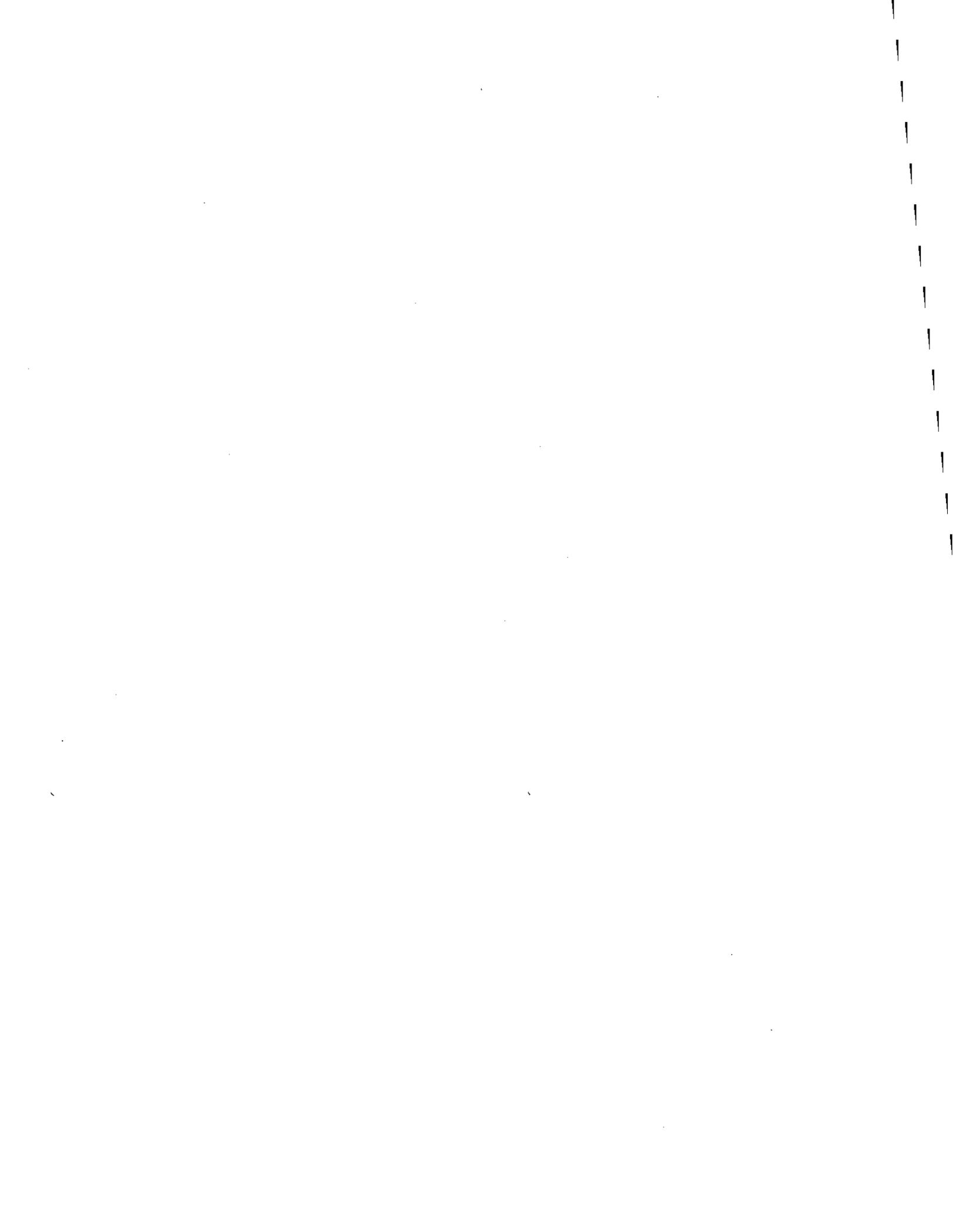


**SCHOOL DISTRICT OF
BERKELEY TOWNSHIP**

BERKELEY TOWNSHIP BOARD OF EDUCATION
Bayville, New Jersey
County of Ocean

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**



COMPREHENSIVE ANNUAL FINANCIAL REPORT

OF THE

BERKELEY TOWNSHIP BOARD OF EDUCATION

BAYVILLE, NEW JERSEY

FOR THE FISCAL YEAR ENDED JUNE 30, 2012

Prepared by

**Berkeley Township Board of Education
Business Administrator's Office**

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INTRODUCTORY SECTION

BERKELEY TOWNSHIP SCHOOL DISTRICT

53 CENTRAL PARKWAY
BAYVILLE, NEW JERSEY 08721-2414

Laura Venter, CPA, RSBA, RSBO
Business Administrator/Board Secretary

(732) 269-2321 Ext. 3205
FAX: (732) 269-4487
E-mail address: lventer@btboe.org

September 21, 2012

Honorable President and
Members of the Board of Education
Berkeley Township School District
County of Ocean, New Jersey

Dear Board Members:

The Comprehensive Annual Financial Report ("CAFR") of the Berkeley Township School District for the fiscal year ended June 30, 2012, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education of Berkeley Township. To the best of our knowledge and belief, the data as 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 the transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the Management's Discussion and Analysis and the basic financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act Amendments of 1996 and the U.S. Office of Management and Budget Circular A-133, *"Audits of State and Local Governments and Non-Profit Organizations,"* and New Jersey OMB's circular 04-04, *"Single Audit Policy for Recipients of Federal Grants, State Grants and State Aids."* Information related to this single audit, including the auditor's reports on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

1) REPORTING ENTITY AND ITS SERVICES: The Berkeley Township School District is an independent reporting entity within the criteria adopted by the GASB as established by GASB 34. All funds and account groups of the District are included in this report. The Berkeley Township Board of Education and all its schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels PS through 6. These include regular programs, as well as Special Education for handicapped youngsters. The District completed the 2011-2012 fiscal year with an average daily enrollment of 2,022 students. The following details the changes in the student average daily enrollment of the District over the last ten years.

AVERAGE DAILY ENROLLMENT

Fiscal Year	Average Daily Student Enrollment	Percent Change
2002 – 2003	1,923.5	(.40%)
2003 – 2004	1,874.3	(2.56%)
2004 – 2005	1,905.6	1.66%
2005 – 2006	1,908.5	.15%
2006 – 2007	1,907.6	(.04%)
2007 – 2008	1,948.0	2.12%
2008 – 2009	1,974.0	1.33%
2009 – 2010	2,015.0	2.08%
2010 – 2011	2,036.0	1.04%
2011 - 2012	2,021.6	(0.71%)

The District is expecting continued steady growth due to development within the Township.

2) ECONOMIC CONDITION AND OUTLOOK: The Berkeley Township, New Jersey area is bordered by the municipalities of Beachwood, Lacey Township, Manchester Township, Ocean Gate, Seaside Park, Toms River and South Toms River. The Township encompasses 41.9 square miles. The Township is part of Ocean County and is served by major transportation routes, including Route 9, the Garden State Parkway and a number of county roads.

The population of the Township of Berkeley is approximately 41,455 per the most recent census report. Of this number, approximately 43% are senior citizens who reside in the retirement communities locally known as Holiday City and Silver Ridge Park. Said communities were established in the western section of the Township in the late 1960's and early 1970's.

The Township has not experienced any unusual increase in its tax base with the exception of a Super Shop Rite located in the Berkeley Plaza on Route 9. Several additional strip malls located on Route 9 were completed in the last ten years.

Food chains, gas stations, auto-repair shops, fast food restaurants, convenience stores and miscellaneous service vendors comprise the bulk of the strip malls.

Since 1980 local school budgets have been rejected by the voters in the vast majority of the annual school elections. The District was again disappointed when the 2011 – 2012 budget was also defeated. For budgets beginning with the 2012-2013 school year, voter approval is no longer required if the tax levy increase is below "CAP" or 2%. The 2012-2013 budget was within that "CAP," therefore voter approval was not needed.

In recognition of the impact residential developments had on the school system, a Special Election was held on March 12, 2002. Township voters approved the issuance of \$24,430,100 in bonds to fund the local share of a \$33,491,000 building project. The project included additions and renovations to the three existing schools and construction of a new elementary school for grades 5 and 6. The remaining \$9,510,900 was funded by a grant from the New Jersey Economic Development Authority. The Bond sale closed on August 1, 2002. Construction was completed in 2005.

In April, 2010 the Board of Education issued Revenue Refunding Bonds for \$16,760,000. The results of this refunding created an economic gain with a net present value savings on interest expense of \$754,972.

3) SCHOOL DISTRICT PROFILE: The Berkeley Township Board of Education currently operates three Pre K – Grade 4 elementary schools and one Grade 5 – 6 school. The oldest school, Bayville Elementary School, was constructed in 1926, the H. & M. Potter School was built in 1973. A 10-room addition to the Clara B. Worth School, which opened in 1962 – 63, was constructed in 1983. Classroom additions to the Bayville School, Clara B. Worth School and H. & M. Potter School opened in September 2004. The central office and the child study team with their respective support staff are housed in separate annex buildings. There is also a bus garage complex for in-house vehicle maintenance. The School District is governed by a 9-member Board of Education and administered by a Superintendent of Schools, a Business Administrator/Board Secretary, a Director of Elementary Education, a Director of Special Education Services, four School Principals, one Assistant Principal, and two Supervisors.

The District operates a complete breakfast/lunch program in each school and an in-house transportation department that provides services for approximately 1,860 students daily.

4) MAJOR EDUCATIONAL INITIATIVES: During 2004 – 2005 school year, the District went through a major re-districting. The successful opening and staffing of the district's first middle school (Grades 5 and 6) took place in January, 2005.

Additions to the three elementary schools were completed in Spring 2005. Ten half-day Kindergarten classes were replaced by 14 all day Kindergarten classes in 2004 – 2005. The District takes pride in the condition of all its school campuses. Since 2006, all parking lots have been redone and 100% of all classrooms have been renovated with new ceilings, lighting, paint, flooring and whiteboards. Installation of solar tubes in ceilings have increased lighting while saving energy.

In 2011, the District completed a multi-year project installing district-wide phone upgrade with installation of classroom phones, VoIP phones, and a private fiber installation.

The District invested more than half a million dollars in a new Language Arts Program for all grade levels that will be implemented in September 2012.

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

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

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

6) BUDGETARY CONTROLS: In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the general fund, the special revenue fund and the debt service fund. Project-length budgets are approved for the capital improvements accounted for in the

capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 2012.

7) ACCOUNTING SYSTEM AND REPORTS: The District's accounting records reflect generally accepted accounting principles, as promulgated by GASB. The accounting system of the District is organized on the basis of funds and account groups. These funds and account groups are explained in "Notes to the Financial Statements," Note 1.

8) DEBT ADMINISTRATION: At June 30, 2012 the District's outstanding debt includes \$100,790 Capital Leases payable, \$16,760,000 Bonds outstanding, and \$412,147 of compensated absences payable.

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

10) RISK MANAGEMENT: The Board carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds. See J-20 in the statistical section.

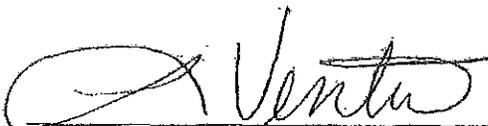
11) OTHER INFORMATION:

Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Holman & Frenia, P.C., was selected by the Berkeley Township Board of Education. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the U. S. Office of Management and Budget Circular A-133, "Audits of State, Local Government, non-profit organizations, and State Treasury Circular Letter 04-04 OMB," "Single Audit Policy for Receipts of Federal Grants, State Grants and State Aid Payments." The auditors report on the basic financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

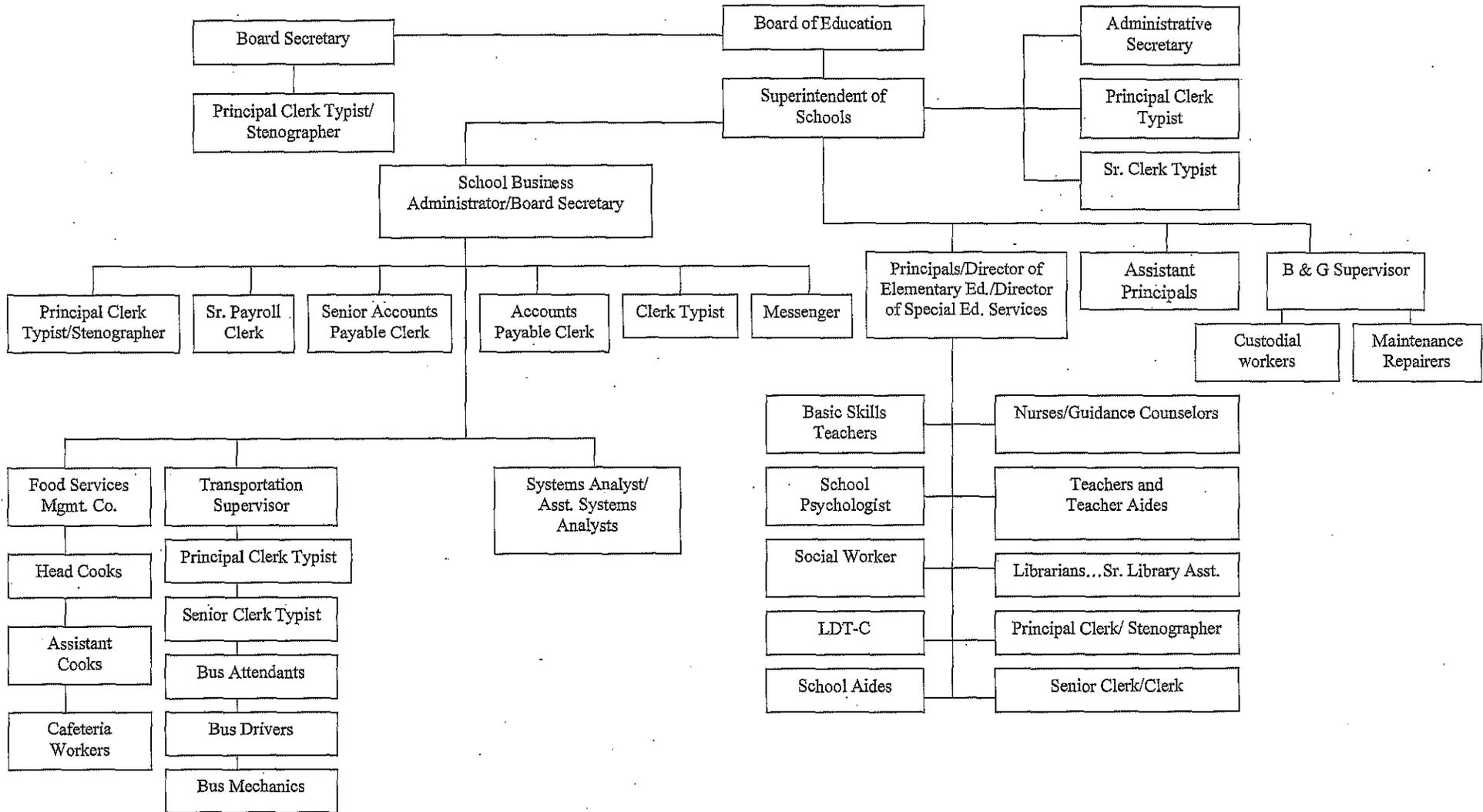
12) ACKNOWLEDGMENTS:

I would like to express my appreciation to the Business Office staff and Superintendent's staff and to those municipal, county and state personnel who contributed their time and respective expertise in providing statistical information for the compilation of this report and as can be found within this report. I further express my appreciation to the School District's auditing firm which provided guidance and advice during the preparation of this report.

Prepared by and Respectfully Submitted:



Laura Venter, CPA, RSBA
Business Administrator/Board Secretary



BERKELEY TOWNSHIP SCHOOL DISTRICT
53 CENTRAL PARKWAY
BAYVILLE, NEW JERSEY 08721-2496

ROSTER OF OFFICIALS
JUNE 30, 2012

MEMBERS OF THE BOARD OF EDUCATION

TERM EXPIRES

Mr. Stephen J. Pellecchia, President	2013
Mr. Jim Fulcomer, Vice President	2014
Mr. Sal Ferlise	2014
Ms. Sophia Gingrich	2013
Mrs. Noriko Kowalewski	2014
Mr. John MacMoyle	2012
Mr. Louis J. Tuminaro	2012
Mr. David M. Ytreboe	2012

OTHER OFFICIALS

Mr. Carole K. Morris, Interim Superintendent of Schools

Ms. Laura Venter, CPA, RSBA, RSBO, Business Administrator/Board Secretary

Ms. Carmen J. Memoli, CPA, Treasurer of School Monies

BERKELEY TOWNSHIP SCHOOL DISTRICT

**53 CENTRAL PARKWAY
BAYVILLE, NEW JERSEY 08721-2496**

CONSULTANTS AND ADVISORS

ATTORNEY

John Sahradnik
Berry, Sahradnik, Kotzas, & Benson
212 Hooper Avenue
Toms River, New Jersey 08754

AUDIT FIRM

Frank B. Holman, III, CPA, PSA
Holman & Frenia, P.C.
10 Allen Street, Suite 2B
Toms River, New Jersey 08753

OFFICIAL DEPOSITORY

TD Bank/Shore, N.A.
430 Atlantic City Boulevard
Bayville, New Jersey 08721

Ocean First Bank
975 Hooper Avenue
Toms River, New Jersey 08753

ASSOCIATION OF SCHOOL BUSINESS OFFICIALS
INTERNATIONAL



This Certificate of Excellence in Financial Reporting is presented to

BERKELEY TOWNSHIP BOARD OF EDUCATION

For its Comprehensive Annual Financial Report (CAFR)

For the Fiscal Year Ended June 30, 2011

Upon recommendation of the Association's Panel of Review which has judged that the Report substantially conforms to principles and standards of ASBO's Certificate of Excellence Program

Bruce W. ...

President

John D. ...

Executive Director

FINANCIAL SECTION



Certified Public Accountants & Consultants

Administrative Office:
10 Allen Street, Ste. 2B, Toms River, NJ 08753 • Tel: 732.797.7333
618 Stokes Road, Medford, NJ 08055 • Tel: 609.953.0612
926 Main Street, Suite 103, Rome, PA 18837 • Tel: 570.297.5090
795 Canton Street, Troy, PA 16947 • Tel: 570.297.5090
holmanfrenia.com

INDEPENDENT AUDITOR’S REPORT

Honorable President and Members
of the Board of Education
Berkeley Township
County of Ocean
Bayville, New Jersey

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Board of Education of the Berkeley Township School District, County of Ocean, 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 Board’s management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the Board of Education of the Berkeley Township School District, County of Ocean, State of New Jersey, as of June 30, 2012, and the respective changes in financial position and cash flows, where applicable, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Governmental Auditing Standards*, we have also issued our report dated September 21, 2012, on our consideration of the Berkeley Township Board of Education’s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of our audit performed in accordance with *Governmental Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management’s discussion and analysis and budgetary comparison information on pages 11 through 15 and 52 through 64 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers

it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Berkeley 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 information are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedule of expenditures of federal and state financial assistance are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and New Jersey OMB's Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid* respectively, and is also not a required part of the financial statements. The combining and individual fund financial statements, long-term debt schedules and the accompanying schedule of expenditures of federal and state financial assistance have been subjected to the auditing procedures applied in the audit of the basic financial statements and in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical information have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Respectfully Submitted,

HOLMAN & FRENIA, P. C.

A handwritten signature in black ink, appearing to read "F. B. Holman, III". The signature is written in a cursive, somewhat stylized font.

Frank B. Holman, III
Public School Accountant
Certified Public Accountant
No. 783

Toms River, New Jersey
September 21, 2012

REQUIRED SUPPLEMENTARY INFORMATION – PART I

Management's Discussion and Analysis

BERKELEY TOWNSHIP SCHOOL DISTRICT

**MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2012**

(UNAUDITED)

The Management's Discussion and Analysis (MD&A) of the Berkeley Township Board of Education provides an overview of the School Board's financial activities for the fiscal year ended June 30, 2012. It should be read in conjunction with the Comprehensive Annual Financial Report's (CAFR) Letter of Transmittal, which is found in the Introductory Section, and the School Board's financial statements found in the Financial Section and the notes thereto.

The MD&A is an element of Required Supplementary Information specified in the Governmental Accounting Standards Board's (GASB) Statement No. 34 – "Basic Financial Statement – and 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. Comparative information between the current fiscal year (2011–2012) and the prior fiscal year (2010–2011) is required and is presented in the MD&A.

FINANCIAL HIGHLIGHTS

Government-wide Financial Analysis

Net assets may serve over time as a useful indicator of a government's financial position. In the case of the District, assets exceeded liabilities by \$21,911,457 at the close of 2012. Total net assets increased \$2,293,327 from the close of 2011. The following table provides a summary of net assets relating to the District's governmental and business-type activities for the years ended June 30, 2012 and 2011:

	Net Assets					
	June 30, 2012			June 30, 2011		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Current and other assets	6,120,016	39,453	6,159,469	4,927,064	159,742	5,086,806
Capital assets, net	<u>33,578,559</u>	<u>96,235</u>	<u>33,674,794</u>	<u>33,788,966</u>	<u>101,192</u>	<u>33,890,158</u>
Total Assets	39,698,575	135,688	39,834,263	38,716,030	260,934	38,976,964
Current liabilities	1,506,044	38,916	1,544,960	1,589,312	139,971	1,729,283
Long-term liabilities outstanding	<u>16,377,846</u>	<u>--</u>	<u>16,377,846</u>	<u>17,629,551</u>	<u>--</u>	<u>17,629,551</u>
Total Liabilities	17,883,890	38,916	17,922,806	19,218,863	139,971	19,358,834
Net assets:						
Invested in capital assets, net of related debt	14,323,623	96,235	14,419,858	15,736,503	101,192	15,837,695
Restricted	5,477,992	--	5,477,992	3,986,680	--	3,986,680
Unrestricted (deficit)	<u>2,013,070</u>	<u>537</u>	<u>2,013,607</u>	<u>(226,016)</u>	<u>19,771</u>	<u>(206,245)</u>
Total Net Assets	<u>21,814,685</u>	<u>96,772</u>	<u>21,911,457</u>	<u>19,497,167</u>	<u>120,963</u>	<u>19,618,130</u>

Current assets increased mainly due to an increase in cash and cash equivalents placed into reserves. Capital assets decreased mainly due to depreciation expense of \$1,528,362 offset by additions/deletions of \$1,272,850.

Current liabilities decreased due to a decrease in accounts payable, and accrued interest payable.

Long-term liabilities went down due to payment of principal on bonds.

The largest portion of the District's net assets is its investment in capital assets (e.g., land, construction in progress, buildings and improvements, and furniture and equipment), less any related debt (general obligation bonds payable and obligations under capital leases) used to acquire those assets that are still outstanding. The District uses these capital assets to provide services to students; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the District's net assets represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets reflects cash and cash equivalents that will be applied to subsequent year's resources.

Changes in Net Assets

	Governmental Activities	June 30, 2012 Business-type Activities	Total	Governmental Activities	June 30, 2011 Business-type Activities	Total
Revenues:						
Program revenues:						
Charges for services	--	362,642	362,642	--	375,255	375,255
Operating and capital grants and contributions	813,634	363,369	1,177,003	1,175,569	332,451	1,508,020
General revenues:						
Property taxes	28,348,014	--	28,348,014	28,537,980	--	28,537,980
Federal and state aid not restricted to specific purposes	4,491,449	--	4,491,449	3,620,614	--	3,620,614
Services provided other LEA's	303,797	--	303,797	269,965	--	269,965
Miscellaneous	155,810	--	155,810	107,722	--	107,722
Investment earnings	<u>20,386</u>	<u>354</u>	<u>20,740</u>	<u>43,471</u>	<u>703</u>	<u>44,174</u>
Total Revenues	34,133,090	726,365	34,859,455	33,755,321	708,409	34,463,730
Expenses:						
Instructional services	12,364,467	--	12,364,467	12,048,512	--	12,048,512
Support services	18,739,882	750,556	19,490,438	19,014,813	713,328	19,728,141
Interest on long-term Liabilities	<u>711,223</u>	<u>--</u>	<u>711,223</u>	<u>750,347</u>	<u>--</u>	<u>750,347</u>
Total expenses	31,815,572	750,556	32,566,128	31,813,672	713,328	32,527,000
Change in net assets	2,317,518	(24,191)	2,293,327	1,941,649	(4,919)	1,936,730
Net assets -- beginning	<u>19,497,167</u>	<u>120,963</u>	<u>19,618,130</u>	<u>17,555,518</u>	<u>125,882</u>	<u>17,681,400</u>
Net assets -- ending	<u>21,814,685</u>	<u>96,772</u>	<u>21,911,457</u>	<u>19,497,167</u>	<u>120,963</u>	<u>19,618,130</u>

USING THE ANNUAL REPORT

The School Board's annual report consists of a series of financial statements that show information for the School Board as a whole, its funds and its fiduciary responsibilities. The Statement of Net Assets and the Statement of Activities provide information about the activities of the School Board as a whole and present a longer-term view of the School Board's finances. The School Board's fund financial statements start with Schedule C-1, "Budgetary Comparison Schedule." For the School Board's governmental activities, these statements tell how the School Board financed its services in the short-term as well as what remains for future spending. Fund statements also may give the reader some insights into the School Board's overall financial health.

Fund financial statements also report the School Board's operations in more detail than the government-wide financial statements by providing information about the School Board's most significant funds, such as the School Board's General Fund, Special Revenue Fund and Capital Project Fund. The remaining statement, Statement of Fiduciary Net Assets presents financial information about activities for which the School Board acts solely as an agent for the benefit of employees and students.

The School Board's auditor has provided assurance in his Independent Auditor's Report, located immediately preceding this Management's Discussion and Analysis, that the Basic Financial Statements are fairly stated. A user of this report should read the Independent Auditor's Report carefully to ascertain the level of assurance being provided for each of the other parts of the Financial Section.

The School Board prepared the Introductory Section and the Statistical Section without association by the independent auditors. Accordingly, the School Board assumes full responsibility for the accuracy of these sections.

THE SCHOOL BOARD'S FUNDS

The School Board uses funds to control and manage money for particular purposes. The Fund's basic financial statements allows the School Board to demonstrate its stewardship over and accountability for resources received from the Township of Berkeley, State of New Jersey and other entities. These statements also allow the reader to obtain more insight into the financial workings of the School Board, and assess further the school Board's overall financial health.

As the School Board completed the fiscal years ending June 30, 2012 and 2011, it reported combined fund balances of \$6,030,420 and \$4,745,092 respectively, which is a current year increase of \$1,285,328. The reconciliation of the Statement of Revenue Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities (Schedule B-2) presents the reader with a detailed explanation of the increase in fund balance for the fiscal year.

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

Over the course of the year, the School Board revises its budget as it attempts to take into consideration unexpected changes in revenue and expenditures.

A schedule showing the School Board's original and final budget compared with actual operating results is provided in the section of the CAFR, entitled Budgetary Comparison Schedules. The School Board generally did better than had been budgeted in its General Fund since it forecasts revenues very conservatively and expenditures are budgeted with worst case scenarios in mind.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets:

At June 30, 2012 and 2011, the School Board had approximately \$33.5 million invested in a broad range of capital assets, including land, buildings, furniture, vehicles, computers, instruction equipment and other equipment. This amount is net of accumulated depreciation to date. Increases during the year represent additions to those categories, while decreases represent retirement of assets during the year and depreciation of depreciable assets for the year. The schedule below shows the net book value of capital assets at the end of each year:

Capital Assets at:	June 30, 2012	June 30, 2011
Site & Improvements	\$ 2,412,232	\$ 2,367,127
Building & Building Improvements	41,289,853	40,476,008
Machinery & Equipment	<u>4,444,643</u>	<u>3,985,638</u>
Total Capital Assets	48,146,728	46,828,773
Accumulated Depreciation	<u>(14,568,169)</u>	<u>(13,039,807)</u>
	\$ <u>33,578,559</u>	\$ <u>33,788,966</u>

During the current fiscal year \$1,320,955 of fixed assets were capitalized as additions and \$3,000 were deletions. Increases in capital assets was offset by depreciation expense of \$1,528,362 for the year.

Debt Administration:

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

Governmental	Balance 6/30/11	Retired/ Adjustments	Balance 6/30/12	Due Within One Year
Compensated Absences Payable	\$ 266,244	\$ 32,820	\$ 299,064	
Bonds Payable	17,915,000	(1,155,000)	16,760,000	\$ 1,195,000
Obligation Under Capital Leases	137,463	(54,759)	82,704	44,604
Cost of Issuance	(122,760)	10,912	(111,848)	
Loss on Refunding	(904,273)	80,380	(823,893)	
Bond Premium	1,549,123	(137,700)	1,411,423	
Total	<u>\$18,840,797</u>	<u>\$(1,223,347)</u>	<u>\$17,617,450</u>	<u>\$ 1,239,604</u>

For additional information, see Note #8 of Notes to the Financial Statements.

GENERAL FUND BUDGETARY HIGHLIGHTS

Original to Final Budget

Total regular instruction appropriations were increased by \$598,967 due to purchase of a district wide new Language Arts Curriculum.

General Administration and School Administration Support Services appropriations decreased by a total of \$89,701 due in part to the use of a Principal as Interim Superintendent for the fiscal year.

Operations and Maintenance for facilities budget was increased by approximately \$700,000 mainly due to the completion of a maintenance building, expenses related to mold remediation, classroom and bathroom renovations.

Budget to Actual

The District produced \$303,797 of unbudgeted revenues for services provided to other school districts. Unbudgeted revenues with corresponding expenditures include payments made by the State of New Jersey for TPAF pension contributions of \$1,216,932 and TPAF Social Security of \$912,988.

The variation between final budget to actual total expenditures at year end of \$491,532 was mainly the result of balances in capital projects for multi-year projects.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

For the 2011–2012 school year, the School Board was able to sustain its budget through the Township tax levy, state education aid and local revenue sources. Only 16% of the School Board's revenue is from federal, state and local aid (restricted and not restricted), while 84% of the total revenue is from the Township tax levy.

CONTACTING THE SCHOOL BOARD'S FINANCIAL MANAGEMENT

The School Board's financial report is designed to provide citizen groups, taxpayers, parents, students, other local officials, and investors and creditors with a general overview of the School Board's finances and to show the School Board's accountability for the money it receives. If you have questions about this report or wish to request additional financial information, contact Laura Venter, CPA, RSBA, School Business Administrator/Board Secretary, at the Berkeley Board of Education's office, 53 Central Parkway, Bayville, New Jersey 08721.

BASIC FINANCIAL STATEMENTS



A. District-Wide Financial Statements

BERKELEY TOWNSHIP BOARD OF EDUCATION
STATEMENT OF NET ASSETS
JUNE 30, 2012
(With Comparative Totals for June 30, 2011)

ASSETS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTALS	
			JUNE 30, 2012	JUNE 30, 2011
				(MEMORANDUM ONLY)
Cash & Cash Equivalents	\$3,441,886		3,441,886	4,302,130
Receivables - State	301,420	23,536	324,956	297,359
Receivables - Other Governments	2,376,710	6,585	2,383,295	357,558
Inventory		9,332	9,332	21,661
Due from Other Funds				108,098
Capital Assets (Note 7):				
Not Being Depreciated	2,412,232		2,412,232	2,367,127
Depreciable, Net	31,166,327	96,235	31,262,562	31,523,031
Total Assets	39,698,575	135,688	39,834,263	38,976,964
LIABILITIES				
Cash Deficit		32,874	32,874	
Accounts Payable	34,785	1,657	36,442	190,109
Accrued Interest Payable	176,844		176,844	196,094
Due to Other Funds				108,098
Unearned Revenue	54,811	4,385	59,196	23,736
Noncurrent Liabilities (Note 8):				
Due Within One Year	1,239,604		1,239,604	1,211,246
Due Beyond One Year	16,377,846		16,377,846	17,629,551
Total Liabilities	17,883,890	38,916	17,922,806	19,358,834
NET ASSETS				
Invested in Capital Assets, Net of Related Debt	14,323,623	96,235	14,419,858	15,837,695
Restricted For:				
Other Purposes	5,477,992		5,477,992	4,182,774
Unrestricted	2,013,070	537	2,013,607	(402,339)
Total Net Assets	\$21,814,685	96,772	21,911,457	19,618,130

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

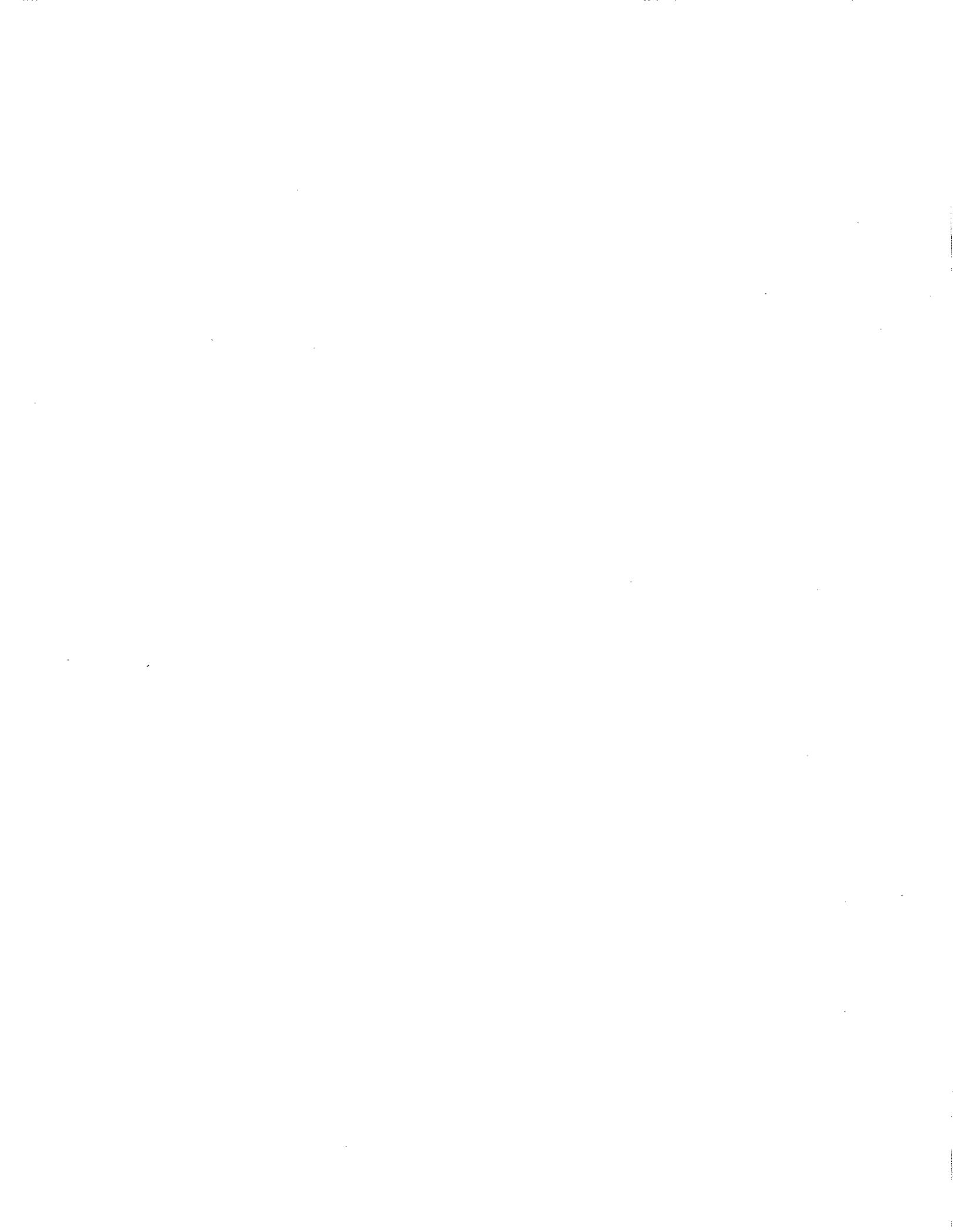
**BERKELEY TOWNSHIP BOARD OF EDUCATION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2012
(With Comparative Totals for June 30, 2011)**

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES		NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS			
		CHARGES FOR SERVICES	OPERATING GRANTS & CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTALS (MEMORANDUM ONLY)	
						JUNE 30, 2012	JUNE 30, 2011
Governmental Activities:							
Instruction:							
Regular Instruction	\$7,797,326			(7,797,326)		(7,797,326)	(7,347,415)
Special School Instruction	3,515,551		724,570	(2,790,981)		(2,790,981)	(2,738,377)
Other Special Instruction	1,022,455			(1,022,455)		(1,022,455)	(940,783)
Other Instruction	29,135			(29,135)		(29,135)	(63,208)
Support Services & Undistributed Costs:							
Tuition	391,112			(391,112)		(391,112)	(534,653)
Student & Instruction Related Services	2,730,859		89,064	(2,641,795)		(2,641,795)	(2,451,675)
General Administrative Services	597,506			(597,506)		(597,506)	(575,794)
School Administrative Services	1,081,050			(1,081,050)		(1,081,050)	(1,092,882)
Central Services	419,169			(419,169)		(419,169)	(394,526)
Administrative Information Technology	209,770			(209,770)		(209,770)	(161,976)
Plant Operations & Maintenance	3,011,237			(3,011,237)		(3,011,237)	(3,627,788)
Pupil Transportation	1,535,919			(1,535,919)		(1,535,919)	(1,571,411)
Unallocated Benefits	7,438,511			(7,438,511)		(7,438,511)	(7,464,995)
Unallocated Amortization of Bond Costs	(46,408)			46,408		46,408	46,408
Unallocated Change in Compensated Absence	32,820			(32,820)		(32,820)	291,255
Unallocated Depreciation Expense & Prior Year Fixed Asset Adjustments, Excluding Direct Depreciation Expenses to Programs	1,338,337			(1,338,337)		(1,338,337)	(1,259,936)
Interest Expense	711,223			(711,223)		(711,223)	(750,347)

**BERKELEY TOWNSHIP BOARD OF EDUCATION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2012
(With Comparative Totals for June 30, 2011)**

FUNCTIONS/PROGRAMS	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS			
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS & CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTALS (MEMORANDUM ONLY)	
						JUNE 30, 2012	JUNE 30, 2011
Total Governmental Activities	31,815,572		813,634	(31,001,938)		(31,001,938)	(30,638,103)
Business-Type Activities:							
Food Service	750,556	362,642	363,369		(24,545)	(24,545)	(5,622)
Total Business-Type Activities	750,556	362,642	363,369		(24,545)	(24,545)	(5,622)
Total Primary Government	<u>\$32,566,128</u>	<u>362,642</u>	<u>1,177,003</u>	<u>(31,001,938)</u>	<u>(24,545)</u>	<u>(31,026,483)</u>	<u>(30,643,725)</u>
General Revenues:							
Taxes:							
Property Taxes, Levied for General Purposes, Net				26,462,541		26,462,541	26,681,262
Taxes Levied for Debt Service				1,885,473		1,885,473	1,856,718
Federal & State Aid Not Restricted				4,491,449		4,491,449	3,620,614
Services Provided Other LEA's				303,797		303,797	269,965
Miscellaneous Income				155,810		155,810	107,722
Investment Earnings				20,386	354	20,740	44,174
Total General Revenues				<u>33,319,456</u>	<u>354</u>	<u>33,319,810</u>	<u>32,580,455</u>
Change In Net Assets				2,317,518	(24,191)	2,293,327	1,936,730
Net Assets - Beginning				<u>19,497,167</u>	<u>120,963</u>	<u>19,618,130</u>	<u>17,681,400</u>
Net Assets - Ending				<u>\$21,814,685</u>	<u>96,772</u>	<u>21,911,457</u>	<u>19,618,130</u>

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



B. Fund Financial Statements

Governmental Funds

**BERKELEY TOWNSHIP BOARD OF EDUCATION
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2012
(With Comparative Totals for June 30, 2011)**

ASSETS	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTALS	
					(MEMORANDUM ONLY)	
					JUNE 30, 2012	JUNE 30, 2011
Cash & Cash Equivalents	\$2,487,245				2,487,245	2,912,294
Due from Other Funds				2	2	108,098
Tax Levy Receivable	2,205,209				2,205,209	
Receivables from:						
Federal	11,686	157,249			168,935	340,544
State	232,876		68,544		301,420	230,773
Other	2,566				2,566	17,014
Reserved Cash & Cash Equivalents:						
Capital Reserve	220,616				220,616	768,450
Maintenance Reserve	652,273				652,273	650,024
Emergency Reserve	260,336				260,336	259,491
Total Assets	\$6,072,807	157,249	68,544	2	6,298,602	5,286,688
LIABILITIES & FUND BALANCES						
Liabilities:						
Cash Deficit		110,038	68,544	2	178,584	359,624
Accounts Payable	\$34,785				34,785	162,059
Due to Other Funds	2				2	
Deferred Revenue	7,600	47,211			54,811	19,913
Total Liabilities	42,387	157,249	68,544	2	268,182	541,596
Fund Balances:						
Restricted for:						
Capital Reserve Account	220,616				220,616	768,450
Maintenance Reserve Account	1,452,273				1,452,273	650,024
Emergency Reserve Account	260,336				260,336	259,491
Excess Surplus	1,443,540				1,443,540	843,996
Excess Surplus Designated for Subsequent Year's Expenditures	843,996				843,996	
Committed for:						
Other Purposes	972,679				972,679	
Assigned for:						
Designated for Subsequent Year's Expenditures	284,552				284,552	450,000
Other Purposes						1,210,813
Unassigned	552,428				552,428	562,318
Total Fund Balances	6,030,420				6,030,420	4,745,092
Total Liabilities & Fund Balances	\$6,072,807	157,249	68,544	2		

Amounts reported for *governmental activities* in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$48,146,728 and the accumulated depreciation is \$14,568,169

33,578,559 33,788,966

Accrual of bond and lease interest are not due and payable in the current period and therefore are not reported as liabilities in the funds.

(176,844) (196,094)

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds (See Illustrative Note 8)

(17,617,450) (18,840,797)

Net assets of Governmental Activities

\$21,814,685 19,497,167

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

**BERKELEY TOWNSHIP BOARD OF EDUCATION
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2012
(With Comparative Totals for June 30, 2011)**

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTALS	
					(MEMORANDUM ONLY)	
					JUNE 30, 2012	JUNE 30, 2011
Revenues:						
Local Tax Levy	\$26,462,541			1,885,473	28,348,014	28,537,980
Interest on Investments	20,386				20,386	43,471
Services Provided Other LEA's	303,797				303,797	269,965
Miscellaneous	148,899	6,911			155,810	107,722
Total Local Sources	26,935,623	6,911		1,885,473	28,828,007	28,959,138
State Sources	4,385,634				4,385,634	3,604,441
Federal Sources	112,726	806,723			919,449	1,191,742
Total Revenues	31,433,983	813,634		1,885,473	34,133,090	33,755,321
Expenditures:						
Current:						
Regular Instruction	7,797,326				7,797,326	7,347,415
Special Education Instruction	2,790,981	724,570			3,515,551	3,697,106
Other Special Instruction	1,022,455				1,022,455	940,783
Other Instructional Programs	29,135				29,135	63,208
Support Services & Undistributed						
Costs - Current:						
Tuition	391,112				391,112	534,653
Student & Instruction Related Services	2,696,554	89,064			2,785,618	2,719,816
General Administrative	597,506				597,506	575,794
School Administrative Services	1,081,050				1,081,050	1,092,882
Central Services	419,169				419,169	394,526
Administrative Information Technology	209,770				209,770	161,976
Plant Operations & Maintenance	3,192,649				3,192,649	3,236,095
Pupil Transportation	1,535,919				1,535,919	1,571,411
Unallocated Benefits	5,308,591				5,308,591	5,696,579
Nonbudgeted Expenditures	2,129,920				2,129,920	1,768,416
Debt Service:						
Principal				1,155,000	1,155,000	1,095,000
Interest				730,473	730,473	761,720
Capital Outlay	946,518				946,518	1,163,495
Total Expenditures	30,148,655	813,634		1,885,473	32,847,762	32,820,875
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	1,285,328				1,285,328	934,446
Fund Balance - July 1	4,745,092				4,745,092	3,810,646
Fund Balance - June 30	\$6,030,420	-	-	-	6,030,420	4,745,092

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

**BERKELEY TOWNSHIP BOARD OF EDUCATION
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES\
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2012**

Total Net Change in Fund Balances - Governmental Funds (From B-2) \$1,285,328

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	(\$1,338,337)	
Capital Outlays & Capital Lease Additions	946,518	
Adjustment in Capital Assets	181,412	(210,407)

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. 1,155,000

Loss on the early extinguishments of debt, cost of issuance on refunding, and original issue premiums are recorded when incurred in the governmental funds but are deferred and recognized in the statement of activities over the life of the refunding:

Amortization of Loss on Refunding	(80,380)	
Amortization of Cost of Issuance	(10,912)	
Amortization of Original Issue Premiums	137,700	46,408

Repayment of capital lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities. 54,759

Accrual of interest of capital leases and bonds is not an expenditure in the governmental funds, but the adjustment is charged to expense and is reported in the statement of activities.

Prior Year	196,094	
Current Year	(176,844)	19,250

Repayment of compensated absences 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.

Prior Year	266,244	
Current Year	(299,064)	(32,820)

Change in Net Assets of Governmental Activities \$2,317,518

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

Proprietary Funds

**BERKELEY TOWNSHIP BOARD OF EDUCATION
 PROPRIETARY FUNDS
 STATEMENT OF NET ASSETS
 JUNE 30, 2012
 (With Comparative Totals for June 30, 2011)**

ASSETS	BUSINESS-TYPE	TOTALS	
	ACTIVITIES - ENTERPRISE FUND FOOD SERVICE	JUNE 30, 2012	(MEMORANDUM ONLY) JUNE 30, 2011
Current Assets:			
Cash & Cash Equivalents			71,495
Account Receivable:			
Federal	\$419	419	1,717
State	23,536	23,536	55,328
Other	6,166	6,166	9,541
Inventories	9,332	9,332	21,661
Total Current Assets	39,453	39,453	159,742
Noncurrent Assets:			
Furniture, Machinery & Equipment	272,945	272,945	265,240
Less: Accumulated Depreciation	(176,710)	(176,710)	(164,048)
Total Noncurrent Assets	96,235	96,235	101,192
Total Assets	135,688	135,688	260,934
LIABILITIES			
Current Liabilities:			
Cash Deficit	32,874	32,874	
Accounts Payable	1,657	1,657	28,050
Deferred Revenue	4,385	4,385	3,823
Due to Other Funds			108,098
Total Current Liabilities	38,916	38,916	139,971
NET ASSETS			
Invested in Capital Assets Net of Related Debt	96,235	96,235	101,192
Unrestricted	537	537	19,771
Total Net Assets	\$96,772	96,772	120,963

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

**BERKELEY TOWNSHIP BOARD OF EDUCATION
 PROPRIETARY FUNDS
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
 FOR THE YEAR ENDED JUNE 30, 2012
 (With Comparative Totals for June 30, 2011)**

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND FOOD SERVICE	TOTALS (MEMORANDUM ONLY)	
		JUNE 30, 2012	JUNE 30, 2011
Operating Revenues:			
Charges for Services:			
Daily Sales - Reimbursable Programs	\$219,778	219,778	237,530
Daily Sales - Nonreimbursable Programs	142,864	142,864	137,725
Total Operating Revenues	362,642	362,642	375,255
Operating Expenses:			
Cost of Sales	511,591	511,591	486,421
Salaries & Benefits	200,519	200,519	207,855
Professional Services	12,958	12,958	
Miscellaneous			311
General Supplies	12,826	12,826	7,632
Depreciation	12,662	12,662	11,109
Total Operating Expenses	750,556	750,556	713,328
Operating Income/(loss)	(387,914)	(387,914)	(338,073)
Nonoperating Revenues (Expenses):			
State Sources:			
State School Lunch Program	8,445	8,445	8,397
Federal Sources:			
National School Lunch Program	254,954	254,954	238,352
National School Breakfast Program	58,718	58,718	47,940
U.S.D.A. Commodities	41,252	41,252	37,762
Interest & Investment Revenue	354	354	703
Total Nonoperating Revenues/(Expenses)	363,723	363,723	333,154
Change in Net Assets	(24,191)	(24,191)	(4,919)
Total Net Assets - Beginning	120,963	120,963	125,882
Total Net Assets - Ending	\$96,772	96,772	120,963

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

**BERKELEY TOWNSHIP BOARD OF EDUCATION
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED JUNE 30, 2012
 (With Comparative Totals for June 30, 2011)**

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND FOOD SERVICE	TOTALS (MEMORANDUM ONLY)	
		JUNE 30, 2012	JUNE 30, 2011
Cash Flows From Operating Activities:			
Receipts from Customers	\$366,017	366,017	422,851
Payments to Employees & Benefits	(199,957)	(199,957)	(204,032)
Payments to Suppliers	(618,285)	(618,285)	(429,470)
Net Cash Provided/(Used) by Operating Activities	(452,225)	(452,225)	(210,651)
Cash Flows From Noncapital Financing Activities:			
State Sources	9,743	9,743	8,365
Federal Sources	345,464	345,464	257,517
Net Cash Provided/(Used) by Noncapital Financing Activities	355,207	355,207	265,882
Cash Flows From Capital and Related Financing Activities:			
Purchases of Fixed Assets	(7,705)	(7,705)	
Net Cash Provided/(Used) by Capital and Related Financing Activities	(7,705)	(7,705)	
Cash Flows From Investing Activities:			
Interest & Dividends	354	354	703
Net Cash Provided/(Used) by Investing Activities	354	354	703
Net Increase/(Decrease) in Cash & Cash Equivalents			
Balances - Beginning of Year	(104,369)	(104,369)	55,934
Balances - End of Year	71,495	71,495	15,561
	(\$32,874)	(32,874)	71,495

Reconciliation of Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities:

Operating Income/(Loss)	(\$387,914)	(387,914)	(338,073)
Adjustments to Reconcile Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities:			
U.S.D.A. Commodities	41,252	41,252	37,762
Depreciation & Net Amortization	12,662	12,662	11,109
(Increase) Decrease in Inventories	12,329	12,329	5,575
(Increase)/Decrease in Accounts Receivable	3,375	3,375	47,596
Increase (Decrease) in Accounts Payable	(134,491)	(134,491)	21,557
Increase (Decrease) Deferred Revenue	562	562	3,823
Total Adjustments	(64,311)	(64,311)	127,422
Net Cash Provided/(Used) by Operating Activities	(\$452,225)	(452,225)	(210,651)

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



Fiduciary Funds

**BERKELEY TOWNSHIP BOARD OF EDUCATION
FIDUCIARY FUNDS
STATEMENT OF NET ASSETS
JUNE 30, 2012
(With Comparative Totals for June 30, 2011)**

	PRIVATE PURPOSE	AGENCY PAYROLL FUND	TOTALS	
	UNEMPLOYMENT COMPENSATION TRUST		JUNE 30, 2012	(MEMORANDUM ONLY) JUNE 30, 2011
ASSETS				
Cash & Cash Equivalents	\$453,271	1,968	455,239	610,237
Total Assets	453,271	1,968	455,239	610,237
LIABILITIES				
Accounts Payable	9,062		9,062	
Payroll Deductions & Withholdings		1,968	1,968	78,930
Total Liabilities	9,062	1,968	11,030	78,930
NET ASSETS				
Held in Trust for Unemployment Claims & Other Purposes	444,209		444,209	531,307
Total Net Assets	\$444,209	-	444,209	531,307

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

**BERKELEY TOWNSHIP BOARD OF EDUCATION
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2012
(With Comparative Totals for June 30, 2011)**

	PRIVATE PURPOSE UNEMPLOYMENT COMPENSATION TRUST	JUNE 30, 2012	TOTALS (MEMORANDUM ONLY) JUNE 30, 2011
ADDITIONS			
Contributions:			
Plan Members			527,960
Total Contributions			527,960
Investment Earnings:			
Interest	\$1,595	1,595	587
Net Investment Earnings	1,595	1,595	587
Total Additions	1,595	1,595	528,547
DEDUCTIONS			
Unemployment Claims	88,693	88,693	92,710
Total Deductions	88,693	88,693	92,710
Change in Net Assets	(87,098)	(87,098)	435,837
Net Assets - Beginning of the Year	531,307	531,307	95,470
Net Assets - End of the Year	\$444,209	444,209	531,307

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

**BERKELEY TOWNSHIP
BOARD OF EDUCATION**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2012**

**BERKELEY TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2012**

Note 1. Summary of Significant Accounting Policies

The accompanying financial statements of the Berkeley Township Board of Education have been prepared in conformity with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB). In June 1999 the GASB issued Statement 34 *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*. This statement established new financial reporting requirements for state and local governmental entities throughout the United States. They required new information and restructure of much of the information that governments have presented in the past. Comparability with reports issued in prior years was affected.

The District implemented these standards beginning with fiscal year-ending June 30, 2003. With the implementation of GASB Statement 34, the District has prepared required supplementary information titled *Management’s Discussion and Analysis*, which precedes the basic financial statements.

Other GASB Statements are required to be implemented in conjunction with GASB Statement 34. Therefore, the District has implemented the following GASB Statements in prior fiscal years: Statement 33 – *Accounting and Financial Reporting for Nonexchange Transactions*; Statement 36 – *Recipient Reporting for Certain Shared Nonexchange Revenues*; Statement 37 - *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments: Omnibus* and Statement 38 – *Certain Financial Statement Note Disclosures*; Statement 40 – *Deposit and Investment Risk Disclosures* and Statement 44 – *Economic Condition Reporting – The Statistical Section*; Statement 45 – *Accounting and Reporting by Employers for Postemployment Benefits Other Than Pensions*; and Statement 54 – *Fund Balance Reporting and Governmental Fund Type Definitions*.

The accompanying financial statements present the financial position of the District and the various funds and fund types, the results of operations of the District and the various funds and fund types, and the cash flows of the proprietary funds. The financial statements are presented as of June 30, 2012 and for the year then ended with comparative totals as of and for the year ended June 30, 2011 (Memorandum Only).

A. Reporting Entity:

The Berkeley Township Board of Education is a Type II district located in the County of Ocean, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The Board is comprised of nine members appointed to three-year terms. These terms are staggered so that three members’ terms expire each year. The District provides a full range of educational services appropriate to grade levels PK through 6. These include regular, as well as special education for handicapped youngsters. The Berkeley Township Board of Education has an approximate enrollment at June 30, 2012 of 2,012 students.

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

- ◆ the organization is legally separate (can sue or be sued in their own name)
- ◆ the District holds the corporate powers of the organization

BERKELEY TOWNSHIP BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS (continued): FOR THE YEAR ENDED JUNE 30, 2012

Note 1. Summary of Significant Accounting Policies (continued):

- ◆ the District appoints a voting majority of the organization's board
- ◆ the District is able to impose its will on the organization
- ◆ the organization has the potential to impose a financial benefit/burden on the District
- ◆ there is a fiscal dependency by the organization on the District

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

B. District-Wide and Fund Financial Statements

The district-wide financial statements (the statement of net assets and the statement of activities) report information of all of the nonfiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these district-wide statements. District activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function, segment or component unit are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function, segment, or component unit. Program revenues include charges to customers who purchase, use or directly benefit from goods or services provided by a given function, segment or component unit. Program revenues also include grants and contributions that are restricted to meeting the operational or capital requirements of a particular function, segment, or component unit. Taxes and other items not properly included among program revenues are reported instead as general revenues. The District does not allocate general government (indirect) expenses to other functions.

Net assets are restricted when constraints placed on them are either externally imposed or are imposed by constitutional provisions or enabling legislation. Internally imposed designations of resources are not presented as restricted net assets. When both restricted and unrestricted resources are available for use, generally it is the District's policy to use restricted resources first, and then unrestricted resources as they are needed.

Separate financial statements are provided for governmental funds, proprietary funds, fiduciary funds and similar component units, and major component units. However, the fiduciary funds are not included in the district-wide statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

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

District-Wide Financial Statements – The governmental fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

BERKELEY TOWNSHIP BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS (continued): FOR THE YEAR ENDED JUNE 30, 2012

Note 1. Summary of Significant Accounting Policies (continued):

Governmental Fund Financial Statements – The Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal year-end. Principal revenue sources considered susceptible to accrual include federal and state grants, interest on investments, tuition and transportation. Other revenues are considered to be measurable and available only when cash is received by the state.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

D. Fund Accounting:

The accounts of the Berkeley Township Board of Education are maintained in accordance with the principles of fund accounting to ensure observance of limitations and restrictions on the resources available. The principles of fund accounting require that resources be classified for accounting and reporting purposes into funds or account groups in accordance with activities or objectives specified for the resources. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources. The various funds and accounts are grouped, in the financial statements in this report, into seven fund types within three broad fund categories and two account groups as follows:

Governmental Funds

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

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

BERKELEY TOWNSHIP BOARD OF EDUCATION

**NOTES TO THE FINANCIAL STATEMENTS (continued):
FOR THE YEAR ENDED JUNE 30, 2012**

Note 1. Summary of Significant Accounting Policies (continued):

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

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

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

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

Proprietary Fund

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

Enterprise - The enterprise fund is used to account for the operations that are financed and operated in a manner similar to a private business enterprise. The costs of providing goods or services are financed primarily through user charges; or, where the District has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

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

All Proprietary funds are accounted for on a cost of services or "capital maintenance" measurement focus. This means that all assets and all liabilities, whether current or noncurrent, associated with their activity are included on their balance sheets. Their reported fund equity (net total assets) is segregated into contributed capital and unreserved retained

BERKELEY TOWNSHIP BOARD OF EDUCATION

**NOTES TO THE FINANCIAL STATEMENTS (continued):
FOR THE YEAR ENDED JUNE 30, 2012**

Note 1. Summary of Significant Accounting Policies (continued):

earnings, if applicable. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in net total assets.

Revenues are divided into operating and non-operating revenues. Operating revenues consist of daily sales. Non-operating revenues consist of federal and state reimbursable revenues and interest income.

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

Food Service Fund:	
Equipment	15 Years

Fiduciary Fund

Fiduciary funds are used to account for assets held by a governmental entity for other parties (either as trustee or as an agent) and that cannot be used to finance the governmental entity's own operating programs which includes private purpose trust funds and agency funds. Agency funds are purely custodial (assets equal liabilities) and thus do not involve measurements of results of operations. The following is a description of the fiduciary funds of the District:

Private Purpose Trust Funds are used to account for the principal and income for trust arrangements that benefit individuals, private organizations, or other governments. The District currently maintains an Unemployment Trust Fund as a private purpose trust.

Agency Funds are assets held by a governmental entity (either as trustee or as an agent) for other parties that cannot be used to finance the governmental entity's own operating programs. The District currently maintains Payroll funds as Agency Funds.

In accordance with GASB Statement 34, fiduciary funds are not included in the district-wide financial statements.

E. Basis of Accounting:

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds and private purpose trust funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

All proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Fund equity (i.e., net total assets) is segregated into contributed capital and retained

BERKELEY TOWNSHIP BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS (continued): FOR THE YEAR ENDED JUNE 30, 2012

Note 1. Summary of Significant Accounting Policies (continued):

earnings components. Proprietary fund-type operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net total assets.

The modified accrual basis of accounting is used for measuring financial position and operating results of all governmental fund types, private purpose trust funds and agency 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. State equalization monies are recognized as revenue during the period in which they are appropriated. A one-year availability period is used for revenue recognition for all other governmental fund revenues. Expenditures are recognized in the accounting period in which the fund liability is incurred, except for principal and interest on general long-term debt which are recorded when due.

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

The accrual basis of accounting is used for measuring financial position and operating results of proprietary fund types and private purpose trust funds. Under this method, revenues are recognized in the accounting period in which they are earned and expenses are recognized when they are incurred.

F. 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 or around the third Tuesday in April. Effective January 17, 2012, P.L.2011 c.202 eliminated the annual voter referendum on budgets which met the statutory tax levy cap limitations and the board of education members are elected at the November general election. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in *N.J.A.C.6A:23-1.2*. All budget amendments must be approved by School Board resolution.

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

BERKELEY TOWNSHIP BOARD OF EDUCATION

**NOTES TO THE FINANCIAL STATEMENTS (continued):
FOR THE YEAR ENDED JUNE 30, 2012**

Note 1. Summary of Significant Accounting Policies (continued):

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.

The budget, as detailed on Exhibit C-1, includes all amendments to the adopted budget, if any.

The following presents a reconciliation of the special revenue fund revenues and expenditures from the budgetary basis of accounting as presented in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual – General, Special Revenues and Debt Service Funds to the GAAP basis of accounting as presented in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - All Governmental Fund Types:

**Notes to Required Supplementary Information.
Budgetary Comparison Schedule**

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

	General Fund	Special Revenue Fund
Sources/Inflows of Resources		
Actual amounts (budgetary) "revenues" from the budgetary comparison schedules	\$31,483,550	\$749,296
Difference – Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures and the related revenue is recognized		64,338
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes	146,479	

BERKELEY TOWNSHIP BOARD OF EDUCATION

**NOTES TO THE FINANCIAL STATEMENTS (continued):
FOR THE YEAR ENDED JUNE 30, 2012**

Note 1. Summary of Significant Accounting Policies (continued):

	General Fund	Special Revenue Fund
Sources/Inflows of Resources		
State aid payment recognized for budgetary purposes, not recognized for GAAP Statements until the subsequent year	<u>(196,046)</u>	<u> </u>
Total revenue as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds	<u>\$31,433,983</u>	<u>\$813,634</u>
Uses/Outflows of Resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	\$30,148,655	\$749,296
Differences – budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes	<u> </u>	<u>64,338</u>
Total expenditures as reported on the statement of revenues, expenditures and changes in fund balances – governmental funds	<u>\$30,148,655</u>	<u>\$813,634</u>

G. Encumbrances

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

Open encumbrances in the special revenue fund for which the Berkeley Township Board of Education has received advances are reflected in the balance sheet as either deferred revenues or as a reduction of the receivable 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.

BERKELEY TOWNSHIP BOARD OF EDUCATION

**NOTES TO THE FINANCIAL STATEMENTS (continued):
FOR THE YEAR ENDED JUNE 30, 2012**

H. Cash & Cash Equivalents

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

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

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

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

I. Tuition Receivable/Payable

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

These adjustments are recorded upon certification by the State Board of Education, which is normally three years following the contract year. The cumulative adjustments through June 30, 2012, which have not been recorded, are not determinable.

The tuition rate adjustments for the years 2009-2010 have been established and the District has billed/paid the school boards that have adjustments.

BERKELEY TOWNSHIP BOARD OF EDUCATION

**NOTES TO THE FINANCIAL STATEMENTS (continued):
FOR THE YEAR ENDED JUNE 30, 2012**

Note 1. Summary of Significant Accounting Policies (continued):

J. Inventories & Prepaid Expenses

Inventories are valued at cost, which approximates market. The costs are determined on a first-in, first-out method.

The cost of inventories in governmental fund types is recorded as expenditures when purchased rather than when consumed.

Prepaid expenses, which benefit future periods, other than those recorded in the enterprise funds, are recorded as expenditure during the year of purchase. Prepaid expenses in the enterprise fund represent payments made to vendors for services that will benefit periods beyond June 30, 2012.

K. 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 Berkeley Township Board of Education and that are due within one year.

L. Fixed Assets:

General fixed assets acquired or constructed during the year are reported in the applicable governmental or business-type activities columns in the district-wide financial statements. Fixed assets are defined by the District as assets, which have a cost in excess of \$2,000 at the date of acquisition and a useful life of one year or more. Donated fixed assets are valued at their estimated fair market value on the date received. The general fixed assets acquired or constructed were valued by an independent appraisal company. General fixed assets, such as land and buildings, are valued at the historical cost basis and through estimated procedures performed by an independent appraisal company, respectively.

General fixed assets are reflected as expenditures in the applicable governmental funds. Depreciation expense is recorded in the district-wide financial statements as well as the proprietary fund. Capital assets are depreciated on the straight-line method over the assets' estimated useful life. There is no depreciation recorded for land and construction in progress. Generally estimated useful lives are as follows:

Machinery and Equipment	5 – 20 Years
Building & Other Improvements	10 – 50 Years

BERKELEY TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS (continued):
FOR THE YEAR ENDED JUNE 30, 2012

Note 1. Summary of Significant Accounting Policies (continued):

M. Compensated Absences

Compensated absences are those absences for which employees will be paid, such as vacation, sick leave and sabbatical leave. A liability for compensated absences that is attributable to services already rendered, and that are not contingent on a specific event that is outside the control of the District and its employees, is accrued as the employees earn the rights to the benefits. Compensated absences that relate to future services, or that are contingent on a specific event that is outside the control of the District and its employees, are accounted for in the period in which such services are rendered or in which such events take place.

In the District-Wide financial statements, under governmental activities, compensated absences are reported as an expenditure and noncurrent liabilities.

N. Deferred Revenue

Deferred revenue in the general and special revenue fund represents cash, which has been received but not yet earned.

O. Long-term Obligations

In district-wide financial statements, under governmental activities, long-term debt is recognized as a liability in the general fund as debt is incurred.

P. Fund Equity

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.

In accordance with State of New Jersey statutes, the fund balance to be utilized in the subsequent year budget is not legally restricted and therefore has been classified as fund balance designated for subsequent year's expenditures and is not reserved.

Q. Subsequent Events

The District has evaluated subsequent events occurring after June 30, 2012 through September 21, 2012 which is the date the financial statements were available to be issued.

BERKELEY TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS (continued):
FOR THE YEAR ENDED JUNE 30, 2012

Note 2. Cash & Cash Equivalents

The District is governed by the deposit and investment limitations of New Jersey state law. The Deposits and investments held at June 30, 2012, and reported at fair value are as follows:

Type	Carrying Value
Deposits:	
Demand Deposits	<u>\$3,864,251</u>
Total Deposits & Investments	<u>\$3,864,251</u>
 Reconciliation of Statements of Net Assets:	
Governmental Activities	\$3,441,886
Business-Type Activities	(32,874)
Fiduciary Fund	<u>455,239</u>
Total Cash and Cash Equivalents	<u>\$3,864,251</u>

Custodial Credit Risk -- Deposits in financial institutions, reported as components of cash, cash equivalents and investments had a bank balance of \$5,399,024 at June 30, 2012. Of the bank balance \$250,000 was fully insured by the FDIC (Federal Depository Insurance Corporation) and \$5,149,024 was secured by a collateral pool held by the bank, but not in the District's name, as required by New Jersey statutes.

Insured	\$ 250,000
Collateralized in the District's Name	
Under GUDPA (See Note 3)	<u>5,149,024</u>
Total	<u>\$5,399,024</u>

Note 3. Governmental Unit Deposit Protection Act (GUDPA)

The District has deposited cash in 2012 with an approved public fund depository qualified under the provisions of the Government Unit Deposit Protection Act. In addition to savings and checking accounts the District may invest monies in certificates of deposits.

BERKELEY TOWNSHIP BOARD OF EDUCATION

**NOTES TO THE FINANCIAL STATEMENTS (continued):
FOR THE YEAR ENDED JUNE 30, 2012**

Note 3. Governmental Unit Deposit Protection Act (GUDPA) (continued):

The Governmental Unit Deposit Protection Act P.L. 1970, Chapter 236, was passed to afford protection against bankruptcy or default by a depository. C.17:9-42 provides that no governmental unit shall deposit funds in a public depository unless such funds are secured in accordance with this act. C.17:9-42 provides that every public depository having public funds on deposit shall, as security for such deposits, maintain eligible collateral having a market value at least equal to either (1) 5% of the average daily balance of collected public funds on deposit during the 6 month period ending on the next preceding valuation date (June 30 or December 31) or (2) at the election of the depository, at least equal to 5% of the average balance of collected public funds on deposit on the first, eighth, fifteenth, and twenty-second days of each month in the 6 month period ending on the next preceding valuation date (June 30 or December 31). No public depository shall be required to maintain any eligible collateral pursuant to this act as security for any deposit or deposits of any governmental unit to the extent such deposits are insured by F.D.I.C. or any other U.S. agency which insures public depository funds.

No public depository shall at any time receive and hold on deposit for any period in excess of 15 days public funds of a governmental unit(s) which, in the aggregate, exceed 75% of the capital funds of the depository, unless such depository shall, in addition to the security required to be maintained under the paragraph above, secure such excess by eligible collateral with a market value at least equal to 100% of such excess.

In the event of a default, the Commissioner of Banking within 20 days after the default occurrence shall ascertain the amount of public funds on deposit in the defaulting depository and the amounts covered by federal deposit insurance and certify the amounts to each affected governmental unit. Within 10 days after receipt of this certification, each unit shall furnish to the Commissioner verified statements of its public deposits. The Commissioner shall ascertain the amount derived or to be derived from the liquidation of the collateral maintained by the defaulting depository and shall distribute such proceeds pro rata among the governmental units to satisfy the net deposit liabilities to such units.

If the proceeds of the sale of the collateral are insufficient to pay in full the liability to all affected governmental units, the Commissioner shall assess the deficiency against all other public depositories having public funds on deposit determined by a formula determined by law. All sums collected by the Commissioner shall be paid to the governmental units having deposits in the defaulting depository in the proportion that the net deposit liability to each such governmental unit bears to the aggregate of the net deposit liabilities to all such governmental units.

All public depositories are required to furnish information and reports dealing with public funds on deposit every six months, June 30th and December 31st, with the Commissioner of Banking. Any public depository which refuses or neglects to give any information so requested may be excluded by the Commissioner from the right to receive public funds for deposit until such time as the Commissioner shall acknowledge that such depository has furnished the information requested.

BERKELEY TOWNSHIP BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS (continued):
FOR THE YEAR ENDED JUNE 30, 2012

Note 3. Governmental Unit Deposit Protection Act (GUDPA) (continued):

Upon review and approval of the Certification Statement that the public depository complies with statutory requirements, the Commissioner issues forms approving the bank as a municipal depository.

The District should request copies of these approval forms semiannually to assure that all depositories are complying with requirements.

Note 4. Capital Reserve Account

A capital reserve account was established by the Berkeley Township Board of Education by inclusion of \$1,000 on June 30, 1994 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the district's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by Board resolution at year-end of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to *N.J.S.A.19:60-2*. Pursuant to *N.J.A.C.6A:23A-14.1(g)*, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The activity of the capital reserve for the July 1, 2011 to June 30, 2012 fiscal year is as follows:

Beginning Balance, July 1, 2011	\$768,450
Withdrawals:	
Budget Appropriation	(550,000)
Interest Earnings	<u>2,166</u>
Ending Balance, June 30, 2012	<u>\$220,616</u>

The June 30, 2012 LRFP balance of local support costs of uncompleted capital projects at June 30, 2012 is \$33,367,800.

BERKELEY TOWNSHIP BOARD OF EDUCATION

**NOTES TO THE FINANCIAL STATEMENTS (continued):
FOR THE YEAR ENDED JUNE 30, 2012**

Note 5. Maintenance Reserve Account

A maintenance reserve account was established by the Berkeley Township Board of Education by inclusion of \$300,000 on June 17, 2008 for the accumulation of funds for use as maintenance expenditures in subsequent fiscal years. The maintenance reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

The maintenance reserve account is used to accumulate funds for the required maintenance of a facility in accordance with the EFCFA (*N.J.S.A.18A:7G-9*) as amended by P.L. 2004, c. 73 (S1701). Districts may only increase the balance in the maintenance reserve account by appropriating funds in the annual general fund budget certified for taxes (*N.J.A.C. 6A:23A-14.2*) or by deposit of any unanticipated revenue or unexpended line-item appropriation by board resolution at year end. The board resolution for deposit at year end into a maintenance reserve account must be made between June 1 and June 30 of the budget year. EFCFA requires that upon District completion of a school facilities project, the district must submit a plan for the maintenance of that facility. Auditors and District staff should refer to the regulations, *N.J.A.C.6A:26A*, for further guidance. A separate line is provided in the Audsum for this reserve account.

The activity of the maintenance reserve for the July 1, 2011 to June 30, 2012 fiscal year is as follows:

Beginning Balance, July 1, 2011	\$ 650,024
Interest Earnings	2,249
Plus:	
Resolution dated June 28, 2012	<u>800,000</u>
Ending Balance, June 30, 2012	<u>\$1,452,273</u>

Note 6. Emergency Reserve Account

An emergency reserve account was established by the Berkeley Township Board of Education by inclusion of \$250,000 on June 17, 2008 for the accumulation of funds for use as maintenance expenditures in subsequent fiscal years. The maintenance reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

The emergency reserve account is used to accumulate funds in accordance with *N.J.S.A. 18A:7F-41c(1)* to finance unanticipated general fund expenditures required for a thorough and efficient education. Unanticipated means reasonably unforeseeable and shall not include additional costs caused by poor planning. The maximum balance permitted at any time in this reserve is the greater of \$250,000 or 1 percent of the general fund budget not to exceed \$1 million. Deposits may be made to the emergency

BERKELEY TOWNSHIP BOARD OF EDUCATION

**NOTES TO THE FINANCIAL STATEMENTS (continued):
FOR THE YEAR ENDED JUNE 30, 2012**

Note 6. Emergency Reserve Account (continued):

reserve account by board resolution at year end of any unanticipated revenue or unexpended line item appropriation or both. The department has defined year end for the purpose of depositing surplus into reserve accounts as an amount approved by the district board of education between June 1 and June 30. Withdrawals from the reserve require the approval of the Commissioner unless the withdrawal is necessary to meet an increase in total health care costs in excess of 4 percent.

The activity of the maintenance reserve for the July 1, 2011 to June 30, 2012 fiscal year is as follows:

Beginning Balance, July 1, 2011	\$259,491
Interest Earnings	<u>845</u>
Ending Balance, June 30, 2012	<u>\$260,336</u>

Note 7. Fixed Assets

The following schedule is a summarization of the general fixed assets for the fiscal year ended June 30, 2012:

	June 30, 2011	Additions	Deletions	June 30, 2012
Capital Assets Not Being Depreciated:				
Site & Improvements	\$ 2,367,127	\$ 45,105		\$ 2,412,232
Capital Assets Being Depreciated:				
Building & Building Improvements	40,476,008	813,845		41,289,853
Machinery & Equipment	<u>3,985,638</u>	<u>462,005</u>	<u>\$(3,000)</u>	<u>4,444,643</u>
Total Capital Assets Being Depreciated	44,461,646	1,275,850	(3,000)	45,734,496
Less: Accumulated Depreciation	<u>(13,039,807)</u>	<u>(1,528,362)</u>		<u>(14,568,169)</u>
Total Capital Assets Being Depreciated, Net	<u>31,421,839</u>	<u>(252,512)</u>	<u>(3,000)</u>	<u>31,166,327</u>
Total	<u>\$33,788,966</u>	<u>\$ (207,407)</u>	<u>\$(3,000)</u>	<u>\$33,578,559</u>

BERKELEY TOWNSHIP BOARD OF EDUCATION

**NOTES TO THE FINANCIAL STATEMENTS (continued):
FOR THE YEAR ENDED JUNE 30, 2012**

Note 7. Fixed Assets (continued):

The following is a summary of proprietary fund type fixed assets at June 30, 2012:

	June 30, 2011	Additions	Deletions	June 30, 2012
Machinery & Equipment	\$265,240	\$ 7,706	\$ -	\$272,946
Less: Accumulated Depreciation	<u>(164,048)</u>	<u>(12,662)</u>		<u>(176,710)</u>
Net Fixed Assets	<u>\$101,192</u>	<u>\$(4,956)</u>	<u>\$ -</u>	<u>\$ 96,236</u>

Note 8. Long-Term Debt

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

Governmental Activities:	Balance 6/30/11	Retired	Adjustments	Balance 6/30/12	Due Within One Year
Compensated Absences Payable	\$ 266,244		\$ 32,820	\$ 299,064	
Bonds Payable	17,915,000	\$(1,155,000)		16,760,000	\$1,195,000
Obligation Under Capital Leases	137,463	(54,759)		82,704	44,604
Cost of Issuance	(122,760)		10,912	(111,848)	
Loss on Refunding	(904,273)		80,380	(823,893)	
Bond Premium	<u>1,549,123</u>		<u>(137,700)</u>	<u>1,411,423</u>	
Total	<u>\$18,840,797</u>	<u>\$(1,209,759)</u>	<u>\$ (13,588)</u>	<u>\$17,617,450</u>	<u>\$1,239,604</u>

The principal and interest of these bonds will be paid from the debt service fund as required by New Jersey statutes. Other long-term liabilities are typically paid through the general fund.

A. Bonds Payable

The voters of the municipality through referendums authorize bonds in accordance with state law. All bonds are retired in serial installments within the statutory period of usefulness.

BERKELEY TOWNSHIP BOARD OF EDUCATION

**NOTES TO THE FINANCIAL STATEMENTS (continued):
FOR THE YEAR ENDED JUNE 30, 2012**

Note 8. Long-Term Debt (continued):

2002 Bonds

Description

On August 1, 2002, Berkeley Township Board of Education issued bonds in the amount of \$24,430,100 for the purpose of providing funds to finance a portion of a capital project and pay certain expenses incidental to the issuance and delivery of the bonds. The outstanding balance on these bonds has been paid in full as of June 30, 2012.

2010 Bonds

Description

The Board of Education issued Revenue Refunding Bonds, Series 2010, dated April 8, 2010 in the amount of \$16,760,000. The proceeds of this bond issue were used to advance refund certain callable maturities of the Board of Education's outstanding Series 2002 Bonds dated August 1, 2002. The Series 2002 Bonds were redeemed on April 8, 2010 at a redemption price of 100% of the principal amount thereof. The bonds included premiums of \$1,721,248 and expenses of \$136,400 resulting in a long term loss on the refunding \$1,004,748. The results of the refunding created an economic gain on the transaction with a net present value savings on interest expense of \$754,972.

Principal and interest due on the total bonds outstanding is as follows:

Fiscal Year				
Ending				
June 30,	Principal	Interest	Total	
2013	\$ 1,195,000	\$ 695,425	\$ 1,890,425	
2014	1,240,000	658,675	1,898,675	
2015	1,300,000	609,438	1,909,438	
2016	1,360,000	564,600	1,924,600	
2017	1,415,000	515,900	1,930,900	
2018-2022	8,310,000	1,503,150	9,813,150	
2023	<u>1,940,000</u>	<u>48,500</u>	<u>1,988,500</u>	
Total	<u>\$16,760,000</u>	<u>\$4,595,688</u>	<u>\$21,355,688</u>	

B. Obligations Under Capital Leases

The District is leasing capital items and equipment under capital leases. All capital leases are for terms of varying years, usually three to five. Interest rates range from 6.32% to 11.00%. Assets acquired through capital leases as of June 30, 2012 totaled \$269,973. The following is a schedule of the remaining future minimum lease payments under these capital leases and the present value of the net minimum lease payments at June 30, 2012:

BERKELEY TOWNSHIP BOARD OF EDUCATION

**NOTES TO THE FINANCIAL STATEMENTS (continued):
FOR THE YEAR ENDED JUNE 30, 2012**

Note 8. Long-Term Debt (continued):

Year-ending June 30,	Amount
2013	\$ 50,593
2014	23,146
2015	<u>34,981</u>
Total Minimum Lease Payments	108,720
Less: Amount Representing Interest	<u>(26,015)</u>
Present Value of Lease Payments	<u>\$ 82,705</u>

Note 9. Pension Plans

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

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

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

BERKELEY TOWNSHIP BOARD OF EDUCATION

**NOTES TO THE FINANCIAL STATEMENTS (continued):
FOR THE YEAR ENDED JUNE 30, 2012**

Note 9. Pension Plans (continued):

Vesting and Benefit Provisions - The vesting and benefit provisions of PERS are set by *N.J.S.A. 43:15A* and *43.3B* and *N.J.S.A. 18A:66* for TPAF. All benefits vest after eight to ten years of service, except for medical benefits that vest after 25 years of service. Retirement benefits for age and service are available at age 55 and are generally determined to be 1/55 of the final average salary for each year of service credit, as defined. Final average salary equals the average salary for the final three years of service prior to retirement (or highest three years' compensation if other than the final three years). Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving eight to ten years of service in which case benefits would begin the first day of the month after the member attains normal retirement age. The TPAF and PERS provides for specified medical benefits for members who retire after achieving 25 years of qualified service, as defined, or under the disability provisions of the System.

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

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

Legislation signed by the Acting Governor (Chapter 133, Public Laws 2001) changed the formula for calculating retirement benefits for all current and future non-veteran retirees from N/60 to N/55 (a 9.09% increase). This legislation, signed June 29, 2001, provides that all members of the TPAF and the PERS will have their pensions calculated on the basis of years of credit divided by 55. It also provides that all current retirees will have their original pension recalculated under the N/55 formula. Starting February 1, 2002, pension cost of living adjustments will be based on the new original pension.

Contribution Requirements - The contribution policy is set by *N.J.S.A. 43:15A*, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 and *N.J.S.A. 18:66*, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. TPAF and PERS provide for employee contributions of 5.5% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in both

BERKELEY TOWNSHIP BOARD OF EDUCATION

**NOTES TO THE FINANCIAL STATEMENTS (continued):
FOR THE YEAR ENDED JUNE 30, 2012**

Note 9. Pension Plans (continued):

TPAF and PERS. The actuarially determined contribution includes funding for both cost-of-living adjustments, noncontributory death benefits and post-retirement medical premiums. Under current statute the District is a noncontributing employer of the TPAF.

Three-Year Trend Information for PERS

Year Funding	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/12	\$414,208	100%	\$ -0-
6/30/11	379,523	100%	-0-
6/30/10	309,111	100%	-0-

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

Year Funding	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/12	\$1,216,932	100%	\$ -0-
6/30/11	844,370	100%	-0-
6/30/10	831,338	100%	-0-

During the year ended June 30, 2012 the State of New Jersey contributed \$1,216,932 to the TPAF for normal post-retirement benefits on behalf of the District. Also in accordance with *N.J.S.A. 18A:66-66* the State of New Jersey reimbursed the District \$912,988 for the year ended June 30, 2012 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. This amount has been included in the basic financial statements, and the combining and individual fund and account group statements and schedules as a revenue and expenditure in accordance with GASB 27.

Note 10. Post-Retirement Benefits

Chapter 384 of Public Laws 1987 and Chapter 6 of Public Laws 1990 required Teachers' Pensions and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those State Employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2011, there were 93,323 retirees eligible

BERKELEY TOWNSHIP BOARD OF EDUCATION

**NOTES TO THE FINANCIAL STATEMENTS (continued):
FOR THE YEAR ENDED JUNE 30, 2012**

Note 10. Post-Retirement Benefits (continued):

for post-retirement medical benefits. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post-retirement medical premiums changed from a prefunding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

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

The State will set the contribution rate based on the *annual required contribution of the employers* (ARC), an amount actuarially determined in accordance with parameters of GASB Statement 45. The ARC represents the level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The State's contributions to the State Health Benefits Program Fund for TPAF retirees' post-employment benefits on behalf of the District for the years ended June 30, 2012, 2011, and 2010 were \$812,671, \$806,404, and \$789,312, respectively, which equaled the required contributions for each year. The State's contributions to the State Health Benefits Program Fund for PERS retirees' post-retirement benefits on-behalf of the District was not determined or made available by the State of New Jersey.

Note 11. Risk Management

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

Property and Liability Insurance – The District maintains commercial insurance coverage for property, liability and surety bonds. There have been no significant reductions in insurance coverage from the prior year and no settlements have exceeded insurance coverage over the past three years. 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 their New Jersey Unemployment Compensation Insurance under the "Contributory Method" beginning January 1, 2011. 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. On January 1, 2011, the District changed to the "Contributory Method" under which the District pays .007% of each employee's gross salary up to \$29,600 to the New Jersey Unemployment Trust Fund. The following is a summary of School District contributions, reimbursements to the State for benefits paid and the ending balance of the School District's expendable trust fund for the current and previous two years:

BERKELEY TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS (continued):
FOR THE YEAR ENDED JUNE 30, 2012

Note 11. Risk Management (continued):

Fiscal Year	Employee Contributions	Board Transfer	Interest Earned	Amount Reimbursed	Ending Balance
2011-2012	\$ 0	\$ 0	\$1,595	\$88,693	\$444,209
2010-2011	27,960	500,000	587	92,710	531,307
2009-2010	45,212	-0-	727	56,174	95,470

Note 12. Contingent Liabilities

The District participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable at June 30, 2012 may be impaired. In the opinion of the District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provisions have been recorded in the accompanying combined financial statements for such contingencies.

The District is a defendant in several legal proceedings that are in various stages of litigation. It is believed that the outcome, or exposure to the Board, from such litigation is either unknown or potential losses, if any, would not be material to the financial statements.

Note 13. Economic Dependency

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

Note 14. Interfund Receivables and Payables

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

Fund	Interfund Receivable	Interfund Payable
General Fund		\$2
Debt Service Fund	\$2	—
Total	\$2	\$2

BERKELEY TOWNSHIP BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS (continued): FOR THE YEAR ENDED JUNE 30, 2012

Note 14. Interfund Receivables and Payables (continued):

The interfund payable in the enterprise fund represent loans from the general fund not returned at June 30, 2012 and are expected to be repaid within one year.

Note 15. GASB #54 Fund Balance Disclosures

In accordance with Government Accounting Standards Board 54, Fund Balance Reporting and Governmental Fund Type Definitions, the Berkeley Township Board of Education classifies governmental fund balances as follows:

- Non-spendable – includes fund balance amounts that cannot be spent either because it is not in spendable form or because legal or contractual constraints.
- Restricted – includes fund balance amounts that are constrained for specific purposes which are externally imposed by external parties, constitutional provision or enabling legislation.
- Committed – includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority and does not lapse at year-end.
- Assigned – includes fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund Balance may be assigned by the Business Administrator.
- Unassigned – includes balance within the General Fund which has not been classified within the above mentioned categories and negative fund balances in other governmental funds.

General Fund – Of the \$6,030,420 General Fund fund balance at June 30, 2012, \$220,616 has been restricted for the capital reserve account; \$1,452,273 has been restricted for the maintenance reserve account; \$260,336 has been restricted for the emergency reserve account; \$1,443,540 has been restricted for the excess surplus; \$843,966 has been restricted for excess surplus designated for subsequent year's expenditures; \$972,679 has been assigned for other purposes; \$284,552 has been assigned to be designated for subsequent year expenditures; and \$552,428 is unassigned.

The Berkeley Township Board of Education uses restricted/committed amounts to be spent first when both restricted and unrestricted fund balance is available, unless prohibited by law or regulation. Additionally, the Berkeley Township Board of Education would first use committed, then assigned and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

BERKELEY TOWNSHIP BOARD OF EDUCATION

**NOTES TO THE FINANCIAL STATEMENTS (continued):
FOR THE YEAR ENDED JUNE 30, 2012**

Note 16. Deferred Compensation

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

Lincoln Investment
Valic

AXA Equitable
MetLife

Note 17. Compensated Absences

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

District employees are granted vacation and sick leave in varying amounts under the District's personnel policies. In the event of termination, an employee is reimbursed for accumulated vacation. Sick leave benefits provide for specified dollar amount per sick day accumulated and begin vesting with the employee after one year of service.

The liability for vested compensated absences of the governmental fund types is recorded in the statement of net assets under governmental activities. The current portion of the compensated absence balance is not considered material to the applicable funds total liabilities, and is therefore not shown separately from the long-term liability balance of compensated absences. The amount at June 30, 2012 is \$299,064.

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2012 no liability existed for compensated absences in the proprietary fund types.

Note 18. Calculation of Excess Surplus

In accordance with N.J.S.A.18A:7F-7, as amended by P.L. 2004, c.73 (S1701), the designation for Reserved Fund Balance – Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund fund balance at the fiscal year-end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The District has excess fund balance of \$1,443,540 at June 30, 2012.

REQUIRED SUPPLEMENTARY INFORMATION



C. Budgetary Comparison Schedules

**BERKELEY TOWNSHIP BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2012 AND 2011**

ACCOUNT NUMBERS	JUNE 30, 2012				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	JUNE 30, 2011				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
Revenues:										
Local Sources:										
Local Tax Levy	10-1210	\$26,462,541		26,462,541	26,462,541		26,681,262		26,681,262	26,681,262
Interest	10-1500			15,126	15,126				36,664	36,664
Interest Earned on Emergency Reserve	10-1XXX	100		100	845	745	250		250	1,634
Interest Earned on Maintenance Reserve	10-1XXX				2,249	2,249	100		100	962
Interest Earned on Capital Reserve	10-1XXX				2,166	2,166	600		600	4,211
Services Provided Other LEA's	10-1950				303,797	303,797				269,965
Miscellaneous	10-1990	32,325		32,325	148,899	116,574	49,818		49,818	52,650
Total Local Sources		26,494,966		26,494,966	26,935,623	440,657	26,732,030		26,732,030	27,047,348
State Sources:										
Categorical Transportation Aid	10-3121	513,362		513,362	797,914	284,552	228,810		228,810	228,810
Categorical Special Education Aid	10-3132	1,043,642		1,043,642	1,043,642		1,043,642		1,043,642	1,043,642
Categorical Security Aid	10-3177	275,626		275,626	275,626		275,626		275,626	275,626
Extraordinary Aid	10-3131				178,529	178,529				140,137
Nonpublic Transportation	10-3190				9,570	9,570				8,700
Nonbudgeted:										
On-Behalf TPAF Pension Contribution					1,216,932	1,216,932				844,370
Reimbursed TPAF Social Security					912,988	912,988				924,046
Total State Sources		1,832,630		1,832,630	4,435,201	2,602,571	1,548,078		1,548,078	3,465,331
Federal Sources:										
Medicaid Reimbursement	10-4200	39,381		39,381	48,411	9,030	33,940		33,940	35,342
Education Jobs Fund Program	10-4522	62,497		62,497	62,497		98,400		98,400	35,903
Medicaid Administrative Claiming	10-4201				1,818	1,818				(62,497)
Total Federal Sources:		101,878		101,878	112,726	10,848	33,940	98,400	132,340	71,245
Total Revenues		28,429,474		28,429,474	31,483,550	3,054,076	28,314,048	98,400	28,412,448	30,583,924
Expenditures:										
Current Expense:										
Instruction - Regular Programs:										
Salaries of Teachers:										
Preschool	11-105-100-101	35,073	70,000	105,073	104,760	313	13,809	89,705	103,514	101,354
Kindergarten	11-110-100-101	991,706	(87,115)	904,591	885,189	19,402	942,089	20,837	962,926	953,472
Grades 1 - 5	11-120-100-101	4,431,198	44,044	4,475,242	4,468,136	7,106	4,660,389	(92,837)	4,567,552	4,551,147
Grades 6 - 8	11-130-100-101	1,065,846	(81,153)	984,693	954,283	30,410	1,085,921	(68,799)	1,017,122	1,001,563

**BERKELEY TOWNSHIP BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2012 AND 2011**

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ACCOUNT NUMBERS	JUNE 30, 2012				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	JUNE 30, 2011				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		
Regular Programs - Home Instruction:											
Salaries of Teachers	11-150-100-101	16,500	10,422	26,922	26,922		12,500	2,897	15,397	15,397	
Purchased Professional - Educational Services	11-150-100-320		3,499	3,499	3,259	240					
Regular Programs - Undistributed Instruction:											
Purchased Professional - Educational Services	11-190-100-320							10,000	10,000	2,293	7,707
Purchased Professional - Technical Services	11-190-100-340	7,000	1,246	8,246	8,246		6,000	680	6,680	5,068	1,612
Other Purchased Services	11-190-100-500	12,095	(10,488)	1,607	1,607		15,790	(475)	15,315	2,769	12,546
General Supplies	11-190-100-610	694,991	140,314	835,305	804,178	31,127	734,514	84,394	818,908	634,694	184,214
Textbooks	11-190-100-640	66,530	509,598	576,128	540,650	35,478	113,183	(66,299)	46,884	38,087	8,797
Other Objects	11-190-100-890	1,600	(1,400)	200	96	104	53,130		53,130	41,571	11,559
Total Regular Programs - Instruction		7,322,539	598,967	7,921,506	7,797,326	124,180	7,637,325	(19,897)	7,617,428	7,347,415	270,013
Special Education:											
Learning and/or Language Disabilities:											
Salaries of Teachers	11-204-100-101	578,533	(3,522)	575,011	575,011		556,536	26,179	582,715	579,650	3,065
Other Salaries for Instruction	11-204-100-106	250,999	(17,088)	233,911	233,748	163	343,998	(89,183)	254,815	244,814	10,001
General Supplies	11-204-100-610	7,000	8,440	15,440	15,162	278	9,866		9,866	1,626	8,240
Textbooks	11-204-100-640	500	(500)				1,060		1,060		1,060
Total Learning and/or Language Disabilities		837,032	(12,670)	824,362	823,921	441	911,460	(63,004)	848,456	826,090	22,366
Multiple Disabilities:											
Salaries of Teachers	11-212-100-101	120,725	(23,898)	96,827	96,827		48,708	15,101	63,809	63,809	
Other Salaries for Instruction	11-212-100-106	112,420	(54,096)	58,324	57,300	1,024	32,936	58,852	91,788	83,514	8,274
General Supplies	11-212-100-610	5,300	1,556	6,856	6,856		5,200	1,060	6,260	566	5,694
Textbooks	11-212-100-640	500	(500)				1,060	(895)	165	160	5
Total Multiple Disabilities		238,945	(76,938)	162,007	160,983	1,024	87,904	74,118	162,022	148,049	13,973

**BERKELEY TOWNSHIP BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2012 AND 2011**

ACCOUNT NUMBERS	JUNE 30, 2012				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	JUNE 30, 2011				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		
Resource Room/Resource Center:											
Salaries of Teachers	11-213-100-101	1,188,629	74,493	1,263,122	1,263,122		1,258,928	(10,425)	1,248,503	1,243,241	5,262
Other Salaries for Instruction	11-213-100-106	56,993	(11,072)	45,921	44,970	951	35,565	25,702	61,267	51,843	9,424
General Supplies	11-213-100-610	5,000	6,616	11,616	11,592	24	7,120		7,120	504	6,616
Textbooks	11-213-100-640						800		800		800
Total Resource Room		1,250,622	70,037	1,320,659	1,319,684	975	1,302,413	15,277	1,317,690	1,295,588	22,102
Autism:											
Salaries of Teachers	11-214-100-101	155,313	2,000	157,313	156,589	724	156,652	69,879	226,531	152,558	73,973
Other Salaries for Instruction	11-214-100-106	187,798	(7,343)	180,455	179,753	702	166,486	24,780	191,266	187,914	3,352
Purchased Professional- Services	11-214-100-320	23,000	10,000	33,000	11,091	21,909	23,000		23,000	1,895	21,105
General Supplies	11-214-100-610	3,700	3,594	7,294	7,276	18	4,027	(512)	3,515	38	3,477
Other Objects	11-214-100-800							346	346	346	
Total Autism		369,811	8,251	378,062	354,709	23,353	350,165	94,493	444,658	342,751	101,907
Preschool Disabilities - Part Time:											
Salaries of Teachers	11-215-100-101	51,361	(34)	51,327	51,138	189	50,283	1,228	51,511	51,511	
Other Salaries for Instruction	11-215-100-106	76,254	3,690	79,944	79,884	60	106,568	(31,269)	75,299	74,388	911
General Supplies	11-215-100-610		662	662	662		1,097		1,097		1,097
Total Preschool Disabilities - Part-Time		127,615	4,318	131,933	131,684	249	157,948	(30,041)	127,907	125,899	2,008
Total Special Education		2,824,025	(7,002)	2,817,023	2,790,981	26,042	2,809,890	90,843	2,900,733	2,738,377	162,356
Basic Skills/Remedial:											
Salaries of Teachers	11-230-100-101	950,305	12,758	963,063	961,893	1,170	918,407	(478)	917,929	882,159	35,770
General Supplies	11-230-100-610	1,200		1,200		1,200	1,200		1,200	924	276
Total Basic Skills/Remedial		951,505	12,758	964,263	961,893	2,370	919,607	(478)	919,129	883,083	36,046
Bilingual Education - Instruction:											
Salaries	11-240-100-101	60,562		60,562	60,562		57,942	478	58,420	57,700	720
Total Bilingual Education - Instruction		60,562		60,562	60,562		57,942	478	58,420	57,700	720

**BERKELEY TOWNSHIP BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2012 AND 2011**

ACCOUNT NUMBERS	JUNE 30, 2012				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	JUNE 30, 2011				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		
School Sponsored Cocurricular Activities:											
Salaries	11-401-100-100	5,400	3,723	9,123	9,123	17,500	18,000	35,500	32,590	2,910	
Supplies & Materials	11-401-100-600	3,420	(855)	2,565	2,565	3,600		3,600	2,086	1,514	
Total School Sponsored Cocurricular Activities		8,820	2,868	11,688	9,123	21,100	18,000	39,100	34,676	4,424	
Before/After School Programs - Instruction:											
Salaries	11-421-100-100		16,281	16,281	10,112	6,169	17,150	3,200	20,350	19,486	864
Purchased Services	11-421-100-300		6,090	6,090	4,900	1,190	6,160		6,160	5,810	350
Supplies and Materials	11-421-100-600		250	250		250	895		895	736	159
Other Objects	11-421-100-800		7,500	7,500	5,000	2,500	2,500		2,500	2,500	
Total Before/After School Programs - Instruction			30,121	30,121	20,012	10,109	26,705	3,200	29,905	28,532	1,373
Total - Instruction		11,167,451	637,712	11,805,163	11,639,897	165,266	11,472,569	92,146	11,564,715	11,089,783	474,932
Undistributed Expenditures:											
Instruction:											
Tuition to Other LEA's -State Special	11-000-100-562							60,858	60,858	60,858	
Tuition to CSSD & Reg. Day Schools	11-000-100-565	254,552		254,552	194,483	60,069	260,552	(99,858)	160,694	149,632	11,062
Tuition to Private Schools for the Handicapped - State	11-000-100-566	393,157	(67,500)	325,657	165,879	159,778	416,059	(116,714)	299,345	299,345	
Tuition - State Facilities	11-000-100-568	30,750		30,750	30,750			39,000	39,000	24,818	14,182
Total Undistributed Expenditures - Instruction		678,459	(67,500)	610,959	391,112	219,847	676,611	(116,714)	559,897	534,653	25,244
Attendance & Social Work Services:											
Salaries	11-000-211-100	2,300		2,300	2,300		2,300		2,300	2,300	
Total Attendance & Social Work Services		2,300		2,300	2,300		2,300		2,300	2,300	

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**BERKELEY TOWNSHIP BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2012 AND 2011**

ACCOUNT NUMBERS	JUNE 30, 2012				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	JUNE 30, 2011				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		
Health Services:											
Salaries	11-000-213-100	244,665	4,647	249,312	249,312		238,083	6,000	244,083	241,189	2,894
Purchased Professional & Technical Services	11-000-213-300	21,300		21,300	10,077	11,223	22,436		22,436	7,260	15,176
Supplies and Materials	11-000-213-600	5,916	7,585	13,501	13,213	288	6,228	(4)	6,224	5,735	489
Total Health Services		271,881	12,232	284,113	272,602	11,511	266,747	5,996	272,743	254,184	18,559
Other Support Services - Speech, OT, PT & Related											
Salaries	11-000-216-100	472,691		472,691	472,691		524,982	(43,429)	481,553	481,553	
General Supplies	11-000-216-600	52,000	10,500	62,500	44,108	18,392	7,741	1,273	9,014	1,863	7,151
Purchased Prof. Ed. Services	11-000-216-320	7,000	2,463	9,463	9,463			7,723	7,723	710	7,013
Total Other Support Services - Students - Related Services		531,691	12,963	544,654	526,262	18,392	532,723	(34,433)	498,290	484,126	14,164
Other Support Services - Students - Extraordinary:											
Salaries	11-000-217-110	247,186	68,799	315,985	315,985		203,337	48,101	251,438	251,438	
Purchased Professional Services	11-000-217-320	25,000	385	25,385	10,951	14,434	49,800		49,800	23,931	25,869
Total Other Support Services - Students - Extraordinary		272,186	69,184	341,370	326,936	14,434	253,137	48,101	301,238	275,369	25,869
Other Support Services - Students - Regular:											
Salaries of Other Professional Staff	11-000-218-104	292,301	1,500	293,801	293,801		276,373	3,919	280,292	280,292	
Supplies & Materials	11-000-218-600	300	362	662	662		418	18	436	74	362
Total Other Support Services - Students - Regular		292,601	1,862	294,463	294,463		276,791	3,937	280,728	280,366	362
Other Support Services - Students - Special Services:											
Salaries of Other Professional Staff	11-000-219-104	589,434	5,938	595,372	595,372		668,813	(124,473)	544,340	544,340	
Salaries of Secretarial & Clerical Assistants	11-000-219-105	97,125		97,125	97,125		94,637	(213)	94,424	94,424	
Purchased Professional Education Services	11-000-219-320		12,000	12,000	11,950	50					
Supplies & Materials	11-000-219-600	7,850	4,726	12,576	12,426	150	12,470		12,470	5,096	7,374
Other Objects	11-000-219-800	500		500		500	725		725	340	385
Total Other Support Services - Students - Special Services		694,909	22,664	717,573	716,873	700	776,645	(124,686)	651,959	644,200	7,759

**BERKELEY TOWNSHIP BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2012 AND 2011**

ACCOUNT NUMBERS	JUNE 30, 2012				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	JUNE 30, 2011				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		
Improvement of Instruction Services/Other											
Support Services - Instruction Staff:											
Salaries of Supervisors of											
Instruction	11-000-221-102	127,500	458	127,958	127,958	126,000		126,000	126,000		
Salaries of Secretarial & Clerical											
Assistants	11-000-221-105	45,840		45,840	45,840	44,379	213	44,592	44,592		
Supplies and Materials	11-000-221-600	1,805	389	2,194	2,080	114	1,900	1,900	1,589	311	
Other Objects	11-000-221-800	475		475	412	63	500	500	308	192	
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Total Improvement of Instruction Services/Other											
Support Services - Instructional Staff		175,620	847	176,467	176,290	177	172,779	213	172,992	172,489	503
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Educational Media Services/School Library:											
Salaries	11-000-222-100	368,818	(15,700)	353,118	352,999	119	384,829	(22,890)	361,939	359,907	2,032
Purchased Professional &											
Technical Services	11-000-222-300		2,800	2,800	2,800		3,200		3,200	2,800	400
Supplies and Materials	11-000-222-600	19,250	(1,223)	18,027	17,702	325	20,000	7,188	27,188	22,011	5,177
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Total Educational Media Services/School Library											
		388,068	(14,123)	373,945	373,501	444	408,029	(15,702)	392,327	384,718	7,609
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Instructional Staff Training Services:											
Purchased Professional -											
Educational Staff	11-000-223-320	3,990		3,990	1,975	2,015	4,200		4,200	2,025	2,175
Other Purchased Services	11-000-223-500	15,450	3,752	19,202	5,352	13,850	16,750	(13)	16,737	3,199	13,538
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Total Instructional Staff Training Services											
		19,440	3,752	23,192	7,327	15,865	20,950	(13)	20,937	5,224	15,713
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Support Services General Administration:											
Salaries	11-000-230-100	254,286	(74,718)	179,568	123,152	56,416	232,398	(79,914)	152,484	141,616	10,868
Legal Services	11-000-230-331	70,000		70,000	69,999	1	70,000		70,000	59,959	10,041
Audit Fees	11-000-230-332	27,000	3,133	30,133	30,133		27,000	2,630	29,630	25,710	3,920
Architectural/Engineering Services	11-000-230-334	10,000	54,620	64,620	50,130	14,490	11,500	1,400	12,900	20,763	(7,863)
Other Purchased Professional											
Services	11-000-230-339	43,500	(12,958)	30,542	28,530	2,012		41,391	41,391	35,558	5,833
Purchased Technical Services	11-000-230-340	3,500		3,500	1,500	2,000		5,866	5,866	1,500	4,366
Communications/Telephone	11-000-230-530	104,200	11,837	116,037	112,723	3,314	104,900	11,579	116,479	116,479	
Other Purchased Services											
(400-500 Series)	11-000-230-585	12,300	(6,600)	5,700	5,691	9	15,250		15,250	725	14,525

**BERKELEY TOWNSHIP BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2012 AND 2011**

ACCOUNT NUMBERS	JUNE 30, 2012				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	JUNE 30, 2011				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		
Support Services General Administration (continued):											
Other Purchasing Services	11-000-230-590	188,340	(17,293)	171,047	150,983	20,064	233,000	(57,277)	175,723	152,574	23,149
General Supplies	11-000-230-610	4,400	462	4,862	2,196	2,666	4,700	(180)	4,520	3,813	707
BOE In-House Training - Meeting Supplies	11-000-230-630	1,710		1,710	563	1,147	1,800	230	2,030	2,023	7
Judgments Against School District	11-000-230-820	10,000		10,000		10,000	10,000		10,000		10,000
Miscellaneous Expenditures	11-000-230-890	7,175	1,589	8,764	8,702	62	7,500	266	7,766	1,870	5,896
BOE Membership Dues & Fees	11-000-230-895	14,000	(200)	13,800	13,204	596	14,000		14,000	13,204	796
Total Support Services General Administration		750,411	(40,128)	710,283	597,506	112,777	732,048	(74,009)	658,039	575,794	82,245
Support Services School Administration:											
Salaries of Principals & Assistant Principals	11-000-240-103	817,783	(59,714)	758,069	748,375	9,694	784,832	(1,916)	782,916	770,807	12,109
Salaries of Secretarial & Clerical Assistants	11-000-240-105	257,599	2,965	260,564	260,564		244,734	7,594	252,328	252,328	
Other Salaries	11-000-240-110	3,240	512	3,752	3,752		6,480	(2,442)	4,038	4,038	
Purchased Professional & Technical Services	11-000-240-300	34,710		34,710	34,472	238	35,690	(538)	35,152	35,152	
Supplies & Materials	11-000-240-600	32,125	6,614	38,739	33,326	5,413	33,815	2,355	36,170	29,543	6,627
Other Objects	11-000-240-800	960	50	1,010	561	449	1,000	14	1,014	1,014	
Total Support Services School Administration		1,146,417	(49,573)	1,096,844	1,081,050	15,794	1,106,551	5,067	1,111,618	1,092,882	18,736
Central Services:											
Salaries	11-000-251-100	362,655	(3,911)	358,744	357,778	966	348,309	3,324	351,633	351,633	
Purchased Professional Services	11-000-251-330	28,020	4,274	32,294	32,105	189	22,700	9,856	32,556	31,125	1,431
Miscellaneous Purchased Services	11-000-251-592	5,200		5,200	2,744	2,456	5,200	(454)	4,746	3,371	1,375
Supplies & Materials	11-000-251-600	8,830	14,730	23,560	21,069	2,491	8,630	4,454	13,084	6,236	6,848
Miscellaneous Expenditures	11-000-251-890	2,885	3,500	6,385	5,473	912	3,015		3,015	2,161	854
Total Central Services		407,590	18,593	426,183	419,169	7,014	387,854	17,180	405,034	394,526	10,508
Administrative Information Technology:											
Salaries	11-000-252-100	127,700	(21,851)	105,849	105,849		91,164	(2,318)	88,846	88,846	
Purchased Technical Services	11-000-252-340	72,955	(18,265)	54,690	53,169	1,521	65,950	(3,559)	62,391	51,155	11,236
Other Purchased Services	11-000-252-500	700		700	483	217	750		750	461	289
Supplies and Materials	11-000-252-600	19,600	32,849	52,449	50,269	2,180	20,000	4,587	24,587	21,514	3,073
Total Administrative Information Technology		220,955	(7,267)	213,688	209,770	3,918	177,864	(1,290)	176,574	161,976	14,598

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**BERKELEY TOWNSHIP BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2012 AND 2011**

	ACCOUNT NUMBERS	JUNE 30, 2012				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	JUNE 30, 2011				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
Required Maintenance for School Facilities:											
Salaries	11-000-261-100	322,869	(21,000)	301,869	282,095	19,774	294,147	11,239	305,386	302,958	2,428
Cleaning, Repair & Maintenance Services	11-000-261-420	343,996	707,261	1,051,257	792,674	258,583	253,300	766,211	1,019,511	482,181	537,330
Travel	11-000-261-580		1,256	1,256	1,256			1,500	1,500	1,310	190
General Supplies	11-000-261-610	137,000	37,103	174,103	125,104	48,999	187,550	(3,144)	184,406	148,506	35,900
Other Objects	11-000-261-800	4,800	4,939	9,739	9,739		6,350	1,360	7,710	7,710	
Total Allowable Maintenance For School Facilities		808,665	729,559	1,538,224	1,210,868	327,356	741,347	777,166	1,518,513	942,665	575,848
Other Operation & Maintenance of Plant Services:											
Salaries	11-000-262-100	767,027	29,114	796,141	781,837	14,304	762,306	42,962	805,268	797,969	7,299
Cleaning, Repair & Maintenance Services	11-000-262-420	19,500	10,250	29,750	16,917	12,833	111,500	16,545	128,045	117,091	10,954
Other Purchased Property Services	11-000-262-490	60,000		60,000	43,508	16,492	60,000	(20,016)	39,984	39,984	
Insurance	11-000-262-520	170,000	(3,500)	166,500	156,419	10,081	179,396	(13,861)	165,535	165,535	
Travel	11-000-262-580							250	250	146	104
General Supplies	11-000-262-610	79,600		79,600	62,067	17,533	75,348	11,914	87,262	87,262	
Energy (Natural Gas)	11-000-262-621	314,000		314,000	143,222	170,778	314,000	(111,374)	202,626	202,626	
Energy (Electricity)	11-000-262-622	555,000	(24,311)	530,689	451,720	78,969	555,000	(27,204)	527,796	527,796	
Total Operation & Maintenance of Plant Services		1,965,127	11,553	1,976,680	1,655,690	320,990	2,057,550	(100,784)	1,956,766	1,938,409	18,357
Undistributed Expenditures - Care & Upkeep of Grounds:											
Purchased Professional and Technical Services	11-000-263-300	144,500	47,891	192,391	184,391	8,000	125,644	45,480	171,124	92,993	78,131
General Supplies	11-000-263-610	28,000	1,074	29,074	12,156	16,918	32,500	(4,266)	28,234	25,453	2,781
Total Undistributed Expenditures - Care & Upkeep of Grounds		172,500	48,965	221,465	196,547	24,918	158,144	41,214	199,358	118,446	80,912
Security:											
Salaries	11-000-266-100	104,520	204	104,724	103,427	1,297	94,516	10,443	104,959	98,070	6,889
Cleaning, Repair, & Maintenance Services	11-000-266-420	3,000	70,102	73,102	17,658	55,444	1,000		1,000		1,000
General Supplies	11-000-266-610	12,500	5,857	18,357	8,459	9,898	17,500	135,904	153,404	138,505	14,899
Total Security		120,020	76,163	196,183	129,544	66,639	113,016	146,347	259,363	236,575	22,788
Student Transportation Services:											
Salaries of Non-Instructional Aides	11-000-270-107	167,688	(67,513)	100,175	100,175		145,621	(4,529)	141,092	122,161	18,931
Salaries for Pupil Transportation (Between Home & School) - Regular	11-000-270-160	627,850	108,604	736,454	735,167	1,287	666,352	34,052	700,404	700,404	

**BERKELEY TOWNSHIP BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2012 AND 2011**

ACCOUNT NUMBERS	JUNE 30, 2012				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	JUNE 30, 2011				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		
Student Transportation Services (continued):											
Salaries for Pupil Transportation (Between Home & School) - Special	11-000-270-161	254,568	(77,091)	177,477	168,933	8,544	227,928	20,929	248,857	209,007	39,850
Salaries for Pupil Transportation (Other than Between Home & School)	11-000-270-162	5,000		5,000		5,000	13,000		13,000		13,000
Other Purchased Professional & Technical Services	11-000-270-390	11,100	4,249	15,349	9,181	6,168	5,500	27,923	33,423	28,699	4,724
Cleaning, Repair & Maintenance Services	11-000-270-420	5,000		5,000	2,981	2,019	7,500	20,000	27,500	7,065	20,435
Contracted Services - Jointure Agreements - (Special Education Contracted Services - ESC's & CTSA's - (Special Education Students)	11-000-270-515		69,320	69,320	64,997	4,323					
Contracted Services - Aid in Lieu	11-000-270-518	180,000	(69,320)	110,680	89,664	21,016	200,000		200,000	186,669	13,331
Travel	11-000-270-503	64,330		64,330	50,791	13,539	87,305	(41,337)	45,968	45,806	162
Miscellaneous Purchased Services - Transportation	11-000-270-580		500	500	399	101		1,000	1,000		1,000
General Supplies	11-000-270-593	75,500	6,041	81,541	77,814	3,727	72,146		72,146	70,923	1,223
Transportation Supplies	11-000-270-610	5,780	2,509	8,289	8,195	94	6,780	1,475	8,255	7,678	577
Miscellaneous Expenditures	11-000-270-615	262,500	28,602	291,102	219,165	71,937	286,500	(20,000)	266,500	186,077	80,423
	11-000-270-800	7,500	3,000	10,500	8,457	2,043	7,300	25	7,325	6,922	403
Total Student Transportation Services		1,666,816	8,901	1,675,717	1,535,919	139,798	1,725,932	39,538	1,765,470	1,571,411	194,059
Unallocated Benefits Employee Benefits:											
Group Insurance	11-000-291-210	900		900	855	45	900	(79)	821	821	
Social Security Contributions	11-000-291-220	400,000	3,865	403,865	396,687	7,178	390,000	(38,678)	351,322	349,498	1,824
Other Retirement Contributions - PERS	11-000-291-241	426,886	(1,297)	425,589	414,208	11,381	340,000	39,523	379,523	379,523	
Other Retirement Contributions - Regular	11-000-291-249		2,177	2,177	2,177			409	409	409	
Unemployment Compensation	11-000-291-250	82,880	142	83,022	68,987	14,035	36,064	526,505	562,569	558,807	3,762
Workman's Compensation	11-000-291-260	290,000		290,000	266,160	23,840	315,000	(89,126)	225,874	225,874	
Health Benefits	11-000-291-270	4,970,837	(473,423)	4,497,414	4,104,530	392,884	5,095,000	(469,364)	4,625,636	3,998,141	627,495
Tuition Reimbursement	11-000-291-280	30,000		30,000	20,945	9,055	30,000	(4,421)	25,579	25,579	
Other Employee Benefits	11-000-291-290	390,000	(171,000)	219,000	34,042	184,958	330,000	(95,510)	234,490	157,927	76,563
Total Unallocated Benefits - Employee Benefits		6,591,503	(639,536)	5,951,967	5,308,591	643,376	6,536,964	(130,741)	6,406,223	5,696,579	709,644
Nonbudgeted:											
On-Behalf TPAF Pension Contributions					1,216,932	(1,216,932)				844,370	(844,370)
Reimbursed TPAF Social Security					912,988	(912,988)				924,046	(924,046)

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**BERKELEY TOWNSHIP BOARD OF EDUCATION
GENERAL FUND
FOR THE FISCAL YEARS ENDED JUNE 30, 2012 AND 2011**

ACCOUNT NUMBERS	JUNE 30, 2012				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	JUNE 30, 2011				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
Total Undistributed Expenditures	17,177,159	199,111	17,376,270	17,562,240	(185,970)	17,123,982	486,387	17,610,369	17,535,308	75,061
Total Expenditures - Current Expense	28,344,610	836,823	29,181,433	29,202,137	(20,704)	28,596,551	578,533	29,175,084	28,625,091	549,993
Capital Outlay:										
Equipment:										
Undistributed Expenditures:										
Instruction	12-000-100-730		48,817	48,817			22,662	22,662		22,662
Administrative Information Technolo	12-000-252-730	4,000	(4,000)							
Required Maintenance for School										
Facilities	12-000-261-730	280,800	258,800	539,600	422,316	117,284	407,000	174,202	581,202	305,304
Custodial Services	12-000-262-730	10,000	(5,860)	4,140		4,140	15,200	(8,893)	6,307	6,307
Care & Upkeep of Grounds	12-000-263-730		40,860	40,860	40,860		100,000	218,724	318,724	283,724
Security	12-000-266-730		4,520	4,520	4,520					
Student Transportation - Non-										
Instructional Equipment	12-000-270-732		4,025	4,025	4,025			22,098	22,098	22,098
School Buses - Regular	12-000-270-733	180,000	6,264	186,264		186,264				
School Buses - Special	12-000-270-734						211,486	(30,665)	180,821	180,821
Total Equipment		474,800	353,426	828,226	520,538	307,688	733,686	398,128	1,131,814	798,254
Facilities Acquisition & Construction Services:										
Architectural/Engineering Services	12-000-400-334	50,000	(50,000)							
Construction Services	12-000-400-450	500,000	67,481	567,481	366,016	201,465		320,833	320,833	239,936
Other Objects	12-000-400-800	59,964		59,964	59,964		103,111		103,111	103,111
Total Facilities Acquisition & Construction Services		609,964	17,481	627,445	425,980	201,465	103,111	320,833	423,944	343,047
Total Capital Outlay		1,084,764	370,907	1,455,671	946,518	509,153	836,797	718,961	1,555,758	1,141,301
Total Expenditures		29,429,374	1,207,730	30,637,104	30,148,655	488,449	29,433,348	1,297,494	30,730,842	29,766,392

**BERKELEY TOWNSHIP BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2012 AND 2011**

	JUNE 30, 2012				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	JUNE 30, 2011				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	(999,900)	(1,207,730)	(2,207,630)	1,334,895	3,542,525	(1,119,300)	(1,199,094)	(2,318,394)	817,532	3,135,926
Other Financing Sources/(Uses):										
Transfer of Interest Earned on Capital Reserve						(250)	250			
Transfer of Interest Earned on Maintenance Reserve						(100)	100			
Transfer of Interest Earned on Emergency Reserve	(100)	100				(600)	600			
Total Other Financing Sources/(Uses)	(100)	100				(950)	950			
Excess/(Deficiency) of Revenues & Other Financing Sources Over/(Under) Expenditures & Other Financing Uses	(1,000,000)	(1,207,630)	(2,207,630)	1,334,895	3,542,525	(1,120,250)	(1,198,144)	(2,318,394)	817,532	3,135,926
Fund Balances, July 1	4,891,571		4,891,571	4,891,571		4,074,039		4,074,039	4,074,039	
2 Fund Balances, June 30	<u>\$3,891,571</u>	<u>(1,207,630)</u>	<u>2,683,941</u>	<u>6,226,466</u>	<u>3,542,525</u>	<u>2,953,789</u>	<u>(1,198,144)</u>	<u>1,755,645</u>	<u>4,891,571</u>	<u>3,135,926</u>

RECAPITULATION OF FUND BALANCE

Restricted Fund Balance:	
Capital Reserve	\$220,616
Maintenance Reserve	1,452,273
Emergency Reserve	260,336
Excess Surplus	1,443,540
Excess Surplus Designated for Subsequent Year's Expenditures	
Reserve for Excess Surplus	843,996
Committed Fund Balance:	
Year-end Encumbrances	972,679
Assigned Fund Balance:	
Year-end Encumbrances	
Designated for Subsequent Year's Expenditures	284,552
Unassigned Fund Balance	<u>748,474</u>
Subtotal	<u>6,226,466</u>
Reconciliation to Governmental Fund Statements (GAAP):	
Last State Aid Payment Not Recognized on GAAP Basis	<u>(196,046)</u>
Fund Balance per Governmental Funds (GAAP)	<u>\$6,030,420</u>

**BERKELEY TOWNSHIP BOARD OF EDUCATION
 EDUCATION JOBS FUND PROGRAM -
 BUDGETARY COMPARISON SCHEDULE
 FOR THE FISCAL YEARS ENDED JUNE 30, 2012 AND 2011**

	ACCOUNT NUMBER	JUNE 30, 2012				VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	JUNE 30, 2011				VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
Revenues:											
Federal Sources:											
	Education Jobs Fund Program	18-4522	\$62,497	62,497	62,497		98,400	98,400	35,903	(62,497)	
63	Total Federal Sources		62,497	62,497	62,497		98,400	98,400	35,903	(62,497)	
	Total Revenues		62,497	62,497	62,497		98,400	98,400	35,903	(62,497)	
Expenditures:											
Education Jobs Fund Program:											
	Salaries - Autism	18-214-100-101	62,497	(11,975)	50,522	50,522	81,220	81,220	30,698	50,522	
	Social Security Contributions	18-214-291-220		3,865	3,865	3,865	4,173	4,173	2,349	1,824	
	Unemployment Compensation	18-214-291-250		142	142	142	569	569		569	
	Health Benefits	18-214-291-270		7,968	7,968	7,968	12,438	12,438	2,856	9,582	
	Total Education Jobs Fund Expenditures		62,497	62,497	62,497	62,497	98,400	98,400	35,903	62,497	
	Total Expenditures		62,497	62,497	62,497	62,497	98,400	98,400	35,903	62,497	
	Excess/(Deficiency) of Revenues Over/(Under) Expenditures		\$ -	-	-	-	-	-	-	-	

**BERKELEY TOWNSHIP BOARD OF EDUCATION
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2012 AND 2011**

	JUNE 30, 2012				VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	JUNE 30, 2011				VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
REVENUES										
Local Sources		54,122	54,122	6,911	(47,211)		57,670	57,670	55,072	(2,598)
Federal Sources	\$657,296	177,293	834,589	742,385	(92,204)	693,644	527,875	1,221,519	1,152,010	(69,509)
Total Revenues	657,296	231,415	888,711	749,296	(139,415)	693,644	585,545	1,279,189	1,207,082	(72,107)
EXPENDITURES:										
Instruction:										
Salaries of Teachers	225,892	58,097	283,989	235,441	48,548	239,798	243,774	483,572	435,472	48,100
Purchased Professional Services (300 Series)	2,550	43,227	45,777	45,776	1	44,550	72,841	117,391	111,694	5,697
Tuition	375,251	(90,251)	285,000	285,000		300,193	43,606	343,799	343,799	
Travel	372	1,886	2,258	2,258			438	438	438	
General Supplies	5,270	146,642	151,912	88,989	62,923	21,710	65,065	86,775	76,927	9,848
Miscellaneous		6,158	6,158	2,768	3,390		22,769	22,769	21,912	857
Total Instruction	609,335	165,759	775,094	660,232	114,862	606,251	448,493	1,054,744	990,242	64,502
Support Services:										
Salaries of Program Director		3,910	3,910	3,910		34,456	6,384	40,840	36,577	4,263
Personal Services - Employee Benefits	47,961	(13,306)	34,655	32,782	1,873	29,443	60,057	89,500	89,500	
Purchased Professional - Educational Services		35,372	35,372	17,825	17,547	3,400	27,072	30,472	30,319	153
Other Purchased Professional Services		24,527	24,527	23,712	815		2,664	2,664	2,664	
Travel						19,074	(5,246)	13,828	11,958	1,870
Miscellaneous Expenditures						170	(170)			
Supplies & Materials		15,153	15,153	10,835	4,318	850	46,291	47,141	45,822	1,319
Total Support Services	47,961	65,656	113,617	89,064	24,553	87,393	137,052	224,445	216,840	7,605
Total Expenditures	657,296	231,415	888,711	749,296	139,415	693,644	585,545	1,279,189	1,207,082	72,107
Total Outflows	657,296	231,415	888,711	749,296	139,415	693,644	585,545	1,279,189	1,207,082	72,107
Excess/(Deficiency) of Revenues Over/(Under) Expenditures & Other Financing Sources/(Uses)	\$ -	-	-	-	-	-	-	-	-	-

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

**BERKELEY TOWNSHIP BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

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

	GENERAL FUND	SPECIAL REVENUE FUND
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue"		
From the Budgetary Comparison Schedule (C-Series)	\$31,483,550	749,296
Difference - Budget to GAAP:		
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	146,479	
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	(196,046)	
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Prior Year		64,960
Current Year		(622)
		64,338
Total Revenues as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds. (B-2)	\$31,433,983	813,634
Uses/outflows of resources:		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$30,148,655	749,296
Differences - budget to GAAP		
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for <i>financial reporting</i> purposes.		
Prior Year		64,960
Current Year		(622)
		64,338
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds (B-2)	\$30,148,655	813,634

N-1 The general fund budget uses GAAP basis therefore no reconciliation is necessary.

OTHER SUPPLEMENTARY INFORMATION

D. School Based Budget Schedules

Not Applicable

E. Special Revenue Fund

**BERKELEY TOWNSHIP BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(With Comparative Totals for June 30, 2011)**

	NO CHILD LEFT BEHIND		RECOVERY ACT		
	TITLE I	TITLE II-A	TITLE I	IDEA-B	IDEA-B
	2011-12	2011-12	2010-11	BASIC 2010-11	PRESCHOOL 2010-11
Revenues:					
Local Sources					
Federal Sources	\$245,261	62,835	1,449	57,804	1,587
Total Revenues	<u>\$245,261</u>	<u>62,835</u>	<u>1,449</u>	<u>57,804</u>	<u>1,587</u>
Expenditures:					
Instruction:					
Salaries of Teachers	\$168,167	28,000	131	36,643	
Purchased Professional Services (300 Series)					
Travel	2,258				
General Supplies	27,011	18,210	1,318	17,251	1,587
Tuition					
Miscellaneous					
Total Instruction	<u>197,436</u>	<u>46,210</u>	<u>1,449</u>	<u>53,894</u>	<u>1,587</u>
Support Services:					
Other Professional Staff Salaries				3,910	
Purchased Professional Services	7,825				
Other Purchased Professional Services	10,000	11,499			
Employee Benefits	30,000	2,782			
Travel					
General Supplies		2,344			
Total Support Services	<u>47,825</u>	<u>16,625</u>		<u>3,910</u>	
Total Expenditures	<u>\$245,261</u>	<u>62,835</u>	<u>1,449</u>	<u>57,804</u>	<u>1,587</u>

**BERKELEY TOWNSHIP BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(With Comparative Totals for June 30, 2011)**

	IDEA-B BASIC REGULAR 2011-12	IDEA-B PRESCHOOL REGULAR 2011-12	SIGN
Revenues:			
Local Sources			595
Federal Sources	\$350,007	23,442	
	<hr/>	<hr/>	
Total Revenues	<hr/> <u>\$350,007</u>	<hr/> <u>23,442</u>	<hr/> <u>595</u>
Expenditures:			
Instruction:			
Salaries of Teachers			
Purchased Professional Services (300 Series)	\$25,476	20,300	
Travel			
General Supplies	18,553	2,520	
Tuition	285,000		
Miscellaneous	873	607	595
	<hr/>	<hr/>	
Total Instruction	<hr/> <u>329,902</u>	<hr/> <u>23,427</u>	<hr/> <u>595</u>
Support Services:			
Other Professional Staff Salaries			
Purchased Professional Services	10,000		
Other Purchased Professional Services	2,213		
Employee Benefits			
Travel			
General Supplies	7,892	15	
	<hr/>	<hr/>	
Total Support Services	<hr/> <u>20,105</u>	<hr/> <u>15</u>	
Total Expenditures	<hr/> <u>\$350,007</u>	<hr/> <u>23,442</u>	<hr/> <u>595</u>

**BERKELEY TOWNSHIP BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(With Comparative Totals for June 30, 2011)**

	RECYCLING GRANT	POTTER CREEK CRUSADERS	CLASSTRIP GRANT	2012	2011
Revenues:					
Local Sources	\$584	5,039	693	6,911	55,072
Federal Sources				742,385	1,152,010
Total Revenues	\$584	5,039	693	749,296	1,207,082
Expenditures:					
Instruction:					
Salaries of Teachers		2,500		235,441	435,472
Purchased Professional Services (300 Series)				45,776	111,694
Travel				2,258	438
General Supplies		2,539		88,989	76,927
Tuition				285,000	343,799
Miscellaneous			693	2,768	21,912
Total Instruction		5,039	693	660,232	990,242
Support Services:					
Other Professional Staff Salaries				3,910	36,577
Purchased Professional Services				17,825	30,319
Other Purchased Professional Services				23,712	2,664
Employee Benefits				32,782	89,500
Travel					11,958
General Supplies	\$584			10,835	45,822
Total Support Services	584			89,064	216,840
Total Expenditures	\$584	5,039	693	749,296	1,207,082

F. Capital Projects Fund

Not Applicable



G. Proprietary Funds

Enterprise Fund



BERKELEY TOWNSHIP BOARD OF EDUCATION
ENTERPRISE FUND
COMBINING SCHEDULE OF NET ASSETS
AS OF JUNE 30, 2012
(With Comparative Totals for June 30, 2011)

ASSETS	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND FOOD SERVICE	2012	2011
Current Assets:			
Cash & Cash Equivalents			71,495
Accounts Receivable:			
State	\$419	419	1,717
Federal	23,536	23,536	55,328
Local	6,166	6,166	9,541
Inventories	9,332	9,332	21,661
Total Current Assets	<u>39,453</u>	<u>39,453</u>	<u>159,742</u>
Noncurrent Assets:			
Furniture, Machinery & Equipment	272,945	272,945	265,240
Less: Accumulated Depreciation	<u>(176,710)</u>	<u>(176,710)</u>	<u>(164,048)</u>
Total Noncurrent Assets	<u>96,235</u>	<u>96,235</u>	<u>101,192</u>
Total Assets	<u>135,688</u>	<u>135,688</u>	<u>260,934</u>
LIABILITIES			
Current Liabilities:			
Cash Deficit	32,874	32,874	
Accounts Payable	1,657	1,657	28,050
Deferred Revenue	4,385	4,385	3,823
Due from Other Funds			<u>108,098</u>
Total Current Liabilities	<u>38,916</u>	<u>38,916</u>	<u>139,971</u>
NET ASSETS			
Invested in Capital Assets, Net of Related Debt	96,235	96,235	101,192
Unrestricted	<u>537</u>	<u>537</u>	<u>19,771</u>
Total Net Assets	<u>\$96,772</u>	<u>96,772</u>	<u>120,963</u>

**BERKELEY TOWNSHIP BOARD OF EDUCATION
ENTERPRISE FUND
COMBINING SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN FUND NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2012
(With Comparative Totals for June 30, 2011)**

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND FOOD SERVICE	2012	2011
Operating Revenues:			
Charges for Services:			
Daily Sales - Reimbursable Programs	\$219,778	219,778	237,530
Daily Sales - Nonreimbursable Programs	142,864	142,864	137,725
	<hr/>		
Total Operating Revenues	362,642	362,642	375,255
	<hr/>		
Operating Expenses:			
Cost of Sales - Sodexo	511,591	511,591	474,244
Salaries & Benefits	200,519	200,519	207,855
Professional Services	12,958	12,958	12,177
Miscellaneous			311
General Supplies	12,826	12,826	7,632
Depreciation	12,662	12,662	11,109
	<hr/>		
Total Operating Expenses	750,556	750,556	713,328
	<hr/>		
Operating Income/(Loss)	(387,914)	(387,914)	(338,073)
	<hr/>		
Nonoperating Revenues (Expenses):			
State Sources:			
State School Lunch Program	8,445	8,445	8,397
Federal Sources:			
National School Lunch Program	254,954	254,954	238,352
National School Breakfast Program	58,718	58,718	47,940
U.S.D.A. Commodities	41,252	41,252	37,762
Interest & Investment Revenue	354	354	703
	<hr/>		
Total Nonoperating Revenues/(Expenses)	363,723	363,723	333,154
	<hr/>		
Change in Net Assets	(24,191)	(24,191)	(4,919)
Total Net Assets - Beginning	120,963	120,963	125,882
	<hr/>		
Total Net Assets - Ending	\$96,772	96,772	120,963
	<hr/> <hr/>		

**BERKELEY TOWNSHIP BOARD OF EDUCATION
ENTERPRISE FUND
COMBINING SCHEDULE OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2012
(With Comparative Totals for June 30, 2011)**

	BUSINESS-TYPE ACTIVITIES - <u>ENTERPRISE FUND</u>		
	FOOD SERVICE	2012	2011
Cash Flows From Operating Activities:			
Receipts from Customers	\$366,017	366,017	422,851
Payments to Employees & Benefits	(199,957)	(199,957)	(204,032)
Payments to Suppliers	(618,285)	(618,285)	(429,470)
Net Cash Provided/(Used) by Operating Activities	<u>(452,225)</u>	<u>(452,225)</u>	<u>(210,651)</u>
Cash Flows From Noncapital Financing Activities:			
State Sources	9,743	9,743	8,365
Federal Sources	345,464	345,464	257,517
Net Cash Provided/(Used) by Noncapital Financing Activities	<u>355,207</u>	<u>355,207</u>	<u>265,882</u>
Cash Flows From Capital and Related Financing Activities:			
Purchases of Fixed Assets	(7,705)	(7,705)	
Net Cash Provided/(Used) by Capital and Related Financing Activities	<u>(7,705)</u>	<u>(7,705)</u>	
Cash Flows From Investing Activities:			
Interest & Dividends	354	354	703
Net Cash Provided/(Used) by Investing Activities	<u>354</u>	<u>354</u>	<u>703</u>
Net Increase/(Decrease) in Cash & Cash Equivalents	(104,369)	(104,369)	55,934
Balances - Beginning of Year	<u>71,495</u>	<u>71,495</u>	<u>15,561</u>
Balances - End of Year	<u><u>(\$32,874)</u></u>	<u><u>(32,874)</u></u>	<u><u>71,495</u></u>

Reconciliation of Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities:

Operating Income/(Loss)	(\$387,914)	(387,914)	(338,073)
Adjustments to Reconcile Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities:			
U.S.D.A. Commodities	41,252	41,252	37,762
Depreciation Expense	12,662	12,662	11,109
(Increase)/Decrease in Inventories	12,329	12,329	5,575
(Increase)/Decrease in Accounts Receivable	3,375	3,375	47,596
Increase/(Decrease) in Accounts Payable	(134,491)	(134,491)	21,557
Increase/(Decrease) in Deferred Revenue	562	562	3,823
Total Adjustments	<u>(64,311)</u>	<u>(64,311)</u>	<u>127,422</u>
Net Cash Provided/(Used) by Operating Activities	<u><u>(\$452,225)</u></u>	<u><u>(452,225)</u></u>	<u><u>(210,651)</u></u>

Internal Service Fund

Not Applicable

H. Fiduciary Funds

**BERKELEY TOWNSHIP BOARD OF EDUCATION
FIDUCIARY FUNDS
COMBINING STATEMENT OF FIDUCIARY NET ASSETS
JUNE 30, 2012
(With Comparative Totals for June 30, 2011)**

ASSETS	PRIVATE PURPOSE UNEMPLOYMENT COMPENSATION TRUST	AGENCY PAYROLL FUND	2012	2011
Cash & Cash Equivalents	\$453,271	1,968	455,239	610,237
Total Assets	453,271	1,968	455,239	610,237
LIABILITIES				
Accounts Payable	9,062		9,062	
Payroll Deductions & Withholdings		1,968	1,968	78,930
Total Liabilities	9,062	1,968	11,030	78,930
NET ASSETS				
Held in Trust for Unemployment Claims & Other Purposes	444,209		444,209	531,307
Total Net Assets	\$444,209		444,209	531,307

**BERKELEY TOWNSHIP BOARD OF EDUCATION
FIDUCIARY FUNDS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2012
(With Comparative Totals for June 30, 2011)**

ADDITIONS	PRIVATE PURPOSE UNEMPLOYMENT COMPENSATION TRUST	2012	2011
Contributions:			
Plan Member			527,960
Total Contributions			527,960
Investment Earnings:			
Interest	\$1,595	1,595	587
Net Investment Earnings	1,595	1,595	587
Total Additions	1,595	1,595	528,547
DEDUCTIONS			
Unemployment Claims	88,693	88,693	92,710
Total Deductions	88,693	88,693	92,710
Change in Net Assets	(87,098)	(87,098)	435,837
Net Assets - Beginning of the Year	531,307	531,307	95,470
Net Assets - End of the Year	\$444,209	444,209	531,307

**BERKELEY TOWNSHIP BOARD OF EDUCATION
PAYROLL AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

ASSETS	BALANCE JULY 1, 2011	ADDITIONS	DELETIONS	BALANCE JUNE 30, 2012
Cash & Cash Equivalents	\$78,930	19,055,560	19,132,522	1,968
Total Assets	<u>\$78,930</u>	<u>19,055,560</u>	<u>19,132,522</u>	<u>1,968</u>
 LIABILITIES				
Payroll Deductions & Withholdings	\$78,930	19,055,560	19,132,522	1,968
Total Liabilities	<u>\$78,930</u>	<u>19,055,560</u>	<u>19,132,522</u>	<u>1,968</u>

I. Long-Term Debt

**BERKELEY TOWNSHIP BOARD OF EDUCATION
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS PAYABLE
JUNE 30, 2012**

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ISSUE	DATE OF ISSUE	AMOUNT OF ISSUE	ANNUAL PAYMENTS		INTEREST RATE	AMOUNT OUTSTANDING JUNE 30, 2011	ISSUED	RETIRED	AMOUNT OUTSTANDING JUNE 30, 2012
			DATE	AMOUNT					
Building, Alterations & Renovations	8/1/2002	\$24,430,100				\$1,155,000		1,155,000	
2002 Refunding Issue	3/25/2010	16,760,000	10/1/2012	\$1,195,000	2.000%	16,760,000			16,760,000
			10/1/2013	1,240,000	4.000%				
			10/1/2014	1,300,000	3.760%				
			10/1/2015	1,360,000	3.000%				
			10/1/2016	1,415,000	4.000%				
			10/1/2017	1,495,000	5.000%				
			10/1/2018	1,575,000	4.500%				
			10/1/2019	1,660,000	4.500%				
			10/1/2020	1,745,000	4.500%				
			10/1/2021	1,835,000	5.000%				
			10/1/2022	1,940,000	5.000%				
			Total			<u>\$17,915,000</u>	-	<u>1,155,000</u>	<u>16,760,000</u>

**BERKELEY TOWNSHIP BOARD OF EDUCATION
LONG-TERM DEBT
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES
JUNE 30, 2012**

SERIES	INTEREST RATE	AMOUNT OF ORIGINAL ISSUE	AMOUNT OUTSTANDING JUNE 30, 2011	ISSUED	RETIRED CURRENT YEAR	AMOUNT OUTSTANDING JUNE 30, 2012
5 - Xerox Copiers	9.31%	145,795	\$58,873		32,462	26,411
6- Xerox Copiers	11.00%	74,185	60,374		12,825	47,549
Savin Copier	6.32%	16,214	11,874		3,130	8,744
Savin Copier	7.00%	33,779	6,342		6,342	
Total			\$137,463	-	54,759	82,704

**BERKELEY TOWNSHIP BOARD OF EDUCATION
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2012 AND 2011**

	JUNE 30, 2012				VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	JUNE 30, 2011				VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
Revenues:										
Local Sources:										
Local Tax Levy	\$1,885,473		1,885,473	1,885,473		1,856,718		1,856,718	1,856,718	
Total Revenues	1,885,473		1,885,473	1,885,473		1,856,718		1,856,718	1,856,718	
Expenditures:										
Regular Debt Service:										
Interest	730,473		730,473	730,473		761,720		761,720	761,720	
Redemption of Principal	1,155,000		1,155,000	1,155,000		1,095,000		1,095,000	1,095,000	
Total Regular Debt Service	1,885,473		1,885,473	1,885,473		1,856,720		1,856,720	1,856,720	
Total Expenditures	1,885,473		1,885,473	1,885,473		1,856,720		1,856,720	1,856,720	
Excess/(Deficiency) of Revenues Over/(Under) Expenditures						(2)		(2)	(2)	
Fund Balance, July 1						2		2	2	
Fund Balance, June 30	\$ -	-	-	-	-	-	-	-	-	-

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STATISTICAL SECTION (Unaudited)

BERKELEY TOWNSHIP BOARD OF EDUCATION
NET ASSETS BY COMPONENT
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)

	FISCAL YEAR ENDING JUNE 30,									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Governmental Activities:										
Invested in Capital Assets, Net of										
Related Debt	\$14,323,623	15,736,503	15,078,336	13,456,845	12,495,827	12,253,762	11,800,787	10,805,939	(3,857,332)	(19,860,321)
Restricted	5,477,992	3,986,680	3,010,992	3,329,751	3,017,264	1,463,992	1,295,610	2,684,154	18,375,626	32,590,339
Unrestricted	2,013,070	(226,016)	(533,810)	133,605	(45,784)	696,052	(294,542)	(517,184)	(56,639)	1,678,507
Total Governmental Activities										
Net Assets	\$21,814,685	19,497,167	17,555,518	16,920,201	15,467,307	14,413,806	12,801,855	12,972,909	14,461,655	14,408,525
Business-Type Activities:										
Invested in Capital Assets, Net of										
Related Debt	\$96,235	101,192	112,301	71,197	80,377	87,302				
Unrestricted	537	19,771	13,581	(15,818)	(60,572)	20,202	4,955	40,506	64,445	58,994
Total Business-Type Activities										
Net Assets	\$96,772	120,963	125,882	55,379	19,805	107,504	4,955	40,506	64,445	58,994
District-Wide:										
Invested in Capital Assets, Net of										
Related Debt	\$14,419,858	15,837,695	15,190,637	13,528,042	12,576,204	12,341,064	11,800,787	10,805,939	(3,857,332)	(19,860,321)
Restricted	5,477,992	3,986,680	3,010,992	3,329,751	3,017,264	1,463,992	1,295,610	2,684,154	18,375,626	32,590,339
Unrestricted	2,013,607	(206,245)	(520,229)	117,787	(106,356)	716,254	(289,587)	(476,678)	7,806	1,737,501
Total District Net Assets										
Net Assets	\$21,911,457	19,618,130	17,681,400	16,975,580	15,487,112	14,521,310	12,806,810	13,013,415	14,526,100	14,467,519

Source: District CAFR, Schedule A-1

**BERKELEY TOWNSHIP BOARD OF EDUCATION
CHANGES IN NET ASSETS - (ACCRUAL BASIS OF ACCOUNTING)
LAST TEN FISCAL YEARS**

	FISCAL YEAR ENDING JUNE 30,									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Expenses:										
Governmental Activities										
Instruction:										
Regular	\$7,797,326	7,347,415	7,406,861	6,930,715	7,919,773	7,532,797	7,267,436	7,532,391	6,553,027	6,354,232
Special Education	3,515,551	3,697,106	3,541,021	3,428,691	2,630,615	2,634,824	2,351,485	2,300,946	1,892,788	1,710,934
Other Special Education	1,022,455	940,783	1,003,431	1,066,476	699,749	799,949	655,633	623,890	504,693	389,934
Other Instruction	29,135	63,208	60,988	147,696	257,560	178,125	172,446	161,143	157,226	138,358
Support Services:										
Tuition	391,112	534,653	643,203	647,093	606,887	728,590	580,808	563,880	742,278	357,997
Student & Instruction Related Services	2,730,859	2,668,515	2,844,048	2,201,914	2,143,936	2,106,383	2,023,294	1,974,523	1,710,914	1,897,071
School Administrative Services	1,081,050	1,092,882	1,080,519	1,111,250	1,083,011	546,896	1,046,788	471,902	413,328	428,979
General & Business Administrative Services	1,226,445	1,132,296	1,071,127	1,226,545	858,718	1,401,337	1,309,965	1,199,363	921,595	808,712
Plant Operations & Maintenance	3,011,237	3,627,788	3,249,017	3,182,642	3,755,753	2,444,441	2,048,204	1,766,532	1,310,754	1,191,786
Pupil Transportation	1,535,919	1,571,411	1,567,145	1,674,803	1,738,099	1,289,267	1,346,240	1,252,111	1,126,621	983,255
Unallocated Benefits	7,438,511	7,464,995	6,724,875	6,120,153	4,944,642	6,689,637	5,579,484	5,078,884	4,198,744	3,584,685
Interest on Long-Term Debt	711,223	750,347	706,185	894,829	931,868	969,121	990,685	1,054,212	1,038,143	952,250
Unallocated Amortization of Bond Costs	(46,408)	(46,408)	(11,602)							
Unallocated Increase/(Decrease) in Compnsated Absences	32,820	(291,255)	(136,473)	298,566		(160,007)	(132,880)	51,829	169,690	
Reduction of Capital Leases, Net									(381,129)	(409,056)
Unallocated Depreciation	1,338,337	1,259,936	1,106,158	1,118,672		1,137,280	1,083,603	914,968	475,326	402,883
Total Governmental Activities Expenses	31,815,572	31,813,672	30,856,503	30,050,045	27,570,611	28,298,640	26,323,191	24,946,574	20,833,998	18,792,020
Business-Type Activities:										
Food Service	750,556	713,328	673,557	632,967	761,649	560,091	515,135	437,112	358,145	419,571
Total Business-Type Activities Expense	750,556	713,328	673,557	632,967	761,649	560,091	515,135	437,112	358,145	419,571
Total District Expenses	\$32,566,128	32,527,000	31,530,060	30,683,012	28,332,260	28,858,731	26,838,326	25,383,686	21,192,143	19,211,591

**BERKELEY TOWNSHIP BOARD OF EDUCATION
CHANGES IN NET ASSETS - (ACCRUAL BASIS OF ACCOUNTING)
LAST TEN FISCAL YEARS**

	FISCAL YEAR ENDING JUNE 30,									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Program Revenues:										
Governmental Activities:										
Grants & Contributions	\$813,634	1,175,569	948,712	788,781	2,719,058	908,529	912,901	931,777	904,294	980,703
Total Governmental Activities Program Revenues	813,634	1,175,569	948,712	788,781	2,719,058	908,529	912,901	931,777	904,294	980,703
Business-Type Activities:										
Charges for Services:										
Grants & Contributions	363,369	332,451	309,796	280,531	265,558	194,465	301,423	141,488	133,167	131,356
Food Service	362,642	375,255	372,824	387,102	406,904	380,381	177,034	270,552	229,235	227,299
Total Business Type Activities Program Revenues	726,011	707,706	682,620	667,633	672,462	574,846	478,457	412,040	362,402	358,655
Total District Program Revenues	<u>\$1,539,645</u>	<u>1,883,275</u>	<u>1,631,332</u>	<u>1,456,414</u>	<u>3,391,520</u>	<u>1,483,375</u>	<u>1,391,358</u>	<u>1,343,817</u>	<u>1,266,696</u>	<u>1,339,358</u>
Net (Expense)/Revenue:										
Governmental Activities	(\$31,001,938)	(30,638,103)	(29,907,791)	(29,261,264)	(24,851,553)	(27,390,111)	(25,410,290)	(24,014,797)	(19,929,704)	(17,811,317)
Business-Type Activities	(24,545)	(5,622)	9,063	34,666	(89,187)	14,755	(36,678)	(25,072)	4,257	(60,916)
Total District-Wide Net Expense	<u>(\$31,026,483)</u>	<u>(30,643,725)</u>	<u>(29,898,728)</u>	<u>(29,226,598)</u>	<u>(24,940,740)</u>	<u>(27,375,356)</u>	<u>(25,446,968)</u>	<u>(24,039,869)</u>	<u>(19,925,447)</u>	<u>(17,872,233)</u>

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**BERKELEY TOWNSHIP BOARD OF EDUCATION
CHANGES IN NET ASSETS - (ACCRUAL BASIS OF ACCOUNTING)
LAST TEN FISCAL YEARS**

FISCAL YEAR ENDING JUNE 30,

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
General Revenues & Other Changes in Net Assets:										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	\$26,462,541	26,681,262	24,432,893	23,733,551	23,067,288	21,843,362	19,006,349	17,177,256	15,065,121	14,244,480
Taxes Levied for Debt Service	1,885,473	1,856,718	1,914,874	1,905,673	1,894,474	1,886,374	1,876,474	1,088,288	1,044,147	567,305
Unrestricted Grants & Contributions	4,491,449	3,620,614	3,993,955	4,576,501	2,665,462	5,175,958	4,253,953	4,031,259	3,664,334	12,587,648
Restricted State Aid					1,195,474					
Tuition Received					135,557		1,946	43,017	24,285	8,655
Miscellaneous Income	479,993	421,158	201,386	551,189	75,692	96,368	120,325	186,231	238,947	333,335
Reduction in Compensated Absences										71,899
Revaluation of Capital Assets				(52,756)			(19,811)			
Total Governmental Activities	33,319,456	32,579,752	30,543,108	30,714,158	29,033,947	29,002,062	25,239,236	22,526,051	20,036,834	27,813,322
Business-Type Activities:										
Loss on Disposal of Asset			(2,170)							
Contract Budget Guarantee			63,240							
Investment Earnings	354	703	370	908	1,488	492	1,127	1,133	1,194	2,770
Total Business-Type Activities	354	703	61,440	908	1,488	492	1,127	1,133	1,194	2,770
Total District-Wide	\$33,319,810	32,580,455	30,604,548	30,715,066	29,035,435	29,002,554	25,240,363	22,527,184	20,038,028	27,816,092
Change in Net Assets:										
Governmental Activities	\$2,317,518	1,941,649	635,317	1,452,894	4,182,394	1,611,951	(171,054)	(1,488,746)	107,130	10,002,005
Business-Type Activities	(24,191)	(4,919)	70,503	35,574	(87,699)	15,247	(35,551)	(23,939)	5,451	(58,146)
Total District	\$2,293,327	1,936,730	705,820	1,488,468	4,094,695	1,627,198	(206,605)	(1,512,685)	112,581	9,943,859

Source: District CAFR, Schedule A-2

BERKELEY TOWNSHIP BOARD OF EDUCATION
FUND BALANCES AND GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)

	FISCAL YEAR ENDING JUNE 30, 2011									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
General Fund:										
Restricted	\$5,193,440	2,521,961	3,196,263	3,489,005	3,284,597	1,552,648	1,036,147	1,757,092	2,548,551	631,439
Assigned	284,552	1,660,813								
Unreserved	552,428	562,318	592,187	827,577	407,234	1,065,221	354,161	316,531	439,099	2,219,717
Total General Fund	\$6,030,420	4,745,092	3,788,450	4,316,582	3,691,831	2,617,869	1,390,308	2,073,623	2,987,650	2,851,156
All Other Governmental Funds:										
Reserved	\$ -	-	22,194	211,900	79,388	315,948	404,423		14,127,023	15,443,753
Unreserved, Reported in:										
Special Revenue Fund					(17,335)	(12,596)	(12,596)	(12,598)	(12,598)	(12,965)
Capital Projects Fund							157,370	1,208,051	2,251,265	16,843,397
Debt Service Fund				2	2	2	2	1	1,286	48,713
Total All Other Governmental Funds	\$ -	-	22,194	211,902	62,055	303,354	549,199	1,195,454	16,366,976	32,322,898

Source: District CAFR, Schedule B-1

BERKELEY TOWNSHIP BOARD OF EDUCATION
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS,
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Revenues:										
Tax Levy	\$28,348,014	28,537,980	26,347,767	25,639,224	24,961,762	23,729,736	20,882,823	18,265,544	16,109,268	14,811,785
Tuition Charges							1,946	43,017	24,285	8,655
Interest	20,386	43,471	42,369	85,980	135,557					
Miscellaneous	459,607	377,687	159,017	465,209	75,692	151,784	120,325	186,231	238,946	333,335
State Sources	4,385,634	3,604,441	4,018,217	4,642,124	5,889,489	5,428,591	4,511,979	4,288,188	3,923,652	12,922,161
Federal Sources	919,449	1,191,742	924,450	723,158	690,505	600,423	654,875	674,848	644,976	646,190
Total Revenue	34,133,090	33,755,321	31,491,820	31,555,695	31,753,005	29,910,534	26,171,948	23,457,828	20,941,127	28,722,126
Expenditures:										
Instruction:										
Regular Instruction	7,797,326	7,347,415	7,406,861	6,930,715	7,919,773	7,532,797	7,267,436	7,532,391	6,553,027	6,354,232
Special Education										
Instruction	3,515,551	3,697,106	3,541,021	3,428,691	2,630,615	2,634,824	2,351,485	2,300,946	1,892,788	1,710,934
Other Special Instruction	1,022,455	940,783	1,003,431	1,066,476	699,749	799,949	655,633	623,890	504,693	389,934
Other Instruction	29,135	63,208	60,988	147,696	257,560	178,125	172,446	161,143	157,226	138,358
Support Services:										
Student & Instruction										
Related Services	3,176,730	3,254,469	3,493,258	2,970,454	2,750,823	2,834,973	2,604,102	2,538,403	2,453,191	2,255,068
School Administrative										
Services	1,081,050	1,092,882	1,080,519	1,111,250	1,083,011	546,896	1,046,788	471,902	413,328	428,979
General & Business										
Administration Services	1,226,445	1,132,296	1,071,127	1,226,545	1,268,553	1,401,337	1,309,965	1,199,363	921,595	808,712
Plant Operations &										
Maintenance	3,192,649	3,236,095	3,249,017	3,507,333	3,103,143	2,444,441	2,048,204	1,766,532	1,310,754	1,191,786
Pupil Transportation	1,535,919	1,571,411	1,567,145	1,674,803	1,738,099	1,509,776	1,346,240	1,252,111	1,126,621	983,255
Unallocated Benefits	7,438,511	7,464,995	6,724,875	6,120,153	6,979,231	6,689,637	5,579,484	5,078,884	4,198,744	3,584,685
Capital Outlay	946,518	1,163,495	1,096,542	691,308	595,311	469,746	1,243,262	16,218,624	16,678,274	2,104,127
Debt Service:										
Principal	1,155,000	1,095,000	1,045,000	995,000	945,000	900,000	855,000	50,000	50,000	
Interest & Other Charges	730,473	761,720	869,874	910,673	949,474	986,374	1,021,473	1,039,573	1,041,574	521,287
Total Expenditures	32,847,762	32,820,875	32,209,658	30,781,097	30,920,342	28,928,875	27,501,518	40,233,762	37,301,815	20,471,357

BERKELEY TOWNSHIP BOARD OF EDUCATION
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS,
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Excess (Deficiency) of Revenues Over/(Under) Expenditures	1,285,328	934,446	(717,838)	774,598	832,663	981,659	(1,329,570)	(16,775,934)	(16,360,688)	8,250,769
Other Financing Sources/(Uses):										
Proceeds from Borrowing								690,385	541,260	24,543,285
Transfers in						57	16,153	135,326	197,457	268,589
Transfers Out							(16,153)	(135,326)	(197,457)	(268,589)
Total Other Financing Sources/ (Uses)						57		690,385	541,260	24,543,285
Net Change in Fund Balances	\$1,285,328	934,446	(717,838)	774,598	832,663	981,716	(1,329,570)	(16,085,549)	(15,819,428)	32,794,054
Debt Service as a Percentage of Noncapital Expenditures	5.9%	5.9%	6.2%	6.3%	6.2%	6.6%	7.1%	4.5%	5.3%	2.8%

Source: District CAFR, Schedule B-2
This schedule does not contain 10 years of information, shown for only years since adoption of GASB 34.

BERKELEY TOWNSHIP BOARD OF EDUCATION
GENERAL FUND - OTHER LOCAL REVENUE BY SOURCE
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)

FISCAL YEAR ENDING JUNE 30,	INTEREST ON INVESTMENTS	TUITION	INTERLOCAL SERVICES	PRIOR YEAR REFUNDS	MISCELLANEOUS	TOTAL
2012	\$20,386		303,797		148,899	473,082
2011	43,471		269,965		52,650	366,086
2010	26,079			55,672	67,934	149,685
2009	81,016	4,964			289,781	375,761
2008	135,557			5,643	17,729	158,929
2007	90,014			4,197	2,100	96,311
2006	75,157			43,415	1,753	120,325
2005	32,465	43,017			18,440	93,922
2004	20,466	24,285			21,024	65,775
2003	28,166	8,655			36,580	73,401

Source: District records

**BERKELEY TOWNSHIP BOARD OF EDUCATION
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS**

FISCAL YEAR ENDED JUNE 30,	VACANT LAND	RESIDENTIAL	FARM REG.	QFARM	COMMERCIAL	INDUSTRIAL	APARTMENT	COMMUNICATION EQUIPMENT	NET VALUATION TAXABLE	TAX EXEMPT PROPERTY	TOTAL ASSESSED VALUE	TOTAL DIRECT SCHOOL TAX RATE
2012	\$132,153,900	4,599,782,500	688,600	23,300	324,561,400	24,742,200	58,796,400	6,397,133	5,147,145,433	1,270,623,100	3,876,522,333	0.550
2011®	142,705,500	4,597,514,300	688,600	22,700	344,374,200	28,114,500	59,170,800	8,476,005	5,181,066,605	1,269,044,700	3,912,021,905	0.551
2010	46,338,500	2,488,096,590	270,800	22,700	128,273,700	11,119,200	24,630,200	3,574,672	2,702,326,362	813,157,300	1,889,169,062	0.975
2009	49,607,700	2,469,451,190	270,800	22,700	122,003,200	10,646,400	24,630,200	3,292,475	2,679,924,665	811,068,500	1,868,856,165	0.939
2008	49,339,700	2,447,836,590	270,800	22,700	119,958,300	11,321,600	24,756,300	3,462,676	2,656,968,666	809,607,400	1,847,361,266	0.902
2007	50,968,900	2,421,249,640	270,800	21,500	116,946,700	11,358,700	24,746,400	3,923,144	2,629,485,784	806,116,550	1,823,369,234	0.801
2006	50,153,250	2,396,731,790	270,800	20,800	118,269,500	11,358,700	24,746,400	4,837,667	2,606,388,907	786,616,600	1,819,772,307	0.712
2005	53,657,050	2,360,530,990	270,800	20,100	109,369,500	11,358,700	24,746,400	5,637,528	2,565,591,068	785,278,700	1,780,312,368	0.633
2004	54,264,350	2,333,681,590	419,900	71,149	112,297,000	12,318,000	24,746,400	6,886,920	2,544,685,309	782,802,200	1,761,883,109	0.594
2003	61,295,150	2,273,689,290	453,900	71,149	112,110,335	12,412,900	24,729,950	7,572,633	2,492,335,307	781,137,200	1,711,198,107	0.551

Source: Abstract of Ratables "Assessed Value by Classification"

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

Reassessment occurs when ordered by the County Board of Taxation

® = Revaluation

BERKELEY TOWNSHIP BOARD OF EDUCATION
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS
(Rate per \$100 of Assessed Value)

FISCAL YEAR ENDED JUNE 30,	SCHOOL DISTRICT DIRECT RATE			OVERLAPPING RATES				TOTAL DIRECT AND OVERLAPPING TAX RATE
	LOCAL SCHOOL	REGIONAL SCHOOL	TOTAL DIRECT	TOWNSHIP OF BERKELEY	OCEAN COUNTY	COUNTY LIBRARY	COUNTY OPEN SPACE	
2011	0.550	0.367	0.917	0.508	0.336	0.038	0.014	1.813
2010	0.551	0.370	0.921	0.505	0.341	0.038	0.014	1.819
2009	0.975	0.667	1.642	0.969	0.636	0.071	0.029	3.347
2008	0.957	0.657	1.614	0.916	0.638	0.071	0.029	3.268
2007	0.939	0.638	1.577	0.841	0.603	0.069	0.027	3.117
2006	0.902	0.650	1.552	0.746	0.577	0.060	0.023	2.958
2005	0.801	0.699	1.500	0.675	0.576	0.058	0.021	2.830
2004	0.712	0.697	1.409	0.645	0.564	0.058	0.018	2.694
2003	0.633	0.677	1.310	0.579	0.555	0.056	0.016	2.516
2002	0.594	0.623	1.217	0.570	0.551	0.054	0.015	2.407

Source: Abstract of Ratables, Breakdown of General Tax Rate

**BERKELEY TOWNSHIP BOARD OF EDUCATION
PRINCIPAL PROPERTY TAX PAYERS,
CURRENT YEAR AND NINE YEARS AGO**

TAXPAYER	FOR YEAR ENDED DECEMBER 31, 2012		
	TAXABLE ASSESSED VALUE	RANK	% OF TOTAL DISTRICT NET ASSESSED VALUE
Hovchild Partnership LLC	\$34,976,300	1	0.68%
RK Creek LLC	28,289,800	2	0.55%
Baywick Plaza LLC	23,404,000	3	0.45%
Quaker Malls	17,721,200	4	0.34%
Arlington Beach Co.	14,979,000	5	0.29%
Berkeley Healthcare Assoc	13,500,000	6	0.26%
NJ Pulverizing Co.	1,500,000	7	0.03%
Shar-A-Dee Apartments	8,759,600	8	0.17%
Bay HSE c/o Bank NJ?NY Corp Trust	8,691,700	9	0.17%
Millers Camp Inc	8,521,400	10	0.17%
Total	<u>\$160,343,000</u>		<u>3.12%</u>

TAXPAYER	FOR YEAR ENDED DECEMBER 31, 2003		
	TAXABLE ASSESSED VALUE	RANK	% OF TOTAL DISTRICT NET ASSESSED VALUE
Hovson's/Hovchild, Sr Citizen Complex	\$14,316,500	1	0.59%
Verizon	7,572,633	2	0.31%
Midway East, Inc.	6,880,800	3	0.28%
Baywick Plaza	6,660,400	4	0.27%
NJ Pulverizing	6,142,200	5	0.25%
Quaker Mills	5,530,900	6	0.23%
Berkeley Healthcare	5,200,000	7	0.21%
Bayville Housing	4,817,500	8	0.20%
Hidden Creek Apts	3,452,000	9	0.14%
Beachwood Malls	3,321,800	10	0.14%
Total	<u>\$63,894,733</u>		<u>2.63%</u>

Source: Municipal Tax Assessor and Treasurer

EXHIBIT J-9

**BERKELEY TOWNSHIP BOARD OF EDUCATION
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN YEARS**

YEAR ENDED December 31,	TAXES LEVIED FOR THE YEAR	COLLECTED WITHIN THE FISCAL YEAR OF THE LEVY		COLLECTIONS IN SUBSEQUENT YEARS
		AMOUNT	PERCENTAGE OF LEVY	
2011	93,298,408	90,359,508	96.85%	2,434,000
2010	94,204,501	91,378,366	97.00%	1,646,000
2009	90,426,522	87,713,726	97.00%	1,582,000
2008	87,578,591	85,914,598	98.10%	1,335,000
2007	82,792,753	81,327,321	98.23%	1,300,000
2006	78,363,792	76,983,206	98.24%	1,125,000
2005	74,193,873	72,999,611	98.39%	1,046,150
2004	69,858,340	68,770,246	98.44%	1,025,000
2003	64,452,334	63,363,522	98.31%	1,088,000
2002	60,942,107	59,886,503	98.27%	1,215,000

Source: Municipal Tax Collector, Abstract of Ratables "Receipts from Delinquent Taxes"

EXHIBIT J-10

**RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(Dollars in Thousands, Except per Capita)**

FISCAL YEAR ENDED JUNE 30,	<u>GOVERNMENTAL ACTIVITIES</u>				
	GENERAL OBLIGATION BONDS	CAPITAL LEASES *	TOTAL DISTRICT	PER CAPITA	% of PERSON INCOME
2012	\$16,760,000	82,705	16,842,705	N/A	N/A
2011	17,915,000	137,463	18,052,463	N/A	N/A
2010	19,010,000	188,764	19,198,764	40,291	0.21%
2009	20,635,100	194,771	20,829,871	39,331	0.19%
2008	21,630,100	316,218	21,946,318	40,975	0.19%
2007	22,575,100	265,893	22,840,993	39,214	0.17%
2006	23,475,100	486,402	23,961,502	36,773	0.15%
2005	24,330,100	850,676	25,180,776	34,497	0.14%
2004	24,380,100	781,954	25,162,054	33,567	0.13%
2003	24,430,100	591,834	25,021,934	33,029	0.13%

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

* Exhibit I-1, I-2, I-3; CAFR

BERKELEY TOWNSHIP BOARD OF EDUCATION
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
(Dollars in Thousands, Except per Capita)

FISCAL YEAR ENDED JUNE 30,	GENERAL BONDED DEBT OUTSTANDING			PERCENTAGE OF ACTUAL TAXABLE VALUE OF PROPERTY	PER CAPITA
	GENERAL OBLIGATION BONDS	DEDUCTIONS	NET GENERAL BONDED DEBT OUTSTANDING		
2012	\$16,760,000	N/A	16,760,000	N/A	N/A
2011	17,915,000	N/A	17,915,000	N/A	N/A
2010	19,010,000	N/A	19,010,000	N/A	40,291
2009	20,635,100	N/A	20,635,100	N/A	39,331
2008	21,630,100	N/A	21,630,100	N/A	40,975
2007	22,575,100	N/A	22,575,100	N/A	39,214
2006	23,475,100	N/A	23,475,100	N/A	36,773
2005	24,330,100	N/A	24,330,100	N/A	34,497
2004	24,380,100	N/A	24,380,100	N/A	33,567
2003	24,430,100	N/A	24,430,100	N/A	33,029

Sources: District records, Per Capita Personal income - NJ Dept of Labor

BERKELEY TOWNSHIP BOARD OF EDUCATION
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2012

GOVERNMENTAL UNIT	ESTIMATED PERCENTAGE APPLICABLE	DEBT OUTSTANDING
Overlapping Debts:		
Berkeley Township	100.000%	31,415,768
Berkeley Township Sewerage Authority	100.000%	11,085,853
Berkeley Township Municipal Utilities Authority	100.000%	11,896,688
Ocean County Utilities Authority	5.637%	13,262,372
County of Ocean	5.656%	24,129,013
Subtotal, Overlapping Debt		91,789,694
Berkeley Township Board of Education Direct Debt		16,760,000
Total Direct & Overlapping Debt		<u>\$108,549,694</u>

Sources: Township of Berkeley, Annual Debt Statement as of December 31, 2011
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 Berkeley 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.

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

**BERKELEY TOWNSHIP BOARD OF EDUCATION
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS**

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Debt Limit	\$147,207,363	153,818,595	157,612,361	155,095,981	102,000,841	127,891,047	153,013,543	151,565,881	126,279,120	110,533,481
Total Net Debt Applicable to Limit	<u>16,760,000</u>	<u>17,915,000</u>	<u>19,010,000</u>	<u>20,635,100</u>	<u>21,630,100</u>	<u>22,575,100</u>	<u>23,475,100</u>	<u>24,330,100</u>	<u>24,380,100</u>	<u>24,430,100</u>
Legal Debt Margin	<u>\$130,447,363</u>	<u>135,903,595</u>	<u>138,602,361</u>	<u>134,460,881</u>	<u>80,370,741</u>	<u>105,315,947</u>	<u>129,538,443</u>	<u>127,235,781</u>	<u>101,899,020</u>	<u>86,103,381</u>
16 Total Net Debt Applicable to the Limit as a % of Debt Limit	11.39%	11.65%	12.06%	13.30%	21.21%	17.65%	15.34%	16.05%	19.31%	22.10%

Legal Debt Margin Calculation for Fiscal Year 2011

Equalized Valuation Basis	
2011	\$5,578,068,902
2010	5,891,333,257
2009	<u>6,195,481,382</u>
	<u>\$17,664,883,541</u>

Average Equalized Valuation of Taxable Property \$5,888,294,514 A-3

Debt Limit (2.5 % of A-3)	\$147,207,363
Net Bonded School Debt	<u>16,760,000</u>
Legal Debt Margin	<u>\$130,447,363</u>

Source: Equalized valuation bases were obtained from the Annual Debt Statement, Township of Berkeley

**BERKELEY TOWNSHIP BOARD OF EDUCATION
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS**

YEAR	POPULATION (a)	PER CAPITA PERSONAL INCOME (b)	UNEMPLOYMENT RATE (c)
2011	41,455	N/A	14.9%
2010	41,331	40,291	14.2%
2009	42,975	39,331	14.0%
2008	42,783	40,975	6.8%
2007	42,656	39,214	5.3%
2006	42,493	36,773	6.0%
2005	42,345	34,497	5.5%
2004	42,401	33,567	6.2%
2003	42,280	33,029	7.1%

Source:

*2010 Census

a Population information provided by the NJ Dept of Labor and Workforce Development

b Per Capita Personal income - NJ Dept of Labor

c Unemployment data provided by the NJ Dept of Labor and Workforce Development

**PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO**

	2012		PERCENTAGE OF TOTAL EMPLOYMENT
	EMPLOYEES	RANK	
Berkeley Township Board of Education	347	1	2.64%
Township of Berkeley	327	2	2.49%
Central Regional Board of Education	325	3	2.47%
Ocean County Utilities Authority	275	4	2.09%
Hovnanian	250	5	1.90%
Perlmart	240	6	1.82%
Crystal Lake	220	7	1.67%
Tallwoods	200	8	1.52%
Ocean Mental Health	149	9	1.13%
Urner Barry publications	62	10	0.47%
Total	2,395		18.21%
Total Labor Force	13,152		

2003 DATA NOT AVAILABLE

Source: Ocean County Department of Economic Development and Tourism;
The Township of Berkeley, Official Statements

**BERKELEY TOWNSHIP BOARD OF EDUCATION
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS**

Function/Program	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Instruction:										
Regular	109	114	113	111	113	112	106	110	96	92
Special Education	80	53	52	53	52	52	49	49	46	41
Support Services:										
Student & Instruction Related Services	50	86	93	89	94	91	92	86	75	70
General Administration	3	4	4	4	5	5	4	3	3	3
School Administrative Services	17	17	15	16	15	15	15	15	10	10
Business Administrative Services	6	6	6	6	6	6	6	6	5	5
Technical Administrative Services	2	2	2	2	1	1	1	1	1	1
Plant Operations & Maintenance	26.5	31	27	27	29	27	28	24	19	18
Pupil Transportation	44	38	37	37	33	31	26	28	25	25
Total	338	351	349	345	348	340	327	322	280	265

Source: District Personnel Records

**BERKELEY TOWNSHIP BOARD OF EDUCATION
OPERATING STATISTICS
LAST EIGHT FISCAL YEARS**

SCHOOL YEAR	ENROLLMENT	OPERATING EXPENDITURES (a)	COST PER PUPIL	PERCENTAGE CHANGE	TEACHING STAFF (b)	PUPIL TEACHER RATIO	AVERAGE DAILY ENROLLMENT (ADE) (c)	AVERAGE DAILY ATTENDANCE (ADA) (c)	% CHANGE IN AVERAGE DAILY ENROLLMENT	STUDENT ATTENDANCE PERCENTAGE
2012	2,012	30,015,771	14,918	5.10%	179	11.2	2,022	1,918.2	0.02	94.9%
2011	2,017	29,766,392	14,758	4.07%	180	11.2	2,036	1,925.8	0.04	94.6%
2010	2,016	29,177,946	14,473	2.18%	170	11.9	2,015	1,907.0	0.02	94.7%
2009	2,010	30,781,097	15,314	12.00%	170	11.8	1,974	1,874.6	0.02	94.9%
2008	1,945	27,536,776	14,158	4.81%	165	11.8	1,948	1,845.6	0.02	94.7%
2007	1,921	25,888,127	13,476	6.75%	156	12.3	1,908	1,807.0	(0.00)	94.7%
2006	1,915	24,065,888	12,567	4.10%	156	12.2	1,909	1,810.2	0.00	94.8%
2005	1,912	23,042,175	12,051	N/A	156	12.3	1,906	1,809.6	N/A	95.0%

Sources: District records

Note: Enrollment based on annual October District count.

a. Operating expenditures equal total expenditures less debt service and capital outlay.(Sch B-2)

b. Teaching staff includes only full-time equivalents of certificated staff.

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

Note: This schedule does not contain 10 years of information, shown for only years since adoption in fiscal year 2005.

**BERKELEY TOWNSHIP BOARD OF EDUCATION
SCHOOL BUILDING INFORMATION
LAST SEVEN FISCAL YEARS**

DISTRICT BUILDINGS	2012	2011	2010	2009	2008	2007	2006
Bayville Elementary (Org. 1926 Add: 1951,1959,1969,2003):							
Square Feet	73,369	73,369	73,369	73,369	73,369	73,369	73,369
Capacity (Students)	600	600	600	600	600	600	600
Enrollment	374	408	430	434	457	449	449
Berkeley Twp. Elementary (2003):							
Square Feet	102,830	102,830	102,830	102,830	102,830	102,830	102,830
Capacity (Students)	800	800	800	800	800	800	800
Enrollment	522	545	536	535	529	550	550
Clara B. Worth Elementary (Org. 1962 Add: 1984&2003):							
Square Feet	81,258	81,258	81,258	81,258	81,258	81,258	81,258
Capacity (Students)	845	845	845	845	845	845	845
Enrollment	605	580	587	583	489	495	495
H&M Potter Elementary (Org. 1974 Add: 1984&2003):							
Square Feet	88,424	88,424	88,424	88,424	88,424	88,424	88,424
Capacity (Students)	725	725	725	725	725	725	725
Enrollment	520	484	461	458	433	427	427

Number of Schools at June 30, 2012:
Elementary = 4

Source: District Facilities Office

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

Note: This schedule does not contain 10 years of information, shown for only years since adoption in fiscal year 2006.

**BERKELEY TOWNSHIP BOARD OF EDUCATION
SCHEDULE OF REQUIRED MAINTENANCE
LAST TEN FISCAL YEARS**

UNDISTRIBUTED EXPENDITURES - REQUIRED
MAINTENANCE FOR SCHOOL FACILITIES

	BAYVILLE ELEMENTARY	CLARA B. WORTH ELEMENTARY	H & M POTTER ELEMENTARY 0570-030-R01	BERKELEY TOWNSHIP ELEMENTARY SCHOOL	OTHER	TOTAL
2012	249,993	276,874	304,601	350,377	29,023	1,210,868
2011	195,154	216,138	235,199	273,517	22,657	942,665
2010	235,610	260,944	283,957	330,219	27,354	1,138,084
2009	277,594	307,442	334,555	389,061	8,606	1,317,258
2008	148,992	165,013	179,565	208,820	17,298	719,688
2007	118,426	131,160	142,727	165,980		558,293
2006	99,151	109,812	119,496	138,965		467,424
2005	125,966	139,511	151,814	176,547		593,838
2004	203,904	322,526	315,591	N/A		842,021
2003	168,739	186,883	203,364	N/A		558,986
Total School Facilities	1,823,529	2,116,303	2,270,869	2,033,486	104,938	8,349,125

Source: District records, M-1

**INSURANCE SCHEDULE
JUNE 30, 2012**

	LIMITS	DEDUCTIBLE
School Package Policy (1):		
Real and Personal Property	300,000,000	5,000
Extra Expense	50,000,000	5,000
Valuable Papers/Records	10,000,000	5,000
Demolition, Inc Cost of Construction	10,000,000	N/A
Pollutant Clean Up	250,000	5,000
Flood Zone A & V	10,000,000	500,000
Terrorism	1,000,000	
Earthquake	50,000,000	
Theft, Disappearance, Destruction	25,000	500
General Liability	31,000,000	1,000
Automobile Liability	31,000,000	1,000
School Board Legal Liability	11,000,000	5,000
Workers' Compensation	2,000,000	N/A
Board Accident Policy	5,000 Medical/10,000 Death	
Surety Bonds (1):		
Treasurer	250,000	1,000
Board Secretary	25,000	500

(1) - New Jersey School Board Association Insurance Group

Source: District records

SINGLE AUDIT SECTION

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**

Honorable President and Members
of the Board of Education
Berkeley Township
County of Ocean
Bayville, New Jersey

We have audited the financial statements of the Board of Education of the Berkeley Township School District, County of Ocean, State of New Jersey, as of and for the fiscal year ended June 30, 2012, and have issued our report thereon dated September 21, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey.

Internal Control Over Financial Reporting

Management of Berkeley Township School District is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered Berkeley Township School District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over financial reporting.

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

Our 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. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

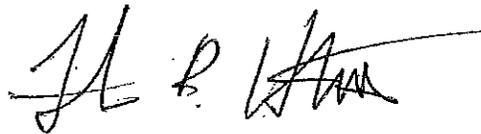
As part of obtaining reasonable assurance about whether the Board of Education of the Berkeley Township School District's financial statements are free of material misstatement, we performed tests of

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

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

Respectfully Submitted,

HOLMAN & FRENIA, P. C.

A handwritten signature in black ink, appearing to read 'F. B. Holman, III', with a long horizontal flourish extending to the right.

Frank B. Holman, III
Public School Accountant
Certified Public Accountant
No. 783

Toms River, New Jersey
September 21, 2012



Certified Public Accountants & Consultants

Administrative Office:
10 Allen Street, Ste. 2B, Toms River, NJ 08753 • Tel: 732.797.1333
618 Stokes Road, Medford, NJ 08055 • Tel: 609.953.0612
926 Main Street, Suite 103, Rome, PA 18837 • Tel: 570.297.5090
795 Canton Street, Troy, PA 16947 • Tel: 570.297.5090
holmanfrenia.com

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 OMB CIRCULAR A-133 AND NEW JERSEY OMB CIRCULAR 04-04

Honorable President and Members
of the Board of Education
Berkeley Township
County of Ocean
Bayville, New Jersey

Compliance

We have audited the compliance of the Board of Education of the Berkeley Township School District, in the County of Ocean, State of New Jersey, with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* and the *New Jersey Grants Compliance Supplement* that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2012. The Board of Education of the Berkeley Township School District’s major federal and state programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal and state programs is the responsibility of the Board of Education of the Berkeley Township School District’s management. Our responsibility is to express an opinion on the Board of Education of the Berkeley Township School District’s compliance based on our audit.

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

In our opinion, the Board of Education of the Berkeley Township School District, County of Ocean, State of New Jersey, complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal or state programs for the year ended June 30, 2012. The results of

our auditing procedures disclosed no instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 or New Jersey OMB's Circular 04-04.

Internal Control Over Compliance

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

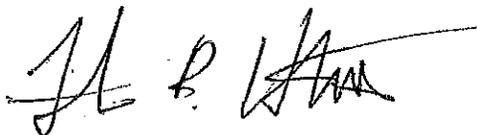
A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement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

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

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

Respectfully Submitted,

HOLMAN & FRENIA, P. C.



Frank B. Holman, III
Public School Accountant
Certified Public Accountant
No. 783

Toms River, New Jersey
September 21, 2012

**BERKELEY TOWNSHIP BOARD OF EDUCATION
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

FEDERAL GRANTOR PASS-THROUGH GRANTOR PROGRAM TITLE	FEDERAL CFDA NUMBER	GRANT OR STATE PROJECT NUMBER	AWARD AMOUNT	GRANT PERIOD	BALANCE AT JUNE 30, 2011	CASH RECEIVED	BUDGETARY EXPENDITURES	(ACCOUNTS RECEIVABLE) JUNE 30, 2012	DUE TO GRANTOR JUNE 30, 2012
U.S. DEPARTMENT OF AGRICULTURE PASSED-THROUGH STATE DEPARTMENT OF EDUCATION:									
Food Distribution Program	10.550	N/A	\$41,252	7/1/11-6/30/12		41,252	(41,252)		
National School Lunch Program	10.555	5120-201-372573-63	254,954	7/1/11-6/30/12		242,214	(254,954)	(12,740)	
National School Lunch Program	10.555	5120-201-372573-63	238,352	7/1/10-6/30/11	(\$45,815)	45,815			
National School Breakfast Program	10.553	5120-201-372573-63	58,718	7/1/11-6/30/12		47,922	(58,718)	(10,796)	
National School Breakfast Program	10.553	5120-201-372573-63	47,940	7/1/10-6/30/11	(9,513)	9,513			
Total U.S. Department of Agriculture					(55,328)	386,716	(354,924)	(23,536)	
U.S. DEPARTMENT OF LABOR PASSED-THROUGH STATE DEPARTMENT OF EDUCATION:									
General Fund:									
Medical Assistance Program (SEMI)	93.778		48,411	9/1/11-8/31/12		38,543	(48,411)	(9,868)	
Medical Assistance Program (SEMI)	93.778		11,149	9/1/10-8/31/11	(4,205)	4,205			
Education Jobs Fund	84.410		101,483	9/1/10-8/31/12	(35,903)	98,400	(62,497)		
Medicaid Administrative Claiming	93.778		1,818	9/1/11-8/31/12			(1,818)	(1,818)	
Total U.S. Department of Labor					(40,108)	141,148	(112,726)	(11,686)	
U.S. DEPARTMENT OF EDUCATION PASSED-THROUGH STATE DEPARTMENT OF EDUCATION:									
Title I	84.010A	NCLB-0320-07	248,455	9/1/11-8/31/12		179,961	(245,261)	(65,300)	
Title I	84.010A	NCLB-0320-07	255,377	9/1/10-8/31/11	(72,029)	72,029			
Title I, ARRA	84.389	N/A	149,736	9/1/10-8/31/11	(45,581)	47,030	(1,449)		
Title II A	84.367A	NCLB-0320-07	63,715	9/1/11-8/31/12		43,734	(62,835)	(19,101)	
Title II A	84.367A	NCLB-0320-07	72,804	9/1/10-8/31/11	(20,589)	20,589			
Title II D	84.318X	NCLB-0320-07	438	9/1/10-8/31/11	(438)	438			
Title III	84.365	NCLB-0320-07	3,200	9/1/10-8/31/11	(1,225)	1,225			
I.D.E.A. Part B, Basic Regular	84.027A	FT316007	427,825	9/1/11-8/31/12		289,253	(350,007)	(60,754)	
I.D.E.A. Part B, Basic Regular	84.027A	FT316007	416,664	9/1/10-8/31/11	(93,067)	93,067			
I.D.E.A. Part B, Basic Regular	84.027A	FT316006	402,580	9/1/09-8/31/10	(40,041)	40,041			
I.D.E.A. Part B, Basic Regular - ARRA	84.391	N/A	452,149	9/1/09-8/31/11	(49,053)	106,857	(57,804)		
I.D.E.A. Preschool	84.173A	PS316007	24,820	9/1/11-8/31/12		10,726	(23,442)	(12,716)	
I.D.E.A. Preschool	84.173A	PS316007	24,808	9/1/10-8/31/11	(16,930)	16,930			
I.D.E.A. Preschool, ARRA	84.392	N/A	16,312	9/1/09-8/31/11	(9,127)	10,714	(1,587)		
Total U.S. Department of Education					(348,080)	932,594	(742,385)	(157,871)	
Total Federal Financial Assistance					(\$443,516)	1,460,458	(1,210,035)	(193,093)	-

**BERKELEY TOWNSHIP BOARD OF EDUCATION
SCHEDULE OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

STATE GRANTOR/ PROGRAM TITLE	GRANT OR STATE PROJECT NUMBER	AWARD AMOUNT	GRANT PERIOD	BALANCE			ADJUSTMENTS/ CANCELED	(ACCOUNTS	MEMO ONLY	
				AT JUNE 30, 2011	CASH RECEIVED	BUDGETARY EXPENDITURES		RECEIVABLE) JUNE 30, 2012	BUDGETARY RECEIVABLE	CUMULATIVE TOTAL EXPENDITURES
State Department of Education:										
General Fund:										
Transportation Aid	12-495-034-5120-014	\$797,914	7/1/11-6/30/12		797,914	(797,914)			(73,890)	797,914
Special Education Categorical Aid	12-495-034-5120-089	1,043,642	7/1/11-6/30/12		1,043,642	(1,043,642)			(96,631)	1,043,642
Security Aid	12-495-034-5120-084	275,626	7/1/11-6/30/12		275,626	(275,626)			(25,525)	275,626
Extraordinary Aid	12-495-034-5120-473	178,529	7/1/11-6/30/12					(178,529)		178,529
Extraordinary Aid	11-495-034-5120-473	140,137	7/1/10-6/30/11	(\$140,137)	140,137					
Transportation Aid - Non-Public School Costs	12-495-034-5120-014	9,570	7/1/11-6/30/12			(9,570)		(9,570)		9,570
Transportation Aid - Non-Public School Costs	11-495-034-5120-014	8,700	7/1/10-6/30/11	(8,700)	8,700					
On-Behalf Teacher Pension and Annuity Fund	11-100-034-5095-116	1,216,932	7/1/11-6/30/12		1,216,932	(1,216,932)				1,216,932
Reimbursed TPAF Social Security Contributions (Nonbudgeted)	12-100-034-5095-002	912,988	7/1/11-6/30/12		868,211	(912,988)		(44,777)		912,988
Total General Fund				(148,837)	4,351,162	(4,435,201)		(232,876)	(196,046)	4,435,201
Capital Projects Fund:										
Educational Facilities Construction & Finance Act	0320-030-09-1002	91,500	Until Completion				(68,544)	(68,544)		
Total Capital Projects Fund							(68,544)	(68,544)		
Enterprise Fund:										
National School Lunch Program (State Share)	12-100-010-3350-021	8,445	7/1/11-6/30/12		8,026	(8,445)		(419)		8,445
National School Lunch Program (State Share)	11-100-010-3350-021	8,398	7/1/10-6/30/11	(1,717)	1,717					
Total Enterprise Fund				(1,717)	9,743	(8,445)		(419)		8,445
Total State Financial Assistance				(\$150,554)	4,360,905	(4,443,646)	(68,544)	(301,839)	(196,046)	4,443,646

**BERKELEY TOWNSHIP BOARD OF EDUCATION
NOTES TO THE SCHEDULES OF FINANCIAL ASSISTANCE
FOR THE YEAR ENDED 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, Berkeley Township Board of Education. The Board of Education is defined in Note 1 to the Board's basic financial statements. All federal and state awards received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies is included on the schedule of expenditures of federal awards and state financial assistance.

Note 2. Basis of Accounting

The accompanying schedules of expenditures 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 basis of accounting are described in Note 1 to the Board's basic financial statements.

Note 3. Relationship to Basic Financial Statements

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$(49,567) for the general fund and \$64,338 for the special revenue fund. See Note 1 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:

BERKELEY TOWNSHIP BOARD OF EDUCATION

**NOTES TO THE SCHEDULES OF FINANCIAL ASSISTANCE (continued):
FOR THE YEAR ENDED JUNE 30, 2012**

Note 3. Relationship to Basic Financial Statements (continued):

	Federal	State	Total
General Fund	\$112,726	\$4,385,634	\$4,498,360
Special Revenue Fund	806,723		806,723
Enterprise Fund	<u>354,924</u>	<u>8,445</u>	<u>363,369</u>
Total Financial Assistance	<u>\$1,274,373</u>	<u>\$4,394,079</u>	<u>\$5,668,452</u>

Note 4. Relationship to Federal and State Financial Reports

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

Note 5. Other

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the District for the year ended June 30, 2012. TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2012.

Note 6. Federal and State Loans Outstanding

Berkeley Township Board of Education had no loan balances outstanding at June 30, 2012.

**BERKELEY TOWNSHIP BOARD OF EDUCATION
SCHEDULE OF FINDINGS & QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2012**

Section I – Summary of Auditors’ Results

Financial Statements

Type of auditors’ report issued:	<u>Unqualified</u>
Internal control over financial reporting:	
1) Material weakness(es) identified?	None Noted
2) Deficiencies in internal control identified that are not considered to be material weaknesses?	None Noted
Noncompliance material to basic financial statements noted?	None Noted

Federal Awards

Internal Control over major programs:	
1) Material weakness(es) identified?	None Noted
2) Deficiencies in internal control identified that are not considered to be material weaknesses?	None Noted
Type of auditors’ report issued on compliance for major programs	<u>Unqualified</u>
Any audit findings disclosed that are required to be reported in accordance with Section .510(a) of Circular A-133	None Noted

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
84.027	I.D.E.A., Part B
84.391	I.D.E.A., Part B – ARRA
84.173A	I.D.E.A., Preschool
84.392	I.D.E.A., Preschool – ARRA

Dollar threshold used to distinguish between type A and type B programs:	\$300,000
Auditee qualified as low-risk auditee?	Yes

**BERKELEY TOWNSHIP BOARD OF EDUCATION
SCHEDULE OF FINDINGS & QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2012**

Section I – Summary of Auditor’s Results (continued)

State Awards

Dollar threshold used to distinguish between type A and type B programs:	\$300,000
Auditee qualified as low-risk auditee?	Yes
Type of auditors’ report issued on compliance for major programs	<u>Unqualified</u>
Internal Control over major programs:	
1) Material weakness(es) identified?	None Noted
2) Deficiencies in internal control identified that are not considered to be material weaknesses?	None Noted
Any audit findings disclosed that are required to be reported in accordance with NJ OMB Circular Letter 04-04	None Noted

Identification of major programs:

GMIS Number(s)	Name of State Program
12-495-034-5120-014	Transportation Aid
12-100-034-5095-002	TPAF Social Security Contributions

Section II – Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, fraud, illegal acts, violations of provisions of contracts and grant agreements and abuse related to the financial statements for which *Government Auditing Standards* requires reporting in a Circular A-133 audit.

No Current Year Findings

Section III – Federal Awards & State Financial Assistance Finding & Questioned Costs

This section identifies audit findings required to be reported by section .510(a) of Circular A-133 and New Jersey OMB’s Circular Letter 04-04.

No Current Year Findings

**BERKELEY TOWNSHIP BOARD OF EDUCATION
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT
For the Fiscal Year Ended June 30, 2012**

This section identifies the status of prior-year findings related to the basic financial statements and federal and state awards that are required to be reported in accordance with Chapter 6.12 of Government Auditing Standards, U.S. OMB Circular A-133 (section .315 (a)(b)) and New Jersey OMB's Circular 04-04.

No Prior Year Findings