

**School District**

**Of**

**Bass River Township**

**Bass River Township Board Of Education  
New Gretna, New Jersey**

**Comprehensive Annual Financial Report**

**For The Fiscal Year Ended June 30, 2012**

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

**For the Fiscal Year Ended June 30, 2012**

**Prepared by  
Bass River Township Board of Education  
Finance Department**

**BASS RIVER TOWNSHIP SCHOOL DISTRICT**

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# BASS RIVER TOWNSHIP ELEMENTARY SCHOOL

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Little Egg Harbor, NJ  
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Telephone (609) 296-3106  
FAX (609) 294-9519



Mr. LARRY MATHIS  
*Superintendent*

Mr. STEPHEN J. BRENNAN, M.B.A., C.P.A.  
*Business Administrator/  
Board Secretary*

November 27, 2012

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

Dear Board Members:

The Comprehensive Annual Financial Report (CAFR) of the Bass River School District for the fiscal year ended June 30, 2012 is hereby submitted. Responsibility for both the accuracy of the data, the completeness and fairness of the presentation, including all disclosures, rests with the Superintendent and Business Administrator of the district. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the district. All disclosures necessary to enable the reader to gain an understanding of the district's financial activities have been included.

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

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

The District provides a full range of educational services appropriate to grade levels Pre-K through 6. This includes regular as well as special education for handicapped students. The Bass River School District was monitored by the Department of Education during the 2009-2010 school year and determined to have met or exceeded all criteria stated in the evaluation. The district completed the 2011-2012 fiscal year with an average enrollment of 123.5 students, which is an increase of 3.20 students from the previous year's enrollment of 120.3. The following details the changes in the student average daily enrollment of the district over the last seven years:

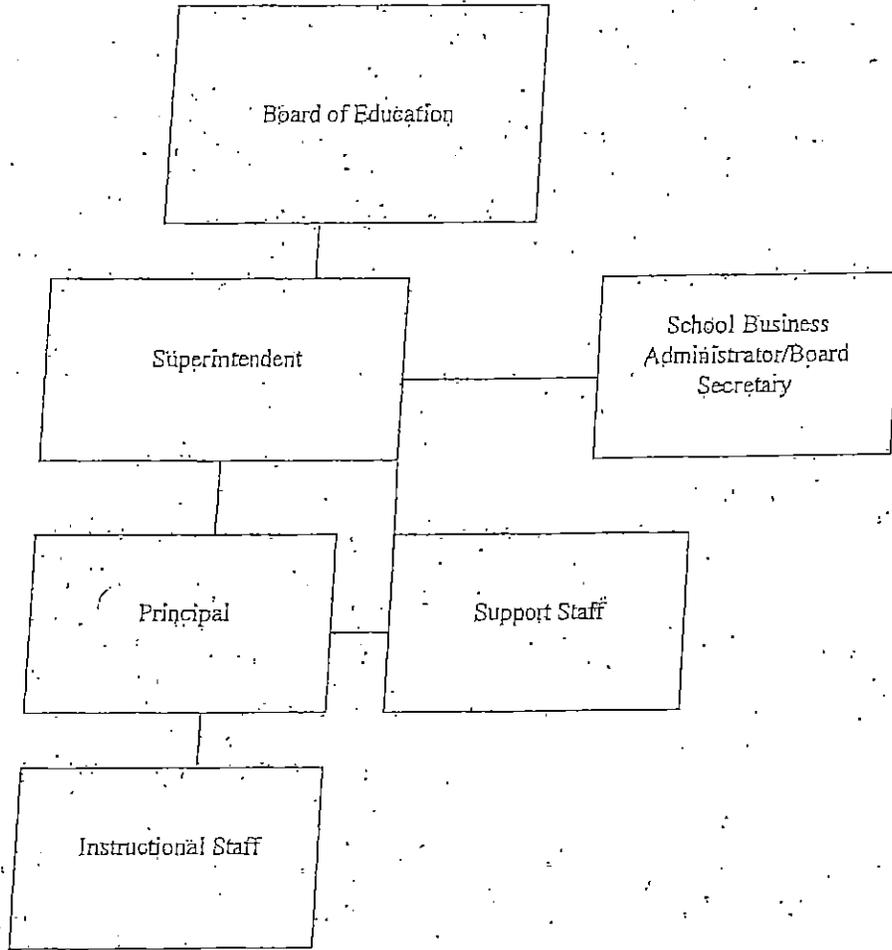
## AVERAGE DAILY ENROLLMENT (TEN-YEAR HISTORY)

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

**INTRODUCTORY SECTION**

BASS RIVER SCHOOL DISTRICT

Unit Control



BASS RIVER TOWNSHIP BOARD OF EDUCATION

NEW GRETNA, NEW JERSEY

ROSTER OF OFFICIALS

JUNE 30, 2012

| <u>Members of the Board of Education</u> | <u>Term Expires</u> |
|--|---------------------|
| David McGeoch, President                 | 2013                |
| George Nutt, Vice-President              | 2015                |
| Jacqueline Heinrichs, Board Member       | 2014                |
| Heather Crawford-Duym, Board Member      | 2013                |
| Marcie Gobosack Board Member             | 2015                |

Other Officials

Lawrence Mathis, Superintendent

Stephan J. Brennan, School Business Administrator/Board Secretary

Kim Sprague, Treasurer

Kalac & Barger, LLC, Solicitor

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BASS RIVER TOWNSHIP BOARD OF EDUCATION

Consultants and Advisors

Audit Firm

Gross & Company, LLC.

Attorney

Kalac & Barger, LLC

Federal Depository

TD Bank

592 Route 72 West  
Manahawkin, NJ 08050

**FINANCIAL SECTION**

# GROSS & COMPANY, LLC

Certified Public Accountants  
Registered Municipal Accountant  
Public School Accountant

Michael P. Gross, RMA, CPA, PSA

Gross, CPA,RMA

Phone: 609/494-2197  
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P.O. Box 508  
105 East 16th Street  
Ship Bottom, NJ 08008 Joseph J.

## Independent Auditors Report

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

I have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Board of Education of the Bass River Township School District, in the County of Burlington, State of New Jersey, as of and for the fiscal year ended June 30, 2012 which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Bass River Township Board of Education's management. My responsibility is to express opinions on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bass River Township Board of Education's internal control over financial reporting. Accordingly, I express no opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinions.

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Bass River Township Board of Education, in the County of Burlington, State of New Jersey, as of June 30, 2012, and the respective changes in financial position and, where applicable, cash flows 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*, I have also issued my report dated November 27, 2012 on my consideration of the Bass River Township Board of Education's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an

audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of my audit.

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

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

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



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

November 27, 2012

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**PART I – REQUIRED SUPPLEMENTARY INFORMATION**

**BASS RIVER TOWNSHIP BOARD OF EDUCATION**  
**Management's Discussion and Analysis**  
**Fiscal Year Ended June 30, 2012**

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

Management's Discussion and Analysis (MD&A) is a new element of Required Supplementary Information specified in the Governmental Accounting Standards Board's (GASB) Statement No 34 –*Basic Financial Statements-Management's Discussion and Analysis-for State and Local Governments* issued in June 1999 that is now being required by the New Jersey State Department of Education. Certain comparative information between the current fiscal year (2011-2012) and the prior fiscal year (2010-2011) is required to be presented in the MD&A.

## **OVERVIEW OF THE FINANCIAL STATEMENTS**

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

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

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

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

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

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

### ***Governmental funds***

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

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

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

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

**Proprietary funds**

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

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

**Fiduciary funds**

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

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

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

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

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

**FINANCIAL HIGHLIGHTS**

Key financial highlights for the 2011-2012 fiscal year include the following:

- The General Fund's portion of the local tax levy has been increased from FY 10-11 to FY 11-12 by \$23,817. The general fund's local tax levy is \$1,214,680.
- The Debt Service Fund's portion of the local tax levy is \$0.
- The General Fund's unassigned fund balance \$164,584.
- State aid was decreased by \$11,683.

**District-wide Financial Analysis**

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

|  | Governmental<br><u>Activities</u> | Business-Type<br><u>Activities</u> | <u>Total</u>        |
|--|-----------------------------------|------------------------------------|---------------------|
| Current and other assets                           | \$ 583,221                        | 0                                  | \$ 583,221          |
| Capital assets, net                                | <u>604,002</u>                    | <u>0</u>                           | <u>604,002</u>      |
| Total assets                                       | <u>1,187,223</u>                  | <u>0</u>                           | <u>1,187,223</u>    |
| Long-term liabilities outstanding                  | 62,841                            |                                    | 62,841              |
| Other liabilities                                  | <u>29,076</u>                     | <u>0</u>                           | <u>29,076</u>       |
| Total liabilities                                  | <u>91,917</u>                     | <u>0</u>                           | <u>91,917</u>       |
| Net assets:  |                                   |                                    |                     |
| Investments in capital assets, net of related debt | 604,002                           | 0                                  | 604,002             |
| Restricted   | 389,561                           | 0                                  | 389,561             |
| Unrestricted                                       | <u>101,743</u>                    | <u>0</u>                           | <u>101,743</u>      |
| Total net assets                                   | <u>\$ 1,095,306</u>               | <u>0</u>                           | <u>\$ 1,095,306</u> |

The District's largest net asset is the restricted portion of the net assets shown above. Restricted assets represent resources that are subject to external restrictions on how they may be used. Within this category, the largest balance is building and building improvements, \$604,002.

The District's investment in capital assets within the net assets above, less any related debt used to acquire those assets that is still outstanding is \$604,002.

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

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

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

|  | <u>Governmental<br/>Activities</u> | <u>Business-Type<br/>Activities</u> | <u>Total</u>        |
|--|------------------------------------|-------------------------------------|---------------------|
| <b>Revenues:</b>   |                                    |                                     |                     |
| Program revenues:  |                                    |                                     |                     |
| Charges for services                                       | \$ 0                               | 0                                   | \$ 0                |
| Operating grants & contributions                           | 93,637                             | 0                                   | 93,637              |
| General revenues:  |                                    |                                     |                     |
| Property taxes   | 1,214,680                          |                                     | 1,214,680           |
| Federal & state aid not restricted<br>to specific purposes | 1,037,238                          |                                     | 1,037,238           |
| Miscellaneous (includes interest & tuition)                | <u>19,761</u>                      | <u>0</u>                            | <u>19,761</u>       |
| Total Revenue  | <u>2,365,316</u>                   | <u>0</u>                            | <u>2,365,316</u>    |
| <b>Expenses:</b>   |                                    |                                     |                     |
| Instructional services                                     | 983,786                            |                                     | 983,786             |
| Support services   | 1,291,497                          |                                     | 1,291,497           |
| Food service   |                                    | 0                                   | 0                   |
| Interest on long-term debt                                 | 0                                  |                                     | 0                   |
| Unallocated depreciation                                   | <u>71,809</u>                      | <u>0</u>                            | <u>71,809</u>       |
| Total Expenses   | <u>2,347,092</u>                   | <u>0</u>                            | <u>2,347,092</u>    |
| <b>Increase/(decrease) in net assets before transfers</b>  | <b>18,224</b>                      | <b>0</b>                            | <b>18,224</b>       |
| Transfers  | <u>0</u>                           | <u>0</u>                            | <u>0</u>            |
| Change in net assets                                       | 18,224                             | 0                                   | 18,224              |
| Net assets – beginning                                     | <u>1,077,082</u>                   | <u>0</u>                            | <u>1,077,082</u>    |
| Net assets – ending  | <u>\$ 1,095,306</u>                | <u>0</u>                            | <u>\$ 1,095,306</u> |

### Financial Analysis of the District's Funds

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

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

## Financial Information at Fiscal Year-End

The following schedule presents a summary of the general fund, special revenue fund and debt service fund revenues for the fiscal year ended June 30, 2012 and the amount and percentage of increases and (decreases) in relation to prior year revenues. The Capital Projects fund has been excluded, as amounts vary substantially from year to year.

|                 | <u>Revenue</u>      | <u>Percent</u>  | <u>Increase/<br/>(Decrease)<br/>From 2011</u> | <u>Percent of<br/>Increase/<br/>(Decrease)</u> |
|-----------------|---------------------|-----------------|---|--|
| Local Sources:  | \$ 1,236,839        | 52.29 %         | \$ 29,762                                     | 2.74 %   |
| State Sources   | 1,037,238           | 43.85 %         | (11,683)                                      | (1.29) %                                       |
| Federal Sources | 91,239              | 3.86 %          | (74,500)                                      | (47.87) %                                      |
| Total           | <u>\$ 2,365,316</u> | <u>100.00 %</u> | <u>\$ (53,998)</u>                            | <u>(2.26) %</u>                                |

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

The following schedule presents a summary of general fund, special revenue fund, and debt service fund for the fiscal year ended June 30, 2012 and the percentage of increases and (decreases) in relation to prior year amounts. The Capital Projects fund has been excluded as amounts vary substantially from year to year.

|                       | <u>Amount</u>      | <u>Percent<br/>of Total</u> | <u>Increase/<br/>(Decrease)<br/>From 2009</u> | <u>Percent of<br/>Increase/<br/>(Decrease)</u> |
|-----------------------|--------------------|-----------------------------|---|--|
| Current Expenditures: |                    |                             |   |  |
| Instruction           | \$ 1,064,786       | 43.80 %                     | \$ 117,689                                    | 13.13 %  |
| Undistributed         | 1,291,497          | 53.13 %                     | 116,660                                       | 8.86 %   |
| Capital Outlay        | 74,516             | 3.07 %                      | 54,308  | 171.59 %                                       |
| Debt Service:         | <u>0</u>           | <u>0.00 %</u>               | <u>0</u>                                      | <u>0.00 %</u>                                  |
|                       | <u>\$2,430,799</u> | <u>100.00 %</u>             | <u>\$ 288,637</u>                             | <u>12.02%</u>                                  |

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

### General Fund Budgetary Highlights

Throughout the year, as necessary, budget transfers were effectuated between budget accounts to re-align the 2011-12 budget. Based on financial results of 2011-12, unrestricted fund balances decreased to \$65,633.

### Proprietary Funds

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

The Food Services Enterprise fund was operated by the Pinelands Regional School District for the 2011-12 school year.

## Capital Assets

At June 30, 2012 the District had capital assets of \$604,002, net of depreciation, which includes, land improvements, buildings/building improvements, machinery and equipment.

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

|                                 | Governmental<br><u>Activities</u> | Business-Type<br><u>Activities</u> |
|---------------------------------|-----------------------------------|------------------------------------|
| Land Improvements               | \$ 77,317                         |                                    |
| Machinery & Equipment           | 451,843                           | \$ 0                               |
| Buildings/Building Improvements | <u>1,477,629</u>                  | <u>0</u>                           |
| Total                           | \$ <u>2,006,789</u>               | \$ <u>0</u>                        |

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

## Debt Administration and Other Obligations

At June 30, 2012, the District had no outstanding debt issues.

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

## Economic Factors and Next Year's Budget

- The District anticipates that the approved 2012-2013 budget will be adequate to satisfy all 2012-13 financial needs, barring any significant unexpected situations or conditions unforeseen at this time.

## Requests for Information

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

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**BASIC FINANCIAL STATEMENTS**

BASS RIVER TOWNSHIP SCHOOL DISTRICT  
STATEMENT OF NET ASSETS  
JUNE 30, 2012

|   | Governmental<br>Activities | Business-Type<br>Activities | Total<br>2012       | Total<br>2011       |
|---|----------------------------|-----------------------------|---------------------|---------------------|
| <b>ASSETS</b>                                   |                            |                             |                     |                     |
| Cash and Cash Equivalents                       | \$ 268,433                 | -                           | \$ 268,433          | \$ 357,070          |
| Investments                                     | -                          | -                           | -                   | -                   |
| Receivables - Net                               | 42,161                     | -                           | 42,161              | 100,355             |
| Prepaid Expenses                                | -                          | -                           | -                   | -                   |
| Inventory                                       | -                          | -                           | -                   | -                   |
| Restricted assets:                              |                            |                             |                     |                     |
| Cash and Cash Equivalents                       | 8,627                      | -                           | 8,627               | (13,599)            |
| Capital Reserve Account - Cash                  | 190,000                    | -                           | 190,000             | 50,000              |
| Emergency Reserve Account - Cash                | 24,000                     | -                           | 24,000              | 24,000              |
| Maintenance Reserve Account - Cash              | 50,000                     | -                           | 50,000              | 50,000              |
| Capital assets:                                 |                            |                             |                     |                     |
| Non-depreciable                                 | -                          | -                           | -                   | -                   |
| Depreciable, Net ( <i>Note 4</i> )              | 604,002                    | -                           | 604,002             | 590,459             |
| Total Assets                                    | <u>\$ 1,187,223</u>        | <u>-</u>                    | <u>\$ 1,187,223</u> | <u>\$ 1,158,285</u> |
| <b>LIABILITIES</b>                              |                            |                             |                     |                     |
| Accounts Payable                                | \$ 23,790                  | -                           | \$ 23,790           | \$ 29,198           |
| Contracts Payable                               | -                          | -                           | -                   | -                   |
| Payable to Federal Government                   | -                          | -                           | -                   | -                   |
| Payable to State Government                     | -                          | -                           | -                   | -                   |
| Deferred Revenue                                | 5,286                      | -                           | 5,286               | -                   |
| Noncurrent Liabilities ( <i>Note 5</i> ):       |                            |                             |                     |                     |
| Due Within One Year                             | -                          | -                           | -                   | -                   |
| Due Beyond One Year                             | 62,841                     | -                           | 62,841              | 52,005              |
| Total Liabilities                               | <u>91,917</u>              | <u>-</u>                    | <u>91,917</u>       | <u>81,203</u>       |
| <b>NET ASSETS</b>                               |                            |                             |                     |                     |
| Invested in Capital Assets, Net of Related Debt | 604,002                    | -                           | 604,002             | 590,459             |
| Restricted for:                                 |                            |                             |                     |                     |
| Debt Service                                    | -                          | -                           | -                   | -                   |
| Capital Projects                                | -                          | -                           | -                   | -                   |
| Permanent Endowment - Nonexpendable             | -                          | -                           | -                   | -                   |
| Other Purposes                                  | 389,561                    | -                           | 389,561             | 319,247             |
| Unrestricted                                    | 101,743                    | -                           | 101,743             | 167,376             |
| Total Net Assets                                | <u>\$ 1,095,306</u>        | <u>-</u>                    | <u>\$ 1,095,306</u> | <u>\$ 1,077,082</u> |

See accompanying Notes to Financial Statements.

BASS RIVER TOWNSHIP SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2012

| Functions/Programs                         | Expenses         | Program Revenues     |                                    |                                  | Net (Expense) Revenue and Changes in Net Assets |                          |                    |
|--|------------------|----------------------|------------------------------------|----------------------------------|---|--------------------------|--------------------|
|  |                  | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Governmental Activities                         | Business-Type Activities | Total              |
|  |                  | 2012                 | 2012                               | 2012                             | 2012  | 2011                     |                    |
| <b>Governmental Activities:</b>            |                  |                      |                                    |                                  |   |                          |                    |
| <b>Instruction:</b>                        |                  |                      |                                    |                                  |   |                          |                    |
| Regular                                    | \$ 809,726       | -                    | 79,038                             | -                                | (730,688)                                       | -                        | \$ (637,478)       |
| Special Education                          | 140,070          | -                    | -                                  | -                                | (140,070)                                       | -                        | (136,446)          |
| Other Special Instruction                  | 17,218           | -                    | -                                  | -                                | (17,218)  | -                        | (10,380)           |
| Vocational                                 | -                | -                    | -                                  | -                                | -   | -                        | -                  |
| Other Instruction                          | 16,772           | -                    | -                                  | -                                | (16,772)  | -                        | (9,241)            |
| Adult/Continuing Education Programs        | -                | -                    | -                                  | -                                | -   | -                        | -                  |
| <b>Support Services:</b>                   |                  |                      |                                    |                                  |   |                          |                    |
| Tuition                                    | -                | -                    | -                                  | -                                | -   | -                        | -                  |
| Student & Instruction Related Services     | 311,226          | -                    | 14,599                             | -                                | (296,627)                                       | -                        | (233,397)          |
| School Administrative Services             | 60,790           | -                    | -                                  | -                                | (60,790)  | -                        | (58,770)           |
| General & Business Administrative Services | 127,099          | -                    | -                                  | -                                | (127,099)                                       | -                        | (129,137)          |
| Plant Operations & Maintenance             | 211,694          | -                    | -                                  | -                                | (211,694)                                       | -                        | (207,895)          |
| Pupil Transportation                       | 90,318           | -                    | -                                  | -                                | (90,318)  | -                        | (87,340)           |
| Business & Other Support Services          | 490,370          | -                    | -                                  | -                                | (490,370)                                       | -                        | (443,733)          |
| Special Schools                            | -                | -                    | -                                  | -                                | -   | -                        | -                  |
| Charter Schools                            | -                | -                    | -                                  | -                                | -   | -                        | -                  |
| Interest on Long-Term Debt                 | -                | -                    | -                                  | -                                | -   | -                        | -                  |
| Unallocated Depreciation                   | 71,809           | -                    | -                                  | -                                | (71,809)  | -                        | (25,765)           |
| <b>Total Governmental Activities</b>       | <b>2,347,092</b> | <b>-</b>             | <b>93,637</b>                      | <b>-</b>                         | <b>(2,253,455)</b>                              | <b>-</b>                 | <b>(1,979,582)</b> |
| <b>Business-Type Activities:</b>           |                  |                      |                                    |                                  |   |                          |                    |
| Food Service                               | -                | -                    | -                                  | -                                | -   | -                        | -                  |
| Child Care                                 | -                | -                    | -                                  | -                                | -   | -                        | -                  |
| <b>Total Business-Type Activities</b>      | <b>-</b>         | <b>-</b>             | <b>-</b>                           | <b>-</b>                         | <b>-</b>  | <b>-</b>                 | <b>-</b>           |



BASS RIVER TOWNSHIP SCHOOL DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2012

|  | General Fund      | Special Revenue Fund | Capital Projects Fund | Debt Service Fund | Permanent Fund | Total Government Funds |
|--|-------------------|----------------------|-----------------------|-------------------|----------------|------------------------|
| <b>ASSETS</b>                                |                   |                      |                       |                   |                |                        |
| Cash & Cash Equivalents                      | \$ 268,433        | 8,627                | -                     | -                 | -              | \$ 277,060             |
| Investments                                  | -                 | -                    | -                     | -                 | -              | -                      |
| Receivables - Other, Net                     | -                 | -                    | -                     | -                 | -              | -                      |
| Receivables from Other Governments - State   | -                 | -                    | -                     | -                 | -              | -                      |
| Receivables from Other Governments - Federal | -                 | -                    | -                     | -                 | -              | -                      |
| Due from Other Funds                         | 42,161            | -                    | -                     | -                 | -              | 42,161                 |
| Other - Prepaid Expense                      | -                 | -                    | -                     | -                 | -              | -                      |
| Interest Receivable on Investments           | -                 | -                    | -                     | -                 | -              | -                      |
| Inventory                                    | -                 | -                    | -                     | -                 | -              | -                      |
| Restricted Cash & Cash Equivalents           | 264,000           | -                    | -                     | -                 | -              | 264,000                |
| <b>Total Assets</b>                          | <b>\$ 574,594</b> | <b>8,627</b>         | <b>-</b>              | <b>-</b>          | <b>-</b>       | <b>\$ 583,221</b>      |

**LIABILITIES AND FUND BALANCES**

|                                 |               |              |          |          |          |               |
|---------------------------------|---------------|--------------|----------|----------|----------|---------------|
| <b>Liabilities:</b>             |               |              |          |          |          |               |
| Accounts Payable                | \$ 20,449     | 3,341        | -        | -        | -        | \$ 23,790     |
| Contracts Payable               | -             | -            | -        | -        | -        | -             |
| Interfund Payable               | -             | -            | -        | -        | -        | -             |
| Payable to Federal Government   | -             | -            | -        | -        | -        | -             |
| Payable to State Government     | -             | -            | -        | -        | -        | -             |
| Deferred Revenue                | -             | 5,286        | -        | -        | -        | 5,286         |
| <b>Total Liabilities</b>        | <b>20,449</b> | <b>8,627</b> | <b>-</b> | <b>-</b> | <b>-</b> | <b>29,076</b> |
| <b>Fund Balances:</b>           |               |              |          |          |          |               |
| Restricted for:                 |               |              |          |          |          |               |
| Excess Surplus- Current Year    | 49,350        | -            | -        | -        | -        | 49,350        |
| Excess Surplus - Designated for |               |              |          |          |          |               |
| Subsequent Year's Expenditures  | 62,473        | -            | -        | -        | -        | 62,473        |
| Maintenance Reserve             | 50,000        | -            | -        | -        | -        | 50,000        |
| Emergency Reserve               | 24,000        | -            | -        | -        | -        | 24,000        |
| Capital Reserve Account         | 190,000       | -            | -        | -        | -        | 190,000       |
| Debt Service Fund               | -             | -            | -        | -        | -        | -             |
| Capital Projects Fund           | -             | -            | -        | -        | -        | -             |



BASS RIVER TOWNSHIP SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2012

|  | General Fund | Special Revenue Fund | Capital Projects Fund | Debt Service Fund | Permanent Fund | Total Governmental Funds |
|--|--------------|----------------------|-----------------------|-------------------|----------------|--------------------------|
| <b>REVENUES</b>                          |              |                      |                       |                   |                |                          |
| Local Sources:                           |              |                      |                       |                   |                |                          |
| Local Tax Levy                           | \$ 1,214,680 | -                    | -                     | -                 | -              | \$ 1,214,680             |
| Tuition Charges                          | 17,300       | -                    | -                     | -                 | -              | 17,300                   |
| Interest Earned on Capital Reserve Funds | 312          | -                    | -                     | -                 | -              | 312                      |
| Miscellaneous                            | 2,149        | 2,398                | -                     | -                 | -              | 4,547                    |
| Total - Local Sources                    | 1,234,441    | 2,398                | -                     | -                 | -              | 1,236,839                |
| State Sources                            | 1,037,238    | -                    | -                     | -                 | -              | 1,037,238                |
| Federal Sources                          | -            | 91,239               | -                     | -                 | -              | 91,239                   |
| Total Revenues                           | 2,271,679    | 93,637               | -                     | -                 | -              | 2,365,316                |

**EXPENDITURES**

|  |         |        |   |   |   |         |
|--|---------|--------|---|---|---|---------|
| Current:                               |         |        |   |   |   |         |
| Regular Instruction                    | 730,688 | 79,038 | - | - | - | 809,726 |
| Special Education Instruction          | 140,070 | -      | - | - | - | 140,070 |
| Other Special Instruction              | 17,218  | -      | - | - | - | 17,218  |
| Other Instruction                      | 16,772  | -      | - | - | - | 16,772  |
| Adult/Continuing Education Programs    | -       | -      | - | - | - | -       |
| Support Services:                      |         |        |   |   |   |         |
| Tuition                                | -       | -      | - | - | - | -       |
| Student & Instruction Related Services | 296,627 | 14,599 | - | - | - | 311,226 |
| School Administrative Services         | 60,790  | -      | - | - | - | 60,790  |
| Other Administrative Services          | 127,099 | -      | - | - | - | 127,099 |
| Plant Operations & Maintenance         | 211,694 | -      | - | - | - | 211,694 |
| Pupil Transportation                   | 90,318  | -      | - | - | - | 90,318  |
| Employee Benefits                      | 490,370 | -      | - | - | - | 490,370 |

BASS RIVER TOWNSHIP SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2012

|   | General Fund | Special Revenue Fund | Capital Projects Fund | Debt Service Fund | Permanent Fund | Total Governmental Funds |
|---|--------------|----------------------|-----------------------|-------------------|----------------|--------------------------|
| <b>EXPENDITURES, cont.</b>                        |              |                      |                       |                   |                |                          |
| Special Schools                                   | -            | -                    | -                     | -                 | -              | -                        |
| Transfer to Charter School                        | -            | -                    | -                     | -                 | -              | -                        |
| Debt Service                                      | -            | -                    | -                     | -                 | -              | -                        |
| Principal   | -            | -                    | -                     | -                 | -              | -                        |
| Interest & Other Charges                          | -            | -                    | -                     | -                 | -              | -                        |
| Capital Outlay                                    | 74,516       | -                    | -                     | -                 | -              | 74,516                   |
| Total Expenditures                                | 2,256,162    | 93,637               | -                     | -                 | -              | 2,349,799                |
| Excess (Deficiency) of Revenues over Expenditures | 15,517       | -                    | -                     | -                 | -              | 15,517                   |
| <b>OTHER FINANCING SOURCES (USES)</b>             |              |                      |                       |                   |                |                          |
| Bond Proceeds                                     | -            | -                    | -                     | -                 | -              | -                        |
| Capital Leases (non-budgeted)                     | -            | -                    | -                     | -                 | -              | -                        |
| Transfer - Contribution to Whole School Reform    | -            | -                    | -                     | -                 | -              | -                        |
| Transfer to Special Revenue Fund - ECPA           | -            | -                    | -                     | -                 | -              | -                        |
| Transfers In                                      | -            | -                    | -                     | -                 | -              | -                        |
| Transfers Out                                     | -            | -                    | -                     | -                 | -              | -                        |
| Total Other Financing Sources and Uses            | -            | -                    | -                     | -                 | -              | -                        |
| <b>SPECIAL ITEM</b>                               |              |                      |                       |                   |                |                          |
| Proceeds From Sale of Land                        | -            | -                    | -                     | -                 | -              | -                        |
| Net Change in Fund Balances                       | 15,517       | -                    | -                     | -                 | -              | 15,517                   |
| Fund Balance - July 1                             | 538,628      | -                    | -                     | -                 | -              | 538,628                  |
| Fund Balance - June 30                            | \$ 554,145   | -                    | -                     | -                 | -              | \$ 554,145               |

See accompanying Notes to Financial Statements.

BASS RIVER TOWNSHIP SCHOOL DISTRICT  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2012

Total Net Change in Fund Balances - Governmental Funds (from B-2) \$ 15,517

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 | \$ (71,809)   |
| Capital Outlays      | <u>74,516</u> |

2,707

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

-

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

-

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

Change in Net Assets of Governmental Activities

\$ 18,224

See accompanying Notes to Financial Statements

BASS RIVER TOWNSHIP SCHOOL DISTRICT  
STATEMENT OF NET ASSETS  
PROPRIETARY FUNDS  
JUNE 30, 2012

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

See accompanying Notes to Financial Statements.

BASS RIVER TOWNSHIP SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2012

|  | Business-type Activities -<br><u>Enterprise Fund</u> |
|--|--|
|  | Food<br><u>Service</u>                               |
| Operating Revenues:                            |  |
| Charges for Services:                          |  |
| Daily Sales - Reimbursable Programs            | \$ -   |
| Daily Sales - Non-reimbursable Programs        | -  |
| Special Functions                              | -  |
| Community Service Activities                   | -  |
| Miscellaneous                                  | -  |
| Total Operating Revenues                       | <u>-</u>   |
| Operating Expenses:                            |  |
| Cost of Sales                                  | -  |
| Salaries                                       | -  |
| Employee Benefits                              | -  |
| Cleaning, Repair, and Maintenance Services     | -  |
| General Supplies                               | -  |
| Miscellaneous                                  | -  |
| Depreciation                                   | -  |
| Total Operating Expenses                       | <u>-</u>   |
| Operating Income (Loss)                        | <u>-</u>   |
| Nonoperating Revenues (Expenses):              |  |
| State Sources:                                 |  |
| State School Lunch Program                     | -  |
| State School Breakfast Program                 | -  |
| Federal Sources:                               |  |
| National School Lunch Program                  | -  |
| Regular School Breakfast Program               | -  |
| Food Distribution Program                      | -  |
| Interest & Investment Revenue                  | -  |
| Miscellaneous Expense                          | -  |
| Total Nonoperating Revenues (Expenses)         | <u>-</u>   |
| Income (Loss) Before Contributions & Transfers | -  |
| Capital Contributions                          | -  |
| Transfers In (Out)                             | <u>(2,269)</u>                                       |
| Change in Net Assets                           | <u>(2,269)</u>                                       |
| Total net assets - beginning                   | <u>2,269</u>   |
| Total net assets - ending                      | <u>\$ -</u>  |

See accompanying Notes to Financial Statements.

BASS RIVER TOWNSHIP SCHOOL DISTRICT  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2012

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

See accompanying Notes to Financial Statements.

BASS RIVER TOWNSHIP SCHOOL DISTRICT  
STATEMENT OF FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS  
JUNE 30, 2012

|   | Unemployment<br>Compensation Trust | Agency<br>Fund   |
|---|------------------------------------|------------------|
| <b>ASSETS</b>   |                                    |                  |
| Cash & Cash Equivalents                                   | \$ 30,610                          | \$ 49,856        |
| Interfund Receivable                                      | -                                  | -                |
| Total Assets  | <u>\$ 30,610</u>                   | <u>\$ 49,856</u> |
| <b>LIABILITIES</b>  |                                    |                  |
| Due to Student Groups                                     | \$ -                               | \$ 7,695         |
| Payroll Deductions & Withholdings                         | -                                  | -                |
| Payroll Reserve   | -                                  | -                |
| Interfund Payable   | -                                  | 42,161           |
| Total Liabilities   | <u>-</u>                           | <u>\$ 49,856</u> |
| <b>NET ASSETS</b>   |                                    |                  |
| Held in Trust for Unemployment Claims &<br>Other Purposes | <u>\$ 30,610</u>                   |                  |

See accompanying Notes to Financial Statements.

BASS RIVER TOWNSHIP SCHOOL DISTRICT  
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2012

|                                       | <u>Unemployment<br/>Compensation Trust</u> |
|---------------------------------------|--|
| <b>ADDITIONS</b>                      |  |
| Contributions:                        |  |
| Plan Member                           | \$ 2,231                                   |
| Other                                 | -  |
| Total Contributions                   | <u>2,231</u>                               |
| Investment Earnings:                  |  |
| Interest                              | 18   |
| Net Investment Earnings               | <u>18</u>                                  |
| Total Additions                       | <u>2,249</u>                               |
| <b>DEDUCTIONS</b>                     |  |
| Quarterly Contribution Reports        | -  |
| Unemployment Claims                   | 516  |
| Operating Transfer Out - General fund | -  |
| Total Deductions                      | <u>516</u>                                 |
| Change in Net Assets                  | 1,733                                      |
| Net Assets - Beginning of the Year    | <u>28,877</u>                              |
| Net Assets - End of the Year          | <u><u>\$ 30,610</u></u>                    |

See accompanying Notes to Financial Statements.

BASS RIVER TOWNSHIP SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2012

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**A. Reporting Entity:**

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

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

**B. Fund Accounting:**

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

**Governmental Fund Types**

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

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

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

BASS RIVER TOWNSHIP SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2012

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

B. Fund Accounting (cont'd):

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

Proprietary Fund Type:

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

Fiduciary Fund Types:

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

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

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

C. Basis of Accounting:

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

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

BASS RIVER TOWNSHIP SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2012

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

C. Basis of Accounting (cont'd):

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

D. Budgets/Budgetary Control:

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

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

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

E. Encumbrances:

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

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

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

BASS RIVER TOWNSHIP SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2012

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

F. Short-Term Interfund Receivables/Payables:

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

G. Inventories and Prepaid Expenses:

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

Enterprise fund inventories are valued at cost, which approximates market, using the first-in-first-out (FIFO) method. Prepaid expenses in the enterprise fund represent payments made to vendors for services that will benefit periods beyond June 30, 2012.

H. Capital Assets:

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

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

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

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

I. Compensated Absences:

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

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

BASS RIVER TOWNSHIP SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2012

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

J. Deferred Revenue:

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

K. Long-Term Obligations:

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

L. Fund Equity:

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

Under CEIFA, beginning in the 1996-97 year, the school districts' auditors are to perform the calculation of excess surplus at June 30 in accordance with N.J.S.A. 18A:7F-7, as amended by P.L. 2004, c.7 (S1701), for all regular and county vocational school districts. Any amounts calculated in excess of 2% that have not been appropriated in the 2011-12 original budget certified for taxes must be reported in the "Restricted Fund Balance" category as general fund "Reserved Fund Balance - Excess Surplus" in the 2012 Comprehensive Annual Financial Report and appropriated in the 2012-13 budget for property tax relief.

M. Memorandum Only - Total Columns:

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

N. Comparative Data:

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

O. State Facilities Tuition:

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

BASS RIVER TOWNSHIP SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2012

**NOTE 2. CASH AND CASH EQUIVALENTS AND INVESTMENTS**

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

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

Deposits:

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

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

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

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

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

Investments:

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

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

BASS RIVER TOWNSHIP SCHOOL DISTRICT  
 NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 2012

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

Investments (cont'd):

As of June 30, 2012, cash and cash equivalents and investments of the District consisted of the following:

|                   | Cash & Cash<br>Equivalents | Investments | Total      |
|-------------------|----------------------------|-------------|------------|
| Checking accounts | \$ 357,526                 | -           | \$ 357,526 |
| Investments       | -                          | -           | -          |
|                   | \$ 357,526                 | -           | \$ 357,526 |

During the period ended June 30, 2012, the District held no investments. The carrying amount of the Board's cash and cash equivalents and investments at June 30, 2012 and the bank balance was \$357,526, of which \$200,000 was covered by FDIC insurance.

**NOTE 3. CAPITAL RESERVE ACCOUNT**

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

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

**NOTE 4. CAPITAL ASSETS**

The following schedule is a summarization of the changes in capital assets by source for the fiscal year ended June 30, 2012.

|  | Balance,<br>6/30/2011 | General<br>Fund | Expenditures from:<br>Special<br>Revenue | Capital<br>Projects | Less:<br>Disposals | Accumulated<br>Depreciation | Balance,<br>6/30/2012 |
|--|-----------------------|-----------------|--|---------------------|--------------------|-----------------------------|-----------------------|
| Building<br>& building<br>improvements | \$ 1,480,430          | 58,104          | -  | -                   | -                  | (934,532)                   | \$ 604,002            |
| Construction<br>in Progress            | -                     | -               | -  | -                   | -                  | -                           | -                     |
| Machinery<br>& equipment               | 451,843               | 16,412          | -  | -                   | -                  | (468,255)                   | -                     |
| <b>TOTAL</b>                           | <b>\$ 1,932,273</b>   | <b>74,516</b>   | <b>-</b>                                 | <b>-</b>            | <b>-</b>           | <b>(1,402,787)</b>          | <b>\$ 604,002</b>     |

BASS RIVER TOWNSHIP SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2012

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

During the fiscal year ended June 30, 2012 the following changes occurred in liabilities reported in the general long-term liabilities:

|                                  | Balance<br><u>6/30/2011</u> | <u>Issued</u> | <u>Retired</u> | Balance<br><u>6/30/2012</u> | Due Within<br><u>One Year</u> |
|----------------------------------|-----------------------------|---------------|----------------|-----------------------------|-------------------------------|
| Obligations under Capital Leases | \$ -                        | -             | -              | \$ -                        | \$ -                          |
| Compensated Absences             | 52,005                      | 10,836        | -              | 62,841                      | -                             |
| Serial Bonds Payable             | -                           | -             | -              | -                           | -                             |
|                                  | <u>\$ 52,005</u>            | <u>10,836</u> | <u>-</u>       | <u>\$ 62,841</u>            | <u>\$ -</u>                   |

**A. Bonds Payable:**

As of June 30, 2012 the Board had no outstanding bonds.

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

As of June 30, 2012 the Board had no authorized and unissued bonds.

**NOTE 6. PENSION PLANS**

**Plan Descriptions:**

Substantially all of the Board's employees participate in one of the following contributory defined benefit public employee retirement systems which have been established by State statute: the Teachers' Pension and Annuity Fund (TPAF) or the Public Employees' Retirement System (PERS). These systems are sponsored and administered by the State of New Jersey. The Teachers' Pensions and Annuity Fund retirement system is considered a cost-sharing, multiple-employer plan with a special funding situation, as under current statute all employer contributions are made by the State of New Jersey on behalf of the District and the system's other related non-contributing employers. The Public Employees' Retirement System is considered a cost-sharing, multiple-employer plan.

**Teachers' Pension and Annuity Fund**

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

BASS RIVER TOWNSHIP SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2012

NOTE 6. PENSION PLANS (cont'd)

Public Employees' Retirement System

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

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

Significant Legislation

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

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

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

BASS RIVER TOWNSHIP SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2012

**NOTE 6. PENSION PLANS (cont'd)**

**Funding Policy**

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

The Board's contribution to PERS for the years ended June 30, 2012, 2011 and 2010 were \$17,264, \$25,300, and \$20,763 respectively, equal to the required contributions for each year.

During the year ended June 30, 2012, the State of New Jersey contributed \$81,315 to the TPAF for post-retirement benefits on behalf of the Board. Also, in accordance with N.J.S.A. 18A:66-66, the State of New Jersey reimbursed the Board \$72,484 during the year ended June 30, 2012 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. These amounts have been included in the basic financial statements and schedules as revenues and expenditures in accordance with GASB 24.

**NOTE 7. POST-RETIREMENT BENEFITS**

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

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

**NOTE 8. RISK MANAGEMENT**

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

BASS RIVER TOWNSHIP SCHOOL DISTRICT  
 NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 2012

**NOTE 8. RISK MANAGEMENT (cont'd)**

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

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

| Fiscal<br>Year | District<br>Contrib. | Employee<br>Contrib. | Amount<br>Reimbursed | Operating<br>Transfers | Ending<br>Balance |
|----------------|----------------------|----------------------|----------------------|------------------------|-------------------|
| 2011-12        | \$ 18                | 2,231                | 516                  | -                      | \$ 30,610         |
| 2010-11        | 24                   | 3,025                | 3,778                | -                      | 28,877            |
| 2009-10        | 84                   | 3,434                | 7,206                | -                      | 29,606            |

**NOTE 9. INTERFUND RECEIVABLES AND PAYABLES**

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

| Fund                | Interfund<br>Receivable | Interfund<br>Payable |
|---------------------|-------------------------|----------------------|
| General Fund        | \$ 42,161.00            | \$ -                 |
| Payroll Agency Fund | -                       | 42,161.00            |
|                     | <u>\$ 42,161.00</u>     | <u>\$ 42,161.00</u>  |

**NOTE 10. FUND BALANCE APPROPRIATED**

General Fund - Of the \$554,145 General Fund balance at June 30, 2012, \$13,738 is reserved for encumbrances; \$0.00 has been legally restricted in accordance with N.J.A.C. 6A:23-8.5(j); \$49,350 is reserved as excess surplus in accordance with N.J.S.A. 18A:7F-7 (\$62,473 of the total reserve for excess surplus has been appropriated and included as anticipated revenue for the year ending June 30, 2013); \$190,000 has been reserved in the Capital Reserve Account; \$50,000 has been reserved in the Maintenance Reserve Account; \$24,000 has been reserved in the Emergency Reserve Account; \$0.00 has been appropriated and included as anticipated revenue for the year ending June 30, 2012; and \$164,584 is unreserved and unassigned.

BASS RIVER TOWNSHIP SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2012

**NOTE 11. CALCULATION OF EXCESS SURPLUS**

In accordance with N.J.S.A. 18A:7F-7, as amended by P.L. 2004, c.73 (S1701), the designation for Reserved Fund

- Balance - Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve the General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2012 is \$49,350.

**NOTE 13. DEFICIT FUND BALANCES**

The District has a deficit fund balance of \$0.00 in the General Fund and \$0.00 in the Special Revenue Fund as of June 30, 2012 as reported in the fund statements (modified accrual basis). N.J.S.A. 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, districts must record the delayed one or more June state aid payments as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the June state aid payment(s) in the subsequent fiscal year, the school district cannot recognize the June state aid payment(s) (on the GAAP financial statements) until the year the State records the payable. Due to the timing difference of recording the June state aid payment(s), the General and Special Revenue Fund balance deficit does not alone indicate that the district is facing financial difficulties.

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

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**PART II – REQUIRED SUPPLEMENTARY INFORMATION**

BASS RIVER TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FISCAL YEARS ENDED JUNE 30, 2012 AND 2011

|  | 2012                   |                     |                     | 2011                |                     |                     | Variance<br>Final to Actual<br>Favorable/<br>(Unfavorable) |
|--|------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|--|
|  | Original<br>Budget     | Budget<br>Transfers | Final<br>Budget     | Actual              | Final<br>Budget     | Actual              |  |
| <b>REVENUE</b>                                   |                        |                     |                     |                     |                     |                     |  |
| Local Sources:                                   |                        |                     |                     |                     |                     |                     |  |
| Local Tax Levy                                   | \$ 1,214,680.00        | -                   | 1,214,680.00        | 1,214,680.00        | \$ 1,190,863.00     | 1,190,863.00        | -  |
| Tuition  | 12,000.00              | (12,000.00)         | -                   | -                   | -                   | -                   | -  |
| Miscellaneous                                    | -                      | 12,000.00           | 12,000.00           | 19,761.44           | 24,497.00           | 13,790.69           | (10,706.31)  |
| <b>Total - Local Sources</b>                     | <b>1,226,680.00</b>    | <b>-</b>            | <b>1,226,680.00</b> | <b>1,234,441.44</b> | <b>1,215,360.00</b> | <b>1,204,653.69</b> | <b>(10,706.31)</b>   |
| State Sources:                                   |                        |                     |                     |                     |                     |                     |  |
| Categorical Transportation Aid                   | 24,707.00              | -                   | 24,707.00           | 24,707.00           | 24,707.00           | 24,707.00           | -  |
| Categorical Special Education Aid                | 61,348.00              | -                   | 61,348.00           | 61,348.00           | 61,348.00           | 61,348.00           | -  |
| Equalization Aid                                 | 618,194.00             | -                   | 618,194.00          | 618,194.00          | 618,194.00          | 618,194.00          | -  |
| Categorical Security Aid                         | 21,979.00              | -                   | 21,979.00           | 21,979.00           | 21,979.00           | 21,979.00           | -  |
| Adjustment Aid                                   | 140,128.00             | -                   | 140,128.00          | 161,982.00          | 118,273.00          | 118,273.00          | -  |
| Extraordinary Aid                                | -                      | -                   | -                   | -                   | -                   | 50,026.20           | 50,026.20  |
| TPAF Pension (On-Behalf - Non-Budgeted)          | -                      | -                   | -                   | 81,315.00           | -                   | 63,251.00           | 63,251.00  |
| TPAF Social Security (Reimbursed - Non-Budgeted) | -                      | -                   | -                   | 72,484.00           | -                   | 74,604.00           | 74,604.00  |
| <b>Total State Sources</b>                       | <b>866,356.00</b>      | <b>-</b>            | <b>866,356.00</b>   | <b>1,042,009.00</b> | <b>844,501.00</b>   | <b>1,032,382.20</b> | <b>187,881.20</b>  |
| Federal Sources:                                 |                        |                     |                     |                     |                     |                     |  |
| Education Jobs Fund                              | 31,605.00              | (31,605.00)         | -                   | -                   | -                   | -                   | -  |
| <b>Total Federal Sources</b>                     | <b>31,605.00</b>       | <b>(31,605.00)</b>  | <b>-</b>            | <b>-</b>            | <b>-</b>            | <b>-</b>            | <b>-</b>   |
| <b>Total Revenues</b>                            | <b>\$ 2,124,641.00</b> | <b>(31,605.00)</b>  | <b>2,093,036.00</b> | <b>2,276,450.44</b> | <b>2,059,861.00</b> | <b>2,237,035.89</b> | <b>177,174.89</b>  |
| <b>EXPENDITURES</b>                              |                        |                     |                     |                     |                     |                     |  |
| Current Expense:                                 |                        |                     |                     |                     |                     |                     |  |
| Regular Programs - Instruction:                  |                        |                     |                     |                     |                     |                     |  |
| Preschool - Salaries of Teachers                 | \$ 30,254.00           | 425.00              | 30,679.00           | 30,678.50           | \$ 28,684.00        | 27,777.55           | 906.45   |
| Kindergarten - Salaries of Teachers              | 58,149.00              | 664.00              | 58,813.00           | 58,812.90           | 58,713.00           | 57,023.12           | 1,689.88   |
| Grades 1-5 - Salaries of Teachers                | 411,942.00             | 1.00                | 411,943.00          | 411,581.43          | 393,325.00          | 389,323.72          | 4,001.28   |
| Grades 6-8 - Salaries of Teachers                | 59,948.00              | 95.00               | 60,043.00           | 60,043.00           | 60,362.00           | 58,054.01           | 2,307.99   |

BASS RIVER TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FISCAL YEARS ENDED JUNE 30, 2012 AND 2011

|  | 2012               |                     |                   |                   | 2011              |                   | Variance<br>Final to Actual<br>Favorable/<br>(Unfavorable) |
|--|--------------------|---------------------|-------------------|-------------------|-------------------|-------------------|--|
|  | Original<br>Budget | Budget<br>Transfers | Final<br>Budget   | Actual            | Final<br>Budget   | Actual            |  |
| <b>Regular Programs - Home Instruction:</b>                      |                    |                     |                   |                   |                   |                   |  |
| Salaries of Teachers   | 1,500.00           | (410.00)            | 1,090.00          | 104.67            | 828.00            | 436.13            | 391.87   |
| <b>Regular Programs - Undistributed Instruction:</b>             |                    |                     |                   |                   |                   |                   |  |
| Other Salaries for Instruction                                   | 61,266.00          | 13,239.00           | 74,505.00         | 74,504.53         | 60,800.00         | 58,383.70         | 2,416.30   |
| Purchased Technical Services                                     | 1,600.00           | (1,100.00)          | 500.00            | 360.10            | 124.68            | -                 | 124.68   |
| Other Purchased Services   | 42,182.00          | (4,940.00)          | 37,242.00         | 35,620.78         | 18,939.32         | 18,231.62         | 707.70   |
| General Supplies   | 32,234.00          | 24,081.18           | 56,315.18         | 56,238.37         | 48,523.00         | 28,042.19         | 20,480.81  |
| Textbooks  | 1,819.00           | (499.54)            | 1,319.46          | 1,178.75          | 319.46            | 176.00            | 143.46   |
| Other Objects  | 4,000.00           | (2,041.00)          | 1,959.00          | 1,565.39          | 1,800.00          | 29.80             | 1,770.20   |
| <b>TOTAL REGULAR PROGRAMS - INSTRUCTION</b>                      | <b>704,894.00</b>  | <b>29,514.64</b>    | <b>734,408.64</b> | <b>730,688.42</b> | <b>672,418.46</b> | <b>637,477.84</b> | <b>34,940.62</b>   |
| <b>SPECIAL EDUCATION - INSTRUCTION</b>                           |                    |                     |                   |                   |                   |                   |  |
| Resource Room/Resource Center                                    |                    |                     |                   |                   |                   |                   |  |
| Salaries of Teachers   | 137,617.00         | 906.00              | 138,523.00        | 138,522.78        | 139,963.00        | 134,964.60        | 4,998.40   |
| Other Purchased Services   | 1,612.00           | (1,500.00)          | 112.00            | 92.28             | 1,612.00          | 273.34            | 1,338.66   |
| General Supplies   | 1,500.00           | -                   | 1,500.00          | 1,455.24          | 1,500.00          | 1,208.29          | 291.71   |
| <b>Total Resource Room/Resource Center</b>                       | <b>140,729.00</b>  | <b>(594.00)</b>     | <b>140,135.00</b> | <b>140,070.30</b> | <b>143,075.00</b> | <b>136,446.23</b> | <b>6,628.77</b>  |
| <b>TOTAL SPECIAL EDUCATION - INSTRUCTION</b>                     | <b>140,729.00</b>  | <b>(594.00)</b>     | <b>140,135.00</b> | <b>140,070.30</b> | <b>143,075.00</b> | <b>136,446.23</b> | <b>6,628.77</b>  |
| <b>Basic Skills/Remedial - Instruction:</b>                      |                    |                     |                   |                   |                   |                   |  |
| Salaries of Teachers   | 20,490.00          | (3,500.00)          | 16,990.00         | 16,943.00         | 12,054.00         | 9,976.17          | 2,077.83   |
| Other Purchased Services   | 1,000.00           | -                   | 1,000.00          | -                 | 1,000.00          | -                 | 1,000.00   |
| General Supplies   | 500.00             | -                   | 500.00            | 274.54            | 500.00            | 403.99            | 96.01  |
| <b>Total Basic Skills/Remedial - Instruction</b>                 | <b>21,990.00</b>   | <b>(3,500.00)</b>   | <b>18,490.00</b>  | <b>17,217.54</b>  | <b>13,554.00</b>  | <b>10,380.16</b>  | <b>3,173.84</b>  |
| <b>School-Sponsored Co/Extra Curricular Activities - Instr.:</b> |                    |                     |                   |                   |                   |                   |  |
| Salaries   | 11,000.00          | -                   | 11,000.00         | 10,361.67         | 9,342.00          | 9,241.36          | 100.64   |
| <b>Total - School Sponsored Co/Extra Cur. Act. - Instr.</b>      | <b>11,000.00</b>   | <b>-</b>            | <b>11,000.00</b>  | <b>10,361.67</b>  | <b>9,342.00</b>   | <b>9,241.36</b>   | <b>100.64</b>  |

BASS RIVER TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FISCAL YEARS ENDED JUNE 30, 2012 AND 2011

|   | 2012               |                     |                 | 2011       |                 |            | Variance<br>Final to Actual<br>Favorable/<br>(Unfavorable) |
|---|--------------------|---------------------|-----------------|------------|-----------------|------------|--|
|   | Original<br>Budget | Budget<br>Transfers | Final<br>Budget | Actual     | Final<br>Budget | Actual     |  |
| <b>Summer School - Instruction</b>                      |                    |                     |                 |            |                 |            |  |
| Salaries of Teachers                                    | 6,000.00           | 410.00              | 6,410.00        | 6,409.70   | 5,665.00        | -          | 5,665.00   |
| Total - School Sponsored Co/Extra Cur. Act. - Instr.    | 6,000.00           | 410.00              | 6,410.00        | 6,409.70   | 5,665.00        | -          | 5,665.00   |
| <b>TOTAL INSTRUCTION</b>                                | 884,613.00         | 25,830.64           | 910,443.64      | 904,747.63 | 844,054.46      | 793,545.59 | 50,508.87  |
| <b>UNDISTRIBUTED EXPENDITURES</b>                       |                    |                     |                 |            |                 |            |  |
| <b>Instruction:</b>                                     |                    |                     |                 |            |                 |            |  |
| Tuition to CSSD & Regular Day Schools                   | 4,405.00           | (1,880.20)          | 2,524.80        | -          | 0.60            | -          | 0.60   |
| Tuition to Priv. School for the Disabled - Within State | 40,000.00          | -                   | 40,000.00       | -          | 0.10            | -          | 0.10   |
| Total - Instruction                                     | 44,405.00          | (1,880.20)          | 42,524.80       | -          | 0.70            | -          | 0.70   |
| <b>Attendance &amp; Social Work:</b>                    |                    |                     |                 |            |                 |            |  |
| Salaries  | 9,953.00           | 1.00                | 9,954.00        | 9,953.52   | 9,825.00        | 9,510.23   | 314.77   |
| Purchased Professional & Technical Services             | 4,000.00           | -                   | 4,000.00        | 4,000.00   | 4,000.00        | 4,000.00   | -  |
| Supplies & Materials                                    | 400.00             | -                   | 400.00          | 224.67     | 400.00          | 98.50      | 301.70   |
| Total - Attendance & Social Work                        | 14,353.00          | 1.00                | 14,354.00       | 14,178.19  | 14,225.00       | 13,608.53  | 616.47   |
| <b>Health Services:</b>                                 |                    |                     |                 |            |                 |            |  |
| Salaries  | 79,512.00          | 1,650.00            | 81,162.00       | 81,162.00  | 79,490.00       | 77,800.82  | 1,689.18   |
| Purchased Professional & Technical Services             | 5,000.00           | -                   | 5,000.00        | 4,147.00   | 5,000.00        | 4,000.00   | 1,000.00   |
| Other Purchased Services                                | 953.00             | (380.00)            | 573.00          | -          | 953.00          | -          | 953.00   |
| Supplies & Materials                                    | 2,500.00           | 1,380.00            | 3,880.00        | 3,244.10   | 2,500.00        | 2,353.39   | 146.61   |
| Total Health Services                                   | 87,965.00          | 2,650.00            | 90,615.00       | 88,553.10  | 87,943.00       | 84,154.21  | 3,788.79   |
| <b>Speech, OT, PT &amp; Related Services</b>            |                    |                     |                 |            |                 |            |  |
| Purchased Professional-Educational Services             | 38,580.00          | 20,440.00           | 59,020.00       | 56,033.00  | 46,970.00       | 29,379.93  | 17,590.07  |
| Total Speech, OT, PT & Related Services                 | 38,580.00          | 20,440.00           | 59,020.00       | 56,033.00  | 46,970.00       | 29,379.93  | 17,590.07  |

BASS RIVER TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND

FISCAL YEARS ENDED JUNE 30, 2012 AND 2011

|  | 2012               |                     |                  | 2011             |                  |                  | Variance<br>Final to Actual<br>Favorable/<br>(Unfavorable) |
|--|--------------------|---------------------|------------------|------------------|------------------|------------------|--|
|  | Original<br>Budget | Budget<br>Transfers | Final<br>Budget  | Actual           | Final<br>Budget  | Actual           |  |
| <b>Child Study Teams</b>                               |                    |                     |                  |                  |                  |                  |  |
| Salaries of Other Professional Staff                   | 45,745.00          | -                   | 45,745.00        | 44,952.86        | 46,878.00        | 45,525.96        | 1,352.04   |
| Salaries of Secretarial and Clerical Assistants        | 13,112.00          | -                   | 13,112.00        | 13,111.92        | 5,465.00         | 5,050.98         | 414.02   |
| Purchased Professional-Educational Services            | 16,102.00          | 755.00              | 16,857.00        | 11,473.00        | 1,102.00         | 575.00           | 527.00   |
| Miscellaneous Purchased Services                       | -                  | 895.00              | 895.00           | 894.54           | 895.00           | 175.38           | 719.62   |
| Supplies & Materials                                   | 4,003.00           | (2,236.00)          | 1,767.00         | 1,708.06         | 1,488.00         | 1,238.30         | 249.70   |
| Other Objects  | 895.00             | (895.00)            | -                | -                | -                | -                | -  |
| <b>Total Child Study Teams</b>                         | <b>79,857.00</b>   | <b>(1,481.00)</b>   | <b>78,376.00</b> | <b>72,140.38</b> | <b>55,828.00</b> | <b>52,565.62</b> | <b>3,262.38</b>  |
| <b>Improvement of Instructional Services:</b>          |                    |                     |                  |                  |                  |                  |  |
| Salaries of Secretarial & Clerical Assistants          | 32,851.00          | -                   | 32,851.00        | 30,001.84        | 27,032.00        | 23,700.87        | 3,331.13   |
| Purchased Professional-Educational Services            | 5,400.00           | (3,167.00)          | 2,233.00         | 2,233.00         | 1,000.00         | -                | 1,000.00   |
| Other Purchased Services                               | 10,400.00          | -                   | 10,400.00        | 3,303.98         | 10,400.00        | 5,227.81         | 5,172.19   |
| <b>Total Improvement of Instructional Services</b>     | <b>48,651.00</b>   | <b>(3,167.00)</b>   | <b>45,484.00</b> | <b>35,538.82</b> | <b>38,432.00</b> | <b>28,928.68</b> | <b>9,503.32</b>  |
| <b>Educational Media Services/School Library:</b>      |                    |                     |                  |                  |                  |                  |  |
| Purchased Professional & Technical Services            | 18,800.00          | (527.00)            | 18,273.00        | 18,273.00        | 18,788.00        | 18,787.50        | 0.50   |
| Other Purchased Services                               | 1,000.00           | (1,000.00)          | -                | -                | 1,000.00         | -                | 1,000.00   |
| Supplies & Materials                                   | 5,800.00           | 6,275.00            | 12,075.00        | 11,910.34        | 5,800.00         | 5,612.69         | 187.31   |
| <b>Total Educational Media Services/School Library</b> | <b>25,600.00</b>   | <b>4,748.00</b>     | <b>30,348.00</b> | <b>30,183.34</b> | <b>25,588.00</b> | <b>24,400.19</b> | <b>1,187.81</b>  |
| <b>Instructional Staff Training Services:</b>          |                    |                     |                  |                  |                  |                  |  |
| Purchased Professional-Educational Services            | 2,100.00           | -                   | 2,100.00         | -                | 2,100.00         | 360.25           | 1,739.75   |
| <b>Total Instructional Staff Training Services</b>     | <b>2,100.00</b>    | <b>-</b>            | <b>2,100.00</b>  | <b>-</b>         | <b>2,100.00</b>  | <b>360.25</b>    | <b>1,739.75</b>  |

BASS RIVER TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FISCAL YEARS ENDED JUNE 30, 2012 AND 2011

|  | 2012               |                     |                   |                  | 2011             |                  | Variance<br>Final to Actual<br>Favorable/<br>(Unfavorable) |
|--|--------------------|---------------------|-------------------|------------------|------------------|------------------|--|
|  | Original<br>Budget | Budget<br>Transfers | Final<br>Budget   | Actual           | Final<br>Budget  | Actual           |  |
| <b>Support Services - General Administration:</b>      |                    |                     |                   |                  |                  |                  |  |
| Salaries   | 53,137.00          | -                   | 53,137.00         | 53,136.96        | 51,490.00        | 51,489.60        | 0.40   |
| Legal Services   | 10,250.00          | (4,950.00)          | 5,300.00          | 3,272.12         | 5,250.00         | 1,836.42         | 3,413.58   |
| Audit Fees   | 9,750.00           | -                   | 9,750.00          | 9,750.00         | 9,750.00         | 9,750.00         | -  |
| Other Purchased Professional Services                  | 5,000.00           | 10,200.00           | 15,200.00         | 10,346.00        | 4,432.00         | 3,875.00         | 557.00   |
| Communications/Telephone                               | 10,000.00          | (455.00)            | 9,545.00          | 8,779.65         | 10,000.00        | 8,278.82         | 1,721.18   |
| BOE Other Purchased Services                           | 500.00             | -                   | 500.00            | -                | 500.00           | -                | 500.00   |
| Miscellaneous Purchased Services                       | 5,000.00           | (2,750.00)          | 2,250.00          | 1,786.40         | 3,701.00         | 3,481.35         | 219.65   |
| General Supplies                                       | 5,000.00           | 500.00              | 5,500.00          | 5,415.97         | 3,107.00         | 2,980.36         | 126.64   |
| Miscellaneous Expenditures                             | 1,500.00           | -                   | 1,500.00          | 1,485.00         | 1,500.00         | 1,279.79         | 220.21   |
| BOE Membership Dues & Fees                             | 2,000.00           | -                   | 2,000.00          | 1,878.15         | 2,000.00         | 1,878.15         | 121.85   |
| <b>Total Support Services - General Administration</b> | <b>102,137.00</b>  | <b>2,545.00</b>     | <b>104,682.00</b> | <b>95,850.25</b> | <b>91,730.00</b> | <b>84,849.49</b> | <b>6,880.51</b>  |
| <b>Support Services - School Administration:</b>       |                    |                     |                   |                  |                  |                  |  |
| Salaries of Principals/Assistant Principals            | 53,137.00          | -                   | 53,137.00         | 53,136.96        | 51,490.00        | 51,489.60        | 0.40   |
| Salaries of Secretarial & Clerical Assistants          | 6,636.00           | -                   | 6,636.00          | 6,635.52         | 6,553.00         | 6,340.14         | 212.86   |
| Supplies & Materials                                   | 500.00             | 418.00              | 918.00            | 917.16           | 941.00           | 940.36           | 0.64   |
| Other Objects  | -                  | 1,207.00            | 1,207.00          | 100.00           | -                | -                | -  |
| <b>Total Support Services - School Administration</b>  | <b>60,273.00</b>   | <b>1,625.00</b>     | <b>61,898.00</b>  | <b>60,789.64</b> | <b>58,984.00</b> | <b>58,770.10</b> | <b>213.90</b>  |
| <b>Central Services:</b>                               |                    |                     |                   |                  |                  |                  |  |
| Salaries   | 3,000.00           | -                   | 3,000.00          | 3,000.00         | 15,727.00        | 15,485.92        | 241.08   |
| Purchased Professional Services                        | 22,500.00          | 2,800.00            | 25,300.00         | 25,065.01        | 26,026.00        | 26,025.50        | 0.50   |
| Purchased Technical Services                           | 2,500.00           | -                   | 2,500.00          | 2,500.00         | 2,500.00         | 2,500.00         | -  |
| Other Objects  | 684.00             | -                   | 684.00            | 684.00           | 275.00           | 275.00           | -  |
| <b>Total Central Services</b>                          | <b>28,684.00</b>   | <b>2,800.00</b>     | <b>31,484.00</b>  | <b>31,249.01</b> | <b>44,528.00</b> | <b>44,286.42</b> | <b>241.58</b>  |

BASS RIVER TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND

FISCAL YEARS ENDED JUNE 30, 2012 AND 2011

|   | 2012               |                     |                   | 2011              |                   |                   | Variance<br>Final to Actual<br>Favorable/<br>(Unfavorable) |
|---|--------------------|---------------------|-------------------|-------------------|-------------------|-------------------|--|
|   | Original<br>Budget | Budget<br>Transfers | Final<br>Budget   | Actual            | Final<br>Budget   | Actual            |  |
| <b>Required Maintenance for School Facilities:</b>          |                    |                     |                   |                   |                   |                   |  |
| Cleaning, Repair & Maintenance Services                     | 23,000.00          | 11,698.00           | 34,698.00         | 29,233.40         | 11,600.00         | 11,066.96         | 533.04   |
| General Supplies  | 11,000.00          | (2,323.00)          | 8,677.00          | 3,927.37          | 11,000.00         | 10,745.43         | 254.57   |
| <b>Total Required Maintenance for School Facilities</b>     | <b>34,000.00</b>   | <b>9,375.00</b>     | <b>43,375.00</b>  | <b>33,160.77</b>  | <b>22,600.00</b>  | <b>21,812.39</b>  | <b>787.61</b>  |
| <b>Custodial Services</b>                                   |                    |                     |                   |                   |                   |                   |  |
| Salaries  | 77,904.00          | 3,139.00            | 81,043.00         | 81,042.02         | 81,955.00         | 77,669.59         | 4,283.41   |
| Purchased Professional & Technical Services                 | 1,785.00           | -                   | 1,785.00          | -                 | 1,785.00          | -                 | 1,785.00   |
| Cleaning, Repair, and Maintenance Services                  | 12,000.00          | -                   | 12,000.00         | 8,784.62          | 8,500.00          | 8,475.19          | 24.81  |
| Other Purchased Property Services                           | 2,000.00           | -                   | 2,000.00          | -                 | -                 | -                 | -  |
| Insurance   | 21,898.00          | 675.00              | 22,573.00         | 22,573.00         | 22,520.00         | 20,394.98         | 2,125.02   |
| Miscellaneous Purchased Services                            | 1,000.00           | -                   | 1,000.00          | -                 | 1,000.00          | 20.30             | 979.70   |
| General Supplies  | 9,000.00           | -                   | 9,000.00          | 7,717.74          | 9,000.00          | 8,956.20          | 43.80  |
| Energy (Electricity)  | 38,000.00          | -                   | 38,000.00         | 35,986.07         | 38,000.00         | 37,758.55         | 241.45   |
| Energy (Oil)  | 28,000.00          | (2,225.00)          | 25,775.00         | 18,346.91         | 30,807.00         | 30,807.00         | -  |
| Other Objects   | 500.00             | -                   | 500.00            | -                 | 500.00            | -                 | 500.00   |
| <b>Total Custodial Services</b>                             | <b>192,087.00</b>  | <b>1,589.00</b>     | <b>193,676.00</b> | <b>174,450.36</b> | <b>194,067.00</b> | <b>184,081.81</b> | <b>9,985.19</b>  |
| <b>Care and Upkeep of Grounds</b>                           |                    |                     |                   |                   |                   |                   |  |
| General Supplies  | 1,000.00           | 1,550.00            | 2,550.00          | 2,550.00          | 1,000.00          | 259.29            | 740.71   |
| <b>Total Care and Upkeep of Grounds</b>                     | <b>1,000.00</b>    | <b>1,550.00</b>     | <b>2,550.00</b>   | <b>2,550.00</b>   | <b>1,000.00</b>   | <b>259.29</b>     | <b>740.71</b>  |
| <b>Security:</b>  |                    |                     |                   |                   |                   |                   |  |
| Cleaning, Repair & Maintenance Services                     | 2,000.00           | -                   | 2,000.00          | 1,533.21          | 2,000.00          | 1,741.46          | 258.54   |
| <b>Total Security</b>                                       | <b>2,000.00</b>    | <b>-</b>            | <b>2,000.00</b>   | <b>1,533.21</b>   | <b>2,000.00</b>   | <b>1,741.46</b>   | <b>258.54</b>  |
| <b>Total Operations &amp; Maintenance of Plant Services</b> | <b>229,087.00</b>  | <b>12,514.00</b>    | <b>241,601.00</b> | <b>211,694.34</b> | <b>219,667.00</b> | <b>207,894.95</b> | <b>11,772.05</b>   |

**BASS RIVER TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FISCAL YEARS ENDED JUNE 30, 2012 AND 2011**

|  | 2012              |                    |                   | 2011              |                   |                   | Variance                                 |
|--|-------------------|--------------------|-------------------|-------------------|-------------------|-------------------|--|
|  | Original Budget   | Budget Transfers   | Final Budget      | Actual            | Final Budget      | Actual            | Final to Actual Favorable/ (Unfavorable) |
| <b>Student Transportation Services:</b>                            |                   |                    |                   |                   |                   |                   |  |
| Other Purchased Professional & Technical Services                  | 16,000.00         | -                  | 16,000.00         | 16,000.00         | 16,000.00         | 16,000.00         | -  |
| Contracted Services (other than bet. home & school)- Vendors       | 5,395.00          | 1,236.71           | 6,631.71          | 2,782.43          | 5,458.24          | 5,381.81          | 76.43                                    |
| Contracted Services (bet. home & school) - Joint Agreements        | 50,958.00         | 0.43               | 50,958.43         | 49,901.05         | 52,133.65         | 49,621.63         | 2,512.02                                 |
| Contracted Services (special ed.) - Joint Agreements               | 2,037.00          | (1,237.00)         | 800.00            | -                 | 2,000.00          | 1,070.02          | 929.98                                   |
| Contracted Services (special ed.) - ESC's & CTSA's                 | 26,026.00         | (10,000.28)        | 16,025.72         | 15,847.16         | 21,335.38         | 14,686.35         | 6,649.03                                 |
| Contracted Services - Aid in Lieu of Payments - Non-Public Schools | 2,000.00          | -                  | 2,000.00          | -                 | 1,828.00          | -                 | 1,828.00                                 |
| General Supplies   | 4,100.00          | 3,505.75           | 7,605.75          | 5,787.75          | 4,100.00          | -                 | 4,100.00                                 |
| Other Objects  | 3,700.00          | -                  | 3,700.00          | -                 | 3,700.00          | 580.00            | 3,120.00                                 |
| <b>Total Student Transportation Services</b>                       | <b>110,216.00</b> | <b>(6,494.39)</b>  | <b>103,721.61</b> | <b>90,318.39</b>  | <b>106,555.27</b> | <b>87,339.81</b>  | <b>19,215.46</b>                         |
| <b>UNALLOCATED BENEFITS:</b>                                       |                   |                    |                   |                   |                   |                   |  |
| Social Security Contributions                                      | 25,000.00         | 2,090.37           | 27,090.37         | 19,345.16         | 25,000.00         | 19,205.63         | 5,794.37                                 |
| Other Retirement Contributions - PERS                              | 18,163.00         | -                  | 18,163.00         | 17,264.00         | 25,300.00         | 25,300.00         | -  |
| Workmen's Compensation   | 17,000.00         | -                  | 17,000.00         | 15,477.00         | 20,500.00         | 16,057.63         | 4,442.37                                 |
| Health Benefits  | 310,000.00        | (30,515.00)        | 279,485.00        | 279,484.59        | 275,921.00        | 238,975.60        | 36,945.40                                |
| Tuition Reimbursement  | 10,000.00         | -                  | 10,000.00         | 5,000.00          | 14,200.00         | 2,500.00          | 11,700.00                                |
| Other Employee Benefits  | 10,000.00         | (4,925.00)         | 5,075.00          | -                 | 15,000.00         | 3,839.09          | 11,160.91                                |
| <b>TOTAL UNALLOCATED BENEFITS</b>                                  | <b>390,163.00</b> | <b>(33,349.63)</b> | <b>356,813.37</b> | <b>336,570.75</b> | <b>375,921.00</b> | <b>305,877.95</b> | <b>70,043.05</b>                         |
| On-behalf TPAF Pension Contributions (non-budgeted)                | -                 | -                  | -                 | 81,315.00         | -                 | 63,251.00         | (63,251.00)                              |
| Reimbursed TPAF Social Security Contributions (non-budgeted)       | -                 | -                  | -                 | 72,484.00         | -                 | 74,604.00         | (74,604.00)                              |
| <b>TOTAL ON-BEHALF CONTRIBUTIONS</b>                               | <b>-</b>          | <b>-</b>           | <b>-</b>          | <b>153,799.00</b> | <b>-</b>          | <b>137,855.00</b> | <b>(137,855.00)</b>                      |
| <b>TOTAL PERSONAL SERVICES - Employee Benefits</b>                 | <b>390,163.00</b> | <b>(33,349.63)</b> | <b>356,813.37</b> | <b>490,369.75</b> | <b>375,921.00</b> | <b>443,732.95</b> | <b>(67,811.95)</b>                       |

BASS RIVER TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FISCAL YEARS ENDED JUNE 30, 2012 AND 2011

|   | 2012            |                  | 2011         |              | Variance                                 |
|---|-----------------|------------------|--------------|--------------|--|
|   | Original Budget | Budget Transfers | Final Budget | Actual       | Final to Actual Favorable/ (Unfavorable) |
| <b>TOTAL UNDISTRIBUTED EXPENDITURES</b>                         | 1,262,071.00    | 930.78           | 1,263,021.78 | 1,276,898.21 | (13,876.43)                              |
| <b>TOTAL GENERAL CURRENT EXPENSE</b>                            | 2,146,684.00    | 26,781.42        | 2,173,465.42 | 2,181,645.84 | (8,180.42)                               |
| <b>CAPITAL OUTLAY:</b>  |                 |                  |              |              |  |
| <b>Equipment:</b>   |                 |                  |              |              |  |
| <b>Undistributed:</b>   |                 |                  |              |              |  |
| Custodial Services  | -               | 1,629.80         | 1,629.80     | 1,629.80     | -  |
| <b>Total Equipment</b>  | -               | 1,629.80         | 1,629.80     | 1,629.80     | -  |
| <b>Facilities Acquisition &amp; Construction Services:</b>      |                 |                  |              |              |  |
| Construction Services   | 30,301.00       | 70,865.00        | 101,166.00   | 72,886.63    | 28,279.37                                |
| <b>Total Facilities Acquisition &amp; Construction Services</b> | 30,301.00       | 70,865.00        | 101,166.00   | 72,886.63    | 28,279.37                                |
| <b>TOTAL CAPITAL OUTLAY</b>                                     | 30,301.00       | 72,494.80        | 102,795.80   | 74,516.43    | 28,279.37                                |
| <b>GENERAL FUND GRAND TOTAL</b>                                 | 2,176,985.00    | 99,276.22        | 2,276,261.22 | 2,256,162.27 | 20,098.95                                |
| Excess/(Deficiency) of Revenues Over Expenditures               | (52,344.00)     | (130,881.22)     | (183,225.22) | 20,288.17    | 163,315.49                               |
| <b>Other Financing Sources/Uses:</b>                            |                 |                  |              |              |  |
| <b>Operating Transfers In:</b>                                  |                 |                  |              |              |  |
| Transfer from Unemployment Trust Fund                           | -               | -                | -            | -            | -  |
| <b>Operating Transfer Out:</b>                                  |                 |                  |              |              |  |
| Transfer to Food Service Fund                                   | -               | -                | -            | -            | -  |
| <b>Total Other Financing Sources/Uses</b>                       | -               | -                | -            | -            | -  |

BASS RIVER TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FISCAL YEARS ENDED JUNE 30, 2012 AND 2011

|  | 2012                   |                     |                     | 2011              |   |
|--|------------------------|---------------------|---------------------|-------------------|---|
|  | Original               | Budget              | Final               | Actual            | Variance<br>Final to Actual<br>Favorable/ |
| Excess/(Deficiency) of Revenues & Other Financing Sources/Uses |                        |                     |                     |                   |   |
| Over/(Under) Expenditures & Other Financing Sources/Uses       | (52,344.00)            | (130,881.22)        | (183,225.22)        | 20,288.17         | 163,315.49                                |
| Fund Balance, July 1   | (194,110.00)           | (107,018.24)        | 325.88              | 619,273.23        | 591,212.57                                |
| <b>Fund Balance, June 30</b>                                   | <b>\$ (246,454.00)</b> | <b>(237,899.46)</b> | <b>(182,899.34)</b> | <b>639,561.40</b> | <b>754,528.06</b>                         |

Recapitulation:

**Restricted Fund Balance:**

Maintenance Reserve \$ 50,000.00  
Emergency Reserve 24,000.00  
Capital Reserve 190,000.00  
Excess Surplus - Current Year 49,350.00

**Committed Fund Balance:**

Year-End Encumbrances 13,738.00

**Assigned Fund Balance:**

Designated for Subsequent Year's Expenditures 62,473.00  
**Unassigned Fund Balance** 250,000.00

Reconciliation to Governmental Funds Statements (GAAP):

Last State Aid Payment not recognized on GAAP basis \$ 554,145.00  
Fund Balance per Governmental Funds (GAAP) \$ 538,628.00

See accompanying Notes to Financial Statements.

EXHIBIT C-2

BASS RIVER TOWNSHIP SCHOOL DISTRICT  
 BUDGETARY COMPARISON SCHEDULE  
 SPECIAL REVENUE FUND  
 FISCAL YEAR ENDED JUNE 30, 2012

|   | Original<br>Budget | Budget<br>Transfers | Final<br>Budget  | Actual           | Variance<br>Final to Actual<br>Favorable/(Unfavorable) |
|---|--------------------|---------------------|------------------|------------------|--|
| <b>REVENUES:</b>  |                    |                     |                  |                  |  |
| State Sources   | \$ -               | -                   | -                | -                | -  |
| Federal Sources   | 80,471.00          | 10,768.00           | 91,239.00        | 91,239.00        | -  |
| Local Sources   | 7,684.00           | -                   | 7,684.00         | 2,398.00         | (5,286.00)   |
| <b>Total Revenues</b>   | <b>88,155.00</b>   | <b>10,768.00</b>    | <b>98,923.00</b> | <b>93,637.00</b> | <b>(5,286.00)</b>                                      |
| <b>EXPENDITURES:</b>  |                    |                     |                  |                  |  |
| <b>Instruction:</b>   |                    |                     |                  |                  |  |
| Salaries of Teachers  | 14,283.00          | 58.00               | 14,341.00        | 14,341.00        | -  |
| Other Salaries for Instruction  | 16,060.00          | 2,733.00            | 18,793.00        | 18,793.00        | -  |
| General Supplies  | -                  | -                   | -                | -                | -  |
| Textbooks   | -                  | -                   | -                | -                | -  |
| Purchased Professional & Technical Services   | -                  | -                   | -                | -                | -  |
| Other Purchased Services  | 42,496.00          | 3,408.00            | 45,904.00        | 45,904.00        | -  |
| <b>Total Instruction</b>  | <b>72,839.00</b>   | <b>6,199.00</b>     | <b>79,038.00</b> | <b>79,038.00</b> | <b>-</b>   |
| <b>Support Services:</b>  |                    |                     |                  |                  |  |
| Salaries of Program Directors   | -                  | -                   | -                | -                | -  |
| Salaries of Supervisors of Instruction  | -                  | -                   | -                | -                | -  |
| Salaries of Other Professional Staff  | -                  | 3,596.00            | 3,596.00         | 3,596.00         | -  |
| Salaries of Secretaries & Clerical Assistants   | -                  | -                   | -                | -                | -  |
| Other Salaries  | -                  | -                   | -                | -                | -  |
| Personal Services - Employee Benefits   | 2,868.00           | -                   | 2,868.00         | 2,868.00         | -  |
| Purchased Professional-Educational Services   | 2,000.00           | -                   | 2,000.00         | 2,000.00         | -  |
| Purchased Technical Services  | -                  | -                   | -                | -                | -  |
| Rentals   | -                  | -                   | -                | -                | -  |
| Other Purchased Services  | 2,764.00           | 973.00              | 3,737.00         | 3,737.00         | -  |
| Supplies & Materials  | 7,684.00           | -                   | 7,684.00         | 2,398.00         | 5,286.00   |
| Other Objects   | -                  | -                   | -                | -                | -  |
| <b>Total Support Services</b>   | <b>15,316.00</b>   | <b>4,569.00</b>     | <b>19,885.00</b> | <b>14,599.00</b> | <b>5,286.00</b>  |
| <b>Total Expenditures</b>   | <b>88,155.00</b>   | <b>10,768.00</b>    | <b>98,923.00</b> | <b>93,637.00</b> | <b>5,286.00</b>  |
| <b>Total Outflows</b>   | <b>88,155.00</b>   | <b>10,768.00</b>    | <b>98,923.00</b> | <b>93,637.00</b> | <b>5,286.00</b>  |
| <b>Excess/(Deficiency) of Revenues Over/(Under)<br/>Expenditures &amp; Other Financing Sources/Uses</b> | <b>\$ -</b>        | <b>-</b>            | <b>-</b>         | <b>-</b>         | <b>-</b>   |

See accompanying Notes to Financial Statements.

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**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**

BASS RIVER TOWNSHIP SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
NOTE TO RSI  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

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

|  | General<br>Fund       | Special Revenue<br>Fund |
|--|-----------------------|-------------------------|
| <b>Sources/Inflows of Resources</b>  |                       |                         |
| Actual amounts (budgetary basis) "revenues"  |                       |                         |
| from the budgetary comparison schedules  | [C-1] \$ 2,276,450.00 | [C-2] \$ 93,637.00      |
| Difference - budget to GAAP:   |                       |                         |
| Grant accounting budgetary basis differs from GAAP<br>in that encumbrances are recognized as expenditures,<br>and the related revenue is recognized.   | -                     | -                       |
| State aid payment recognized for GAAP statements in the<br>current year, previously recognized for budgetary purposes.   | 80,645.00             | -                       |
| State aid payment recognized for budgetary purposes, not<br>recognized for GAAP statements until the subsequent year.  | (85,416.00)           | -                       |
| Total revenues as reported on the statement of revenues,<br>expenditures, and changes in fund balances -<br>governmental funds.  | [B-2] \$ 2,271,679.00 | [B-2] \$ 93,637.00      |
| <b>Uses/outflows of resources</b>  |                       |                         |
| Actual amounts (budgetary basis) "total outflows" from<br>the budgetary comparison schedule  | \$ 2,256,162.00       | \$ 93,637.00            |
| Differences - budget to GAAP:  |                       |                         |
| Encumbrances for supplies and equipment ordered but<br>not received are reported in the year the order is<br>placed for budgetary purposes, but in the year the<br>supplies are received for financial reporting purposes. | -                     | -                       |
| Transfers to and from other funds are presented as<br>outflows of budgetary resources but are not<br>expenditures for financial reporting purposes.<br>Net transfers (outflows) to general fund                            | \$ -                  | -                       |
| Total expenditures as reported on the statement of<br>revenues, expenditures, and changes in fund<br>balances - governmental funds   | [B-2] \$ 2,256,162.00 | [B-2] \$ 93,637.00      |

See accompanying Notes to Financial Statements.

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**OTHER SUPPLEMENTARY INFORMATION**

BASS RIVER TOWNSHIP SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF PROGRAM REVENUES & EXPENDITURES  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

|           | NCLB<br>Title I<br>Part A | ARRA<br>Title I<br>Part A | NCLB<br>Title II<br>Part A | NCLB<br>Title II<br>Part D | NJSBA<br>Safety Grant | ESEA<br>Title VI Part B<br>(REAP) |
|-----------|---------------------------|---------------------------|----------------------------|----------------------------|-----------------------|-----------------------------------|
| \$        | -                         | -                         | -                          | -                          | 2,398.00              | -                                 |
|           | 17,209.00                 | -                         | 5,737.00                   | -                          | -                     | 18,793.00                         |
| <b>\$</b> | <b>17,209.00</b>          | <b>-</b>                  | <b>5,737.00</b>            | <b>-</b>                   | <b>2,398.00</b>       | <b>18,793.00</b>                  |

**REVENUES:**

Local Sources  
Federal Sources  
Total Revenues

**EXPENDITURES:**

Instruction:  
Salaries of Teachers  
Other Salaries for Instruction  
Purchased Professional & Technical Services  
Other Purchased Services  
General Supplies  
Total Instruction

**Support Services:**

Salaries Other Professional Staff  
Salaries Secretaries & Clerical Assistants  
Other Salaries  
Personal Services-Employee Benefits  
Supplies & Materials  
Purchased Prof. Technical Services  
Purchased Prof. Educational Services  
Other Purchased Services  
Purchased Educational Services  
Total Support Services

Total Expenditures

Excess/(Deficiency) of Revenues Over/(Under)  
Expenditures

BASS RIVER TOWNSHIP SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF PROGRAM REVENUES & EXPENDITURES  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

|                       | I.D.E.A. Part B                  |                                  |                   | Totals<br>2011   |
|-----------------------|----------------------------------|----------------------------------|-------------------|------------------|
|                       | ARRA<br>Basic Regular<br>Program | ARRA<br>Basic Regular<br>Program | ARRA<br>Preschool |                  |
| REVENUES:             |                                  |                                  |                   |                  |
| Local Sources         | -                                | -                                | -                 | 2,398.00         |
| Federal Sources       | 45,904.00                        | -                                | 3,596.00          | 91,239.00        |
| <b>Total Revenues</b> | <b>45,904.00</b>                 | <b>-</b>                         | <b>3,596.00</b>   | <b>93,637.00</b> |

|   | I.D.E.A. Part B                  |                                  |                   | Totals<br>2011   |
|---|----------------------------------|----------------------------------|-------------------|------------------|
|   | ARRA<br>Basic Regular<br>Program | ARRA<br>Basic Regular<br>Program | ARRA<br>Preschool |                  |
| EXPENDITURES:                               |                                  |                                  |                   |                  |
| Instruction:                                |                                  |                                  |                   |                  |
| Salaries of Teachers                        | -                                | -                                | -                 | 14,341.00        |
| Other Salaries for Instruction              | -                                | -                                | -                 | 18,793.00        |
| Purchased Professional & Technical Services | -                                | -                                | -                 | -                |
| Other Purchased Services                    | 45,904.00                        | -                                | -                 | 45,904.00        |
| General Supplies                            | -                                | -                                | -                 | -                |
| <b>Total Instruction</b>                    | <b>45,904.00</b>                 | <b>-</b>                         | <b>-</b>          | <b>79,038.00</b> |

|  |          |                 |          |                  |
|--|----------|-----------------|----------|------------------|
| Support Services:                          |          |                 |          |                  |
| Salaries Other Professional Staff          | -        | 3,596.00        | -        | 3,596.00         |
| Salaries Secretaries & Clerical Assistants | -        | -               | -        | -                |
| Other Salaries                             | -        | -               | -        | -                |
| Personal Services-Employee Benefits        | -        | -               | -        | 2,868.00         |
| Supplies & Materials                       | -        | -               | -        | 2,398.00         |
| Purchased Prof. Technical Services         | -        | -               | -        | 2,000.00         |
| Purchased Prof. Educational Services       | -        | -               | -        | -                |
| Other Purchased Services                   | -        | -               | -        | 3,737.00         |
| Purchased Educational Services             | -        | -               | -        | -                |
| <b>Total Support Services</b>              | <b>-</b> | <b>3,596.00</b> | <b>-</b> | <b>14,599.00</b> |

|  |                  |          |                 |                  |
|--|------------------|----------|-----------------|------------------|
| <b>Total Expenditures</b>  | <b>45,904.00</b> | <b>-</b> | <b>3,596.00</b> | <b>93,637.00</b> |
| <b>Excess/(Deficiency) of Revenues Over/(Under) Expenditures</b> | <b>-</b>         | <b>-</b> | <b>-</b>        | <b>-</b>         |

**BASS RIVER TOWNSHIP SCHOOL DISTRICT**  
**COMBINING STATEMENT OF FIDUCIARY NET ASSETS**  
**JUNE 30, 2012**

|   | <u>Unemployment<br/>Compensation Trust</u> | <u>Agency<br/>Fund</u> | <u>Total<br/>2012</u> |
|---|--|------------------------|-----------------------|
| <b>ASSETS</b>   |  |                        |                       |
| Cash & Cash Equivalents                                   | \$ 30,610                                  | 49,856                 | \$ 80,466             |
| Interfund Receivable                                      | -  | -                      | -                     |
| Total Assets  | <u>\$ 30,610</u>                           | <u>49,856</u>          | <u>\$ 80,466</u>      |
| <b>LIABILITIES</b>  |  |                        |                       |
| Due to Student Groups                                     | \$ -                                       | 7,695                  | \$ 7,695              |
| Payroll Deductions & Withholdings                         | -  | -                      | -                     |
| Payroll Reserve   | -  | -                      | -                     |
| Interfund Payable   | -  | 42,161                 | 42,161                |
| Total Liabilities   | <u>\$ -</u>                                | <u>49,856</u>          | <u>49,856</u>         |
| <b>NET ASSETS</b>   |  |                        |                       |
| Held in Trust for Unemployment Claims<br>& Other Purposes | <u>\$ 30,610</u>                           |                        | <u>30,610</u>         |
| Total Net Assets  |  |                        | <u>30,610</u>         |
| Total Net Assets & Liabilities                            |  |                        | <u>\$ 80,466</u>      |

See accompanying Notes to Financial Statements.

BASS RIVER TOWNSHIP SCHOOL DISTRICT  
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS  
FOR THE YEAR ENDED JUNE 30, 2012

|                                       | <u>Unemployment<br/>Compensation Trust</u> | <u>Total<br/>2012</u> |
|---------------------------------------|--|-----------------------|
| <b>ADDITIONS</b>                      |  |                       |
| Contributions:                        |  |                       |
| Plan Member                           | \$ 2,231                                   | \$ 2,231              |
| Other                                 | -  | -                     |
| Total Contributions                   | <u>2,231</u>                               | <u>2,231</u>          |
| Investment Earnings:                  |  |                       |
| Interest                              | 18   | 18                    |
| Net Investment Earnings               | 18   | 18                    |
| Total Additions                       | <u>2,249</u>                               | <u>2,249</u>          |
| <b>DEDUCTIONS</b>                     |  |                       |
| Quarterly Contribution Reports        | -  | -                     |
| Unemployment Claims                   | 516  | 516                   |
| Scholarships Awarded                  | -  | -                     |
| Operating Transfer Out - General Fund | -  | -                     |
| Total Deductions                      | <u>516</u>                                 | <u>516</u>            |
| Change in Net Assets                  | 1,733                                      | 1,733                 |
| Net Assets - Beginning of the Year    | <u>28,877</u>                              | <u>28,877</u>         |
| Net Assets - End of the Year          | <u>\$ 30,610</u>                           | <u>\$ 30,610</u>      |

See accompanying Notes to Financial Statements.

BASS RIVER TOWNSHIP SCHOOL DISTRICT  
STUDENT ACTIVITY AGENCY FUND  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
JUNE 30, 2012

|                         | Balance<br><u>June 30, 2011</u> | <u>Receipts</u> | <u>Disbursements</u> | Balance<br><u>June 30, 2012</u> |
|-------------------------|---------------------------------|-----------------|----------------------|---------------------------------|
| <b>ASSETS</b>           |                                 |                 |                      |                                 |
| Cash & Cash Equivalents | \$ 10,620                       | 9,297           | 12,222               | \$ 7,695                        |
| Total Assets            | <u>\$ 10,620</u>                | <u>9,297</u>    | <u>12,222</u>        | <u>\$ 7,695</u>                 |
| <b>LIABILITIES</b>      |                                 |                 |                      |                                 |
| Due to Student Groups   | \$ 10,620                       | 9,297           | 12,222               | \$ 7,695                        |
| Total Liabilities       | <u>\$ 10,620</u>                | <u>9,297</u>    | <u>12,222</u>        | <u>\$ 7,695</u>                 |

See accompanying Notes to Financial Statements.

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

|                                   | Balance<br><u>June 30, 2011</u> | <u>Receipts</u>  | <u>Disbursements</u> | Balance<br><u>June 30, 2012</u> |
|-----------------------------------|---------------------------------|------------------|----------------------|---------------------------------|
| <b>ASSETS</b>                     |                                 |                  |                      |                                 |
| Cash & Cash Equivalents           | \$ 54,112                       | 1,509,943        | 1,521,894            | \$ 42,161                       |
| Total Assets                      | <u>\$ 54,112</u>                | <u>1,509,943</u> | <u>1,521,894</u>     | <u>\$ 42,161</u>                |
| <b>LIABILITIES</b>                |                                 |                  |                      |                                 |
| Payroll Deductions & Withholdings | \$ 20,901                       | 717,421          | 738,322              | \$ -                            |
| Interfund Payable                 | 32,063                          | 42,161           | 32,063               | 42,161                          |
| Payroll Reserve                   | 1,148                           | 750,361          | 751,509              | -                               |
| Total Liabilities                 | <u>\$ 54,112</u>                | <u>1,509,943</u> | <u>1,521,894</u>     | <u>\$ 42,161</u>                |

See accompanying Notes to Financial Statements.

**STATISTICAL SECTION**

**Introduction to Statistical Section**

**Contents**

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

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

|  | Fiscal Year Ending June 30, |                   |                   |                   |                   |                   |                   |                     |                     |
|--|-----------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|---------------------|---------------------|
|  | 2004                        | 2005              | 2006              | 2007              | 2008              | 2009              | 2010              | 2011                | 2012                |
| <b>Governmental activities</b>                   |                             |                   |                   |                   |                   |                   |                   |                     |                     |
| Invested in capital assets, net of related debt  | \$ 382,189                  | \$ 440,994        | \$ 558,434        | \$ 596,582        | \$ 655,500        | \$ 652,568        | \$ 627,486        | \$ 590,459          | \$ 604,002          |
| Restricted                                       | 241,175                     | 421,689           | 383,614           | 212,277           | 90,419            | 105,548           | 97,712            | 319,247             | 389,561             |
| Unrestricted                                     | 16,532                      | 15,111            | 16,092            | 96,724            | 170,569           | 72,363            | 80,289            | 167,376             | 101,743             |
| <b>Total governmental activities net assets</b>  | <b>\$ 639,896</b>           | <b>\$ 877,794</b> | <b>\$ 958,140</b> | <b>\$ 905,583</b> | <b>\$ 916,488</b> | <b>\$ 830,479</b> | <b>\$ 805,487</b> | <b>\$ 1,077,082</b> | <b>\$ 1,095,306</b> |
| <b>Business-type activities</b>                  |                             |                   |                   |                   |                   |                   |                   |                     |                     |
| Invested in capital assets, net of related debt  | \$ 3,563                    | \$ 2,837          | \$ 2,111          | \$ 1,385          | \$ 659            | \$ -              | \$ -              | \$ -                | \$ -                |
| Restricted                                       | -                           | -                 | -                 | -                 | -                 | -                 | -                 | -                   | -                   |
| Unrestricted                                     | 14,127                      | 16,874            | 2,762             | 4,248             | 3,749             | 3,896             | -                 | -                   | -                   |
| <b>Total business-type activities net assets</b> | <b>\$ 17,690</b>            | <b>\$ 19,711</b>  | <b>\$ 4,873</b>   | <b>\$ 5,633</b>   | <b>\$ 4,408</b>   | <b>\$ 3,896</b>   | <b>\$ -</b>       | <b>\$ -</b>         | <b>\$ -</b>         |
| <b>District-wide</b>                             |                             |                   |                   |                   |                   |                   |                   |                     |                     |
| Invested in capital assets, net of related debt  | \$ 385,752                  | \$ 443,831        | \$ 560,545        | \$ 597,967        | \$ 656,159        | \$ 652,568        | \$ 627,486        | \$ 590,459          | \$ 604,002          |
| Restricted                                       | 241,175                     | 421,689           | 383,614           | 212,277           | 90,419            | 105,548           | 97,712            | 319,247             | 389,561             |
| Unrestricted                                     | 30,659                      | 31,985            | 18,854            | 100,972           | 174,318           | 76,259            | 80,289            | 167,376             | 101,743             |
| <b>Total district net assets</b>                 | <b>\$ 657,586</b>           | <b>\$ 897,505</b> | <b>\$ 963,013</b> | <b>\$ 911,216</b> | <b>\$ 920,896</b> | <b>\$ 834,375</b> | <b>\$ 805,487</b> | <b>\$ 1,077,082</b> | <b>\$ 1,095,306</b> |

BASS RIVER TOWNSHIP SCHOOL DISTRICT  
CHANGES IN NET ASSETS  
LAST NINE FISCAL YEARS  
(accrual basis of accounting)

|   | Fiscal Year Ending June 30, |                     |                     |                     |                     |                     |                     |                     |                     |
|---|-----------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
|   | 2004                        | 2005                | 2006                | 2007                | 2008                | 2009                | 2010                | 2011                | 2012                |
| <b>Expenses</b>                                       |                             |                     |                     |                     |                     |                     |                     |                     |                     |
| <b>Governmental activities:</b>                       |                             |                     |                     |                     |                     |                     |                     |                     |                     |
| Instruction   |                             |                     |                     |                     |                     |                     |                     |                     |                     |
| Regular   | \$ 546,004                  | \$ 550,726          | \$ 654,756          | \$ 691,882          | \$ 657,082          | \$ 691,045          | \$ 635,133          | \$ 791,050          | \$ 809,726          |
| Special education                                     | 189,277                     | 201,052             | 132,016             | 140,371             | 146,123             | 127,023             | 160,110             | 136,446             | 140,070             |
| Other special instruction                             | 21,847                      | 30,855              | 11,004              | 10,786              | 18,565              | 20,018              | 21,066              | 10,380              | 17,218              |
| Vocational  | -                           | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   |
| Other instruction                                     | 630                         | -                   | -                   | -                   | 10,621              | 9,511               | 8,924               | 9,241               | 16,772              |
| Nonpublic school programs                             | -                           | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   |
| Adult/continuing education programs                   | -                           | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   |
| Support Services                                      |                             |                     |                     |                     |                     |                     |                     |                     |                     |
| Tuition   | 8,497                       | 17,148              | 56,721              | 97,378              | 21,109              | 105,733             | 136,317             | -                   | -                   |
| Student & instruction related services                | 222,445                     | 237,056             | 276,815             | 308,644             | 327,577             | 331,692             | 270,743             | 247,962             | 296,627             |
| General administration                                | 125,964                     | 127,405             | 129,543             | 132,188             | 176,313             | 116,367             | 122,600             | 129,137             | 127,099             |
| School administrative services                        | 98,127                      | 54,372              | 30,758              | 28,809              | 23,916              | 25,682              | 58,038              | 58,770              | 60,790              |
| Central services                                      | -                           | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   |
| Administrative information technology                 | -                           | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   |
| Plant operations & maintenance                        | 175,782                     | 185,123             | 219,994             | 211,192             | 235,747             | 212,673             | 218,556             | 207,895             | 211,694             |
| Pupil transportation                                  | 63,367                      | 74,617              | 77,303              | 77,416              | 82,081              | 95,473              | 109,106             | 87,340              | 90,318              |
| Other support services                                | 400,236                     | 445,548             | 478,014             | 579,016             | 599,552             | 454,425             | 472,843             | 443,733             | 490,370             |
| Special Schools                                       | 3,094                       | 3,500               | 3,000               | 4,333               | 2,964               | 8,848               | -                   | -                   | -                   |
| Charter Schools                                       | -                           | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   |
| Interest on long-term debt                            | 28,086                      | 21,886              | 15,086              | 9,486               | 3,286               | -                   | -                   | -                   | -                   |
| Unallocated depreciation                              | 48,316                      | 41,136              | 51,755              | 51,182              | 41,660              | 111,399             | 49,079              | 25,765              | 86,408              |
| <b>Total governmental activities expenses</b>         | <b>1,931,672</b>            | <b>1,990,424</b>    | <b>2,136,765</b>    | <b>2,342,683</b>    | <b>2,346,596</b>    | <b>2,309,889</b>    | <b>2,262,515</b>    | <b>2,147,719</b>    | <b>2,347,092</b>    |
| <b>Business-type activities:</b>                      |                             |                     |                     |                     |                     |                     |                     |                     |                     |
| Food service  | 50,417                      | 63,376              | 64,755              | 70,402              | 74,831              | 70,890              | -                   | -                   | -                   |
| Child care  | -                           | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   |
| <b>Total business-type activities expenses</b>        | <b>50,417</b>               | <b>63,376</b>       | <b>64,755</b>       | <b>70,402</b>       | <b>74,831</b>       | <b>70,890</b>       | <b>-</b>            | <b>-</b>            | <b>-</b>            |
| <b>Total district expenses</b>                        | <b>\$ 1,982,089</b>         | <b>\$ 2,053,800</b> | <b>\$ 2,201,520</b> | <b>\$ 2,413,085</b> | <b>\$ 2,421,427</b> | <b>\$ 2,380,779</b> | <b>\$ 2,262,515</b> | <b>\$ 2,147,719</b> | <b>\$ 2,347,092</b> |
| <b>Program Revenues</b>                               |                             |                     |                     |                     |                     |                     |                     |                     |                     |
| <b>Governmental activities:</b>                       |                             |                     |                     |                     |                     |                     |                     |                     |                     |
| Charges for services:                                 | \$ -                        | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                |
| Instruction (tuition)                                 | -                           | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   |
| Pupil transportation                                  | -                           | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   |
| Central and other support services                    | -                           | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   |
| Operating grants and contributions                    | 99,939                      | 112,115             | 106,704             | 100,180             | 113,013             | 93,353              | 48,702              | 168,137             | 93,637              |
| Capital grants and contributions                      | -                           | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   |
| <b>Total governmental activities program revenues</b> | <b>99,939</b>               | <b>112,115</b>      | <b>106,704</b>      | <b>100,180</b>      | <b>113,013</b>      | <b>93,353</b>       | <b>48,702</b>       | <b>168,137</b>      | <b>93,637</b>       |

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

|   | Fiscal Year Ending June 30, |                |                |                |                |                |                |                |                |
|---|-----------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
|   | 2004                        | 2005           | 2006           | 2007           | 2008           | 2009           | 2010           | 2011           | 2012           |
| <b>Program Revenues, cont'd.</b>                        |                             |                |                |                |                |                |                |                |                |
| Business-type activities:                               |                             |                |                |                |                |                |                |                |                |
| Charges for services:                                   |                             |                |                |                |                |                |                |                |                |
| Food service  | 23,505                      | 25,644         | 27,676         | 22,488         | 22,501         | 20,871         | -              | -              | -              |
| Child care  | -                           | -              | -              | -              | -              | -              | -              | -              | -              |
| Operating grants and contributions                      | 17,421                      | 15,774         | 18,698         | 18,194         | 20,797         | 17,334         | -              | -              | -              |
| Capital grants and contributions                        | -                           | -              | -              | -              | -              | -              | -              | -              | -              |
| Total business-type activities program revenues         | 40,926                      | 41,418         | 46,374         | 40,682         | 43,298         | 38,205         | -              | -              | -              |
| Total district program revenues                         | \$ 140,865                  | \$ 153,533     | \$ 153,078     | \$ 140,862     | \$ 156,311     | \$ 131,558     | \$ 48,702      | \$ 168,137     | \$ 93,637      |
| <b>Net (Expense) Revenue</b>                            |                             |                |                |                |                |                |                |                |                |
| Governmental activities                                 | \$ (1,831,733)              | \$ (1,878,309) | \$ (2,030,061) | \$ (2,242,503) | \$ (2,233,583) | \$ (2,216,536) | \$ (2,213,813) | \$ (1,979,582) | \$ (2,253,455) |
| Business-type activities                                | (9,491)                     | (21,958)       | (18,381)       | (29,720)       | (31,533)       | (32,685)       | -              | -              | -              |
| Total district-wide net expense                         | \$ (1,841,224)              | \$ (1,900,267) | \$ (2,048,442) | \$ (2,272,223) | \$ (2,265,116) | \$ (2,249,221) | \$ (2,213,813) | \$ (1,979,582) | \$ (2,253,455) |
| <b>General Revenues and Other Changes in Net Assets</b> |                             |                |                |                |                |                |                |                |                |
| Governmental activities:                                |                             |                |                |                |                |                |                |                |                |
| Property taxes levied for general purposes, net         | \$ 942,045                  | \$ 980,407     | \$ 972,303     | \$ 1,007,169   | \$ 1,061,755   | \$ 1,104,225   | \$ 1,148,394   | \$ 1,190,863   | \$ 1,214,680   |
| Taxes levied for debt service                           | 57,204                      | 54,435         | 51,666         | 48,897         | 25,138         | -              | -              | -              | -              |
| Federal & State Aid not restricted                      | 1,036,521                   | 1,069,400      | 1,079,157      | 1,154,764      | 1,181,703      | 1,048,020      | 1,013,929      | 1,046,523      | 1,037,238      |
| Transportation fees from other LEA's                    | -                           | -              | -              | -              | -              | -              | -              | -              | -              |
| Tuition received  | 8,300                       | -              | -              | -              | -              | -              | 19,000         | -              | 17,300         |
| Investment earnings                                     | 556                         | 5,140          | 9,433          | 9,012          | 6,133          | -              | 2,153          | 441            | 312            |
| Miscellaneous income                                    | 46,305                      | 546            | 716            | 357            | -              | 10,440         | 5,345          | 13,350         | 2,149          |
| Transfers   | (12,819)                    | 6,339          | (2,868)        | (30,253)       | (30,241)       | (32,158)       | -              | -              | -              |
| Total governmental activities                           | 2,078,112                   | 2,116,267      | 2,110,407      | 2,189,946      | 2,244,488      | 2,130,527      | 2,188,821      | 2,251,177      | 2,271,679      |
| Business-type activities:                               |                             |                |                |                |                |                |                |                |                |
| Investment earnings                                     | 130                         | 318            | 675            | 227            | 67             | 15             | -              | -              | -              |
| Transfers   | 12,819                      | 23,661         | 2,868          | 30,253         | 30,241         | 32,158         | (3,896)        | -              | -              |
| Total business-type activities                          | 12,949                      | 23,979         | 3,543          | 30,480         | 30,308         | 32,173         | (3,896)        | -              | -              |
| Total district-wide                                     | \$ 2,091,061                | \$ 2,140,246   | \$ 2,113,950   | \$ 2,220,426   | \$ 2,274,796   | \$ 2,162,700   | \$ 2,184,925   | \$ 2,251,177   | \$ 2,271,679   |
| <b>Change in Net Assets</b>                             |                             |                |                |                |                |                |                |                |                |
| Governmental activities                                 | \$ 246,379                  | \$ 237,958     | \$ 80,346      | \$ (52,557)    | \$ 10,905      | \$ (86,009)    | \$ (24,992)    | \$ 271,595     | \$ 18,224      |
| Business-type activities                                | 3,458                       | 2,021          | (14,838)       | 760            | (1,225)        | (512)          | (3,896)        | -              | -              |
| Total district  | \$ 249,837                  | \$ 239,979     | \$ 65,508      | \$ (51,797)    | \$ 9,680       | \$ (86,521)    | \$ (28,888)    | \$ 271,595     | \$ 18,224      |

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

|                                    | Fiscal Year Ending June 30, |                   |                   |                   |                   |                   |                   |                   |                   |
|------------------------------------|-----------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
|                                    | 2004                        | 2005              | 2006              | 2007              | 2008              | 2009              | 2010              | 2011              | 2012              |
| General Fund                       |                             |                   |                   |                   |                   |                   |                   |                   |                   |
| Reserved                           | \$ 241,215                  | \$ 421,689        | \$ 383,614        | \$ 212,277        | \$ 90,419         | \$ 105,548        | \$ 97,712         | \$ 319,247        | \$ 164,584        |
| Unreserved                         | 58,336                      | 57,077            | 57,077            | 128,038           | 207,078           | 163,490           | 163,764           | 219,381           | 389,571           |
| Total general fund                 | <u>\$ 299,551</u>           | <u>\$ 478,766</u> | <u>\$ 440,691</u> | <u>\$ 340,315</u> | <u>\$ 297,497</u> | <u>\$ 269,038</u> | <u>\$ 261,476</u> | <u>\$ 538,628</u> | <u>\$ 554,155</u> |
| All Other Governmental Funds       |                             |                   |                   |                   |                   |                   |                   |                   |                   |
| Reserved                           | \$ -                        | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              | \$ -              |
| Unreserved, reported in:           |                             |                   |                   |                   |                   |                   |                   |                   |                   |
| Special revenue fund               | (406)                       | (406)             | (406)             | (406)             | (1,106)           | -                 | -                 | -                 | -                 |
| Capital projects fund              | -                           | -                 | -                 | -                 | -                 | -                 | -                 | -                 | -                 |
| Debt service fund                  | -                           | -                 | -                 | -                 | -                 | -                 | -                 | -                 | -                 |
| Permanent fund                     | -                           | -                 | -                 | -                 | -                 | -                 | -                 | -                 | -                 |
| Total all other governmental funds | <u>\$ (406)</u>             | <u>\$ (406)</u>   | <u>\$ (406)</u>   | <u>\$ (406)</u>   | <u>\$ (1,106)</u> | <u>\$ -</u>       | <u>\$ -</u>       | <u>\$ -</u>       | <u>\$ -</u>       |

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

|                                      | Fiscal Year Ending June 30, |                  |                  |                  |                  |                  |                  |                  |                  |
|--------------------------------------|-----------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
|                                      | 2004                        | 2005             | 2006             | 2007             | 2008             | 2009             | 2010             | 2011             | 2012             |
| <b>Revenues</b>                      |                             |                  |                  |                  |                  |                  |                  |                  |                  |
| Tax Levy                             | \$ 999,249                  | \$ 1,034,842     | \$ 1,023,869     | \$ 1,056,066     | \$ 1,086,893     | \$ 1,104,225     | \$ 1,148,394     | \$ 1,190,863     | \$ 1,214,680     |
| Tuition charges                      | 8,300                       | -                | -                | -                | -                | -                | 19,000           | -                | -                |
| Transportation fees from other LEA's | -                           | -                | -                | -                | -                | -                | -                | -                | -                |
| Miscellaneous                        | 46,861                      | 5,686            | 10,149           | 9,369            | 6,133            | 10,440           | 7,498            | 13,791           | 22,159           |
| State sources                        | 1,046,625                   | 1,081,569        | 1,091,473        | 1,163,238        | 1,203,121        | 1,048,020        | 907,000          | 1,048,921        | 1,087,238        |
| Federal sources                      | 89,835                      | 99,946           | 94,388           | 92,706           | 91,595           | 93,353           | 155,631          | 165,739          | 91,239           |
| <b>Total revenue</b>                 | <b>2,190,870</b>            | <b>2,222,043</b> | <b>2,219,879</b> | <b>2,321,379</b> | <b>2,387,742</b> | <b>2,256,038</b> | <b>2,237,523</b> | <b>2,419,314</b> | <b>2,365,316</b> |
| <b>Expenditures</b>                  |                             |                  |                  |                  |                  |                  |                  |                  |                  |
| Instruction                          |                             |                  |                  |                  |                  |                  |                  |                  |                  |
| Regular instruction                  | 546,004                     | 550,726          | 654,756          | 691,882          | 657,082          | 691,045          | 635,133          | 791,050          | 809,726          |
| Special education instruction        | 189,277                     | 201,052          | 132,016          | 140,371          | 146,123          | 127,023          | 160,110          | 136,446          | 140,070          |
| Other special instruction            | 21,847                      | 30,855           | 11,004           | 10,786           | 18,565           | 20,018           | 21,066           | 10,380           | 17,218           |
| Vocational education                 | -                           | -                | -                | -                | -                | -                | -                | -                | -                |
| Other instruction                    | 630                         | -                | -                | -                | 10,621           | 9,511            | 8,924            | 9,241            | 16,772           |
| Nonpublic school programs            | -                           | -                | -                | -                | -                | -                | -                | -                | -                |
| Adult/continuing education           | -                           | -                | -                | -                | -                | -                | -                | -                | -                |
| Support Services:                    |                             |                  |                  |                  |                  |                  |                  |                  |                  |
| Tuition                              | 8,497                       | 17,148           | 56,721           | 97,378           | 21,109           | 105,733          | 136,317          | -                | -                |
| Student & inst. related services     | 222,445                     | 237,056          | 276,815          | 308,644          | 327,577          | 331,692          | 270,743          | 247,962          | 311,226          |
| General administration               | 125,964                     | 127,405          | 129,543          | 132,188          | 176,313          | 116,367          | 122,600          | 129,137          | 127,099          |
| School administrative services       | 98,127                      | 54,372           | 30,758           | 28,809           | 23,916           | 25,682           | 58,038           | 58,770           | 60,790           |
| Plant operations & maintenance       | 175,782                     | 185,123          | 219,994          | 211,192          | 235,747          | 212,673          | 218,556          | 207,895          | 211,694          |
| Pupil transportation                 | 63,367                      | 74,617           | 77,303           | 77,416           | 82,081           | 95,473           | 109,106          | 87,340           | 90,318           |
| Other support services               | -                           | -                | -                | -                | -                | -                | -                | -                | -                |
| Employee benefits                    | 400,236                     | 445,386          | 478,014          | 579,016          | 599,552          | 454,425          | 472,843          | 443,733          | 490,370          |

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

|   | Fiscal Year Ending June 30, |            |             |              |             |             |            |            |           |   |
|---|-----------------------------|------------|-------------|--------------|-------------|-------------|------------|------------|-----------|---|
|   | 2004                        | 2005       | 2006        | 2007         | 2008        | 2009        | 2010       | 2011       | 2012      |   |
| Special Schools   | 3,094                       | 3,500      | 3,000       | 4,333        | 2,964       | 8,848       | -          | -          | -         | - |
| Charter Schools   | -                           | -          | -           | -            | -           | -           | -          | -          | -         | - |
| Capital Outlay  | 6,717                       | 1          | 69,476      | 1            | 43,083      | 52,743      | 31,649     | 20,208     | 74,516    |   |
| Debt service:   |                             |            |             |              |             |             |            |            |           |   |
| Principal   | 100,000                     | 100,000    | 100,000     | 100,000      | 53,000      | -           | -          | -          | -         |   |
| Interest and other charges                                | 28,086                      | 21,886     | 15,686      | 9,486        | 3,286       | -           | -          | -          | -         |   |
| Total expenditures  | 1,990,073                   | 2,049,127  | 2,255,086   | 2,391,502    | 2,401,019   | 2,251,233   | 2,245,085  | 2,142,162  | 2,349,799 |   |
| Excess (Deficiency) of revenues over (under) expenditures | 200,797                     | 172,916    | (35,207)    | (70,123)     | (13,277)    | 4,805       | (7,562)    | 277,152    | 15,517    |   |
| Other Financing sources (uses)                            |                             |            |             |              |             |             |            |            |           |   |
| Proceeds from borrowing                                   | -                           | -          | -           | -            | -           | -           | -          | -          | -         |   |
| Capital leases (non-budgeted)                             | -                           | -          | -           | -            | -           | -           | -          | -          | -         |   |
| Proceeds from refunding                                   | -                           | -          | -           | -            | -           | -           | -          | -          | -         |   |
| Payments to escrow agent                                  | -                           | -          | -           | -            | -           | -           | -          | -          | -         |   |
| Transfers in  | -                           | 30,000     | 53,515      | -            | -           | -           | -          | -          | -         |   |
| Transfers out   | (12,819)                    | (23,661)   | (56,383)    | (30,253)     | (30,241)    | (32,158)    | -          | -          | -         |   |
| Total other financing sources (uses)                      | (12,819)                    | 6,339      | (2,868)     | (30,253)     | (30,241)    | (32,158)    | -          | -          | -         |   |
| Net change in fund balances                               | \$ 187,978                  | \$ 179,255 | \$ (38,075) | \$ (100,376) | \$ (43,518) | \$ (27,353) | \$ (7,562) | \$ 277,152 | \$ 15,517 |   |
| Debt service as a percentage of noncapital expenditures   | 6.5%                        | 5.9%       | 5.3%        | 4.6%         | 2.4%        | 0.0%        | 0.0%       | 0.0%       | 0.0%      |   |

Source: District records

EXHIBIT J-5

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

| Fiscal Year<br>Ending June 30, | Washington Twp<br>Admin. Contract/<br>Tech Contract/<br>CST | Tuition   | Township<br>Aid | Prior Year<br>Refunds | Interest | Miscellaneous | Annual Totals |
|--------------------------------|---|-----------|-----------------|-----------------------|----------|---------------|---------------|
| 2003                           | \$ 119,049  | \$ 10,667 | \$ -            | \$ -                  | \$ -     | \$ -          | \$ 129,716    |
| 2004                           | -   | -         | -               | 7,742                 | -        | 2,516         | 10,258        |
| 2005                           | 12,825  | -         | 20,000          | 11,180                | 556      | 2,300         | 46,861        |
| 2006                           | -   | -         | -               | -                     | 5,140    | 546           | 5,686         |
| 2007                           | -   | -         | -               | -                     | 9,433    | 716           | 10,149        |
| 2008                           | -   | -         | -               | -                     | 6,133    | -             | 6,133         |
| 2009                           | -   | -         | -               | -                     | 8,580    | 1,860         | 10,440        |
| 2010                           | -   | -         | -               | -                     | 2,153    | 3,794         | 5,947         |
| 2011                           | -   | -         | -               | -                     | 441      | 13,350        | 13,791        |
| 2012                           | -   | 17,300    | -               | -                     | 312      | 2,149         | 19,761        |

Source: District records

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

| Fiscal Year<br>Ending June 30, | Vacant Land | Residential | Farm Reg. | Qfarm | Commercial | Industrial | Apartment |
|--------------------------------|-------------|-------------|-----------|-------|------------|------------|-----------|
| 2002                           | n/a         | n/a         | n/a       | n/a   | n/a        | n/a        | n/a       |
| 2003                           | n/a         | n/a         | n/a       | n/a   | n/a        | n/a        | n/a       |
| 2004                           | n/a         | n/a         | n/a       | n/a   | n/a        | n/a        | n/a       |
| 2005                           | n/a         | n/a         | n/a       | n/a   | n/a        | n/a        | n/a       |
| 2006                           | n/a         | n/a         | n/a       | n/a   | n/a        | n/a        | n/a       |
| 2007                           | n/a         | n/a         | n/a       | n/a   | n/a        | n/a        | n/a       |
| 2008                           | n/a         | n/a         | n/a       | n/a   | n/a        | n/a        | n/a       |
| 2009                           | n/a         | n/a         | n/a       | n/a   | n/a        | n/a        | n/a       |
| 2010                           | n/a         | n/a         | n/a       | n/a   | n/a        | n/a        | n/a       |
| 2011                           | n/a         | n/a         | n/a       | n/a   | n/a        | n/a        | n/a       |

Source: Municipal Tax Assessor

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

| Fiscal Year<br>Ending June 30, | Total Assessed<br>Value | Less: Tax<br>Exempt Property | Public Utilities <sup>a</sup> | Net Valuation<br>Taxable | Estimated Actual<br>(County<br>Equalized) Value | Total Direct<br>School Tax Rate <sup>b</sup> |
|--------------------------------|-------------------------|------------------------------|-------------------------------|--------------------------|---|--|
|                                |                         |                              |                               |                          |   |  |
| 2002                           | 69,085,922              | n/a                          | n/a                           | n/a                      | 69,238,246                                      | 1.147  |
| 2003                           | 70,367,524              | n/a                          | n/a                           | n/a                      | 78,021,425                                      | 1.408  |
| 2004                           | 70,947,790              | n/a                          | n/a                           | n/a                      | 78,797,450                                      | 1.457  |
| 2005                           | 72,146,105              | n/a                          | n/a                           | n/a                      | 110,581,631                                     | 1.420  |
| 2006                           | 72,527,414              | n/a                          | n/a                           | n/a                      | 130,729,838                                     | 1.457  |
| 2007                           | 73,472,301              | n/a                          | n/a                           | n/a                      | 191,833,684                                     | 1.471  |
| 2008                           | 202,947,669             | n/a                          | n/a                           | n/a                      | 196,172,249                                     | 0.545  |
| 2009                           | 198,952,981             | n/a                          | n/a                           | n/a                      | 187,362,785                                     | 0.577  |
| 2010                           | 194,789,377             | n/a                          | n/a                           | n/a                      | 201,671,353                                     | 0.611  |
| 2011                           | 194,251,111             | n/a                          | n/a                           | n/a                      | 201,671,353                                     | 0.637  |

Source: Municipal Tax Assessor

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

<sup>a</sup> Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies  
<sup>b</sup> Tax rates are per \$100

EXHIBIT J-7

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

| Fiscal Year<br>Ending June 30, | Bass River Township School District Direct Rate |            |                           |   | Overlapping Rates         |                   |                 |  | Total Direct and<br>Overlapping<br>Tax Rate |
|--------------------------------|---|------------|---------------------------|---|---------------------------|-------------------|-----------------|--|---|
|                                | Basic Rate <sup>a</sup>                         | General    |                           | Total Direct<br>School Tax Rate<br>(From J-6) | Township of<br>Bass River | Burlington County |                 | Pinelands<br>Regional<br>School District |   |
|                                |   | Obligation | Debt Service <sup>b</sup> |   |                           | School District   | School District |  |   |
| 2003                           | \$ 1.327  | \$ 0.081   |                           | \$ 1.408                                      | \$ 0.132                  | \$ 0.567          | \$ 1.080        | \$ 3.187                                 |   |
| 2004                           | 1.380   | 0.077      |                           | 1.457   | -                         | 0.606             | 1.116           | 3.179                                    |   |
| 2005                           | 1.348   | 0.072      |                           | 1.420   | -                         | 0.701             | 1.139           | 3.260                                    |   |
| 2006                           | 1.387   | 0.070      |                           | 1.457   | -                         | 0.798             | 0.999           | 3.254                                    |   |
| 2007                           | 1.401   | 0.070      |                           | 1.471   | -                         | 1.003             | 0.996           | 3.470                                    |   |
| 2008                           | 0.545   | -          |                           | 0.545   | 0.011                     | 0.377             | 0.404           | 1.337                                    |   |
| 2009                           | 0.577   | -          |                           | 0.577   | 0.012                     | 0.353             | 0.433           | 1.375                                    |   |
| 2010                           | 0.611   | -          |                           | 0.611   | 0.042                     | 0.394             | 0.479           | 1.526                                    |   |
| 2011                           | 0.621   | -          |                           | 0.621   | 0.041                     | 0.376             | 0.474           | 1.512                                    |   |
| 2012                           | 0.637   | -          |                           | 0.637   | 0.056                     | 0.372             | 0.494           | 1.559                                    |   |

Source: Municipal Tax Collector

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

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

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

EXHIBIT J-8

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

|              | 2011                   |      |  | 2001                   |      |  |
|--------------|------------------------|------|--|------------------------|------|--|
|              | Taxable Assessed Value | Rank | % of Total District Net Assessed Value | Taxable Assessed Value | Rank | % of Total District Net Assessed Value |
| Taxpayer 1   | \$ -                   |      | 0.00%                                  | \$ -                   |      | 0.00%                                  |
| Taxpayer 2   | \$ -                   |      | 0.00%                                  | \$ -                   |      | 0.00%                                  |
| Taxpayer 3   | \$ -                   |      | 0.00%                                  | \$ -                   |      | 0.00%                                  |
| Taxpayer 4   | \$ -                   |      | 0.00%                                  | \$ -                   |      | 0.00%                                  |
| Taxpayer 5   | \$ -                   |      | 0.00%                                  | \$ -                   |      | 0.00%                                  |
| Taxpayer 6   | \$ -                   |      | 0.00%                                  | \$ -                   |      | 0.00%                                  |
| Taxpayer 7   | \$ -                   |      | 0.00%                                  | \$ -                   |      | 0.00%                                  |
| Taxpayer 8   | \$ -                   |      | 0.00%                                  | \$ -                   |      | 0.00%                                  |
| Taxpayer 9   | \$ -                   |      | 0.00%                                  | \$ -                   |      | 0.00%                                  |
| Taxpayer 10  | \$ -                   |      | 0.00%                                  | \$ -                   |      | 0.00%                                  |
| <b>Total</b> | <b>\$ -</b>            |      | <b>0.00%</b>                           | <b>\$ -</b>            |      | <b>0.00%</b>                           |

Source: Municipal Tax Assessor

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

| Fiscal Year<br>Ending June 30, | Taxes Levied for<br>the Fiscal Year | Collected within the Fiscal Year<br>of the Levy <sup>a</sup> |                       | Collections in<br>Subsequent Years |
|--------------------------------|-------------------------------------|--|-----------------------|------------------------------------|
|                                |                                     | Amount   | Percentage<br>of Levy |                                    |
| 2002                           | \$ 2,011,146                        | \$ 1,869,336   | 92.95%                | n/a                                |
| 2003                           | 2,272,642                           | 2,090,824  | 92.00%                | n/a                                |
| 2004                           | 2,283,730                           | 2,138,630  | 93.65%                | n/a                                |
| 2005                           | 2,382,678                           | 2,208,447  | 92.69%                | n/a                                |
| 2006                           | 2,405,076                           | 2,281,897  | 94.88%                | n/a                                |
| 2007                           | 2,585,501                           | 2,449,045  | 94.72%                | n/a                                |
| 2008                           | 2,716,927                           | 2,530,476  | 93.14%                | n/a                                |
| 2009                           | 2,735,750                           | 2,535,748  | 92.69%                | n/a                                |
| 2010                           | 2,985,799                           | 2,811,748  | 94.17%                | n/a                                |
| 2011                           | 2,954,269                           | 2,805,337  | 94.96%                | n/a                                |

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

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

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

| Fiscal Year<br>Ending<br>June 30, | Governmental Activities                  |                                  |                | Business-Type<br>Activities       |                | Total District | Percentage<br>of Personal<br>Income <sup>a</sup> | Per Capita <sup>a</sup> |
|-----------------------------------|--|----------------------------------|----------------|-----------------------------------|----------------|----------------|--|-------------------------|
|                                   | General<br>Obligation Bonds <sup>b</sup> | Certificates of<br>Participation | Capital Leases | Bond Anticipation<br>Notes (BANs) | Capital Leases |                |  |                         |
| 2003                              | \$ 453,000                               | \$ -                             | \$ -           | \$ -                              | \$ -           | \$ 453,000     | n/a  | \$ 290                  |
| 2004                              | 353,000                                  | -                                | -              | -                                 | -              | 353,000        | n/a  | 226                     |
| 2005                              | 253,000                                  | -                                | -              | -                                 | -              | 253,000        | n/a  | 162                     |
| 2006                              | 153,000                                  | -                                | -              | -                                 | -              | 153,000        | n/a  | 98                      |
| 2007                              | 53,000                                   | -                                | -              | -                                 | -              | 53,000         | n/a  | 34                      |
| 2008                              | -  | -                                | -              | -                                 | -              | -              | n/a  | -                       |
| 2009                              | -  | -                                | -              | -                                 | -              | -              | n/a  | -                       |
| 2010                              | -  | -                                | -              | -                                 | -              | -              | n/a  | -                       |
| 2011                              | -  | -                                | -              | -                                 | -              | -              | n/a  | -                       |
| 2012                              | -  | -                                | -              | -                                 | -              | -              | n/a  | -                       |

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

<sup>a</sup> See Exhibit NJ J-14 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

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

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

| Fiscal Year<br>Ending June 30, | General Bonded Debt Outstanding |            |   | Percentage of<br>Actual Taxable<br>Value <sup>a</sup> of Property | Per Capita <sup>b</sup> |
|--------------------------------|---------------------------------|------------|---|---|-------------------------|
|                                | General<br>Obligation Bonds     | Deductions | Net General<br>Bonded Debt<br>Outstanding |   |                         |
| 2003                           | \$ 453,000                      | \$ -       | \$ 453,000                                | 0.64%   | \$ 290                  |
| 2004                           | 353,000                         | -          | 353,000                                   | 0.50%   | 226                     |
| 2005                           | 253,000                         | -          | 253,000                                   | 0.35%   | 162                     |
| 2006                           | 153,000                         | -          | 153,000                                   | 0.21%   | 98                      |
| 2007                           | 53,000                          | -          | 53,000                                    | 0.07%   | 34                      |
| 2008                           | -                               | -          | -   | 0.00%   | -                       |
| 2009                           | -                               | -          | -   | 0.00%   | -                       |
| 2010                           | -                               | -          | -   | 0.00%   | -                       |
| 2011                           | -                               | -          | -   | 0.00%   | -                       |
| 2012                           | -                               | -          | -   | 0.00%   | -                       |

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

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

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

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

| <u>Governmental Unit</u>                  | <u>Debt Outstanding</u> | <u>Estimated<br/>Percentage<br/>Applicable<sup>a</sup></u> | <u>Estimated Share of<br/>Overlapping Debt</u> |
|---|-------------------------|--|--|
| Debt repaid with property taxes           |                         |  |  |
| Bass River Township                       | \$ 276,623              | 100.00%  | \$ 276,623                                     |
| Burlington County General Obligation Debt | 379,858,498             | 0.45%  | 1,709,363                                      |
| Regional School Debt - Township's share   | 620,920                 | 100.00%  | <u>620,920</u>                                 |
| Subtotal, overlapping debt                |                         |  | 2,606,906                                      |
| <b>Total direct and overlapping debt</b>  |                         |  | <u><u>\$ 2,606,906</u></u>                     |

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

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

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

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

Legal Debt Margin Calculation for Fiscal Year 2011

Equalized Valuation Basis

|      |                       |
|------|-----------------------|
| 2011 | \$ 188,491,996        |
| 2010 | 189,944,352           |
| 2009 | 203,109,558           |
|      | <u>\$ 581,545,906</u> |

Average equalized valuation of taxable property \$ 193,848,635

Debt limit (2.5% of average equalization value) 4,846,216  
 Total Net Debt Applicable to Limit -  
 Legal debt margin \$ 4,846,216

Fiscal Year

|                                    | 2003                | 2004                | 2005                | 2006                | 2007                | 2008                | 2009                | 2010                | 2011                | 2012                |
|------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Debt limit                         | \$ 2,178,173        | \$ 2,308,999        | \$ 2,723,254        | \$ 2,703,174        | \$ 3,377,435        | \$ 4,086,104        | \$ 4,588,380        | \$ 4,860,064        | \$ 4,844,320        | \$ 4,846,216        |
| Total net debt applicable to limit | 453,000             | 353,000             | 253,000             | 153,000             | 53,000              | -                   | -                   | -                   | -                   | -                   |
| Legal debt margin                  | <u>\$ 1,725,173</u> | <u>\$ 1,955,999</u> | <u>\$ 2,470,254</u> | <u>\$ 2,550,174</u> | <u>\$ 3,324,435</u> | <u>\$ 4,086,104</u> | <u>\$ 4,588,380</u> | <u>\$ 4,860,064</u> | <u>\$ 4,844,320</u> | <u>\$ 4,846,216</u> |

|  |        |        |       |       |       |       |       |       |       |       |
|--|--------|--------|-------|-------|-------|-------|-------|-------|-------|-------|
| Total net debt applicable to limit as a percentage of debt limit | 20.80% | 15.29% | 9.29% | 5.66% | 1.57% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
|--|--------|--------|-------|-------|-------|-------|-------|-------|-------|-------|

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

<sup>a</sup> Limit set by N.J.S.A. 18A:24-19 for a K through I2 district; other % limits would be applicable for other district types.

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

| Year | Population <sup>a</sup> | Personal Income <sup>b</sup> | Per Capita<br>Personal Income <sup>c</sup> | Unemployment<br>Rate <sup>d</sup> |
|------|-------------------------|------------------------------|--|-----------------------------------|
| 2001 | \$ 1,514                | n/a                          | \$ 32,860                                  | 3.60%                             |
| 2002 | 1,528                   | n/a                          | 34,683                                     | 5.30%                             |
| 2003 | 1,546                   | n/a                          | 36,513                                     | 5.20%                             |
| 2004 | 1,553                   | n/a                          | 37,105                                     | 4.80%                             |
| 2005 | 1,549                   | n/a                          | 38,575                                     | 3.70%                             |
| 2006 | 1,559                   | n/a                          | 40,520                                     | 4.10%                             |
| 2007 | 1,547                   | n/a                          | 42,398                                     | 3.70%                             |
| 2008 | 1,510                   | n/a                          | 44,077                                     | 5.10%                             |
| 2009 | 1,511                   | n/a                          | 46,584                                     | 8.70%                             |
| 2010 | 1,447                   | n/a                          | 47,391                                     | 9.00%                             |

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

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

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

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

EXHIBIT J-15

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

| Employer | 2012      |      |  | 2002      |      |  |
|----------|-----------|------|--|-----------|------|--|
|          | Employees | Rank | Percentage of Total Municipal Employment | Employees | Rank | Percentage of Total Municipal Employment |
| N/A      | -         | 1    | 0.00%                                    | -         | 1    | 0.00%                                    |
| N/A      | -         | 2    | 0.00%                                    | -         | 2    | 0.00%                                    |
| N/A      | -         | 3    | 0.00%                                    | -         | 3    | 0.00%                                    |
| N/A      | -         | 4    | 0.00%                                    | -         | 4    | 0.00%                                    |
| N/A      | -         | 5    | 0.00%                                    | -         | 5    | 0.00%                                    |
| N/A      | -         | 6    | 0.00%                                    | -         | 6    | 0.00%                                    |
| N/A      | -         | 7    | 0.00%                                    | -         | 7    | 0.00%                                    |
| N/A      | -         | 8    | 0.00%                                    | -         | 8    | 0.00%                                    |
| N/A      | -         | 9    | 0.00%                                    | -         | 9    | 0.00%                                    |
| N/A      | -         | 10   | 0.00%                                    | -         | 10   | 0.00%                                    |
|          |           |      | <u>0.00%</u>                             |           |      | <u>0.00%</u>                             |

Source:

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

|  | 2003        | 2004        | 2005        | 2006        | 2007        | 2008        | 2009        | 2010        | 2011        | 2012        |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| <b>Function/Program</b>                |             |             |             |             |             |             |             |             |             |             |
| Instruction:                           |             |             |             |             |             |             |             |             |             |             |
| Regular                                | 12.7        | 12.1        | 11.9        | 11.9        | 11.9        | 11.4        | 11.4        | 11.4        | 11.4        | 11.5        |
| Special Education                      | 3.0         | 3.0         | 3.0         | 3.0         | 3.0         | 3.0         | 3.0         | 3.0         | 3.0         | 4.0         |
| Other special education                | 0.4         | 0.4         | 0.6         | 0.6         | 0.6         | 0.8         | 0.8         | 0.8         | 0.8         | 0.8         |
| Vocational                             | -           | -           | -           | -           | -           | -           | -           | -           | -           | -           |
| Other instruction                      | -           | -           | -           | -           | -           | -           | -           | -           | -           | -           |
| Nonpublic school programs              | -           | -           | -           | -           | -           | -           | -           | -           | -           | -           |
| Adult/continuing education programs    | -           | -           | -           | -           | -           | -           | -           | -           | -           | -           |
| Support Services:                      |             |             |             |             |             |             |             |             |             |             |
| Student & instruction related services | 4.4         | 5.0         | 5.0         | 4.2         | 4.2         | 3.4         | 4.2         | 3.2         | 3.2         | 3.2         |
| General administrative services        | 1.0         | 1.0         | 1.0         | 1.0         | 1.0         | 1.0         | 1.7         | 1.7         | 1.7         | 1.7         |
| School administrative services         | 3.5         | 3.5         | 3.5         | 3.5         | 3.5         | 2.0         | 2.0         | 2.0         | 2.0         | 2.0         |
| Other administrative services          | -           | -           | -           | -           | -           | -           | -           | -           | -           | -           |
| Central services                       | -           | -           | -           | -           | -           | -           | -           | -           | -           | -           |
| Admin. information technology          | -           | -           | -           | -           | -           | -           | -           | -           | -           | -           |
| Plant operations & maintenance         | 2.5         | 2.5         | 2.5         | 2.5         | 2.5         | 2.5         | 2.5         | 2.5         | 2.5         | 2.5         |
| Pupil transportation                   | -           | -           | -           | -           | -           | -           | -           | -           | -           | -           |
| Other support services                 | 2.0         | 2.0         | 1.0         | 1.0         | 1.0         | 1.0         | 1.0         | 1.0         | 1.0         | 1.0         |
| Special Schools                        | -           | -           | -           | -           | -           | -           | -           | -           | -           | -           |
| Food Service                           | 1.6         | 1.6         | 1.6         | 1.6         | 1.6         | 1.6         | 1.6         | 1.6         | 1.6         | 1.6         |
| Child Care                             | -           | -           | -           | -           | -           | -           | -           | -           | -           | -           |
| <b>Total</b>                           | <b>31.1</b> | <b>31.1</b> | <b>30.1</b> | <b>29.3</b> | <b>29.3</b> | <b>26.7</b> | <b>28.2</b> | <b>25.6</b> | <b>25.6</b> | <b>26.7</b> |

Source: District Personnel Records.

BASS RIVER TOWNSHIP SCHOOL DISTRICT  
 OPERATING STATISTICS  
 LAST TEN FISCAL YEARS

| Fiscal Year | Enrollment | Operating Expenditures <sup>a</sup> | Cost Per Pupil | Percentage Change | Teaching Staff <sup>b</sup> | Pupil/Teacher Ratio |               |                    | Average Daily Enrollment (ADE) <sup>c</sup> | Average Daily Attendance (ADA) <sup>c</sup> | % Change in Average Daily Enrollment | Student Attendance Percentage |
|-------------|------------|-------------------------------------|----------------|-------------------|-----------------------------|---------------------|---------------|--------------------|---|---|--------------------------------------|-------------------------------|
|             |            |                                     |                |                   |                             | Elementary          | Middle School | Senior High School |   |   |                                      |                               |
| 2003        | 150        | 1,811,940                           | 12,080         | -6.60%            | 19                          | 1:19                | n/a           | n/a                | 149.9                                       | 131.9                                       | 1.83%                                | 87.99%                        |
| 2004        | 135        | 1,755,331                           | 13,002         | 7.10%             | 20                          | 1:17                | n/a           | n/a                | 124.0                                       | 116.0                                       | -17.28%                              | 93.55%                        |
| 2005        | 129        | 1,815,125                           | 14,071         | 7.59%             | 20                          | 1:16                | n/a           | n/a                | 128.0                                       | 120.0                                       | 3.23%                                | 93.75%                        |
| 2006        | 135        | 2,085,885                           | 15,451         | 9.80%             | 20                          | 1:17                | n/a           | n/a                | 134.9                                       | 124.8                                       | 5.39%                                | 92.51%                        |
| 2007        | 131        | 2,282,015                           | 17,420         | 11.30%            | 20                          | 1:16                | n/a           | n/a                | 129.0                                       | 119.0                                       | 3.70%                                | 92.30%                        |
| 2008        | 127        | 2,106,985                           | 16,590         | -5.00%            | 20                          | 1:16                | n/a           | n/a                | 127.0                                       | 116.0                                       | -1.55%                               | 91.34%                        |
| 2009        | 126        | 2,198,490                           | 17,448         | 5.17%             | 20                          | 1:16                | n/a           | n/a                | 107.0                                       | 101.3                                       | -15.74%                              | 91.34%                        |
| 2010        | 125        | 2,213,436                           | 17,707         | 8.00%             | 18                          | 1:08                | n/a           | n/a                | 127.7                                       | 120.0                                       | -18.80%                              | 93.75%                        |
| 2011        | 121        | 2,121,954                           | 17,537         | 0.00%             | 18                          | 0:00                | n/a           | n/a                | 119.5                                       | 113.5                                       | -6.40%                               | 93.75%                        |
| 2012        | 136        | 2,275,283                           | 16,730         | -4.60%            | 22                          | 1:03                | n/a           | n/a                | 131.8                                       | 126.0                                       | 10.29%                               | 92.45%                        |

Sources: District records.

Note: Enrollment based on annual October district count.

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

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

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

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

|  | 2003   | 2004   | 2005   | 2006   | 2007   | 2008   | 2009   | 2010   | 2011   | 2012   |
|--|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| <b>District Building</b>                     |        |        |        |        |        |        |        |        |        |        |
| <u>Bass River Township Elementary School</u> |        |        |        |        |        |        |        |        |        |        |
| Square Feet                                  | 45,299 | 45,299 | 45,299 | 45,299 | 45,299 | 45,299 | 45,299 | 45,299 | 45,299 | 45,299 |
| Capacity (students)                          | 205    | 205    | 205    | 205    | 205    | 205    | 205    | 205    | 205    | 205    |
| Enrollment                                   | 150    | 135    | 129    | 135    | 131    | 127    | 126    | 119    | 121    | 121    |

Number of Schools at June 30, 2011:

Elementary = 1

Middle School = 0

High School = 0

Source: District Facilities Office

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

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

| *School Facilities                       | 2003   | 2004   | 2005   | 2006   | 2007   | 2008   | 2009   | 2010   | 2011   | 2012   | Total      |
|--|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|------------|
| Bass River Township<br>Elementary School | 15,434 | 10,823 | 14,001 | 14,842 | 16,735 | 31,393 | 72,044 | 31,488 | 21,812 | 33,161 | \$ 283,545 |
| Total School Facilities                  | 15,434 | 10,823 | 14,001 | 14,842 | 16,735 | 31,393 | 72,044 | 31,488 | 21,812 | 33,161 | \$ 283,545 |

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

Source: District records.

BASS RIVER TOWNSHIP SCHOOL DISTRICT  
INSURANCE SCHEDULE  
JUNE 30, 2012

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

**SINGLE AUDIT SECTION**

# GROSS & COMPANY, LLC

Certified Public Accountant  
Registered Municipal Accountant  
Public School Accountant

Michael P. Gross, RMA, CPA, PSA

Gross, CPA,RMA

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

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

Exhibit K-1

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

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

I have audited the financial statements of the Board of Education of the Bass River Township School District, in the County of Burlington, State of New Jersey, as of and for the fiscal year ended June 30, 2012, and have issued my report thereon dated November 27, 2012. I conducted my audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

**Internal Control Over Financial Reporting**

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

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

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

### **Compliance and Other Matters**

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

This report is intended solely for the information and use of management, the Bass River Township Board of Education, others within the entity, and the New Jersey State Department of Education, and is not intended to be and should not be used by anyone other than these specified parties.



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

November 27, 2012

# GROSS & COMPANY, LLC

Certified Public Accountants  
Registered Municipal Accountant  
Public School Accountant

Michael P. Gross, RMA, CPA, PSA

Joseph J. Gross, CPA, RMA

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Ship Bottom, NJ 08008

Exhibit K-2

REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE  
A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM  
AND ON INTERNAL CONTROL OVER COMPLIANCE  
IN ACCORDANCE WITH NEW JERSEY OMB CIRCULAR 04-04

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

## Compliance

I have audited the Board of Education of the Bass River Township School District's, in the County of Burlington, State of New Jersey, compliance with the types of compliance requirements described in the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the Bass River Township Board of Education's major state programs for the fiscal year ended June 30, 2012. The Bass River Township Board of Education's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major state programs is the responsibility of the Bass River Township Board of Education's management. My responsibility is to express an opinion on the Bass River Township Board of Education's compliance based on my audit.

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

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

### **Internal Control Over Compliance**

The management of the Board of Education of the Bass River Township School District is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to state programs. In planning and performing my audit, I considered the Bass River Township Board of Education's internal control over compliance with the requirements that could have a direct and material effect on a major state program to determine the auditing procedures for the purpose of expressing my opinion on compliance and to test and report on internal control over compliance in accordance with New Jersey OMB's Circular 04-04, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, I do not express an opinion on the effectiveness of the Bass River Township Board of Education's internal control over compliance.

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

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

This report is intended solely for the information and use of management, the Bass River Township Board of Education, others within the entity, and the New Jersey State Department of Education, and is not intended to be and should not be used by anyone other than these specified parties.



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

November 27, 2012

**BASS RIVER TOWNSHIP SCHOOL DISTRICT**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**SCHEDULE A**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

| Federal<br>CFDA<br>Number | Grant or<br>State Project<br>Number   | Program or<br>Award<br>Amount | Grant Period |         | Balance at<br>June 30, 2011 | Carryover/<br>(Walkover)<br>Amount | Cash<br>Received  | Budgetary<br>Expenditures | Adjustments | Repayment of<br>Prior Year's<br>Balances | Balance at June 30, 2012 |                     |
|---------------------------|---------------------------------------|-------------------------------|--------------|---------|-----------------------------|------------------------------------|-------------------|---------------------------|-------------|--|--------------------------|---------------------|
|                           |                                       |                               | From         | To      |                             |                                    |                   |                           |             |  | Accounts<br>Receivable   | Deferred<br>Revenue |
| 84.010A                   | NCLB 2011                             | \$ 20,177.00                  | 9/1/10       | 8/31/11 | \$ (11,638.00)              | -                                  | 11,638.00         | -                         | -           | -  | -                        | -                   |
| 84.010A                   | NCLB 2012                             | 17,209.00                     | 9/1/11       | 8/31/12 | -                           | -                                  | 17,209.00         | -                         | -           | -  | -                        | -                   |
| 84.281A                   | NCLB 2012                             | 5,737.00                      | 9/1/11       | 8/31/12 | -                           | -                                  | 5,737.00          | -                         | -           | -  | -                        | -                   |
| 84.027                    | FT 12                                 | 45,904.00                     | 9/1/11       | 8/31/12 | -                           | -                                  | 45,904.00         | -                         | -           | -  | -                        | -                   |
| 84.027                    | FT 11                                 | 46,797.00                     | 9/1/10       | 8/31/11 | (4,359.00)                  | -                                  | 4,359.00          | -                         | -           | -  | -                        | -                   |
| 84.173                    | FT 12                                 | 3,596.00                      | 9/1/11       | 8/31/12 | -                           | -                                  | 3,596.00          | -                         | -           | -  | -                        | -                   |
| 84.298                    | ESEA 12                               | 18,793.00                     | 9/1/11       | 8/31/12 | -                           | -                                  | 18,793.00         | -                         | -           | -  | -                        | -                   |
|                           | <b>Total Special Revenue Fund</b>     |                               |              |         | <b>(15,997.00)</b>          | <b>-</b>                           | <b>107,236.00</b> | <b>(91,239.00)</b>        | <b>-</b>    | <b>-</b>                                 | <b>-</b>                 | <b>-</b>            |
|                           | <b>Total Federal Financial Awards</b> |                               |              |         | <b>\$ (15,997.00)</b>       | <b>-</b>                           | <b>107,236.00</b> | <b>(91,239.00)</b>        | <b>-</b>    | <b>-</b>                                 | <b>-</b>                 | <b>-</b>            |

Federal Grantor/Pass-Through Grantor/  
 Program Title  
 Passed-through State Dept. of Education  
 Special Revenue Fund:

Title I, Part A  
 Title I, Part A  
 Title II, Part A Teacher & Principal  
 I.D.E.A. Part B, Basic Regular  
 I.D.E.A. Part B, Basic Regular  
 I.D.E.A. Part B, Preschool  
 ESEA Title VI, Part B (REAP)  
 Total Special Revenue Fund

Total Federal Financial Awards

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

BASS RIVER TOWNSHIP SCHOOL DISTRICT  
 SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
 SCHEDULE B  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2012

| State Grantor/Program Title             | Grant or State Project Number | Program or Award Amount | Grant Period |         | Balance, at June 30, 2011              |                | Carryover/ (Walkover) Amount | Cash Received          | Budgetary Expenditures   | Adjustments/ Repayment of Prior Year's Balances | Balance, at June 30, 2012 |                                     | Due To Grantor | Budgetary Receivable | Cumulative Total Expenditures |  |
|---|-------------------------------|-------------------------|--------------|---------|--|----------------|------------------------------|------------------------|--------------------------|---|---------------------------|-------------------------------------|----------------|----------------------|-------------------------------|--|
|   |                               |                         | From         | To      | Deferred Revenue (Accounts Receivable) | Due to Grantor |                              |                        |                          |   | (Accounts Receivable)     | Deferred Revenue/ Interfund Payable |                |                      |                               |  |
| State Department of Education           |                               |                         |              |         |  |                |                              |                        |                          |   |                           |                                     |                |                      |                               |  |
| General Fund:                           |                               |                         |              |         |  |                |                              |                        |                          |   |                           |                                     |                |                      |                               |  |
| Equalization Aid                        | 12-495-034-5120-078           | \$618,194.00            | 7/1/11       | 6/30/12 | \$ -                                   | \$ -           | -                            | 618,194.00             | (618,194.00)             | -   | -                         | -                                   | -              | 59,450.00            | 618,194.00                    |  |
| Transportation Aid                      | 12-495-034-5120-014           | 24,707.00               | 7/1/11       | 6/30/12 | -                                      | -              | -                            | 24,707.00              | (24,707.00)              | -   | -                         | -                                   | -              | 2,376.00             | 24,707.00                     |  |
| Special Education Categorical Aid       | 12-495-034-5120-089           | 61,348.00               | 7/1/11       | 6/30/12 | -                                      | -              | -                            | 61,348.00              | (61,348.00)              | -   | -                         | -                                   | -              | 5,899.00             | 61,348.00                     |  |
| Security Aid                            | 12-495-034-5120-084           | 21,979.00               | 7/1/11       | 6/30/12 | -                                      | -              | -                            | 21,979.00              | (21,979.00)              | -   | -                         | -                                   | -              | 2,114.00             | 21,979.00                     |  |
| Adjustment Aid                          | 12-495-034-5120-085           | 161,982.00              | 7/1/11       | 6/30/12 | -                                      | -              | -                            | 161,982.00             | (161,982.00)             | -   | -                         | -                                   | -              | 15,577.00            | 161,982.00                    |  |
| On Behalf TPAF pension contrib.         | 12-495-034-5095-006           | 81,315.00               | 7/1/11       | 6/30/12 | -                                      | -              | -                            | 81,315.00              | (81,315.00)              | -   | -                         | -                                   | -              | -                    | 63,251.00                     |  |
| Reimbursed TPAF social sec. contr.      | 12-495-034-5095-002           | 72,484.00               | 7/1/11       | 6/30/12 | -                                      | -              | -                            | 72,484.00              | (72,484.00)              | -   | -                         | -                                   | -              | -                    | 74,604.00                     |  |
| <b>Total General Fund</b>               |                               |                         |              |         |  |                |                              | <b>1,042,009.00</b>    | <b>(1,042,009.00)</b>    |   |                           |                                     |                | <b>85,416.00</b>     | <b>1,026,065.00</b>           |  |
| <b>Total State Financial Assistance</b> |                               |                         |              |         |  |                |                              | <b>\$ 1,042,009.00</b> | <b>\$ (1,042,009.00)</b> |   |                           |                                     |                | <b>\$ 85,416.00</b>  | <b>\$ 1,026,065.00</b>        |  |

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

**Bass River Township School District  
Note to the Schedules of Financial Assistance  
June 30, 2012**

**NOTE 1. GENERAL**

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

**NOTE 2. BASIS OF ACCOUNTING**

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

**NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS**

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$(4,771.00) for the general fund and \$0.00 for the special revenue fund. See Note 1D (the Notes to Required Supplementary Information) for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented as follows:

|                                     | <u>Federal</u>   | <u>State</u>     | <u>Total</u>        |
|-------------------------------------|------------------|------------------|---------------------|
| General Fund                        | \$               | 1,037,238        | \$ 1,037,238        |
| Special Revenue Fund                | 91,239           | 0                | 91,239              |
| Debt Service Fund                   |                  |                  |                     |
| Food Service Fund                   | <u>0</u>         | <u>0</u>         | <u>0</u>            |
| Total Awards & Financial Assistance | <u>\$ 91,239</u> | <u>1,037,238</u> | <u>\$ 1,128,477</u> |

**Bass River Township School District  
Note to the Schedules of Financial Assistance  
June 30, 2012**

**NOTE 4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS**

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

**NOTE 5. OTHER**

The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the District for the year ended June 30, 2012. TPAF Social Security Contributions represents the amount reimbursed by the state for employer's share of social security contributions for TPAF members for the year ended June 30, 2012.



**BASS RIVER TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012  
(continued)**

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

**State Awards**

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

Auditee qualified as low-risk auditee?  X  yes   no

Internal Control over major programs:

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

2) Significant deficiencies identified that are not considered to be material weaknesses?   yes  X  none reported

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

Any audit findings disclosed that are required to be reported in accordance with NJOMB Circular Letter 04-04?   yes  X  no

Indentification of major programs:

| <u>GMIS Number(s)</u>      | <u>Name of State Program</u> |
|----------------------------|------------------------------|
| <u>12-495-034-5120-078</u> | <u>Equalization Aid</u>      |
| <u> </u>                   | <u> </u>                     |

**BASS RIVER TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012  
(continued)**

*Section II - Financial Statement Findings*

No matters were reported.

**BASS RIVER TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012  
(continued)**

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

**FEDERAL AWARDS**

No matters were reported.

**BASS RIVER TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012  
(continued)**

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

**STATE AWARDS**

No matters were reported.

**BASS RIVER TOWNSHIP SCHOOL DISTRICT**  
**AUDIT YEAR ENDING JUNE 30, 2012**  
**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

No matters were reported.