

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

	<u>Cash and Cash Equivalents</u>
Checking, Money Market Accounts	\$ 615,730

During the period ended June 30, 2011, the District did not hold any investments. The carrying amount of the District's cash and cash equivalents at June 30, 2011 was \$615,730 and the bank balance was \$1,111,621. of the bank balance \$100,000 was covered by federal depository insurance and \$1,011,621 was covered by a collateral pool maintained by the banks as required by New Jersey statutes.

Credit Risk Categories

All bank deposits and investments as of the balance sheet date are classified as to credit risk by the following two categories described below:

FDIC	\$ 100,000
GUPDA	1,011,621

As of June 30, 2011, the District did not hold any long-term investments.

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that, in the event of a bank failure, the government's deposits may not be returned to it. The District does not have a formal policy for custodial credit risk.

The District had no uninsured deposits.

NOTE 3: General Long-Term Debt

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

	<u>Balance</u> <u>June 30, 2010</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2011</u>	<u>Long-Term</u> <u>Portion</u>	<u>2011-12</u> <u>Payment</u>
Compensated Absences Payable	\$ 215,393	5,240		220,633	220,633	
Bonds Payable	4,400,000		400,000	4,000,000	3,600,000	400,000
Capital Leases	<u>24,540</u>		<u>15,596</u>	<u>8,944</u>		<u>8,944</u>
Total	<u>\$ 4,639,933</u>	5,240	<u>415,596</u>	<u>4,229,577</u>	<u>3,820,633</u>	<u>408,944</u>

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

Principal and interest due on bonds outstanding is as follows:

- a. Bonds issued 2/27/01 for \$6,915,000 for 20 years maturing 3/1/21 at a 4.4 to 5.0% rate of interest with a balance of \$4,000,000 at June 30, 2011.

Year ending June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 400,000	191,000	591,000
2013	400,000	173,400	573,400
2014	400,000	155,400	555,400
2015	400,000	137,000	537,000
2016	400,000	118,200	518,200
2016-2021	<u>2,000,000</u>	<u>299,000</u>	<u>2,299,000</u>
	<u>\$ 4,000,000</u>	<u>1,074,000</u>	<u>5,074,000</u>

NOTE 4: Capital Leases

The District has other leases totaling \$8,944 under capital leases. The following is a schedule of future minimum lease payments under these capital leases and the present value of the net minimum lease payments at June 30, 2011.

2011-2012	\$ 9,414
Less: Interest	<u>470</u>
Total Minimum Lease Payments	\$ 8,944

Software lease for 60 months for \$37,500 at 9.3% interest maturing 8-1-07 with a balance of \$8,944 at June 30, 2011.

NOTE 5: Pension Plans

Description of Plans – All required employees of the District are covered by either the Public Employees’ Retirement System or the Teachers’ Pension and Annuity Fund which have been established by state statute and are administered by the New Jersey Division of Pension and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of both Systems will be assumed by the State of New Jersey should the Systems terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System and the Teacher’s 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 District and the system’s other related non-contributing employers. Membership is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, and employees of the Department of Education who have titles that are unclassified, professional and certified.

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.

NOTE 5: 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' compensation if other than the final three years). Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving eight to ten years of service in which case benefits would begin the first day of the month after the member attains normal retirement age. The TPAF and PERS provide for specified medical benefits for members who retire after achieving 25 years of qualified service, as defined, or under the disability provision 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 contribution. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

Significant Legislation - During the year ended June 30, 1997, legislation was enacted (Chapter 114, P.L. 1997) authorizing the New Jersey Economic Development Authority to issue bonds, notes or other obligations for the purpose of financing, in full or in part, the State of New Jersey's portion of the unfunded accrued liability under the State of New Jersey retirement systems. Additional legislation enacted during the year ended June 30, 1997 (Chapter 115, P.L. 1997), changed the asset valuation method from market related value to full-market value. This legislation also contains a provision to reduce the employee contribution rate by ½ of 1% to 4.5% for calendar years 1998 and 1999, and to allow for a reduction in the employee's rate after calendar year 1999, providing excess valuation assets are available. The legislation also provided that the Districts' normal contributions to the Fund may be reduced based on the revaluation of assets. Due to recognition of the bond proceeds and the change in asset valuation method as a result of enactment of Chapters 114 and 115, all unfunded accrued liabilities were eliminated, except for the unfunded liability for local early retirement incentive benefits, accordingly, the pension costs for TPAF and PERS were reduced.

Funding Policy – The contribution policy is set by New Jersey State Statutes and contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. TPAF and PERS provide for employee contributions of 5% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The actuarially determined contribution includes funding for cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums. Under current statute the District is a non-contributing employer of the TPAF.

Legislation enacted during 1993 provides early retirement incentives for certain members of TPAF and PERS who met certain age and service requirements and who applied for retirement between certain dates in the 1994 fiscal year. The early retirement incentives included: (a) an additional five years of service credit for employees at least age 50 with a minimum of 25 years of service; (b) free health benefits for employees at least 60 years old with at least 20 years of service; and (c) an additional \$500 per month for two years for employees at least age 60 with 10 years but less than 20 years of service. The Board will assume the increased cost for the early retirement as it affects their districts.

NOTE 5: Pension Plans (Continued)

During the year ended June 30, 2011, the State of New Jersey contributed \$271,502 to the TPAF for post-retirement medical benefits on behalf of the District. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$261,182 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 general-purpose financial statements, and the combining and individual fund and account group statements and schedules as revenues and expenditure in accordance with GASB 24.

Three-Year Trend Information for PERS

<u>Year Funding</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
6/30/11	\$ 77,023	100%	0
6/30/10	57,022	100%	0
6/30/09	51,474	100%	0

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

<u>Year Funding</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
6/30/11	\$ 271,502	100%	0
6/30/10	253,102	100%	0
6/30/09	246,486	100%	0

NOTE 6: Post-Retirement Benefits

P.L. 1987, c. 384 and P.L. 1990, c.6 required Teachers' Pensions and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c. 103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and 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 P.L. 1994, c.62. Funding of post-retirement medical premiums changed from a prefunding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

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

NOTE 7: Compensated Absences

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

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

The liability for vested compensated absences of the governmental fund types is recorded in the general long-term debt account group (or current and long-term liabilities). The current portion of the compensated absences balance of the governmental funds is not considered material to the applicable funds total liabilities, and therefore is not shown separately from the long-term liability balance of compensated absences.

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2011, no liability existed for compensated absences in the Food Service Fund.

NOTE 8: Capital Reserve Account

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

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

During the fiscal year ended June 30, 2011, the District had no interest earnings.

NOTE 9: Risk Management

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

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

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

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Reimbursed</u>	<u>Balance</u>
2010-2011	\$117,133	3,068	128,545	3,078
2009-2010	0	8,906	12,755	11,422
2008-2009	0	8,275	14,475	15,271

NOTE 10: Interfund Balances and Transfers

	<u>From</u>	<u>To</u>
General Fund	\$ 43,165	
Special Revenue Fund		43,165

NOTE 11: Fund Balance Appropriated

General Fund – Of the \$744.888 General Fund fund balance at June 30, 2011, \$105,685 is reserved for encumbrances; \$1 has been reserved in the Capital Reserve Account; \$332,003 is reserved for maintenance; and \$307,199 is unreserved and undesignated.

NOTE 12: Calculation of Excess Surplus

In accordance with *N.J.S.A. 18A:7F-7*, as amended by P.L. 2004, c.73 (S1701), the designation for Reserved Fund Balance – Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years’ budget. There is no excess surplus at June 30, 2011.

NOTE 13: Tuition Adjustments

Regulations specify that tuition adjustments for any given school year shall be remitted/received in the two following years after the tuition rate is certified. These adjustments have not been reflected on the June 30, 2011 financial statements.

NOTE 14: Economic Dependency

The District receives a substantial amount of its support from federal and state governments. A significant reduction in the level of support, if this were to occur, may have an effect on the District's programs and activities.

NOTE 15: Contingent Liabilities

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

NOTE 16: 2% Calculation of Excess Surplus

2010-11 Total General Fund Expenditures Per the CAFR	\$ 11,679,955
Increased by:	
Transfer to Food Service Fund	18,083
Decreased by:	
On-Behalf TPAF Pension & Social Security	<u>(532,684)</u>
Adjusted 10-11 General Fund Expenditures	<u>\$ 11,165,354</u>
2% of Adjusted 2010-11 General Fund Expenditures	<u>\$ 223,307</u>
Enter Above or \$250,000 Whichever is Greater	\$ 250,000
Increased by Allowable Adjustment	<u>57,199</u>
Maximum Unassigned Fund Balance	\$ 307,199
<u>Section 2</u>	
Total General Fund – Fund Balance @ 6-30-11	\$ 744,888
Decreased by:	
Reserved for Encumbrances	(105,685)
Maintenance Reserve	(332,003)
Capital Reserve	<u>(1)</u>
	<u>(437,689)</u>
Total Unassigned Fund Balance	\$ 307,199
Excess Surplus	\$ 0

NOTE 16: 2% Calculation of Excess Surplus (Continued)**Section 3****Detail of Allowable Adjustments**

Extraordinary Aid	\$ 46,871
Non-Public Transportation	<u>10,328</u>
Total	<u>\$ 57,199</u>

Detail of Other Restricted Fund Balance

Maintenance Reserve	\$ 332,003
Capital Reserve	<u>1</u>
	<u>\$ 332,004</u>

NOTE 17: Significant Accounting Pronouncements

In June 2009, the FASB issued FASB ASC 105, Generally Accepted Accounting Principles, which establishes the FASB Accounting Standards Codification as the sole source of authoritative generally accepted accounting principles. Pursuant to the provisions of FASB ASC 105, the District has updated references to GAAP in its financial statements issued for the period ended June 30, 2010. The adoption of FASB ASC 105 did not impact the District's financial position or results of operations.

In May 2009, the FASB updated ASC 855, Subsequent Events, which is effective for reporting periods ending after June 15, 2009. ASC 855 establishes general standards of accounting for and disclosure of events that occur after the balance sheet date, but before the financial statements are issued, or are available to be issued. The District adopted the amended sections of ASC 855 and it did not have an impact on the District's financial statements. The District evaluated all events or transactions that occurred after June 30, 2011 through November 8, 2011.

**REQUIRED SUPPLEMENTARY INFORMATION
PART II**

BUDGETARY COMPARISON SCHEDULES – C

BRIELLE SCHOOL DISTRICT

Exhibit C-1
Sheet 1 of 9

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Revenues:					
Local Sources:					
Local Tax Levy	\$ 11,329,491		11,329,491	11,329,491	-
Tuition	36,000		36,000	38,025	2,025
Unrestricted Miscellaneous Revenue	12,075		12,075	3,791	(8,284)
Total Local Sources	<u>11,377,566</u>	<u>-</u>	<u>11,377,566</u>	<u>11,371,307</u>	<u>(6,259)</u>
State Sources:					
Special Education Aid	92,772		92,772	92,772	-
Extraordinary Aid	125,000		125,000	171,871	46,871
Non Public Transportation			-	10,328	10,328
TPAF Pension (On-Behalf - Non-Budgeted)			-	271,502	271,502
TPAF Social Security (Reimbursed Non-Budgeted)			-	261,182	261,182
Total State Sources	<u>217,772</u>	<u>-</u>	<u>217,772</u>	<u>807,655</u>	<u>589,883</u>
Total Revenues	<u>11,595,338</u>	<u>-</u>	<u>11,595,338</u>	<u>12,178,962</u>	<u>583,624</u>

BRIELLE SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Expenditures:					
Current Expense:					
Regular Programs - Instruction:					
Preschool/Kindergarten - Salaries of Teachers	117,815	8,124	125,939	120,401	5,538
Grades 1-5 - Salaries of Teachers	1,314,338	38,023	1,352,361	1,326,723	25,638
Grades 6-8 - Salaries of Teachers	913,154	(21,873)	891,281	863,427	27,854
Regular Programs - Home Instruction: Salaries	1,000	104	1,104	1,104	-
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	92,610	(1,027)	91,583	87,642	3,941
Other Purchased Services (400-500 Series)	20,000	-	20,000	15,340	4,660
General Supplies	145,011	1,236	146,247	121,096	25,151
Textbooks	20,000	(1,432)	18,568	17,787	781
Other Objects	22,000	2,428	24,428	24,428	-
Total Regular Programs - Instruction	<u>2,645,928</u>	<u>25,583</u>	<u>2,671,511</u>	<u>2,577,948</u>	<u>93,563</u>
Special Education - Instruction:					
Multiple Disabilities:					
Other Salaries for Instruction	115,316	28,527	143,843	143,699	144
Total Learning and/or Language Disabilities	<u>115,316</u>	<u>28,527</u>	<u>143,843</u>	<u>143,699</u>	<u>144</u>
Resource Room/Resource Center:					
Salaries of Teachers	331,165	(28,527)	302,638	296,704	5,934
General Supplies	1,500	-	1,500	1,366	134
Total Resource Room/Resource Center	<u>332,665</u>	<u>(28,527)</u>	<u>304,138</u>	<u>298,070</u>	<u>6,068</u>

BRIELLE SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Preschool Disabilities - Full-Time:					
Salaries of Teachers	74,895	(1,574)	73,321	68,392	4,929
Other Salaries for Instruction	20,758	1,414	22,172	22,172	-
Total Preschool Disabilities - Full-Time	95,653	(160)	95,493	90,564	4,929
Total Special Education - Instruction	543,634	(160)	543,474	532,333	11,141
Bilingual Education - Instruction:					
Salaries of Teachers	8,000	160	8,160	8,000	160
Total Bilingual Education - Instruction	8,000	160	8,160	8,000	160
School Sponsored Co-Curricular Activities - Instruction:					
Salaries	-	12,000	12,000	8,758	3,242
Total School Sponsored Co-Curricular Activities	-	12,000	12,000	8,758	3,242
Total Instruction	3,197,562	37,583	3,235,145	3,127,039	108,106
Undistributed Expenditures:					
Instruction:					
Tuition to Other LEA's Within the State - Regular	3,125,019	-	3,125,019	3,125,018	1
Tuition to Other LEA's Within the State - Special	643,567	(58,719)	584,848	578,584	6,264
Tuition to Private School for the Handicapped Within State	403,504	(25,744)	377,760	369,282	8,478
Tuition to County Vocational - Regular	147,800	(1,691)	146,109	146,109	-
Total Instruction	4,319,890	(86,154)	4,233,736	4,218,993	14,743

BRIELLE SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Health Services:					
Salaries	79,038	(7,903)	71,135	60,715	10,420
Supplies and Materials	3,000	-	3,000	2,594	406
Total Health Services	<u>82,038</u>	<u>(7,903)</u>	<u>74,135</u>	<u>63,309</u>	<u>10,826</u>
Guidance:					
Salaries of Other Professional Staff	66,885	(1,600)	65,285	64,005	1,280
Total Guidance	<u>66,885</u>	<u>(1,600)</u>	<u>65,285</u>	<u>64,005</u>	<u>1,280</u>
Other Support Services - Student Related Services:					
Salaries	78,850	(14,921)	63,929	62,530	1,399
Purchased Professional/Technical Services	120,000	48,243	168,243	168,243	-
Total Other Support Services - Student Related Svcs.	<u>198,850</u>	<u>33,322</u>	<u>232,172</u>	<u>230,773</u>	<u>1,399</u>
Other Support Services - Students Special:					
Salaries of Other Professional Staff	174,090	(1,597)	172,493	169,129	3,364
Salaries Secretarial and Clerical	34,075	(714)	33,361	33,361	-
Purchased Professional Educational Services	85,000	275	85,275	85,275	-
Total Other Support Services - Students Special	<u>293,165</u>	<u>(2,036)</u>	<u>291,129</u>	<u>287,765</u>	<u>3,364</u>
Improvement of Instructional Services:					
Salaries of Supervisors of Instruction	57,136	-	57,136	55,495	1,641
Salaries of Other Professional Staff	18,000	-	18,000	18,000	-
Total Improvement of Instructional Services	<u>75,136</u>	<u>-</u>	<u>75,136</u>	<u>55,495</u>	<u>19,641</u>

BRIELLE SCHOOL DISTRICT

**Exhibit C-1
Sheet 5 of 9**

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Educational Media Services/School Library:					
Salaries	38,180	26,655	64,835	63,564	1,271
Purchased Professional/Technical Services	500	-	500	450	50
Supplies & Materials	10,000	(1,271)	8,729	7,247	1,482
Total Educational Media Services/School Library	<u>48,680</u>	<u>25,384</u>	<u>74,064</u>	<u>71,261</u>	<u>2,803</u>
Instructional Staff Training Service:					
Other Objects	20,000	-	20,000	7,740	12,260
Support Services - General Administration:					
Salaries	81,408	3,540	84,948	84,948	-
Legal Services	25,000	1,082	26,082	26,082	-
Other Purchased Professional Services	11,500	-	11,500	10,000	1,500
Communications/Telephone	8,500	-	8,500	4,351	4,149
Other Purchased Services (400-500 Series)	20,000	-	20,000	20,000	-
Miscellaneous Expenditures	60,000	(4,122)	55,878	41,466	14,412
BOE Membership Dues And Fees	6,000	-	6,000	6,000	-
Total Support Services - General Administration	<u>212,408</u>	<u>500</u>	<u>212,908</u>	<u>192,847</u>	<u>20,061</u>
Support Services - School Administration:					
Salaries of Principals/Assistant Principals	133,924	2,919	136,843	136,843	-
Salaries of Other Professional Staff	138,330	(2,919)	135,411	130,740	4,671
Total Support Services - School Administration	<u>272,254</u>	<u>-</u>	<u>272,254</u>	<u>267,583</u>	<u>4,671</u>

BRIELLE SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Central Services:					
Salaries	142,100	-	142,100	138,040	4,060
Total Central Services	142,100	-	142,100	138,040	4,060
Administrative Information Technology:					
Purchased Professional Services	41,900	-	41,900	41,774	126
Total Administrative Information Technology	41,900	-	41,900	41,774	126
Required Maintenance for School Facilities:					
Salaries	86,000	(1,976)	84,024	70,619	13,405
Cleaning, Repair & Maintenance Services	50,000	10,879	60,879	60,879	-
General Supplies	4,000	-	4,000	3,050	950
Other Objects	140,000	8,903	148,903	134,548	14,355
Total Required Maintenance for School Facilities					
Other Operations and Maintenance of Plant:					
Salaries	270,535	(8,402)	262,133	255,765	6,368
Other Purchased Property Services	6,000	-	6,000	3,516	2,484
Insurance	35,000	-	35,000	30,370	4,630
Energy (Heat & Electricity)	154,293	-	154,293	116,929	37,364
Energy -Natural Gas	77,700	-	77,700	56,659	21,041
Total Other Operations and Maintenance of Plant	543,528	(8,402)	535,126	463,239	71,887
Care and Upkeep of Grounds					
Salaries	49,230	-	49,230	48,621	609
Cleaning, Repair & Maintenance	14,000	(501)	13,499	13,499	-
Total Care And Upkeep of Grounds	63,230	(501)	62,729	62,120	609

BRIELLE SCHOOL DISTRICT

Exhibit C-1
Sheet 7 of 9

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Student Transportation Services:					
Contracted Services (Between Home & School) Vendors	40,500	-	40,500	38,604	1,896
Contracted Services (Other Than Between Home & School) Vendors	17,000	-	17,000	116	16,884
Contracted Services (Regular Students) ESC's & CTSA's	119,372	-	119,372	103,736	15,636
Contracted Services (Sp. Ed. Students) ESC's & CTSA's	309,256	(2,396)	306,860	272,299	34,561
Contracted Services - Aid in Lieu of Payments	14,400	2,396	16,796	16,796	-
Total Student Transportation Services	<u>500,528</u>	<u>-</u>	<u>500,528</u>	<u>431,551</u>	<u>68,977</u>
Unallocated Benefits - Employee Benefits:					
Social Security Contributions	92,000	-	92,000	86,358	5,642
Other Retirement Contributions-PERS	56,000	21,023	77,023	77,023	-
Unemployment		112,945	112,945	112,945	-
Workmen's Compensation	66,000	414	66,414	66,414	-
Health Benefits	1,009,581	(99,968)	909,613	879,371	30,242
Tuition Reimbursement	30,000	-	30,000	6,564	23,436
Other Employee Benefits	47,685	(20,417)	27,268	22,310	4,958
Total Unallocated Benefits - Employee Benefits	<u>1,301,266</u>	<u>13,997</u>	<u>1,315,263</u>	<u>1,250,985</u>	<u>64,278</u>
On-Behalf TPAF Pension Contributions (Non-Budgeted)		-		271,502	(271,502)
Reimbursed TPAF Social Security (Non-Budgeted)		-		261,182	(261,182)
				<u>532,684</u>	<u>(532,684)</u>
Total Undistributed Expenditures	<u>8,321,858</u>	<u>(24,490)</u>	<u>8,297,368</u>	<u>8,514,712</u>	<u>(217,344)</u>
Total General Current Expense	<u>11,519,420</u>	<u>13,093</u>	<u>11,532,513</u>	<u>11,641,751</u>	<u>(109,238)</u>

BRIELLE SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Capital Outlay:					
Other Objects	38,204	-	38,204	38,204	-
Total Capital Outlay	<u>38,204</u>	<u>-</u>	<u>38,204</u>	<u>38,204</u>	<u>-</u>
Total Expenditures	<u>11,557,624</u>	<u>13,093</u>	<u>11,570,717</u>	<u>11,679,955</u>	<u>(109,238)</u>
Excess (Deficiency) of Revenues Over/(Under) Expenditures	<u>37,714</u>	<u>(13,093)</u>	<u>24,621</u>	<u>499,007</u>	<u>474,386</u>
Other Financing Sources (Uses):					
Cancel Old Fund 20 Receivable	(37,714)		(37,714)	(83)	(83)
Transfer to Food Service	<u>(37,714)</u>	<u>-</u>	<u>(37,714)</u>	<u>(18,083)</u>	<u>19,631</u>
Total Other Financing Sources (Uses)				<u>(18,166)</u>	<u>19,548</u>
Total (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	<u>-</u>	<u>(13,093)</u>	<u>(13,093)</u>	<u>480,841</u>	<u>493,934</u>
Fund Balance July 1	<u>264,047</u>		<u>264,047</u>	<u>264,047</u>	<u>-</u>
Fund Balance June 30	<u>\$ 264,047</u>	<u>(13,093)</u>	<u>250,954</u>	<u>744,888</u>	<u>493,934</u>

BRIELLE SCHOOL DISTRICT

Exhibit C-1
Sheet 9 of 9

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Recapitulation					
Committed Fund Balance:					
Capital Reserve				\$ 1	
Maintenance Reserve				332,003	
Assigned Fund Balance:					
Year End Encumbrances				105,685	
Unassigned Fund Balance				<u>307,199</u>	
				<u>744,888</u>	
Reconciliation to Governmental Funds Statements (GAAP):					
Final State Aid Payments not Recognized on GAAP Basis				<u>(5,464)</u>	
Fund Balance Per Governmental Funds (GAAP)				<u>\$ 739,424</u>	

BRIELLE SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE

SPECIAL REVENUE FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Revenues:					
Federal Sources	\$ 143,225	52,873	196,098	196,098	
Total Revenues	<u>\$ 143,225</u>	<u>52,873</u>	<u>196,098</u>	<u>196,098</u>	<u>-</u>
Expenditures:					
Instruction:					
Salaries of Teachers	\$ 11,591	3,254	14,845	14,845	
Purchased Professional Technical Services		13,319	13,319	13,319	
Tuition	131,634	35,610	167,244	167,244	
Total Instruction	<u>143,225</u>	<u>52,183</u>	<u>195,408</u>	<u>195,408</u>	<u>-</u>
Support Services:					
Personal - Services - Benefits		669	669	669	
Purchased Prof. & Tach Services		21	21	21	
Total Support Services	<u>-</u>	<u>690</u>	<u>690</u>	<u>690</u>	<u>-</u>
Total Expenditures	<u>\$ 143,225</u>	<u>52,873</u>	<u>196,098</u>	<u>196,098</u>	<u>-</u>

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

BRIELLE SCHOOL DISTRICTREQUIRED SUPPLEMENTARY INFORMATION

Exhibit C-3

BUDGET-TO GAAP RECONCILIATIONNOTE TO RSIFOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>General Fund</u>	<u>Special Revenue Fund</u>
<u>Sources/Inflows of Resources</u>		
Actual Amounts (Budgetary Basis) "Revenue" from Budgetary Comparison Schedule	\$ 12,178,962	196,098
Difference - Budget to GAAP:		
Grant Accounting Budgetary Basis Differs from GAAP in that Encumbrances are Recognized as Expenditures, and the Related Revenue is Recognized		
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes	65,931	
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year	<u>(5,464)</u>	
Total Revenue as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	<u>\$ 12,239,429</u>	<u>196,098</u>
<u>Uses/Outflows of Resources</u>		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 11,679,955	196,098
Differences - Budget to GAAP:		
Encumbrances for Supplies and Equipment Ordered but not Received are reported in the Year the Order is Placed for Budgetary Purposes, but in the Year the Supplies are Received for Financial Reporting Purposes		
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 11,679,955</u>	<u>196,098</u>

OTHER SUPPLEMENTARY INFORMATION

SCHOOL LEVEL SCHEDULES – D

N/A

SPECIAL REVENUE FUND – E

BRIELLE SCHOOL DISTRICT

SPECIAL REVENUE FUND

COMBINING STATEMENT OF REVENUES AND EXPENDITURES

BUDGETARY BASIS

FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>Title I</u>	<u>Title IIA</u>	<u>Title IID</u>	<u>I.D.E.A. Part B Basic</u>	<u>I.D.E.A. Part B Pre-School</u>	<u>Total</u>
Revenues:						
Federal Sources	\$ 9,417	12,195	21	167,244	7,221	196,098
Total Revenues	\$ 9,417	12,195	21	167,244	7,221	196,098
Expenditures:						
Instruction:						
Salaries of Teachers	\$ 8,748	6,097				14,845
Purchased Prof. & Technical Services		6,098			7,221	13,319
Tuition				167,244		167,244
Total Instruction	8,748	12,195	-	167,244	7,221	195,408
Support Services:						
Personal Services - Employee Benefits	669					669
Purchased Prof. & Technical Services			21			21
Total Support Services	669	-	21	-	-	690
Total Expenditures	\$ 9,417	12,195	21	167,244	7,221	196,098

CAPITAL PROJECTS FUND – F

N/A

PROPRIETARY FUNDS – G

BRIELLE SCHOOL DISTRICT

STATEMENT OF NET ASSETS

Exhibit G-1

ENTERPRISE FUND

JUNE 30, 2011

	<u>Food Services</u>	<u>Kindergarten Program</u>	<u>Extracurricular</u>		<u>Aftercare Program</u>	<u>Total</u>
			<u>Sports Program</u>	<u>Activities Program</u>		
<u>Assets</u>						
Current Assets:						
Cash and Cash Equivalents	\$ 31,931	10,073	1,775	16,110	12,356	72,245
Accounts Receivable:						
State	524					524
Federal	4,026					4,026
Inventories	4,163					4,163
Total Current Assets	<u>40,644</u>	<u>10,073</u>	<u>1,775</u>	<u>16,110</u>	<u>12,356</u>	<u>80,958</u>
Noncurrent Assets:						
Equipment	68,465					68,465
Accumulated Depreciation	<u>(56,767)</u>					<u>(56,767)</u>
Total Noncurrent Assets	<u>11,698</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,698</u>
Total Assets	<u>\$ 52,342</u>	<u>10,073</u>	<u>1,775</u>	<u>16,110</u>	<u>12,356</u>	<u>92,656</u>
<u>Liabilities</u>						
Accounts Payable	\$ 9,031	10,000	-	-	-	19,031
Total Liabilities	<u>\$ 9,031</u>	<u>10,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>19,031</u>
<u>Net Assets</u>						
Investment in Fixed Assets Unrestricted	\$ 11,698	73	1,775	16,110	12,356	11,698
	<u>31,613</u>	<u>73</u>	<u>1,775</u>	<u>16,110</u>	<u>12,356</u>	<u>61,927</u>
Total Net Assets	<u>\$ 43,311</u>	<u>73</u>	<u>1,775</u>	<u>16,110</u>	<u>12,356</u>	<u>73,625</u>

BRIELLE SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENSES AND CHANGES

Exhibit G-2

IN FUND NET ASSETS

ENTERPRISE FUND

JUNE 30, 2011

	<u>Food Services</u>	<u>Kindergarten Program</u>	<u>Extracurricular</u>		<u>Aftercare Program</u>	<u>Total</u>
			<u>Sports Program</u>	<u>Activities Program</u>		
Operating Revenues:						
Local Sources:						
Daily Sales Reimbursable Programs	\$ 149,709	101,550	37,725	136,197	54,383	149,709
Fees	-					329,855
Total Operating Revenue	149,709	101,550	37,725	136,197	54,383	479,564
Operating Expenses:						
Salaries	18,083	69,057	33,929	7,000	39,074	167,143
Benefits		22,471	2,032	1,601	2,966	29,070
Cost of Sales	182,233					182,233
Computer Supplies	1,395					1,395
Depreciation	4,992					4,992
Miscellaneous	3,292	10,000		111,535		124,827
Total Operating Expenses	209,995	101,528	35,961	120,136	42,040	509,660
Operating (Loss)/Profit	(60,286)	22	1,764	16,061	12,343	(30,096)
Non-Operating Revenues:						
State Sources:						
State School Lunch Program	2,120					2,120
Federal Sources:						
National School Lunch Program	21,356					21,356
Food Distribution Program	8,908	51	11	49	13	8,908
Interest Revenue						124
Board Subsidy	18,083					18,083
Total Non-Operating Revenues	50,467	51	11	49	13	50,591
Change in Net Assets	(9,819)	73	1,775	16,110	12,356	20,495
Net Assets, July 1	53,130	-	-	-	-	53,130
Net Assets, June 30	\$ 43,311	73	1,775	16,110	12,356	73,625

BRIELLE SCHOOL DISTRICT
STATEMENT OF CASH FLOWS

Exhibit G-3

ENTERPRISE FUND

JUNE 30, 2011

	Food Services	Kindergarten Program	Extracurricular		Afterschool Program	Total
			Sports Program	Activities Program		
Cash Flows from Operating Activities:						
Receipts from Daily Sales	\$ 149,709	101,550	37,725	136,197	54,383	479,564
Payments to Employees	(18,083)	(91,528)	(35,961)	(8,601)	(42,040)	(196,213)
Payments to Suppliers	(163,603)			(111,535)		(275,138)
Net Cash Used by Operating Activities	<u>(31,977)</u>	<u>10,022</u>	<u>1,764</u>	<u>16,061</u>	<u>12,343</u>	<u>8,213</u>
Cash Flows from Noncapital Financing Activities:						
State Sources	2,103					2,103
Federal Sources	21,544					21,544
Board Subsidy	18,083					18,083
Net Cash Provided by Noncapital Financing Activities	<u>41,730</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>41,730</u>
Cash Flows from Investing Activities:						
Interest Received		51	11	49	13	124
Net Cash Provided by Investing Activities	<u>-</u>	<u>51</u>	<u>11</u>	<u>49</u>	<u>13</u>	<u>124</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	9,753	10,073	1,775	16,110	12,356	50,067
Cash and Cash Equivalents July 1	<u>22,178</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>22,178</u>
Cash and Cash Equivalents June 30	<u>\$ 31,931</u>	<u>10,073</u>	<u>1,775</u>	<u>16,110</u>	<u>12,356</u>	<u>72,245</u>
Cash Flows from Operating Activities:						
Operating (Loss)/Profit	\$ (60,286)	22	1,764	16,061	12,343	(30,096)
Adjustments to Reconcile Operating Loss to Cash Provided (Used) by Operating Activities:						
Federal Commodities Consumed	8,908					8,908
Depreciation	4,992					4,992
Changes in Assets and Liabilities:						
Increase/(Decrease) in Accounts Payable	5,717	10,000				15,717
(Increase)/Decrease in Inventory	8,692					8,692
Net Cash Used by Operating Activities	<u>\$ (31,977)</u>	<u>10,022</u>	<u>1,764</u>	<u>16,061</u>	<u>12,343</u>	<u>8,213</u>

FIDUCIARY FUND – H

BRIELLE SCHOOL DISTRICT

TRUST AND AGENCY FUND

Exhibit H-1

COMBINING STATEMENT OF FIDUCIARY NET ASSETS

AS OF JUNE 30, 2011

	Agency		Expendable Trusts		Totals
	Student Activity	Payroll Agency Account	Scholarship Fund	Unemployment Compensation	
Assets:					
Cash and Cash Equivalents	\$ 11,445	483	7,885	3,078	22,891
Total Assets	<u>\$ 11,445</u>	<u>483</u>	<u>7,885</u>	<u>3,078</u>	<u>22,891</u>
Liabilities and Net Assets:					
Liabilities:					
Due to Student Groups	\$ 11,445				11,445
Payroll Deductions and Withholdings		483			483
Total Liabilities	<u>11,445</u>	<u>483</u>	<u>-</u>	<u>-</u>	<u>11,928</u>
Net Assets:					
Reserved - Scholarships			7,885		7,885
Reserved - Unemployment Benefits				3,078	3,078
Total Net Assets			<u>7,885</u>	<u>3,078</u>	<u>10,963</u>

BRIELLE SCHOOL DISTRICTEXPENDABLE TRUST FUNDS

Exhibit H-2

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETSJUNE 30, 2011

	<u>Scholarships</u>	<u>Unemployment Compensation Insurance Trust Fund</u>	<u>Totals</u>
Additions:			
Local Sources:			
Interest on Investments	\$ 58		58
Contributions	-	120,201	120,201
Total Additions	<u>58</u>	<u>120,201</u>	<u>120,259</u>
Deductions:			
Scholarship Payments	450		450
Unemployment Claims		128,545	128,545
Total Deductions	<u>450</u>	<u>128,545</u>	<u>128,995</u>
Change in Net Assets	(392)	(8,344)	(8,736)
Net Assets, July 1	<u>8,277</u>	<u>11,422</u>	<u>19,699</u>
Net Assets, June 30	<u>\$ 7,885</u>	<u>3,078</u>	<u>10,963</u>

BRIELLE SCHOOL DISTRICT**STUDENT ACTIVITY AGENCY FUND**

Exhibit H-3

SCHEDULE OF RECEIPTS AND DISBURSEMENTS**FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	<u>Balance</u> <u>June 30, 2010</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursements</u>	<u>Balance</u> <u>June 30, 2011</u>
Elementary School:				
School Fund	\$ 3,610	4,671	3,562	4,719
Yearbook	901	5,565	5,392	1,074
Drama Account	7,281	270	6,876	675
Band Account	2,469		1,521	948
Student Council	4,464	3,432	3,867	4,029
	<u>4,464</u>	<u>3,432</u>	<u>3,867</u>	<u>4,029</u>
Total All Schools	<u>\$ 18,725</u>	<u>13,938</u>	<u>21,218</u>	<u>11,445</u>

BRIELLE SCHOOL DISTRICT**PAYROLL AGENCY FUND**

Exhibit H-4

SCHEDULE OF RECEIPTS AND DISBURSEMENTS**JUNE 30, 2011**

	<u>Balance</u> <u>June 30, 2010</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2011</u>
Assets:				
Cash and Cash Equivalents	\$ 135	2,270,411	2,270,063	483
Total Assets	<u>\$ 135</u>	<u>2,270,411</u>	<u>2,270,063</u>	<u>483</u>
Liabilities:				
Payroll Deductions and Withholdings	\$ 135	2,270,411	2,270,063	483
Total Liabilities	<u>\$ 135</u>	<u>2,270,411</u>	<u>2,270,063</u>	<u>483</u>

LONG-TERM DEBT – I

BRIELLE SCHOOL DISTRICT

LONG-TERM DEBT

Exhibit I-1

SCHEDULE OF SERIAL BONDS

JUNE 30, 2011

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Original Issue</u>	<u>Maturities Dates</u>	<u>Maturities Amount</u>	<u>Interest Rate</u>	<u>Amount Outstanding June 30, 2010</u>	<u>Retired Current Year</u>	<u>Amount Outstanding June 30, 2011</u>
Elementary School Addition	2/27/01	\$ 6,915,000	3/1/2012-13 3/1/2014	\$ 400,000 400,000	4.4% 4.5%	\$ 4,400,000	400,000	4,000,000
			3/1/2015 3/1/2016	400,000 400,000	4.6% 4.7%			
			3/1/2017 3/1/2018	400,000 400,000	4.85% 4.95%			
			3/1/2019-21	400,000	5.00%			
						\$ 4,400,000	400,000	4,000,000

BRIELLE SCHOOL DISTRICT

LONG-TERM DEBT

Exhibit I-2

SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES PAYABLE

JUNE 30, 2011

<u>Series</u>	<u>Interest Rate Payable</u>	<u>Amount of Original Issue</u>	<u>Amount Outstanding June 30, 2010</u>	<u>Retired Current Year</u>	<u>Amount Outstanding June 30, 2011</u>
Software	9.03%	\$ 37,500	\$ 17,003	8,059	8,944
Xerox Copiers	7.50%	28,859	7,537	7,537	-
			<u>\$ 24,540</u>	<u>15,596</u>	<u>8,944</u>

BRIELLE SCHOOL DISTRICT

DEBT SERVICE FUND

Exhibit I-3

BUDGETARY COMPARISON SCHEDULE

JUNE 30, 2011

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Fund to Actual</u>
Revenues:					
Local Sources					
Local Tax Levy	\$ 608,600		608,600	608,600	-
Total Revenues	<u>608,600</u>	<u>-</u>	<u>608,600</u>	<u>608,600</u>	<u>-</u>
Expenditures:					
Regular Interest	208,600		208,600	208,600	-
Redemption of Principal	400,000		400,000	400,000	-
Total Expenditures	<u>608,600</u>	<u>-</u>	<u>608,600</u>	<u>608,600</u>	<u>-</u>
Excess Revenues Over Expenditures	-	-	-	-	-
Fund Balance July 1	<u>5</u>		<u>5</u>	<u>5</u>	<u>-</u>
Fund Balance June 30	<u>5</u>	<u>-</u>	<u>5</u>	<u>5</u>	<u>-</u>

STATISTICAL SECTION

(Unaudited)

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

Exhibit J-1
GASB B-1
New

	2007	2008	2009	2010	2011
Governmental activities					
Invested in capital assets, net of related debt	\$ 3,855,595	4,105,650	4,216,810	4,384,356	4,563,229
Restricted	6,174		53,044	12,209	437,694
Unrestricted	(68,258)		13,262	(29,481)	86,342
Total governmental activities net assets	\$ 3,793,511	4,105,650	4,283,116	4,367,084	5,087,265
Business-type activities					
Invested in capital assets, net of related debt	\$ 32,458	27,314	22,002	16,690	11,698
Restricted					
Unrestricted	14,809	10,435	24,292	36,440	61,927
Total business-type activities net assets	\$ 47,267	37,749	46,294	53,130	73,625
District-wide					
Invested in capital assets, net of related debt	\$ 3,888,053	4,132,964	4,238,812	4,401,046	4,574,927
Restricted	6,174	-	53,044	12,209	437,694
Unrestricted	(53,449)	10,435	37,554	6,959	148,269
Total district net assets	\$ 3,840,778	4,143,399	4,329,410	4,420,214	5,160,890

Source: CAFR Schedule A-1

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

Exhibit J-2
GASB B-2
New

	2007	2008	2009	2010	2011
Expenses					
Governmental activities					
Instruction					
Regular	\$ 2,898,967	2,913,242	3,265,789	3,073,794	2,583,188
Special Education	628,946	511,306	738,416	808,352	727,741
Other Instruction	74,363	83,813	103,849	101,564	16,758
Support Services:					
Tuition	2,829,811	3,147,003	3,134,339	3,644,295	4,218,993
Student & Instruction Related Services	695,093	706,468	785,614	945,806	781,038
School administrative services	468,043	449,785	258,824	183,450	192,847
Business administrative services	169,685	221,343	433,769	548,470	447,397
Plant Operations and Maintenance	626,775	641,178	715,980	749,205	659,907
Unallocated Benefits	1,755,091	1,087,545	1,727,141	1,734,344	1,783,669
Pupil Transportation	499,179	505,302	508,588	497,645	431,551
Interest on long-term debt	268,569	255,780	235,880	219,747	202,733
Unallocated depreciation	249,906	254,325	258,344	269,210	274,728
Total governmental activities expenses	<u>11,164,428</u>	<u>10,777,090</u>	<u>12,166,533</u>	<u>12,775,882</u>	<u>12,320,550</u>
Business-type activities:					
Food service	227,719	187,833	232,627	228,051	209,995
Other					299,665
Total business-type activities expense	<u>227,719</u>	<u>187,833</u>	<u>232,627</u>	<u>228,051</u>	<u>509,660</u>
Total district expenses	<u>11,392,147</u>	<u>10,964,923</u>	<u>12,399,160</u>	<u>13,003,933</u>	<u>12,830,210</u>
Program Revenues					
Governmental activities:					
Charges for services:					
Instruction (tuition)		14,400			38,025
Pupil transportation		40,886			
Business and other support services			191,174	362,983	196,098
Operating grants and contributions	185,552	178,425			
Capital grants and contributions					
Total governmental activities program revenues	<u>185,552</u>	<u>233,711</u>	<u>191,174</u>	<u>362,983</u>	<u>234,123</u>
Business-type activities:					
Charges for services:					
Food service	172,422	186,433	183,267	181,588	149,709
Other	32,025		35,365	35,617	32,384
Operating grants and contributions					
Capital grants and contributions					
Total business-type activities program revenues	<u>204,447</u>	<u>186,433</u>	<u>218,632</u>	<u>217,205</u>	<u>511,948</u>
Total district program revenues					
Net (Expense)/Revenue					
Governmental activities	(10,978,876)	(10,543,379)	(11,975,359)	(12,412,899)	(12,086,427)
Business-type activities	(23,272)	(1,400)	(13,995)	(10,846)	2,288
Total district-wide net expense	<u>(11,002,148)</u>	<u>(10,544,779)</u>	<u>(11,989,354)</u>	<u>(12,423,745)</u>	<u>(12,084,139)</u>

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

Exhibit J-2
 GASB B-2
 New

	2007	2008	2009	2010	2011
General Revenues and Other Changes in Net Assets					
Governmental activities:					
Property taxes levied for general purposes, net	8,959,586	9,747,922	10,137,139	10,527,417	11,329,491
Taxes levied for debt service	648,279	625,378	601,158	605,320	608,600
Unrestricted grants and contributions	1,375,832	641,680	1,313,983	1,325,415	868,122
Miscellaneous income	134,576	57,800	59,109	50,575	3,708
Transfers	-	-	(22,455)	(17,682)	(18,083)
Total governmental activities	11,118,273	11,072,780	12,088,934	12,491,045	12,791,838
Business-type activities:					
Investment earnings					124
Transfers/Miscellaneous	21,852		22,455	17,682	18,083
Total business-type activities	21,852	-	22,455	17,682	18,207
Total district-wide	11,140,125	11,072,780	12,111,389	12,508,727	12,810,045
Change in Net Assets					
Governmental activities	139,397	529,401	113,575	78,146	705,411
Business-type activities	(1,420)	(1,400)	8,460	6,836	20,495
Total district	137,977	528,001	122,035	84,982	725,906

Source: CAFR Schedule A-2

**Brielle Board of Education
Fund Balances, Governmental Funds,
Last Eight Fiscal Years**
(modified accrual basis of accounting)

**Exhibit J-3
GASB B-3
New**

	2004	2005	2006	2007	2008	2009	2010	2011
General Fund								
Reserved	\$ 99,733	14,275	27,038	9,729	164,100	53,039	12,204	437,689
Unreserved	366,077	188,354	216,840	152,424	165,567	245,556	185,912	301,735
Total general fund	465,810	188,354	243,878	162,153	329,667	298,595	198,116	739,424
All Other Governmental Funds								
Reserved	\$ 73,560	-	-	-	-	-	-	-
Unreserved, reported in:								
Special revenue fund	11,980	29,449	3,677					
Capital projects fund	708	99,280	19,798					
Debt service fund	-	-	4	6	7	5	5	5
Permanent fund	-	-	-	-	-	-	-	-
Total all other governmental funds	\$ 86,248	128,729	23,479	6	7	5	5	5

*Forecast

Brielle Board of Education
Changes in Fund Balances, Governmental Funds,
Last Ten Fiscal Years

Exhibit J-4
GASB B-4
New

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Revenues										
Tax levy	\$ 6,492,440	7,629,802	8,155,936	8,632,520	9,269,620	9,607,865	10,373,301	10,738,297	11,132,737	11,938,091
Tuition charges	6,305	19,080	96,611	7,796	8,000	12,375	14,400	20,550	40,460	38,025
Interest earnings	9,224	15,998	8,186	29,316	47,058	72,866	54,483	15,836	10,115	3,791
Miscellaneous	4,739	17,475	-	-	-	7,258	3,317	-	-	0
State Sources	551,896	400,313	508,823	585,403	499,674	544,997	560,030	794,442	1,325,415	868,122
Federal sources	-	-	-	-	-	-	-	-	362,983	196,098
Total revenue	7,064,604	8,082,668	8,769,556	9,255,035	9,824,352	\$10,245,361	\$11,005,531	11,569,125	12,871,710	13,044,127
Expenditures										
Instruction										
Regular Instruction	2,066,087	2,372,873	2,519,542	2,583,960	2,871,377	2,870,715	2,913,242	3,272,479	3,090,695	2,577,948
Special education instruction	256,663	309,513	332,299	410,002	454,575	446,126	511,306	547,241	808,352	727,741
Other Instruction	-	2,664	2,039	-	-	6,519	7,206	7,803	101,564	16,758
Extracurricular-Non sports	-	-	-	-	-	34,905	40,942	50,474	-	-
Extracurricular-Sports	-	-	-	-	-	32,939	35,665	45,572	-	-
Vocational education	-	-	-	-	-	-	-	-	-	-
Other instruction	66,615	59,330	82,187	66,410	69,924	-	-	-	-	-
Support Services:										
Tuition	1,842,318	2,224,953	2,195,373	2,471,216	2,621,929	2,829,811	3,147,003	3,134,339	3,644,295	4,218,993
Student & instruction related services	392,473	527,456	556,513	590,672	566,196	694,660	706,468	785,610	945,806	781,038
General administrative services	312,575	341,541	418,513	229,291	482,396	169,685	200,676	190,711	183,450	192,847
School Administrative services	154,486	206,153	164,811	383,354	152,645	468,040	470,452	501,878	548,470	447,397
Plant operations and maintenance	318,335	512,574	588,481	551,101	637,007	626,774	641,178	715,979	749,205	659,907
Pupil transportation	240,870	266,929	290,077	334,391	411,646	499,179	505,301	508,987	497,645	431,551
Unallocated employee benefits	712,312	796,414	893,545	936,921	1,041,454	1,007,484	1,087,545	1,175,114	1,734,344	1,783,669
Capital outlay	28,364	159,219	91,741	26,145	23,701	34,695	15,114	31,023	45,361	38,204
Debt service:										
Principal	-	-	289,667	318,064	341,593	379,399	369,120	360,000	380,000	400,000
Interest and other charges	-	-	316,390	303,093	288,564	268,880	256,258	241,160	225,320	208,600
Total expenditures	6,391,098	7,779,619	8,741,178	9,204,620	9,963,007	10,369,791	10,907,476	11,568,370	12,954,507	12,484,653
Excess (Deficiency) of revenues over (under) expenditures	(53,201)	(202,483)	28,378	50,415	(138,655)	(124,430)	98,055	755	(82,797)	559,474
Other Financing sources (uses)										
Transfers in	(24,478)	(26,712)	(25,405)	-	(28,278)	-	-	-	(17,682)	-
Transfers out	-	-	-	-	-	-	-	-	-	(18,166)
Total other financing sources (uses)	(24,478)	(26,712)	(25,405)	-	(28,278)	-	-	-	(17,682)	(18,166)
Net change in fund balances	\$ 134,507	(229,195)	2,973	50,415	(166,933)	(124,430)	98,055	755	(100,479)	541,308
Debt service as a percentage of noncapital expenditures	0.0%	0.0%	7.0%	6.8%	6.3%	6.30%	5.60%	5.90%	5.04%	5.19%
June 30 Fund Balance	\$ 587,974	366,912	350321	418,815	225,366	212,555	190,824	298,595	198,116	739,424

Source: CAFR Schedule B-2

**Brielle Board of Education
 General Fund - Other Local Revenue by Source
 Last Ten Fiscal Years
 Unaudited**

Fiscal Year Ended June 30	Interest on Investments	Tuition Revenues	Miscellaneous	Total
2002 \$	9,224	6,305	4,739	20,268
2003	15,998	19,080	17,475	52,553
2004	8,186	96,611	-	104,797
2005	29,316	7,796	-	37,112
2006	65,756	9,682	-	75,438
2007	72,866	12,375	2,258	87,499
2008	54,483	14,400	3,317	72,200
2009	15,836	20,550	22,723	59,109
2010	10,115	40,460	-	50,575
2011	2,324	38,025	1,467	41,816

Exhibit J-6
GASB C-11
NJ J-4

Brielle Board of Education
Assessed Value and Actual Value of Taxable Property,
Last Ten Fiscal Years

Fiscal Year Ended June 30	Vacant Land	Residential	Farm Reg	Ofarm	Commercial	Industrial	Apartment	Total Assessed Value	Less: Tax-Exempt Property	Public Utilities ^a	Net Valuation Taxable	Total Direct School Tax Rate ^b
2001	\$ -	578,174,203	-	-	-	-	-	578,174,203	-	-	578,174,203	1.123
2002	-	582,571,882	-	-	-	-	-	582,571,882	-	-	582,571,882	1.210
2003	-	587,024,170	-	-	-	-	-	587,024,170	-	-	587,024,170	1.389
2004	-	595,327,971	-	-	-	-	-	595,327,971	-	-	595,327,971	1.450
2005	-	613,918,914	-	-	-	-	-	613,918,914	-	-	613,918,914	1.520
2006	-	614,583,627	-	-	-	-	-	614,583,627	-	-	614,583,627	1.570
2007	-	1,703,970,532	-	-	-	-	-	1,703,970,532	-	-	1,703,970,532	0.609
2008	-	1,703,512,600	-	-	-	-	-	1,703,512,600	-	-	1,703,512,600	0.630
2009	-	1,684,687,233	-	-	-	-	-	1,684,687,233	-	-	1,684,687,233	0.660
2010	-	1,672,150,800	-	-	-	-	-	1,672,150,800	-	-	1,672,150,800	0.708

Source: District records Tax list summary & Municipal Tax Assessor

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

Reassessment occurs when ordered by the County Board of Taxation

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

^b Tax rates are per \$100

**Brielle Board of Education
Direct and Overlapping Property Tax Rates
Last Ten Years**

**Exhibit J-7
GASB C-2
NJ J-5**

(rate per \$100 of assessed value)

	School Tax	Municipal Tax	County Tax	Total
2001	1.123	0.604	0.539	2.266
2002	1.310	0.643	0.574	2.527
2003	1.389	0.666	0.606	2.661
2004	1.450	0.669	0.655	2.774
2005	1.528	0.675	0.627	2.830
2006	1.570	0.697	0.627	2.894
2007	0.610	0.270	0.233	1.113
2008	0.630	0.290	0.232	1.152
2009	0.652	0.308	0.240	1.200
2010	0.709	0.339	0.250	1.298

Brielle Board of Education
Principal Property Tax Payers,
Current Year

Exhibit J-8

GASB C-3
NJ J-11

Taxpayer	2010		% of Total District Net Assessed Value
	Taxable Assessed Value	Rank [Optional]	
Manasquan River Golf Club	\$ 15,503,600	1	2.20%
Brielle Sui Generis	10,000,000	2	1.46%
Brandywine at Brielle	6,702,800	3	1.00%
Brandywine East II	6,518,500	4	0.92%
Bruce Wesson	6,501,400	5	1.00%
Total	\$ 45,226,300		6.58%

Source: District CAFR & Municipal Tax Assessor

**Brielle Board of Education
School Property Tax Levies and Collections,
Last Five Years**

Exhibit J-9
GASB C-4
Expanded J-3

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2007	9,607,865	9,607,865	100.00%	
2008	10,373,301	10,373,301	100.00%	
2009	10,738,297	10,738,297	100.00%	
2010	11,132,737	11,132,737	100.00%	
2011	11,938,091	11,938,091	100.00%	

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

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 is the amount voted upon or certified prior to the end of the school.

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

Fiscal Year Ended June 30,	Governmental Activities				Business-Type Activities		Total District
	General Obligation Bonds ^b	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases		
2002	\$ 6,715,000	-	17,489	-	-	6,732,489	
2003	6,515,000	-	74,150	-	-	6,589,150	
2004	6,290,000	-	12,683	-	-	6,302,683	
2005	6,040,000	-	32,557	-	-	6,072,557	
2006	5,770,000	-	21,512	-	-	5,791,512	
2007	5,470,000	-	16,145	-	-	5,486,145	
2008	5,140,000	-	15,114	-	-	5,155,114	
2009	4,780,000	-	-	-	-	4,780,000	
2010	4,400,000	-	-	-	-	4,400,000	
2011	4,000,000	-	-	-	-	4,000,000	

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.

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

Exhibit J-11
GASB D-2
NJ J-6 modified

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value ^a of Property	Debt Limit
	General Obligation Bonds	Deductions	Taxable Valuation		
2002	\$ 6,715,000	-	582,571,882	1.15%	17,477,156
2003	6,515,000	-	587,024,170	1.11%	17,610,725
2004	6,290,000	-	595,327,971	1.06%	17,859,839
2005	6,040,000	-	613,918,914	0.98%	18,417,567
2006	5,770,000	-	614,583,627	0.94%	18,437,508
2007	5,470,000	-	1,703,970,532	0.32%	49,953,533
2008	5,140,000	-	1,703,512,600	0.30%	49,914,417
2009	4,780,000	-	1,703,512,600	0.28%	49,914,417
2010	4,400,000	-	1,684,687,233	0.26%	49,914,417
2011	4,000,000	-	1,672,150,800	0.24%	49,914,417

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

^a See Exhibit NJ J-6 for property tax data.

^b Population data can be found in Exhibit NJ J-13.

Brielle Board of Education
 Ratios of Overlapping Governmental Activities Debt
 As of December 31, 2010

Exhibit J-12
 GASB D-3
 NJ J-8 modified

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable ^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes Brielle Boro	\$ 1,944,306	100.000%	1,944,306
Other debt Monmouth County	488,135,115	1.240%	<u>6,052,875</u>
Subtotal, overlapping debt			7,997,181
Brielle School District Direct Debt			<u>4,400,000</u>
Total direct and overlapping debt			<u>\$ 12,397,181</u>

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

Exhibit J-13
 GASB D-4
 NJ J-7 modified

Legal Debt Margin Calculation for Year 2010

2008 Equivalized Valuation	\$ 1,591,918,838
2009 Equivalized Valuation	1,563,651,912
2010 Equivalized Valuation	<u>1,567,605,886</u>
3 Year Average	<u>\$ 1,581,058,879</u>
Debt Limit (3% of Average)	<u>\$ 47,431,766</u>

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Debt limit	\$ 17,477,156	\$ 17,610,725	\$ 17,859,839	\$ 18,417,567	\$ 18,437,508	\$46,732,408	\$46,732,408	49,914,417	47,431,766	47,431,766
Total net debt applicable to limit	-	6,715,000	6,515,000	6,226,057	5,884,445	5,470,000	5,140,000	4,780,000	4,380,000	4,000,000
Legal debt margin	<u>\$ 17,477,156</u>	<u>10,895,725</u>	<u>11,344,839</u>	<u>12,191,510</u>	<u>12,553,063</u>	<u>41,262,408</u>	<u>41,592,408</u>	<u>45,134,417</u>	<u>43,051,766</u>	<u>43,431,766</u>
Total net debt applicable to the limit as a percentage of debt limit	0.00%	38.13%	36.48%	33.80%	31.92%	11.70%	11%	9.56%	9.23%	8.01%

Source: Abstract of Rates and District Records CAFR Schedule J-7

a Limit set by NJSA 18A:24-19 for a K through 8 district; other % limits would be applicable for other districts

**Brielle Board of Education
Demographic and Economic Statistics
Last Ten Fiscal Years
Form J-14**

Exhibit J-14

GASB E-1
NJ J-10 modified

<u>Year</u>	<u>Population^a</u>	<u>Student Enrollment</u>	<u>Ratio of Students to Population</u>
2002	4760	595	12.50%
2003	4797	604	12.59%
2004	4813	659	13.69%
2005	4857	699	14.39%
2006	4901	703	14.34%
2007	4990	714	14.31%
2008	5001	712	14.24%
2009	5012	713	14.23%
2010	4990	728	14.59%
2011	4774	665	13.93%

Source:

^a Population information provided by the Brielle Boro Municipal Hall
Alternate Sources-US Census and Wikipedia

Exhibit J-15

GASB E-2
NEW

Brielle Board of Education
Principal Employers,
Current Year and Nine Years Ago

	2011			2002		
	Employers	Rank (Optional)	Percentage of Total Employment	Employees	Rank (Optional)	Percentage of Total Employment

No Information Available

Brielle Board of Education
 Full-time Equivalent District Employees by Function/Program,
 Last Three Fiscal Years Plus Budget for 2011-2012

Exhibit J-16
 GASB F-1
 New

Function/Program	2009		2010		2011		2012	
120-100 Regular Education Teachers	48		48		37.5		37	
100-101 Teacher Special Revenue	8		6		6		6	
100-106 Classroom Aides	4		15		9		8	
213-100 Health Services	4		2		2		2	
216-100 Speech	2		2		-		0	
218-104 Guidance	2		1		1		1	
219-104 Child Study Team	3		3		3		3	
221-102 DSS Supervisors	0.5		0.5		0.5		0.5	
222-100 Media Technology	1		1		2		2	
230-100 General Administration	4		3.5		3.5		3.5	
240-100 Administration Principal	1		1		1		1	
250-100 Business Administration	3		3		2		2	
26x-100 Maintenance	7		7		7		6	
Total	87.0		93.0		74.5		72	

Exhibit J-
17

Brielle Borough Board of Education
Operating Statistics
Last Eight Fiscal Years

GASB F-6
NJ J-12, 14

Fiscal Year	Enrollment	Operating Expenditures ^a	Cost Per Pupil	Percentage Change	Teaching Staff ^b	Pupil/Teacher Ratio	Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	Student Attendance Percentage
2004	659	\$ 8,741,178	8,348	#REF!	50	13.18	638	610	95.77%
2005	699	9,204,620	8,796	5.37%	51	13.60	658	628	95.44%
2006	703	9,963,007	8,988	2.18%	54	13.04	701	671.00	95.72%
2007	714	10,369,791	8,903	-0.95%	57	12.61	708	675.00	95.34%
2008	712	10,907,476	9,346	4.98%	57	12.47	714	686.00	96.08%
2009	713	11,568,370	10,320	10.42%	54	13.23	708	680.00	96.05%
2010	728	12,035,242	10,395	0.73%	43	17	727	692.00	95.19%
2011	665	11,472,483	9,849	-5.25%	43	15.47	660	628.00	95.20%

Brielle Board of Education
 School Building Information
 Last Ten Fiscal Years

Exhibit J-18
 GASB F-4
 New

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
District Building										
Brielle School										
Square Feet	110,000	110,000	110,000	110,000	110,000	110,000	110,000	110,000	110,000	110,000
Capacity (students)	762	762	762	762	762	762	762	762	762	762
Enrollment	595	604	659	699	703	714	712	713	728	665

BRIELLE SCHOOL DISTRICT
 GENERAL FUND
 SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES
 LAST NINE FISCAL YEARS
 UNAUDITED

UNDISTRIBUTED EXPENDITURES - REQUIRED MAINTENANCE FOR SCHOOL FACILITIES

	2011	2010	2009	2008	2007	2006	2005	2004	2003
School Facilities									
Brielle Elementary School	\$663,275	\$749,204	\$683,062	\$642,449	\$626,774	\$ 637,007	\$ 551,101	\$ 588,481	\$ 512,574

BRIELLE SCHOOL DISTRICT
INSURANCE SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
UNAUDITED

Form J-20

Company	Type of Coverage	Coverage	Deductible
NJSBAIG	Property Blanket Building & Contents- Replacement Cost Values	\$ 17,500,000	\$ 1,000
NJSBAIG	Flood/Earthquake	10,000,000	25,000
NJSBAIG	Pollution Liability	1,000,000	5,000
NJSBAIG	Crime Insurance		
	Employee Dishonesty	100,000	
	Forgery	50,000	
	Securities Loss	50,000	
	Computer Fraud	50,000	
	Treasurer Bond	360,000	
	Business Administrator/Board Secretary	360,000	
NJSBAIG	General Liability		
	-Each Occurrence	5,000,000	
	-Prod/Completed Oper	3,000,000	
	-Personal Injury	1,000,000	
	-Fire Damage	2,500,000	
	-Employee Benefit Liability	5,000,000	1,000
	Sexual Misconduct	2,000,000	
NJSBAIG	School Board Liability	2,000,000	
NJSBAIG	Student Accident	2,000,000	
NJSBAIG	Board of Education		
	-Liability Wrongful Acts Coverage		
	Each Loss	1,000,000	5,000
	Aggregate	1,000,000	5,000
NJSBAIG	Accident-Volunteer Workers	25,000	N/A
NJSBAIG	Student Accident - Voluntary Program		
	-Benefit Period 2 years	500,000	
NJSBAIG	Fidelity Bonds		
	-School Business Administrator/ Board Secretary	400,000	
NJSBAIG	-Covered Payrolls-Non-Professional	5,526,388	N/A

Source: District Records

SINGLE AUDIT SECTION

Robert A. Hulsart and Company

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RICHARD J. HELLENBRECHT, JR., C.P.A., P.S.A.

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

K-1

Honorable President and Members
of the Board of Education
Brielle School District
County of Monmouth
Brielle, New Jersey

We have audited the general-purpose financial statements of the Board of Education of the Brielle School District, in the County of Monmouth, State of New Jersey, as of and for the fiscal year ended June 30, 2011, and have issued our report thereon dated November 8, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

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

Robert A. Hulsart
Licensed Public School Accountant
No. 322
Robert A. Hulsart and Company

November 8, 2011

Robert A. Hulsart and Company

CERTIFIED PUBLIC ACCOUNTANTS

ARMOUR S. HULSART, C.P.A., R.M.A., P.S.A. (1959-1992)
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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

K-2

Honorable President and Members
 of the Board of Education
 Brielle School District
 County of Monmouth
 Brielle, New Jersey

Compliance

We have audited the compliance of the Board of Education of the Brielle School District, in the County of Monmouth, 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 Aid/Grant Compliance Supplement* that are applicable to each of its major state programs for the fiscal year ended June 30, 2011. Brielle Board of Education's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major state programs is the responsibility of the Brielle Board of Education's management. Our responsibility is to express an opinion on the Brielle Board of Education's compliance based on our audit.

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

In our opinion, the Board of Education of the Brielle School District, in the County of Monmouth, State of New Jersey, complied, in all material respects, with the requirements referred to above that are applicable to each of its major state programs for the year ended June 30, 2011.

Internal Control Over Compliance

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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. Brielle Board of Education's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit Brielle Board of Education's response and, accordingly, we express no opinion on it.

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

Robert A. Hulsart
Licensed Public School Accountant
No. 322
Robert A. Hulsart and Company

November 8, 2011

BRIELLE SCHOOL DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2011

CFDA Number	Award Amount	Grant Period		Balance at June 30, 2010	Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments	Balance at June 30, 2011		Due to Grantor
		From	To						(Accounts Receivable)	Deferred Revenue	
84-410	\$21,849	8/10/2010	9/30/2012	\$							
General Fund											
Education Jobs Fund											
U.S. Department of Education											
Passed Through State Department of Education											
Special Revenue Fund:											
84-010	119	9/1/2009	8/31/2010	(119)					(119)		
84-010	9,417	9/1/2010	8/31/2011			3,766	(9,417)		(5,651)		
84-367	11,717	9/1/2009	8/31/2010	(5,859)		5,859					
84-367	12,195	9/1/2010	8/31/2011			9,752	(12,195)		(2,443)		
84-318	21	9/1/2010	8/31/2011			16	(21)		(5)		
84-318	85	9/1/2008	8/31/2009	(85)		85			(54)		
84-186	54	9/1/2009	8/31/2010	(54)							
I.D.E.A.											
84-027	157,256	9/1/2009	8/31/2010	(34,841)		34,841					
84-027	167,244	9/1/2010	8/31/2011			133,796	(167,244)		(33,448)		
84-173	7,221	9/1/2010	8/31/2011			5,776	(7,221)		(1,445)		
84-173	6,831	9/1/2009	8/31/2010	(5,331)		5,331					
Total Special Revenue Fund											
				(46,289)	-	199,222	(196,098)	-	(43,165)	-	-
U.S. Department of Agriculture											
Passed Through State Department of Education											
Enterprise Fund											
10-555	21,356	7/1/2010	6/30/2011			17,330	(21,356)		(4,026)		
10-555	22,767	7/1/2009	6/30/2010	(4,214)		4,214					
10-555	8,908	7/1/2010	6/30/2011			8,908	(8,908)		(4,026)		
Total Enterprise Fund											
				(4,214)	-	30,452	(30,264)	-	(4,026)	-	-
Total Federal Financial Awards											
				\$ (50,503)	-	229,674	(226,362)	-	(47,191)	-	-

See Accompanying Notes to Schedules of Financial Assistance

BRIELLE SCHOOL DISTRICT

SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE

FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Schedule B
K-4

State Grant or Department of Education Project/Title	State Grant Number	Award Amount	Grant Period		Balance at June 30, 2010		Cash Received	Budgetary Expenditures	Adjustments	Balance at June 30, 2011		MEMO	
			From	To	Deferred Revenue Accounts Receivable	Carryover (Walkover) Amount				(Accounts Receivable)	Deferred Revenue	Due to Grantor	Budgetary Receivable
State Department of Education:													
General Fund:													
Special Education Aid	11-495-0344-5120-089	92,772	07/01/10	06/30/11			92,772	(92,772)				(5,464)	92,772
Transportation Aid	10-495-0344-5120-014	7,148	07/01/09	06/30/10	(7,148)		7,148	(10,328)					10,328
Extraordinary Aid	10-495-0344-5120-014	147,691	07/01/09	06/30/10	(147,691)		147,691	(171,871)					171,871
Reimbursements TPAF Social Security Contributions	11-495-0344-5095-002	261,182	07/01/10	06/30/11	(154,839)		261,182	(261,182)				(5,464)	261,182
Total General Fund							508,793	(536,153)					536,153
Enterprise Fund:													
National School Lunch Program (State Share)	10-100-010-3350-023	2,704	07/01/09	06/30/10	(508)		508	(2,121)					2,121
Total Enterprise Fund							2,105	(2,121)					2,121
Total State Financial Awards							\$ 510,898	(538,274)					538,274

See Accompanying Notes to Schedules of Financial Assistance.

BOARD OF EDUCATION

K-5

BRIELLE SCHOOL DISTRICT**NOTES TO SCHEDULES OF AWARDS OF FINANCIAL ASSISTANCE****JUNE 30, 2011****NOTE 1: General**

The accompanying schedules of expenditures of federal awards and state financial assistance include federal and state award activity of the Board of Education, Brielle 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 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. Programs recorded in the food service fund include the National School Lunch Program, the School Breakfast Program, the U.S.D.A Commodities Program and the Special Milk Program. These bases of accounting are described in the Note 1(C) to the Board's general-purpose financial statements. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 3: Relationship to General Purpose Financial Statements

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

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

Awards and financial assistance revenues are reported in the Board's general purpose financial statements on a GAAP basis as presented below:

NOTE 3: Relationship to General Purpose Financial Statements (Continued)

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Food Service</u>	<u>Total</u>
<u>State Assistance</u>				
Actual Amounts (Budgetary) "Revenues" from the Schedule of Expenditures of State Financial Assistance	\$ 536,153		2,121	538,274
Difference – Budget to "GAAP" Grant Accounting Budgetary Basis Differs from GAAP in that Encumbrances are Recognized as Expenditures and the Related Revenue is Recognized				
On Behalf Payments Recognized for GAAP Statements but Not Included in the Schedule of Expenditures of State Financial Assistance	271,502			271,502
The Last State Aid Payment Is Recognized as Revenue for Budgetary Purposes, and Differs from GAAP Which does not Recognize This Revenue Until the Subsequent Year When the State Recognizes the Related Expense (GASB 33)	<u>60,467</u>	_____	_____	<u>60,467</u>
Total State Revenue as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances	\$ 868,122		2,121	870,243

NOTE 3: Relationship to General Purpose Financial Statements (Continued)

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Food Service</u>	<u>Total</u>
<u>Federal Assistance</u>				
Actual Amounts (Budgetary) “Revenues” from the Schedule of Expenditures of Federal Awards	\$	196,098	30,264	226,362
Difference – Budget to “GAAP” Grant Accounting Budgetary Basis Differs from GAAP in that Encumbrances are Recognized as Expenditures and the Related Revenue is Recognized	_____	_____	_____	_____
Total Federal Revenue as Reported on the Statement of Revenue, Expenditures, and Changes in Fund Balances	\$	196,098	30,264	226,362

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 of 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.

BRIELLE SCHOOL DISTRICT**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

K-6

FOR THE FISCAL YEAR ENDED JUNE 30, 2011*Part 2 - Financial Statement Findings*

This section identifies the reportable conditions, material weaknesses, and instances of noncompliance related to the general purpose financial statements that are required to be reported in accordance with paragraphs 5.18 through 5.20 of *Government Auditing Standards*.

Finding: None

Criteria or specific requirement: N/A

Condition: N/A

Questioned Costs: N/A

Context: N/A

Effect: N/A

Cause: N/A

Recommendation: N/A

Management's Response: N/A

BRIELLE SCHOOL DISTRICT**SCHEDULE OF FINDINGS AND QUESTIONED COSTS****K-6****FOR THE FISCAL YEAR ENDED JUNE 30, 2011*****Part 3 - Federal Awards and State Financial Assistance Findings and Questioned Costs***

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

State Awards

Finding: None

Information on the State Program: N/A

Criteria or specific requirement: N/A

Condition: N/A

Questioned Costs: N/A

Context: N/A

Effect: N/A

BRIELLE SCHOOL DISTRICT**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

K-6

FOR THE FISCAL YEAR ENDED JUNE 30, 2011*Part 3 - Federal Awards and State Financial Assistance Findings and Questioned Costs (Continued)***State Awards (Continued)**Cause: N/ARecommendation: N/AManagement's response: N/A

BRIELLE SCHOOL DISTRICT

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

K-7

FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Prior Audit Findings:

None