

COMPREHENSIVE ANNUAL FINANCIAL REPORT
OF THE
BORDENTOWN REGIONAL SCHOOL DISTRICT
BOARD OF EDUCATION
BURLINGTON COUNTY, NEW JERSEY
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

Prepared by
Bordentown Regional School District

BOARD OF EDUCATION OF THE
BORDENTOWN REGIONAL SCHOOL DISTRICT
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

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INTRODUCTORY SECTION

Joann Dansbury
President

Vice President

Bordentown Regional School District

318 WARD AVENUE
BORDENTOWN, NJ 08505

Constance J. Bauer, Ed.D.
Superintendent

Eloi A. Richardson, CPA
Business Administrator

Business Office (609) 298-0025 Extension 1204	FAX (609) 298-2515	Superintendent's Office (609) 298-0025 Extension 1211
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Internet Web Site: www.bordentown.k12.nj.us

November 30, 2012

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

Dear Board Members and Citizens of the Regional District:

The Comprehensive Annual Financial Report of the Bordentown Regional School District ("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 (the Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

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

The financial statements include:

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

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

1. **REPORTING ENTITY AND ITS SERVICES:** The Bordentown Regional School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board (GASB) as established by NCGA Statement No. 3. The District provides a full range of educational services appropriate to grade levels K through 12. These include regular and vocational as well as special education for handicapped youngsters. The District student enrollment as of October 15, 2011 was 2461. Also, the District receives high school students from New Hanover Public Schools on a tuition basis.

This Comprehensive Annual Financial Report for the year ended June 30, 2012 is presented in GASB 34 format. The Bordentown Regional Board of Education and all its schools constitute the District's reporting entity. The District's basic financial statements include both government-wide (reporting the District as a whole) and fund financial statements (reporting the District's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type. Food Service and Community District Alliance functions are classified as business-type activities. All funds of the district are included in this report.

2. **MAJOR INITIATIVES:** The 2011-2012 fiscal year realized the continuation and maintenance of all academic and extra-curricular programs, which continued to be funded fully without participation contributions. The academic program included the pilot of a new high school course elective in forensic science as well and the incorporation of new high school graduation course requirements in financial literacy. Technology integration included installation of "Smartboard" and "I-pad" technologies, both important to addressing 21st century skills for college and career readiness as well as preparing for new teacher evaluation protocols.

The budget also provided an array of staff to meet the needs of diverse student learners in basic skills, special education, English language acquisition, and gifted education. Included in these services was district-based extended school year for special education students as well as a pre-school program, summer, before and after school programs for targeted student populations not meeting minimal proficiency in state assessments. At the elementary level, music staffing was increased to meet student interests. Summer curriculum work across the district continued, so that the requisite areas were updated to the common core standards in accordance with the State's adoption guidelines.

In the operational areas, the budget provided resources to enhance and expand security, including additional camera installations. The budget also funded the purchase of buses not fully insured and lost due to the prior year's bus fire. The district continued to maintain its full complement of custodial and maintenance staff, with the exception being the elimination of the assistant business administrator. That position was not filled due to attrition, and former assignments to the assistant business administrator position were redistributed to existing staff.

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

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

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

4. **BUDGETARY CONTROLS:** In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget presented to the voters of its constituent municipalities. 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, as amended, is reflected in the financial section.

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

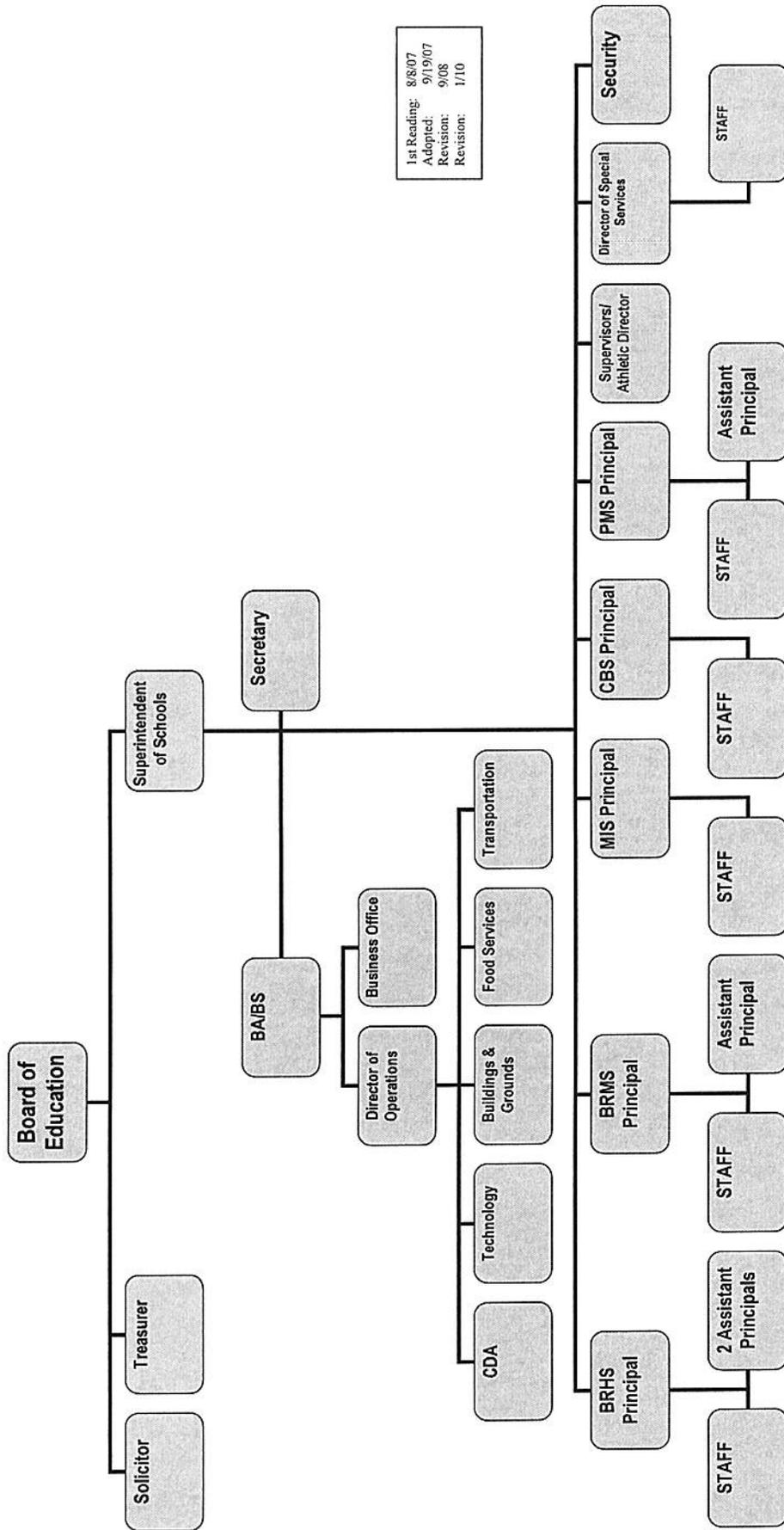
5. **ACCOUNTING SYSTEMS AND REPORTS:** The District's accounting records reflect Generally Accepted Accounting Principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds. These funds are explained in "Notes to the Financial Statements", Note 1.
6. **CASH MANAGEMENT:** The investment policy of the District is guided in large part by New Jersey State statute as detailed in "Notes to the Financial Statements", Note 2. The District has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA was enacted in 1970 to protect Governmental units from a loss of funds on deposit with a failed banking institution in New Jersey by requiring such units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.
7. **RISK MANAGEMENT:** The Board carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds.
8. **OTHER INFORMATION:** Independent Audit – State statutes require an annual audit by an independent certified public accountant or registered municipal accountant. The accounting firm of John J. Maley, Jr., CPA was selected by the Board's Finance committee. In addition to meeting requirements set forth in state statutes, the audit also was designed to meet the requirements of the Audit Policy for Recipients of Federal Grants, State Grants and State Aid and the related NJOMB Circular 04-04 and OMB Circular Letter A-133. The auditor's report on the financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's report relating specifically to the single audit is included in the Single Audit section of this report.

9. ACKNOWLEDGMENTS: We would like to express our appreciation to the Board members of the Bordentown Regional School District for their fiscal stewardship on behalf of the citizens and taxpayers of the school district and as well as to our District's financial and other staff for their support and dedicated services without whom we would not be able to serve the students of this community.

Respectfully submitted,

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

Eloi Richardson, CPA
School Business Administrator/Board Secretary



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

Bordentown Regional School District

318 WARD AVENUE

BORDENTOWN, NEW JERSEY 08505

Board of Education

Roster of Officials

Term Expires	Members of the Board of Education
2012	Mr. Thomas Dalton, President
2012	Ms. Joann Dansbury, Vice President
2012	Ms. Ellen Wehrman
2013	Mr. Mark Drew
2013	Ms. Kimberly Zablow
2013	Ms. Peggy Gens
2014	Ms. Lisa Kay Hartmann
2014	Ms. Mona Goff
2014	Mr. Thomas Potts
New Hanover Rep.	Mr. Christopher Sirak

Administration:

Superintendent	Dr. Constance J. Bauer
Business Administrator / Board Secretary	Mr. Eloi Richardson

BORDENTOWN REGIONAL SCHOOL DISTRICT
CONSULTANTS AND ADVISORS

AUDIT FIRM

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

ATTORNEY

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

OFFICIAL DEPOSITORY

PNC Bank
Bordentown, New Jersey 08505

FINANCIAL SECTION

JOHN J. MALEY, JR.

Certified Public Accountant

Registered Municipal Accountant

P.O. Box 614

BORDENTOWN, NEW JERSEY 08505

PHONE: (609) 298-8639

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MEMBER
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditor's Report

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

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

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

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Bordentown Regional Board of Education, in the County of Burlington, State of New Jersey, as of June 30, 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 *Government Auditing Standards*, I have also issued my report dated October 15, 2012 on my consideration of the Bordentown Regional School District Board of Education's internal control over financial reporting and my test of its compliance with certain provisions of laws, regulations, contracts and grants. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. This report is an integral part of our audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of my audit.

Accounting principles generally accepted in the United States of America require that the Management Discussion and Analysis and Budgetary Comparison Information on pages 10 through 19 and 52 through 56 be presented to supplement the basic financial statements. Such information, although not a required 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. I have applied certain limited procedures to the required supplemental 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 my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Bordentown Regional School District Board of Education's financial statements. The accompanying combining and individual nonmajor fund financial statements; the schedule of expenditure of federal awards required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; the schedule of state financial assistance required by New Jersey Circular 04-04 OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standard generally accepted in the United States of America. In my opinion combining and individual nonmajor fund financial statements and the schedules of expenditures of federal awards and state financial assistance are fairly stated in all material respects in relation to the financial statements as a whole. The introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly I do not express an opinion or provide any assurance on them.

Respectfully submitted,

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

October 15, 2012

MANAGEMENT'S DISCUSSION AND ANALYSIS

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the Bordentown Regional School District's annual financial report presents a discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2012. Please read it in conjunction with the Transmittal letter at the beginning of the report and with the District's financial statements, which immediately follow this section.

FINANCIAL HIGHLIGHTS:

State and Federal aid funding for the district was increased by \$939,310 for the 2011-2012 budget. Total regular state support was \$7,354,417. The tax levy was decreased by \$386,820, leaving the district with \$1,326,130 increased funding for the year. The district also applied for and received additional Extraordinary Aid funding and still had the balance of ARRA funds to help support programs for students.

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

An ongoing and important funding source to the District resulted from the passage of the No Child Left Behind (NCLB) legislation. Since NCLB's inception in 2003, the district has received a total of \$2,127,460 in NCLB funding. The NCLB grant provides funds for Basic Skills Education, staff development, class size reduction aid, and English as a Second Language programs. On October 15, 2011 the district had 55 ESL students, and the NCLB funds have helped the district meet the unique needs of those students. Basic skills programs are available after school and in the summer to help at-risk students improve their proficiency on NCLB tests. Class size reduction aid has enabled the district to add an additional kindergarten section and keep class sizes low for our youngest students.

Enrollment increased from 2,460 to 2,464 students as of October 15, 2011, ending a brief 1-year trend of decreasing enrollment. Overall, special education spending for the year was reduced by 1.77% from the previous year. This decrease is mainly attributed to a reduction in out-of-district tuition, as the district continues to return many special needs children to district programs. Regular education spending increased by 1.87%.

In July of 2002, the District sold \$37,447,000 in bonds to finance the building of a new high school and renovations to the existing schools. The renovations have all been completed, and the 2011-2012 school year was the sixth year that the new high school was open. Students are enjoying the additional space and new facility, with the addition of the new athletic fields. The district was successful in a December 8, 2009 referendum for the addition of turf athletic fields and solar panels on the roof of the new high school, and sold \$8,499,000 in bonds in March of 2010. Both projects are complete. Revenue from the sale of excess energy produced by the solar panels in the form of SREC's is expected to partially offset the debt service payment for both the fields and the solar panels. Although Solar Renewal Energy Certificates are currently selling at a lower price than realized in the beginning of the year, the district budgeted conservatively and did not report lower funding than anticipated.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

ORGANIZATION OF BORDENTOWN REGIONAL SCHOOL DISTRICT'S ANNUAL FINANCIAL REPORT

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

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

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

DISTRICT-WIDE STATEMENTS

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

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

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

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

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

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

The District has three kinds of funds:

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

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

At June 30, 2011 the district's net assets were \$13,502,335, and at June 30, 2012, the district's net assets were \$13,349,020. The difference is primarily a difference of long term debt outstanding.

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

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

	Governmental Type Activities		Business Type Activities		School District Totals		% Change
	2011	2012	2011	2012	2011	2012	2011-2012
Current and other assets	4,084	3,899	443	620	4,527	4,519	0.2%
Capital Assets – Net	56,365	55,283	227	183	56,592	55,466	2.0%
Total Assets	60,449	59,182	670	803	61,119	59,985	0
Long-term debt outstanding	44,610	43,083	-	-	44,610	43,083	3.5%
Other liabilities	2,667	2,750	340	310	3,007	3,060	-1.7%
Total liabilities	47,277	45,833	106	310	47,617	46,143	3.2%
NET ASSETS							
Invested in capital assets, net of related debt	12,400	12,214	227	183	12,627	12,397	1.9%
Restricted	1,254	2,317	-	-	1,254	2,317	-45.9%
Unrestricted	(482)	(1,182)	103	309	(379)	(873)	-56.6%
Total Net assets	13,172	13,349	330	492	13,502	13,841	-2.4%

Note: Totals may not add due to rounding

Changes in net assets – Property taxes account for the highest percentage of revenues, totaling 67.4% of the general fund revenue. The District accepts tuition students from New Hanover, and tuition revenue amounted to \$844,238. The district also developed a general education preschool, offered to parents on a tuition basis. The revenue from that program was \$42,466.

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

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

	Governmental Activities		Business-Type Activities		School District Totals		% Change
	2011	2012	2011	2012	2011	2012	2011-2012
REVENUES:							
Program revenues:							
Charges for services	-		1,019	1,272	1,019	1,272	19.89%
Federal and State Cat. Grants	3,516	3,761	333	352	3,849	4,113	6.42%
General revenues:							
Property taxes	26,424	26,812	-	-	26,424	26,812	1.45%
Federal or State Aid	7,182	7,762	-	-	7,182	7,762	7.47%
Tuition	1,041	882	-	-	1,041	882	-18.03%
Other	796	935	-	-	796	935	14.87%
Total Revenues	38,959	40,152	1,352	1,624	40,311	41,776	3.51%
EXPENSES							
Instruction Related	17,490	17,898	-	-	17,490	17,898	2.28%
Tuition	1,320	1,204	-	-	1,320	1,204	-9.63%
Student & Inst. Related Svcs	4,590	4,706	-	-	4,590	4,706	2.46%
Administrative Services	2,872	3,060	-	-	2,872	3,060	6.14%
Maintenance	4,343	4,129	-	-	4,343	4,129	-5.18%
Transportation	2,355	2,422	-	-	2,355	2,422	2.77%
Benefits	2,158	2,475	-	-	2,158	2,475	12.81%
Other	3,456	4,081	1,417	1,462	4,873	5,543	12.09%
Total expenses	38,584	39,975	1,417	1,462	40,001	41,437	3.47%
Increase (decrease) in net assets	375	177	(65)	162	310	339	

Business–type Activities – The District's food service fund showed a net loss of (\$43,355). The Community District Alliance runs a before–and–after–school program, as well as the school district auditoriums. This year the CDA showed a net gain of \$205,996.

Chart A-3 breaks down the District's revenues for Fiscal Year 2012, and Chart A-4 displays the District's Expenses.

2011-2012 EXPENSES

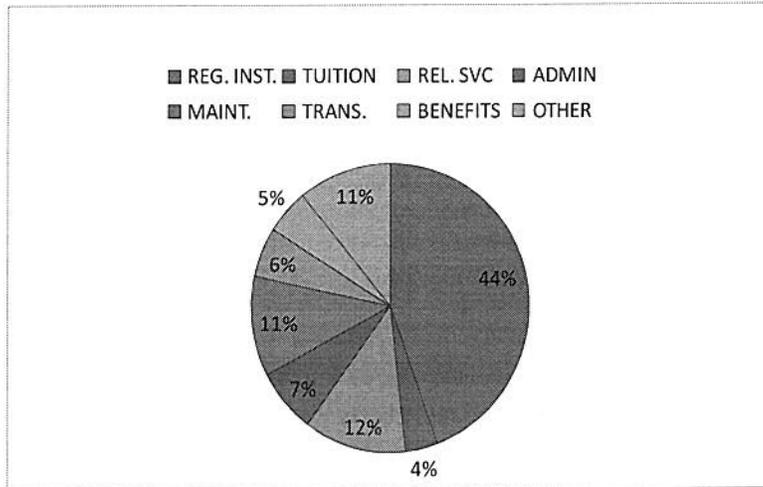


CHART
A-3

CHART
A-4

TABLE A-3 provides a summary of the cost of all governmental activities for the 2011-12 school year.

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

	Total Cost of Services		% Change	Net Cost of Services		% Change
	2011	2012	2011-2012	2011	2012	2011-2012
Instruction Related	17,490	17,037	-2.66%	16,416	17,027	3.59%
Tuition	1,321	1,204	-9.72%	1,321	1,204	-9.72%
Stud.& Instr. Rel. Svs	4,590	4,596	0.13%	4,385	4,596	4.59%
Administrative Services	2,872	3,060	6.14%	2,872	3,060	6.14%
Maintenance	4,343	4,129	-5.18%	4,343	4,122	-5.36%
Transportation	2,355	2,422	2.77%	2,355	2,422	2.77%
Benefits	2,159	-	0.00%	10	0	0.00%
Other	3,456	3,765	8.21%	3,368	3,789	11.11%
Total	38,586	36,213		35,070	36,220	

Note: Totals may not add due to rounding

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

The surplus allocation for the 2011-2012 budget was \$338,065. At June 30, 2012, the general fund budgetary fund balance was \$2,970,387. Of that, \$122,884 is reserved for encumbrances and \$1,424,629 is reserved as excess surplus to be appropriated to future budgets. For the 2012-2013 year, \$1,371,375 was included as anticipated revenue in the budget and \$205,277 remains as reserved in the Capital Reserve account. A Maintenance Reserve account was established in 2011-12 totaling \$100,000. The unassigned General Fund fund balance is a deficit of \$248,268. The deficit is a result of an accounting rule preventing the recognition of certain state aid payments until July 2012 amounting to \$919,197.

GENERAL FUND BUDGETARY HIGHLIGHTS

The district's general fund revenues are comprised of tax levies, state aid, and miscellaneous other revenues. For the year ending June 30, 2012, Transportation revenues were \$24,110 over budget, as the district continues to seek out joint transportation contracts with other school districts. The District also received Extraordinary Aid for those students with special education services in the amount of \$293,636. Miscellaneous revenue came in \$143,722 lower than expected, and other revenues were close to anticipated, with surplus generated due to lower expenditures than anticipated. The general education preschool had lower than anticipated enrollment, with a corresponding reduction in revenue, but expenses for this program were also lower than anticipated. This program helps to offset costs associated with required general education experiences for special education preschool children.

CAPITAL ASSET AND DEBT ADMINISTRATION

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

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

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

	Governmental Activities		Business Type Activities		Total School District		% Change
	2011	2012	2011	2012	2011	2012	2011-2012
Land	1,780	1,780	-	-	1,780	1,780	0.00%
Construction in Progress	7,333	7,350	-	-	7,333	7,350	0.23%
Site Improvements	874	874	-	-	874	874	0.00%
Buildings	57,791	57,791	-	-	57,791	57,791	0.00%
Equipment and furniture	7,219	7,467	476	488	7,695	7,955	3.27%
Total	74,997	75,262	476	488	77,484	77,762	0.36%

Note: Totals may not add due to rounding

LONG TERM DEBT

At year-end the district had \$44,844,439 in general obligation bonds and other long-term debt outstanding. This represents normal activity in the debt service account payments. More detailed information about the District's long-term liabilities is presented in Note 6 to the financial statements. The District's general obligation bonds carry a rating of AA2, in accordance with the School Bond Reserve Act. The state limits the amount of general obligation debt to 4% of the districts' average ratable base, so in order to finance the building of the new high school and the renovations, the District had to receive approval from the Local Finance Board, which it received in January, 2002. In the 2011-2012 school year, the district retired \$1,465,000 in outstanding bonds.

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

	Total School		Total %
	District		Change
	<u>2011</u>	<u>2012</u>	<u>2011-2012</u>
General Obligation Bonds	45,779	44,314	-3.31%
Deferred Amounts	(1,590)	(1,499)	-6.07%
Capital Leases	357	189	-88.89%
Deferred PERS Pension Payment	137	131	-4.58%
Compensated Absences	1,667	1,709	2.46%
Total	46,350	44,844	3.25%

Note: Totals may not add due to rounding

FACTORS BEARING ON THE DISTRICT'S FUTURE

At the time these financial statements were prepared and audited, the District was aware of no existing circumstances that could significantly affect its financial health in the future. In July of 2004, the State of New Jersey enacted Senate Bill No. 1701, which limits school districts to undesignated surplus of no more than 2% of its general fund budget. Recent legislation limited the district to a 2% cap on tax levy increases, which has a significant impact on the district's budgets. There is no outstanding litigation that could affect the District's financial picture.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

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

BASIC FINANCIAL STATEMENTS

Bordentown Regional School District
Statement of Net Assets
June 30, 2012

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ 1,363,740	\$ 579,754	\$ 1,943,494
Investments	-	-	-
Receivables, net	666,816	30,326	697,142
Internal balance	2,000	(2,000)	-
Inventory	-	11,602	11,602
Restricted assets:			
Cash and cash equivalents	1,358,488	-	1,358,488
Capital reserve account - cash	205,277	-	205,277
Accrued interest receivable	-	-	-
Unamortized debt issue costs	303,189	-	303,189
Capital assets, net (Note 4):	55,282,912	183,596	55,466,508
Total Assets	<u>59,182,422</u>	<u>803,278</u>	<u>59,985,700</u>
LIABILITIES			
Accounts payable	99,249	85,781	185,030
Accrued interest payable	783,312	-	783,312
Payable to federal government	2,755	-	2,755
Payable to state government	33,351	-	33,351
Deferred revenue	70,296	224,718	295,014
Noncurrent liabilities:			
Due within one year	1,760,556	-	1,760,556
Due beyond one year	43,083,883	-	43,083,883
Total liabilities	<u>45,833,402</u>	<u>310,499</u>	<u>46,143,901</u>
NET ASSETS			
Invested in capital assets, net of related debt	12,214,431	183,596	12,398,027
Restricted for:			
Debt service	381,783	-	381,783
Capital projects	205,277	-	205,277
Other purposes	1,729,906	-	1,729,906
Unrestricted	(1,182,377)	309,183	(873,194)
Total net assets	<u>\$ 13,349,020</u>	<u>\$ 492,779</u>	<u>\$ 13,841,799</u>

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

Bordertown Regional School District
Statement of Activities
For the Year Ended June 30, 2012

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
Instruction:							
Regular	\$ 11,782,331	\$ -	\$ -	\$ -	\$ (11,782,331)	\$ -	\$ (11,782,331)
Special education	4,393,784	-	861,111	-	(3,532,673)	-	(3,532,673)
Other special instruction	909,103	-	-	-	(909,103)	-	(909,103)
Other instruction	813,316	-	-	-	(813,316)	-	(813,316)
Support services:							
Tuition	1,204,106	-	-	-	(1,204,106)	-	(1,204,106)
Student & instruction related services	4,705,990	-	110,268	-	(4,595,722)	-	(4,595,722)
General administration	506,363	-	-	-	(506,363)	-	(506,363)
School administrative services	1,829,094	-	-	-	(1,829,094)	-	(1,829,094)
Central services - business administration	477,502	-	-	-	(477,502)	-	(477,502)
Administrative information technology	247,074	-	-	-	(247,074)	-	(247,074)
Plant operations and maintenance	4,128,597	-	-	-	(4,128,597)	-	(4,128,597)
Pupil transportation	2,421,515	-	2,474,537	-	(2,421,515)	-	(2,421,515)
Employee benefits	2,474,537	-	315,436	-	(2,347,101)	-	(2,347,101)
Interest on long-term debt	2,001,334	-	-	-	(2,001,334)	-	(2,001,334)
Amortization of debt issue costs	23,478	-	-	-	(23,478)	-	(23,478)
Unallocated depreciation	2,056,443	-	-	-	(2,056,443)	-	(2,056,443)
Total governmental activities	39,974,567	-	3,761,352	-	(36,213,215)	-	(36,213,215)
Business-type activities:							
Food service	784,264	426,936	313,973	-	-	(43,355)	(43,355)
Community district alliance	701,470	857,343	50,123	-	-	205,996	205,996
Total business-type activities	1,485,734	1,284,279	364,096	-	-	162,641	162,641
Total primary government	\$ 41,460,301	\$ 1,284,279	\$ 4,125,448	\$ -	\$ (36,213,215)	\$ 162,641	\$ (36,050,574)
General revenues:							
Taxes:							
Property taxes, levied for general purposes, net					24,131,082	-	24,131,082
Taxes levied for debt service					2,680,506	-	2,680,506
Federal and State aid not restricted					7,762,512	-	7,762,512
Tuition revenue					881,504	-	881,504
Investment earnings					5,014	-	5,014
Miscellaneous income					479,398	-	479,398
Extraordinary item - Fire insurance proceeds - Buses					450,022	-	450,022
Total general revenues					36,390,038	-	36,390,038
Change in Net Assets					176,823	162,641	339,464
Net Assets—beginning					13,172,197	330,138	13,502,335
Net Assets—ending					\$ 13,349,020	\$ 492,779	\$ 13,841,799

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

Bordentown Regional School District
Balance Sheet
Governmental Funds
June 30, 2012

	Major Funds				Total Governmental Funds
	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	
ASSETS					
Cash and cash equivalents	\$ 1,363,740	\$ -	\$ 1,358,488	\$ -	\$ 2,722,228
Due from other funds	214,324	9,911	-	-	224,235
Receivables from other governments	264,361	276,643	-	-	541,004
Other receivables	125,812	-	-	-	125,812
Restricted cash for capital reserve	205,277	-	-	-	205,277
Total assets	<u>\$ 2,173,514</u>	<u>\$ 286,554</u>	<u>\$ 1,358,488</u>	<u>\$ -</u>	<u>\$ 3,818,556</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	95,795	984	2,470	-	99,249
Interfund payable	9,911	195,786	16,534	4	222,235
Payable to federal government	-	2,755	-	-	2,755
Payable to state government	-	33,351	-	-	33,351
Deferred revenue	16,618	53,678	-	-	70,296
Total liabilities	<u>122,324</u>	<u>286,554</u>	<u>19,004</u>	<u>4</u>	<u>427,886</u>
Fund Balances:					
Restricted for:					
Excess Surplus - current year	499,922	-	-	-	499,922
Excess Surplus - prior year - designated for subsequent year's expenditures	924,707	-	-	-	924,707
Maintenance reserve	100,000	-	-	-	100,000
Capital reserve	205,277	-	-	-	205,277
Assigned to:					
Debt service	-	-	381,787	(4)	381,783
Designated by the BOE for subsequent year's expenditures	446,668	-	-	-	446,668
Capital projects	-	-	957,697	-	957,697
Other purposes	122,884	-	-	-	122,884
Unassigned:					
General fund	<u>(248,268)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(248,268)</u>
Total Fund balances	<u>2,051,190</u>	<u>-</u>	<u>1,339,484</u>	<u>(4)</u>	<u>3,390,670</u>
Total liabilities and fund balances	<u>\$ 2,173,514</u>	<u>\$ 286,554</u>	<u>\$ 1,358,488</u>	<u>\$ -</u>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$75,758,131 and the accumulated depreciation is \$20,475,219 (See Note 4). 55,282,912

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

Bonds Payable	(44,314,000)	
Deferred PERS Obligation	(131,327)	
Capital Leases Payable	(188,954)	
Compensated Absences	(1,708,626)	
		(46,342,907)

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

Deferred Charge	2,189,484	
Less: Accumulated Amortization	(615,031)	
		1,574,453

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

Deferred Charge	(127,453)	
Less: Accumulated Amortization	51,468	
		(75,985)

Accrued interest payable is not due and payable in the current period and therefore is not reported as a liability in the funds. (783,312)

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

Debt Issue Costs	450,960	
Less: Accumulated Amortization	(147,771)	
		303,189

Net assets of governmental activities \$ 13,349,020

Bordentown Regional School District
Statement of Revenues, Expenditures, And Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2012

	Major Funds				Total Governmental Funds
	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	
REVENUES					
Local sources:					
Local tax levy	\$ 24,131,082	\$ -	\$ -	\$ 2,680,506	\$ 26,811,588
Other local government units unrestricted	134,377	-	-	-	134,377
Tuition charges	881,504	-	-	-	881,504
Transportation fees from other LEA's	99,110	-	-	-	99,110
Interest earned	2,845	-	2,169	-	5,014
Miscellaneous	303,433	16,694	-	-	320,127
Total - Local sources	25,552,351	16,694	2,169	2,680,506	28,251,720
State sources	9,982,977	44,284	-	315,436	10,342,697
Federal sources	270,766	910,401	-	-	1,181,167
Total revenues	35,806,094	971,379	2,169	2,995,942	39,775,584
EXPENDITURES					
Current:					
Regular instruction	9,577,867	-	-	-	9,577,867
Special education instruction	2,747,788	861,111	-	-	3,608,899
Other special instruction	735,627	-	-	-	735,627
Other instruction	706,974	-	-	-	706,974
Support services:					
Tuition	1,204,106	-	-	-	1,204,106
Student & instruction related services	3,872,618	110,268	-	-	3,982,886
General administrative services	499,761	-	-	-	499,761
School administrative services	1,439,956	-	-	-	1,439,956
Business administrative/central services	384,333	-	-	-	384,333
Administrative information technology	209,644	-	-	-	209,644
Plant operations and maintenance	3,603,386	-	-	-	3,603,386
Pupil transportation	1,647,528	-	-	-	1,647,528
Employee benefits	8,232,012	-	-	-	8,232,012
Debt service:					
Principal	-	-	-	1,465,000	1,465,000
Interest and other charges	-	-	-	1,855,180	1,855,180
Capital outlay	94,341	-	514,541	-	608,882
Total expenditures	34,955,941	971,379	514,541	3,320,180	39,762,041
Excess (Deficiency) of revenues over expenditures	850,153	-	(512,372)	(324,238)	13,543
OTHER FINANCING SOURCES (USES)					
Cancelled grants receivable	(9,911)	-	-	-	(9,911)
Transfers in	2,169	-	-	324,238	326,407
Transfers out	-	-	(326,407)	-	(326,407)
Total other financing sources and uses	(7,742)	-	(326,407)	324,238	(9,911)
EXTRAORDINARY ITEMS (USES)					
Fire Insurance proceeds - buses	450,022	-	-	-	450,022
Capital Outlay - Fire Restoration Costs - buses	(696,690)	-	-	-	(696,690)
Total extraordinary items	(246,668)	-	-	-	(246,668)
Net change in fund balances	595,743	-	(838,779)	-	(243,036)
Fund balance—July 1	1,455,447	-	2,178,263	(4)	3,633,706
Fund balance—June 30	\$ 2,051,190	\$ -	\$ 1,339,484	\$ (4)	\$ 3,390,670

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

Bordentown Regional School District
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended June 30, 2012

Total net change in fund balances - governmental funds (from B-2) \$ (243,036)

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	\$ (1,843,450)	
	Capital outlays	<u>761,263</u>	
			(1,082,187)

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

	Payment of bond principal	1,465,000	
	Payment of capital leases	168,144	
	Payment of deferred PERS pension obligation	<u>5,976</u>	
			1,639,120

In the statement of activities, interest on long-term debt is accrued regardless of when due. In the governmental funds, interest is reported when due. 20,303

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

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

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

In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the earned amount, the difference is an addition to the reconciliation (+). (42,077)

Change in net assets of governmental activities \$ 176,823

Bordentown Regional School District
Statement of Net Assets
Proprietary Funds
June 30, 2012

	Business-type Activities - Enterprise Funds		
	Food Service	Community District Alliance	Totals
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 100,012	\$ 479,742	\$ 579,754
Accounts receivable:			
Federal	18,347	-	18,347
State	563	10,919	11,482
Local	-	497	497
Inventories	11,602	-	11,602
	130,524	491,158	621,682
Total current assets			
Noncurrent assets:			
Furniture, machinery & equipment	487,523	-	487,523
Less accumulated depreciation	(303,927)	-	(303,927)
	183,596	-	183,596
Total noncurrent assets			
	314,120	491,158	805,278
LIABILITIES			
Current liabilities:			
Interfund payable - general fund	-	2,000	2,000
Deferred revenue	-	224,718	224,718
Total current liabilities	-	226,718	226,718
Noncurrent liabilities:			
Interfund payable - general fund	85,781	-	85,781
Total noncurrent liabilities	85,781	-	85,781
Total liabilities	85,781	226,718	312,499
NETASSETS			
Invested in capital assets net of related debt	183,596	-	183,596
Assigned to:			
Other purposes	-	-	-
Unrestricted	44,743	264,440	309,183
	228,339	264,440	492,779
Total net assets	\$ 228,339	\$ 264,440	\$ 492,779

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

Bordentown Regional School District
Statement of Revenues, Expenses, and Changes in Fund Net Assets
Proprietary Funds
For the Year Ended June 30, 2012

	Business-type Activities -		
	Enterprise Fund		
	Food Service	Community District Alliance	Total Enterprise
Operating revenues:			
Charges for services:			
Daily sales - reimbursable programs	\$ 283,770	\$ -	\$ 283,770
Daily sales - non-reimbursable programs	126,053	-	126,053
Special functions	17,113	-	17,113
Community service activities	-	857,343	857,343
Total operating revenues	<u>426,936</u>	<u>857,343</u>	<u>1,284,279</u>
Operating expenses:			
Cost of sales	729,496	-	729,496
Salaries	-	499,990	499,990
Employee benefits	-	69,785	69,785
Other purchased professional services	-	84,586	84,586
Supplies and materials	-	26,756	26,756
Bank card fees	-	20,353	20,353
Depreciation	54,768	-	54,768
Total Operating Expenses	<u>784,264</u>	<u>701,470</u>	<u>1,485,734</u>
Operating income (loss)	<u>(357,328)</u>	<u>155,873</u>	<u>(201,455)</u>
Nonoperating revenues (expenses):			
State sources:			
State school lunch program	7,874	-	7,874
Adult basic skills program	-	50,123	50,123
Federal sources:			
National school lunch program	214,484	-	214,484
National breakfast program	41,989	-	41,989
Food distribution program	38,426	-	38,426
General Fund capital assets purchased	11,200	-	11,200
Total nonoperating revenues (expenses)	<u>313,973</u>	<u>50,123</u>	<u>364,096</u>
Income (loss) before contributions & transfers	<u>(43,355)</u>	<u>205,996</u>	<u>162,641</u>
Transfers in (out)	-	-	-
Change in net assets	<u>(43,355)</u>	<u>205,996</u>	<u>162,641</u>
Total net assets—beginning	<u>271,694</u>	<u>58,444</u>	<u>330,138</u>
Total net assets—ending	<u>\$ 228,339</u>	<u>\$ 264,440</u>	<u>\$ 492,779</u>

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

**Bordentown Regional School District
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2012**

	Business-type Activities - Enterprise Funds		
	Food Service	Community District Alliance	Total Enterprise
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	\$ 426,936	\$ 857,200	\$ 1,284,136
Payments to employees	-	(499,990)	(499,990)
Payments for employee benefits	-	(69,785)	(69,785)
Payments to suppliers	(725,305)	(111,342)	(836,647)
Payments to bank card fees	-	(20,353)	(20,353)
Net cash provided by (used for) operating activities	<u>(298,369)</u>	<u>155,730</u>	<u>(142,639)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
State Sources	46,963	51,138	98,101
Federal Sources	212,016	-	212,016
Net cash provided by (used for) non-capital financing activities	<u>258,979</u>	<u>51,138</u>	<u>310,117</u>
Net increase (decrease) in cash and cash equivalents	(39,390)	206,868	167,478
Balances—beginning of year	139,402	272,874	412,276
Balances—end of year	<u>\$ 100,012</u>	<u>\$ 479,742</u>	<u>\$ 579,754</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$ (333,920)	\$ 155,873	\$ (178,047)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation and net amortization	31,360	-	31,360
Food Distribution Program	38,426	-	38,426
(Increase) decrease in accounts receivable	-	(497)	(497)
(Increase) decrease in inventories	1,151	-	1,151
Increase (decrease) in interfund payable	-	(5,200)	(5,200)
Increase (decrease) in accounts payable	(35,386)	-	(35,386)
Increase (decrease) in deferred revenue	-	5,554	5,554
Total adjustments	<u>35,551</u>	<u>(143)</u>	<u>35,408</u>
Net cash provided by (used for) operating activities	<u>\$ (298,369)</u>	<u>\$ 155,730</u>	<u>\$ (142,639)</u>

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

Bordentown Regional School District
Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2012

	<u>Unemployment Compensation Trust</u>	<u>Private Purpose Scholarship Fund</u>	<u>Agency Funds</u>
ASSETS			
Cash and cash equivalents	\$ 16,809	\$ 138,877	\$ 342,294
Total assets	<u>16,809</u>	<u>138,877</u>	<u>342,294</u>
LIABILITIES			
Payable to student groups	-	-	139,243
Payroll deductions and withholdings	<u>-</u>	<u>-</u>	<u>203,051</u>
Total liabilities	<u>-</u>	<u>-</u>	<u>\$ 342,294</u>
NET ASSETS			
Held in trust for unemployment claims and other purposes	<u>\$ 16,809</u>	<u>\$ 138,877</u>	
Reserved for scholarships			

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

**Bordentown Regional School District
Statement of Changes in Fiduciary Net Assets
Fiduciary Funds
For the Year Ended June 30, 2012**

	Unemployment Compensation Trust	Private Purpose Scholarship Fund
ADDITIONS		
Contributions:		
Plan members	\$ 16,779	\$ -
Other	-	10,000
Total Contributions	16,779	10,000
Investment earnings:		
Interest	-	1,535
Net investment earnings	-	1,535
Total additions	16,779	11,535
DEDUCTIONS		
Quarterly contribution reports	-	-
Unemployment claims	-	-
Other	-	-
Scholarships awarded	-	11,332
Total deductions	-	11,332
Change in net assets	16,779	203
Net assets—beginning of the year	30	138,674
Net assets—end of the year	\$ 16,809	\$ 138,877

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

NOTES TO FINANCIAL STATEMENTS

BORDENTOWN REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

A. Reporting Entity

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

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

BORDENTOWN REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Basic Financial Statements

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

B. Government-Wide Statements

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

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

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

BORDENTOWN REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net Assets

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

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

C. Fund Financial Statements

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

Governmental Fund Types

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

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

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

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

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

BORDENTOWN REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES(Continued)

Proprietary Fund Type

The focus of the proprietary fund measurement is upon determination of operating income, changes in net assets, financial position, and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. The following is a description of the governmental funds of the District:

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

Fiduciary Fund Types

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

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

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

Fund Balance

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

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

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

BORDENTOWN REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES(Continued)

Fund Balance (Continued)

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

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

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

D. Measurement of Focus, and Financial Statement Presentation

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

Accrual:

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

BORDENTOWN REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES(Continued)

Modified Accrual:

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

Property Taxes

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

E. Cash, Cash Equivalents and Investments

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

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

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

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

BORDENTOWN REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Inventories and Prepaid Expenses

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

G. Capital Assets

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

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

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

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

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

H. Compensated Absences

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

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

BORDENTOWN REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

I. Deferred Revenue

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

J. Long-Term Obligations

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

K. Interfund Activity

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

L. Comparative Data

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

Note 2: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgets/Budgetary Control

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. The budgets are submitted to the county office and are voted upon at the annual school election on the third Tuesday in April. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as

BORDENTOWN REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012

Note 2: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. All budget amendments must be approved by School Board resolution. The 2011-2012 budget was amended several times during the year.

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

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

B. Encumbrances

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

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

Note 3: CASH AND INVESTMENTS

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

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

BORDENTOWN REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012

Note 3: CASH AND INVESTMENTS (Continued)

At June 30, 2012, the carrying value of cash of the District consisted of the following:

	Total
Interest Bearing Demand Deposits	\$ 4,005,017
	\$ 4,005,017

The carrying amount of cash at June 30, 2012 was \$4,005,017 and the bank balance was \$4,577,691. Of the bank balance, \$258,212 was covered by federal depository insurance and \$4,319,479 was covered by a collateral pool maintained by the banks as required by New Jersey statutes (GUDPA).

Reconciliation to Government-Wide: Statement of Net Assets:

Unrestricted Cash	\$ 1,943,494
Restricted Cash	1,563,765
Agency Fund Cash	497,758
	\$ 4,005,017

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

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

The District had no investments at June 30, 2012. Throughout the year available cash is deposited in certificates of deposit to earn interest.

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

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

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

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

BORDENTOWN REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012

Note 3: CASH AND INVESTMENTS (Continued)

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

Note 4: CAPITAL ASSETS

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

	Primary Government			Balance June 30, 2012
	Balance June 30, 2011	Additions/ Adjustments	Deletions/ Adjustments	
<u>Governmental activities:</u>				
Capital assets, not being depreciated:				
Land	\$ 1,779,651	\$ -	\$ -	\$ 1,779,651
Construction in progress	7,333,190	514,541	-	7,847,731
Total capital assets, not being depreciated	<u>9,112,841</u>	<u>514,541</u>	<u>-</u>	<u>9,627,382</u>
Capital assets, being depreciated:				
Site improvements	873,653	-	-	873,653
Buildings and building improvements	57,790,881	-	-	57,790,881
Machinery and equipment	7,219,493	639,992	(393,270)	7,466,215
Total capital assets, being depreciated	<u>65,884,027</u>	<u>639,992</u>	<u>(393,270)</u>	<u>66,130,749</u>
Total Capital Assets	<u>74,996,868</u>	<u>1,154,533</u>	<u>(393,270)</u>	<u>75,758,131</u>
Less accumulated depreciation for:				
Site improvements	2,281,451	116,550	-	2,398,001
Buildings and building improvements	13,196,643	1,141,175	-	14,337,818
Machinery and equipment	3,153,675	972,606	(386,880)	3,739,401
Total accumulated depreciation	<u>18,631,769</u>	<u>2,230,331</u>	<u>(386,880)</u>	<u>20,475,220</u>
Governmental activities capital assets, net	<u>\$ 56,365,099</u>	<u>\$ (1,075,798)</u>	<u>\$ (6,390)</u>	<u>\$ 55,282,911</u>
	Balance June 30, 2011	Additions/ Adjustments	Deletions/ Adjustments	Balance June 30, 2012
<u>Business-type Activities:</u>				
Capital assets, being depreciated:				
Machinery and equipment	\$ 476,323	\$ 11,200	\$ -	\$ 487,523
Less accumulated depreciation for:				
Machinery and equipment	(249,159)	(54,768)	-	(303,927)
Business-type activities capital assets, net	<u>\$ 227,164</u>	<u>\$ (43,568)</u>	<u>\$ -</u>	<u>\$ 183,596</u>

BORDENTOWN REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012

Note 4: CAPITAL ASSETS (Continued)

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

Governmental Activities:	
General and Business Administrative Services	\$ 198
Pupil Transportation	173,689
Unallocated Depreciation Expense	<u>2,056,443</u>
 Total Depreciation Expense - Governmental Activities	 <u>\$ 2,230,330</u>
 Business-Type Activities:	
Food Service Fund	<u>\$ 54,768</u>
 Total Depreciation Expense - Business-Type Activities	 <u>\$ 54,768</u>

Note 5: OPERATING LEASES

The District has a commitment to lease copier equipment under two operating leases which expire January 2016. The lease contains a cancellation provision and is subject to annual appropriation. Normal operating lease payments made during the year ended June 30, 2012 totaled \$55,011. Future minimum lease payments are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2013	\$ 59,024
2014	59,024
2015	59,024
2016	<u>34,430</u>
Total future minimum lease payments	<u>\$ 211,502</u>

Note 6: LONG-TERM DEBT

Long-term liability activity for the year ended June 30, 2012 was as follows:

	<u>Balance</u>			<u>Balance</u>	<u>Amounts Due</u>
	<u>6/30/11</u>	<u>Increases</u>	<u>Decreases</u>	<u>6/30/12</u>	<u>Within One</u>
					<u>Year</u>
Governmental Activities:					
Bonds Payable:					
Outstanding Bonds	\$ 45,779,000	\$ -	\$ 1,465,000	\$ 44,314,000	\$ 1,540,000
Unamortized Bond Premium	83,201	-	7,216	75,985	-
Deferred Amount on Refunding	<u>(1,673,491)</u>	-	<u>(99,038)</u>	<u>(1,574,453)</u>	-
Total Bonds Payable	44,188,710	-	1,373,178	42,815,532	1,540,000
Deferred PERS Pension Obligation	137,303	-	5,976	131,327	-
Capital Leases Payable	357,098	-	168,144	188,954	92,784
Compensated Absences Payable	<u>1,666,549</u>	<u>157,548</u>	<u>115,471</u>	<u>1,708,626</u>	<u>127,772</u>
Governmental Activities					
Long-term Liabilities	<u>\$ 46,349,660</u>	<u>\$ 157,548</u>	<u>\$ 1,662,769</u>	<u>\$ 44,844,439</u>	<u>\$ 1,760,556</u>

BORDENTOWN REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012

Note 6: LONG-TERM DEBT (Continued)

A. Bonds Payable

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

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

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

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

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

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	1,540,000	1,804,665	3,344,665
2014	1,455,000	1,753,265	3,208,265
2015	1,775,000	1,701,790	3,476,790
2016	1,880,000	1,624,290	3,504,290
2017	1,960,000	1,543,415	3,503,415
2018	2,050,000	1,456,415	3,506,415
2019	2,125,000	1,380,165	3,505,165
2020	2,185,000	1,297,353	3,482,353
2021	2,285,000	1,210,740	3,495,740
2022	2,365,000	1,122,840	3,487,840
2023-2027	11,319,000	4,168,833	15,487,833
2028-2032	11,015,000	1,938,850	12,953,850
2033	2,360,000	100,300	2,460,300
	<u>\$ 44,314,000</u>	<u>\$ 21,102,921</u>	<u>\$ 65,416,921</u>

Bonds Authorized But Not Issued

As of June 30, 2012 there were no bonds or notes authorized but not issued.

BORDENTOWN REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012

Note 6: LONG-TERM DEBT (Continued)

B. Deferred PERS Pension Obligation

In accordance with P.L. 2010, c19, districts could elect to defer 50 % of the 2008-09 regular PERS pension liability. The district elected to defer 50%, amounting to \$137,303, by resolution dated May 6, 2009. The district began repaying the deferred amount in April 2012, over 15 years. The total payment for the April 2012 bill amounted to \$19,625 with \$5,976 attributed to principal. The amount to be paid will fluctuate based on pension system investment earnings on the unfunded liability. The liability accrues interest at “regular interest” rates as defined by N.J.S.A. 43:15A-24b which is currently 8.25%. Districts are permitted to pay off the obligation at any time.

C. Prior Year Debt Defeasance

During fiscal year 2007 \$36,650,000 of Refunding School Bonds were issued to advance refund \$34,607,000 of the previously issued and outstanding 2002 School Bonds. The proceeds of \$36,400,281.22 (includes a premium of \$92,150.10) were deposited with an escrow agent to purchase direct obligations of the United States of America. The reacquisition price exceeded the net carrying amount of the old debt by \$1,998,507. This amount is being amortized over the remaining life of the refunded debt, which is equal to the life of the new debt issued. Under the escrow reserve agreement, the escrow fund is irrevocably pledged to the payment of principal and interest on the refunded bonds. As a result, the \$34,607,000 of the refunded obligations is considered to be defeased and the liability for those bonds has been removed from the District’s financial statements. As a result of the refunding, the District reduced its aggregate debt service payments to maturity by \$1,678,006 and obtained an economic gain (difference between present value of the debt service payments on the old and new debt) of \$1,037,995. The defeased debt was called January 15, 2012 and the escrow account was closed.

D. Capital Lease Payable

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

The assets acquired through capital leases are as follows:

	Governmental Activities
Asset:	
Machinery and Equipment	\$ 698,509
Less: Accumulated Depreciation	279,404
Total	\$ 419,105

BORDENTOWN REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012

Note 6: LONG-TERM DEBT (Continued)

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

Year Ending June 30,	Governmental Activities
2013	\$ 99,680
2014	99,680
2015	-
Total Minimum Lease Payment	199,360
Less: Amount Representing Interest	10,407
Present Value of Lease Payments	\$ 188,953

Note 7: PENSION PLANS

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

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

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

BORDENTOWN REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012

Note 7: PENSION PLANS (Continued)

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

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

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

Three-Year Trend Information for PERS

<u>Year</u>	<u>Annual</u>
<u>Funding</u>	<u>Pension</u>
	<u>Costs</u>
6/30/12	\$ 501,634
6/30/11	485,260
6/30/10	348,482

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

The normal contribution due in 2011-12 was \$167,211; the accrued liability due was \$334,423 totaling \$501,634. Total regular pension contributions plus the non-contributory group life insurance premium amount of \$31,960 and the Chapter 19 P.L. 2009 repayment amount of \$19,625, totaling \$553,219 was paid by the school district.

BORDENTOWN REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012

Note 7: PENSION PLANS (Continued)

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

<u>Year</u> <u>Funding</u>	<u>Normal</u> <u>Cost</u>	<u>Additional</u> <u>Formula</u> <u>Cost</u>	<u>Accrued</u> <u>Liability</u>	<u>NCGI</u>	<u>Post-Retirement</u> <u>Medical</u> <u>Benefits</u>
6/30/12	\$ 108,705	\$ 19,710	\$ 287,689	\$ 44,654	\$ 926,242
6/30/11	-	-	-	46,023	977,529
6/30/10	-	-	-	48,264	906,474

Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$1,087,537 during the year ended June 30, 2012 for the employer's share of social security contributions for TPAF members, as calculated on their base salaries. These amounts have been included in the financial statements, and the combining and individual fund statements and schedules as a revenue and expenditure in accordance with GASB 27.

Note 8: POST-RETIREMENT BENEFITS

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

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

BORDENTOWN REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012

Note 9: DEFERRED COMPENSATION

The Board offers its employees deferred compensation plans created in accordance with Internal Revenue Code Section 403 (b). The plans, which are administered by the entities listed below, permit participants to defer a portion of their salary until future years. Amounts deferred under the plan are not available to employee until termination, retirement, death or unforeseeable emergency. The plan administrators are as follows: Laurel Financial Group, Inc.; The Franklin Life Insurance Company; VALIC; Siracusa Benefits Programs; UBS Financial Services, Inc.; Lincoln Investment Planning, Inc.; Equitable; Retirement Annuity Consultants Inc.; Thomas Seely Agency.

Note 10: INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

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

Interfund balances consist of the following:

	Interfund Receivable	Interfund Payable
General Fund	\$ 214,324	\$ 9,911
Special Revenue Fund	9,911	195,786
Capital Project Fund	-	16,534
Debt Service Fund	-	4
Enterprise Fund	-	2,000
Agency Funds	-	-
	<u>\$ 224,235</u>	<u>\$ 224,235</u>

Internal Balances consists of the following:

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

Remaining balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, (3) payments between funds are made.

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

Note 11: RISK MANAGEMENT

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

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

BORDENTOWN REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012

Note 11: RISK MANAGEMENT (Continued)

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

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

<u>Fiscal</u> <u>Year</u>	<u>District</u> <u>Contributions</u>	<u>Employee</u> <u>Contributions</u>	<u>Amount</u> <u>Reimbursed</u>	<u>Ending</u> <u>Balance</u>
2011-2012	\$ 119,288	\$ 37,257	\$ 138,890	\$ 16,810
2010-2011	87,999	37,243	124,436	30
2009-2010	181	37,574	130,951	30

Note 12: CONTINGENT LIABILITIES

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

Note 13: FUND BALANCES

General Fund (Exhibit B-1) - Of the \$2,051,190 General Fund fund balance at June 30, 2012, \$122,884 is assigned and reserved for encumbrances; \$1,424,629 is restricted as excess surplus in accordance with N.J.S.A. 18A:7F-7; \$924,707 of the total restricted excess surplus has been appropriated and included as anticipated revenue for the year ending June 30, 2013 along with an additional \$446,668 of the unrestricted balance totaling \$1,371,375; \$205,277 has been restricted in the Capital Reserve Account; a \$100,000 Maintenance Reserve Account was established in June of 2012. The remaining unassigned fund balance is a deficit of \$248,268.

Debt Service Fund – The Debt Service Fund fund deficit at June 30, 2012 was a deficit of \$(4).

Capital Project Fund – The Capital Project Fund fund balance at June 30, 2012 totaled \$1,339,484. The District appropriated \$381,787 of that fund balance in the 2012-13 Debt Service Fund as anticipated revenue. This amount represents a portion of the unexpended proceeds of the capital project approved by the voters December 8, 2009 and will be applied to principal payments due.

Note 14: DEFICIT UNRESTRICTED NET ASSETS AND UNASSIGNED FUND BALANCE

The District has a deficit in unrestricted net assets of \$1,182,377 as reported in the statement of net assets (accrual basis). The deficit in the general fund amounts to \$248,268 (modified accrual basis). The deficits resulted from recording the June 2012 state aid payments in accordance with N.J.S.A.

BORDENTOWN REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012

Note 14: DEFICIT UNRESTRICTED NET ASSETS AND UNASSIGNED FUND BALANCE
(Continued)

18A: 22-44.2 which provides that in the event state school aid payments are not made until the following school budget year, districts must record the state aid payments as revenue, for budget purposes only, in the current school budget year. For intergovernmental transactions, GASB Statement No. 33 requires recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability.

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

Also contributing to the deficit in net assets is the amount of compensated absences, \$1,708,626 recorded on the accrual basis. While reflected as a liability, the obligation will not be funded until a future date coincident with termination of services. Due to the resulting timing differences, the deficits do not alone indicate that the district is facing financial difficulties.

Pursuant to N.J.S.A. 18A:22-44.2 any negative unassigned general fund balance that is reported as a direct result from a delay in the payment of state aid until the following fiscal year, is not considered in violation of New Jersey stature and regulation nor in need of corrective action. The District deficit in the GAAP fund statements of \$248,268 is less than the last state aid payments of \$919,197.

Note 15: CAPITAL RESERVE ACCOUNT

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

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

During the year the district increased the capital reserve account by Board resolution amounting to \$200,000 resulting in a year-end balance of \$205,277.

The June 30, 2012 balance did not exceed the LRFP balance of local support costs of uncompleted capital projects .

BORDENTOWN REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012

Note 16: DEBT ISSUANCE COSTS AND BOND PREMIUMS

Costs associated with the issuance of debt are deferred and amortized over the life of the debt in the government-wide financial statements. Total costs amount to \$450,960. Accumulated amortization at year-end is \$147,771 and the unamortized balance is \$303,189. Amortization for the year amounted to \$23,478.

Premiums associated with the issuance of debt are deferred and amortized over the life of the debt in the government-wide financial statements. Total premiums amounted to \$127,453. Accumulated amortization at year-end is \$51,468 and the unamortized balance is \$75,985. Amortization amounted to \$7,216 and is reported as a credit to interest expense.

Note 17: CALCULATION OF EXCESS SURPLUS

In accordance with N.J.S.A. 18A:7F-7, as amended, the designation for Restricted Fund Balance-Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvements and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance resulting from June 30, 2012 operations is \$499,922 and will be appropriated in the 2013-14 budget. The excess fund balance resulting from at June 30, 2011 operations is \$924,707 and was appropriated in the 2012-13 budget.

Note 18: EXTRAORDINARY ITEMS

On May 19, 2011 a fire destroyed 11 buses in the bus parking lot. The buses had a net book value of \$92,775 which was written off as an extraordinary item in 2011. An additional bus was destroyed by fire January 23, 2012 with a zero book value. Insurance proceeds realized related to both fires amounted to \$450,022 in 2011-12 and \$246,668 in 2010-11. The preponderance of the insurance proceeds was expended in fiscal year 2011-12 to replace buses.

REQUIRED SUPPLEMENTARY INFORMATION - Part II

BORDENTOWN REGIONAL SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2012

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual Favorable (Unfavorable)</u>
REVENUES:					
Local Sources:					
Local Tax Levy	24,131,082	-	24,131,082	24,131,082	-
Other Local Governmental Units - unrestricted	-	-	-	134,377	134,377
Tuition	835,461	-	835,461	881,504	46,043
Transportation Fees from Other LEA's	75,000	-	75,000	99,110	24,110
Miscellaneous	450,000	-	450,000	306,278	(143,722)
Total - Local Sources	<u>25,491,543</u>	<u>-</u>	<u>25,491,543</u>	<u>25,552,351</u>	<u>60,808</u>
State Sources:					
Categorical Special Education Aid	1,342,444	-	1,342,444	1,342,444	-
Equalization Aid	5,641,478	-	5,641,478	5,980,109	338,631
Homeless Aid	-	-	-	8,914	8,914
Anti-Bullying Act	-	-	-	1,649	1,649
Non Public Transportation	-	-	-	21,301	21,301
Extraordinary Aid	272,883	-	272,883	293,636	20,753
TPAF Pension (On-Behalf - Non-Budgeted)	-	-	-	460,758	460,758
TPAF Post Retirement Medical (On-Behalf - Non-Budgeted)	-	-	-	926,242	926,242
TPAF Social Security (Reimbursed - Non-Budgeted)	-	-	-	1,087,537	1,087,537
Total State Sources	<u>7,256,805</u>	<u>-</u>	<u>7,256,805</u>	<u>10,122,590</u>	<u>2,865,785</u>
Federal Sources:					
Education Jobs Fund	276,276	8,655	284,931	270,766	(14,165)
Total Federal Sources	<u>276,276</u>	<u>8,655</u>	<u>284,931</u>	<u>270,766</u>	<u>(14,165)</u>
Total Revenues	<u>33,024,624</u>	<u>8,655</u>	<u>33,033,279</u>	<u>35,945,707</u>	<u>2,912,428</u>
EXPENDITURES:					
Current Expense:					
Regular Programs - Instruction					
Preschool/Kindergarten - Salaries of Teachers	627,298	(31,026)	596,272	596,272	-
Grades 1-5 - Salaries of Teachers	3,497,505	(93,886)	3,403,619	3,403,302	317
Grades 6-8 - Salaries of Teachers	1,945,245	42,781	1,988,026	1,988,026	-
Grades 9-12 - Salaries of Teachers	2,609,033	71,743	2,680,776	2,680,762	14
Regular Programs - Home Instruction:					
Salaries of Teachers	25,000	-	25,000	11,851	13,149
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	21,103	2,622	23,725	23,725	-
Purchased Technical Services	196,200	4,400	200,600	196,496	4,104
Other Purchased Services (400-500 series)	227,348	(1,085)	226,263	208,485	17,778
General Supplies	463,414	9,015	472,429	425,192	47,237
Textbooks	49,383	1,177	50,560	43,756	6,804
TOTAL REGULAR PROGRAMS - INSTRUCTION	<u>9,661,529</u>	<u>5,741</u>	<u>9,667,270</u>	<u>9,577,867</u>	<u>89,403</u>
SPECIAL EDUCATION - INSTRUCTION					
Learning and/or Language Disabilities:					
Salaries of Teachers	619,770	69,602	689,372	689,373	(1)
Other Salaries for Instruction	263,250	149,837	413,087	413,087	-
General Supplies	8,320	-	8,320	5,808	2,512
Textbooks	1,440	-	1,440	1,368	72
Total Learning and/or Language Disabilities	<u>892,780</u>	<u>219,439</u>	<u>1,112,219</u>	<u>1,109,636</u>	<u>2,583</u>
Multiple Disabilities:					
Salaries of Teachers	226,414	(173,800)	52,614	52,614	-
Other Salaries for Instruction	84,068	(32,829)	51,239	51,239	-
General Supplies	10,465	(52)	10,413	9,784	629
Total Multiple Disabilities	<u>320,947</u>	<u>(206,681)</u>	<u>114,266</u>	<u>113,637</u>	<u>629</u>
Resource Room/Resource Center:					
Salaries of Teachers	737,832	15,690	753,522	753,522	-
Other Salaries for Instruction	237,325	(15,079)	222,246	222,111	135
General Supplies	5,000	-	5,000	4,389	611
Textbooks	1,200	-	1,200	945	255
Total Resource Room/Resource Center	<u>981,357</u>	<u>611</u>	<u>981,968</u>	<u>980,967</u>	<u>1,001</u>
Autism:					
Salaries of Teachers	229,232	(6,018)	223,214	223,000	214
Other Salaries for Instruction	285,359	(70,842)	214,517	214,362	155
General Supplies	7,780	-	7,780	7,113	667
Total Autism	<u>522,371</u>	<u>(76,860)</u>	<u>445,511</u>	<u>444,475</u>	<u>1,036</u>
Preschool Disabilities - Part-Time:					
Salaries of Teachers	64,213	(6,611)	57,602	57,602	-
Other Salaries for Instruction	43,525	(1,010)	42,515	40,051	2,464
General Supplies	1,530	-	1,530	1,420	110
Total Preschool Disabilities - Part-Time	<u>109,268</u>	<u>(7,621)</u>	<u>101,647</u>	<u>99,073</u>	<u>2,574</u>
TOTAL SPECIAL EDUCATION - INSTRUCTION	<u>2,826,723</u>	<u>(71,112)</u>	<u>2,755,611</u>	<u>2,747,788</u>	<u>7,823</u>

BORDENTOWN REGIONAL SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2012

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual Favorable (Unfavorable)</u>
Basic Skills/Remedial - Instruction					
Salaries of Teachers	501,885	53,023	554,908	554,908	-
General Supplies	7,866	(570)	7,296	6,251	1,045
Textbooks	300	(300)	-	-	-
Total Basic Skills/Remedial - Instruction	<u>510,051</u>	<u>52,153</u>	<u>562,204</u>	<u>561,159</u>	<u>1,045</u>
Bilingual Education - Instruction					
Salaries of Teachers	178,684	(8,000)	170,684	170,684	-
General Supplies	5,520	-	5,520	3,784	1,736
Total Bilingual Education - Instruction	<u>184,204</u>	<u>(8,000)</u>	<u>176,204</u>	<u>174,468</u>	<u>1,736</u>
School-Spon. Cocurricular Actvts. - Inst.					
Purchased Services (300-500 series)	92,620	45,700	138,320	134,240	4,080
Supplies and Materials	20,602	425	21,027	14,016	7,011
Total School-Spon. Cocurricular Actvts. - Instruction	<u>113,222</u>	<u>46,125</u>	<u>159,347</u>	<u>148,256</u>	<u>11,091</u>
School-Spon. Cocurricular Athletics - Instruction					
Salaries	474,059	(40,589)	433,470	409,046	24,424
Purchased Services (300-500 series)	124,682	(10,000)	114,682	93,935	20,747
Supplies and Materials	50,097	10,000	60,097	55,737	4,360
Total School-Spon. Cocurricular Athletics - Instruction	<u>648,838</u>	<u>(40,589)</u>	<u>608,249</u>	<u>558,718</u>	<u>49,531</u>
TOTAL INSTRUCTION	<u>13,944,567</u>	<u>(15,682)</u>	<u>13,928,885</u>	<u>13,768,256</u>	<u>160,629</u>
Undistributed Expenditures - Instruction:					
Tuition to Other LEAs Within the State - Regular	33,000	24,320	57,320	57,320	-
Tuition to County Voc. School Dist. - Regular	18,000	(6,536)	11,464	11,464	-
Tuition to County Voc. School Dist. - Special	320,187	(2,825)	317,362	308,778	8,584
Tuition to Private Schools for the Disabled & Other LEA - Spl,O/S St	951,998	(179,434)	772,564	735,450	37,114
Tuition - Other	102,190	-	102,190	91,094	11,096
Total Undistributed Expenditures - Instruction:	<u>1,425,375</u>	<u>(164,475)</u>	<u>1,260,900</u>	<u>1,204,106</u>	<u>56,794</u>
Undistributed Expend. - Attend. & Social Work					
Salaries	1,000	-	1,000	-	1,000
Total Undistributed Expend. - Attend. & Social Work	<u>1,000</u>	<u>-</u>	<u>1,000</u>	<u>-</u>	<u>1,000</u>
Undist. Expend. - Health Services					
Salaries	325,340	(17,273)	308,067	308,067	-
Purchased Professional and Technical Services	20,000	-	20,000	20,000	-
Other Purchased Services (400-500 series)	5,650	(426)	5,224	4,179	1,045
Supplies and Materials	8,488	-	8,488	7,888	600
Total Undistributed Expenditures - Health Services	<u>359,478</u>	<u>(17,699)</u>	<u>341,779</u>	<u>340,134</u>	<u>1,645</u>
Undist. Expend. - Other Supp. Serv. Students - Related Services					
Salaries of Other Professional Staff	393,644	(25,986)	367,658	366,305	1,353
Purchased Professional - Educational Services	19,600	13,669	33,269	23,469	9,800
Supplies and Materials	1,000	-	1,000	877	123
Total Undist. Expend. - Other Supp. Serv. Students - Related Services	<u>414,244</u>	<u>(12,317)</u>	<u>401,927</u>	<u>390,651</u>	<u>11,276</u>
Undist. Expend. - Other Supp. Serv. Students - Extra Services					
Salaries of Other Professional Staff	156,357	72,099	228,456	227,992	464
Total Undist. Expend. - Other Supp. Serv. Students - Extra Services	<u>156,357</u>	<u>72,099</u>	<u>228,456</u>	<u>227,992</u>	<u>464</u>
Undist. Expend. - Guidance					
Salaries of Other Professional Staff	570,932	1,817	572,749	572,749	-
Salaries of Secretarial and Clerical Assistants	54,096	1,674	55,770	55,770	-
Other Purchased Services (400-500 series)	850	-	850	505	345
Supplies and Materials	5,410	-	5,410	5,199	211
Total Undist. Expend. - Guidance	<u>631,288</u>	<u>3,491</u>	<u>634,779</u>	<u>634,223</u>	<u>556</u>
Undist. Expend. - Child Study Teams					
Salaries of Other Professional Staff	962,559	(10,835)	951,724	951,724	-
Salaries of Secretarial and Clerical Assistants	138,831	1,084	139,915	139,915	-
Purchased Professional - Educational Services	16,280	-	16,280	12,943	3,337
Other Purchased Prof. and Tech. Services	568,070	175,806	743,876	743,257	619
Mis. Purchase Serv. (400-500 series other than Residential Costs)	3,000	-	3,000	1,921	1,079
Supplies and Materials	25,241	-	25,241	15,000	10,241
Total Undist. Expend. - Child Study Teams	<u>1,713,981</u>	<u>166,055</u>	<u>1,880,036</u>	<u>1,864,760</u>	<u>15,276</u>
Undist. Expend. - Improvement of Inst. Services					
Salaries of Supervisor of Instruction	179,053	(55,490)	123,563	111,981	11,582
Salaries of Secr and Clerical Assist.	49,861	-	49,861	49,410	451
Other Purch Services (400-500)	5,400	(800)	4,600	1,310	3,290
Supplies and Materials	2,340	800	3,140	2,655	485
Total Undist. Expend. - Improvement of Inst. Services	<u>236,654</u>	<u>(55,490)</u>	<u>181,164</u>	<u>165,356</u>	<u>15,808</u>
Undist. Expend. - Edu. Media Serv./Sch. Library					
Salaries	234,672	6,732	241,404	239,992	1,412
Other Purchased Services (400-500 series)	800	-	800	652	148
Supplies and Materials	9,025	-	9,025	8,858	167
Total Undist. Expend. - Edu. Media Serv./Sch. Library	<u>244,497</u>	<u>6,732</u>	<u>251,229</u>	<u>249,502</u>	<u>1,727</u>

BORDENTOWN REGIONAL SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Undist. Expend. - Supp. Serv. - General Administration					
Salaries	213,165	(516)	212,649	201,649	11,000
Legal Services	36,000	10,000	46,000	44,865	1,135
Audit Fees	35,000	(180)	34,820	34,695	125
Communications/Telephone	75,000	35,000	110,000	103,751	6,249
Other Purchased Services (400-500 series)	78,000	9,500	87,500	81,641	5,859
Supplies and Materials	5,040	-	5,040	4,883	157
Miscellaneous Expenditures	28,000	500	28,500	28,277	223
Total Undist. Expend. - Supp. Serv. - General Administration	470,205	54,304	524,509	499,761	24,748
Undist. Expend. - Support Serv. - School Administration					
Salaries of Principals/Assistant Principals	914,987	37,984	952,971	943,970	9,001
Salaries of Other Professional Staff	372,163	12,458	384,621	383,437	1,184
Salaries of Secretarial and Clerical Assistants	111,025	(4,000)	107,025	104,540	2,485
Other Purchased Services (400-500 series)	12,769	(1,164)	11,605	8,009	3,596
Total Undist. Expend. - Support Serv. - School Administration	1,410,944	45,278	1,456,222	1,439,956	16,266
Undist. Expend. - Business and Other Support Services					
Salaries	305,218	53,167	358,385	358,376	9
Purchased Technical Services	6,000	(500)	5,500	4,200	1,300
Other Purchased Services (400-500 series)	5,000	-	5,000	3,556	1,444
Miscellaneous Expenditures	15,300	3,180	18,480	18,201	279
Total Undist. Expend. - Business and Other Support Services	331,518	55,847	387,365	384,333	3,032
Undist. Expend. - Admin. Info. Technology					
Salaries	160,446	(12,661)	147,785	143,976	3,809
Purchased Technical Services	79,600	(11,000)	68,600	65,668	2,932
Total Undist. Expend. - Admin. Info. Technology	240,046	(23,661)	216,385	209,644	6,741
Undist. Expend. - Allowable Maintenance for School Facilities					
Salaries	351,012	(66,811)	284,201	266,319	17,882
Cleaning, Repair, and Maintenance Services	331,115	30,416	361,531	331,002	30,529
General Supplies	89,250	-	89,250	74,969	14,281
Total Undist. Expend. - Allowable Maintenance for School Facilities	771,377	(36,395)	734,982	672,290	62,692
Undist. Expend. - Oth. Oper. & Maint. of Plant					
Salaries	1,482,717	(59,279)	1,423,438	1,411,674	11,764
Purchased Professional and Technical Services	72,000	24,153	96,153	88,515	7,638
Cleaning, Repair and Maintenance Services	54,000	(20,000)	34,000	30,879	3,121
Other Purchased Property Services	63,000	(4,272)	58,728	58,728	-
Insurance	80,000	-	80,000	80,000	-
Miscellaneous Purchased Services	20,000	(3,920)	16,080	16,080	-
General Supplies	123,100	13,821	136,921	122,690	14,231
Energy (Electricity)	910,000	(85,000)	825,000	800,691	24,309
Energy (Energy)	160,000	-	160,000	86,451	73,549
Salaries of Non-Instructional Aides	156,427	(18,163)	138,264	138,002	262
Other Objects	10,000	1,850	11,850	2,400	9,450
Total Undist. Expend. - Other Oper. & Maint. Of Plant	3,131,244	(150,810)	2,980,434	2,836,110	144,324
Undistributed Expenditures-Security					
Salaries	81,606	13,380	94,986	94,986	-
Total Undistr Expend-Security	81,606	13,380	94,986	94,986	-
Total Undist. Expend. - Oper. & Maint. Of Plant	3,984,227	(173,825)	3,810,402	3,603,386	207,016
Undist. Expend. - Student Transportation Serv.					
Sal. For Transp. Aides	103,900	29,163	133,063	133,063	-
Sal. For Pup. Trans. (Bet. Home and School) - Regular	536,066	(42,926)	493,140	493,140	-
Sal. For Pup. Trans. (Bet. Home and School) - Special	282,850	(1,878)	280,972	280,714	258
Sal. For Pup. Trans. (Other than Bet. Home and School)	41,600	(5,908)	35,692	35,606	86
Cleaning, Repair and Maintenance Services	26,550	10,229	36,779	36,774	5
Lease Purchase Payments - School Buses		8,623	8,623	5,986	2,637
Contr Serv (Spl. Ed. Students) - Vendors	170,000	(17,222)	152,778	129,314	23,464
Contr Serv (Spl. Ed. Students) - Joint Agrmt	15,000	5,600	20,600	18,099	2,501
Contr Serv. - Aid in Lieu Payments	62,000	10,000	72,000	69,846	2,154
Misc. Purchased Serv. - Transportation	35,000	(2,000)	33,000	33,000	-
Supplies and Materials	72,600	2,726	75,326	74,147	1,179
Transportation Supplies	225,000	116,957	341,957	337,839	4,118
Total Undist. Expend. - Student Transportation Serv.	1,570,566	113,364	1,683,930	1,647,528	36,402
ALLOCATED BENEFITS					
Student Transportation Services					
Social Security Contributions	74,000	-	74,000	72,884	1,116
Workmen's Compensation	100,000	-	100,000	98,785	1,215
Health Benefits	475,000	(10,000)	465,000	464,041	959
Total Student Transportation Services	649,000	(10,000)	639,000	635,710	3,290
TOTAL ALLOCATED BENEFITS	649,000	(10,000)	639,000	635,710	3,290

BORDENTOWN REGIONAL SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2012

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual Favorable (Unfavorable)</u>
UNALLOCATED BENEFITS					
Social Security Contributions	425,000	4,292	429,292	419,575	9,717
Other Retirement Contributions - ERIP	19,625	(2,664)	16,961	16,612	349
Unemployment Compensation	168,000	(10,000)	158,000	119,288	38,712
Other Retirement Contributions - Regular (PERS)	561,383	(7,336)	554,047	553,219	828
Workmen's Compensation	178,758	-	178,758	178,758	-
Health Benefits	3,739,689	(97,785)	3,641,904	3,639,117	2,787
Tuition Reimbursement	55,000	-	55,000	49,138	5,862
Other Employee Benefits	115,301	30,757	146,058	146,058	-
TOTAL UNALLOCATED BENEFITS	<u>5,262,756</u>	<u>(82,736)</u>	<u>5,180,020</u>	<u>5,121,765</u>	<u>58,255</u>
On-behalf TPAF Pension Contributions (non-budgeted)	-	-	-	460,758	(460,758)
On-behalf TPAF-OPEB Post. Retire. Medical Contrib. (non-budgeted)	-	-	-	926,242	(926,242)
Reimbursed TPAF Social Security Contributions (non-budgeted)	-	-	-	1,087,537	(1,087,537)
TOTAL ON-BEHALF CONTRIBUTIONS	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,474,537</u>	<u>(2,474,537)</u>
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS	<u>5,911,756</u>	<u>(92,736)</u>	<u>5,819,020</u>	<u>8,232,012</u>	<u>(2,412,992)</u>
TOTAL UNDISTRIBUTED EXPENDITURES	<u>19,102,136</u>	<u>(23,033)</u>	<u>19,079,103</u>	<u>21,093,344</u>	<u>(2,014,241)</u>
TOTAL GENERAL CURRENT EXPENSE	<u>33,046,703</u>	<u>(38,715)</u>	<u>33,007,988</u>	<u>34,861,600</u>	<u>(1,853,612)</u>
CAPITAL OUTLAY	<u>-</u>				
Equipment					
Regular Programs - Instruction:					
Grades 9-12		4,000	4,000	3,998	2
Special Education - Instruction:					
Undistributed Expenditures - Support Serv. - Child Study Teams	7,000	-	7,000	-	7,000
Undistributed Expenditures - Req. Maint. - School Facilities		13,720	13,720	6,820	6,900
Student Transportation - School Buses - Regular	248,000	92,682	340,682	-	340,682
Total Equipment	<u>255,000</u>	<u>110,402</u>	<u>365,402</u>	<u>10,818</u>	<u>354,584</u>
Facilities Acquisition and Construction Services					
Construction Services	-	40,000	40,000	22,537	17,463
Other Objects	60,986	-	60,986	60,986	-
Total Facilities Acquisition and Construction Services	<u>60,986</u>	<u>40,000</u>	<u>100,986</u>	<u>83,523</u>	<u>17,463</u>
TOTAL CAPITAL OUTLAY	<u>315,986</u>	<u>150,402</u>	<u>466,388</u>	<u>94,341</u>	<u>372,047</u>
TOTAL EXPENDITURES	<u>33,362,689</u>	<u>111,687</u>	<u>33,474,376</u>	<u>34,955,941</u>	<u>(1,481,565)</u>
Excess (Deficiency) of Revenues					
Over (Under) Expenditures	(338,065)	(103,032)	(441,097)	989,766	1,430,863
Other Financing Sources and (Uses):					
Cancelled Grants Receivable	-	-	-	(9,911)	(9,911)
Operating Transfers In:					
Interest Income Capital Projects	-	-	-	2,169	2,169
Total Other Financing Sources and (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(7,742)</u>	<u>(7,742)</u>
Extraordinary Items:					
Fire Loss Insurance Proceeds- Buses	-	-	-	450,022	450,022
Capital Outlay - Bus Fire	-	-	-	(696,690)	(696,690)
Total Extraordinary Items	<u>-</u>	<u>-</u>	<u>-</u>	<u>(246,668)</u>	<u>(246,668)</u>
Excess (Deficiency) of Revenues and Other Financing Sources					
Over (Under) Expenditures and Other Financing Sources (Uses)	(338,065)	(103,032)	(441,097)	735,356	1,176,453
Fund Balance, July 1	2,235,031	-	2,235,031	2,235,031	-
Fund Balance, June 30	<u>1,896,966</u>	<u>(103,032)</u>	<u>1,793,934</u>	<u>2,970,387</u>	<u>1,176,453</u>

Recapitulation:

Restricted Fund Balance:

Maintenance Reserve	100,000
Capital Reserve	205,277
Excess Surplus - Designated for Subsequent Year's Expenditures	924,707
Excess Surplus - Current Year	499,922

Assigned Fund Balance:

Designated for Subsequent Year's Expenditures	446,668
Other Purposes - Year-End Encumbrances	122,884
	<u>670,929</u>

Unassigned Fund Balance

2,970,387

Reconciliation to Governmental Funds Statements (GAAP):

Extraordinary Aid not recognized on GAAP basis	(293,636)
Last State Aid Payment not recognized on GAAP basis	(625,561)
Fund Balance per Governmental Funds (GAAP)	<u>2,051,190</u>

**Bordentown Regional School District
Budgetary Comparison Schedule
Special Revenue Fund
For the Fiscal Year Ended June 30, 2012**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources	\$ -	\$ 43,221	\$ 43,221	\$ 16,722	\$ (26,499)
State Sources	84,538	2,749	87,287	44,284	(43,003)
Federal Sources	820,026	214,908	1,034,934	890,578	(144,356)
Total Revenues	904,564	260,878	1,165,442	951,584	(213,858)
EXPENDITURES:					
Instruction					
Salaries of Teachers	257,763	(54,062)	203,701	170,248	33,453
Purchased Professional and Technical Services	-	55,602	55,602	16,564	39,038
Other Purchased Services (400-500 series)	532,915	13,292	546,207	546,207	-
General Supplies	-	124,327	124,327	116,851	7,476
Textbooks	6,110	-	6,110	5,923	187
Total Instruction	796,788	139,159	935,947	855,793	80,154
Support Services					
Other Salaries	8,728	13,722	22,450	10,578	11,872
Personal Services - Employee Benefits	7,752	20,074	27,826	-	27,826
Purchased Professional and Technical Services	-	29,316	29,316	15,498	13,818
Purchased Professional - Educational Services	87,878	29,104	116,982	57,571	59,411
Purchased Property Services	-	5,875	5,875	4,700	1,175
Travel	2,218	15,185	17,403	7,444	9,959
Other Purchased Services (400-500 series)	-	2,165	2,165	-	2,165
Supplies & Materials	1,200	6,278	7,478	-	7,478
Total Support Services	107,776	121,719	229,495	95,791	133,704
Facilities Acquisition and Construction Services:					
Non-instructional Equipment	-	-	-	-	-
Total Facilities Acquisition and Construction Services	-	-	-	-	-
Total Expenditures	904,564	260,878	1,165,442	951,584	213,858
Other Financing Sources (Uses)					
Transfer to General Fund	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-
Total Outflows	904,564	260,878	1,165,442	951,584	213,858
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	\$ -	\$ -	\$ -	\$ -	\$ -

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

**Bordentown Regional School District
Required Supplementary Information
Budgetary Comparison Schedule
Note to RSI
For the Fiscal Year Ended June 30, 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-1] \$ 35,945,707		[C-2] \$ 951,584
Difference - budget to GAAP:			
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.	-		19,795
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes	550,336		-
State aid payment recognized for budgetary purposes, not recognized for GAAP statements	(625,561)		-
Extraordinary aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes	229,248		-
Extraordinary aid payment recognized for budgetary purposes, not recognized for GAAP statements	(293,636)		-
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2] \$ 35,806,094		[B-2] \$ 971,379
Uses/outflows of resources			
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1] \$ 34,955,941		[C-2] \$ 951,584
Differences - budget to GAAP			
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for <i>financial reporting</i> purposes.	-		19,795
Prior year accounts receivable that are not available are presented as outflows of budgetary resources but are not expenditures for financial reporting purposes.	-		-
Transfers to and from other funds are presented as outflows of budgetary resources but are not expenditures for financial reporting purposes.	-		-
Net transfers (outflows) to general fund	-		-
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	[B-2] \$ 34,955,941		[B-2] \$ 971,379

OTHER SUPPLEMENTARY INFORMATION

SECTION - E
SPECIAL REVENUE FUND
DETAIL STATEMENTS

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

Bordertown Regional School District
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2012

	Title I, Part A - Improving Basic Programs Operated by LEA's		I.D.E.A. Part B Basic Carryover		Preschool 2011-2012	Totals 2012
	2011-2012	Carryover	2011-2012	Carryover		
REVENUES						
Local Sources	\$ 16,722	\$ -	\$ -	\$ -	\$ -	\$ 16,722
State Sources	44,284	-	-	-	-	44,284
Federal Sources	163,913	123,189	39,679	5,162	26,573	890,578
Total Revenues	224,919	123,189	39,679	5,162	26,573	951,584
EXPENDITURES:						
Instruction:						
Salaries of Teachers	42,346	110,248	17,654	-	-	170,248
Purchased Professional and Technical Services	10,308	6,256	-	-	-	16,564
Other Purchased Services (400-500 series)	-	-	-	519,634	26,573	546,207
General Supplies	108,768	-	5,991	2,092	-	116,851
Textbooks	5,923	-	-	-	-	5,923
Total instruction	167,345	116,504	23,645	519,634	26,573	855,793
Support services:						
Other Salaries	10,578	-	-	-	-	10,578
Purchased Professional - Technical Services	-	-	-	12,428	-	15,498
Purchased Professional - Educational Services	39,987	6,685	10,899	-	-	57,571
Purchased Property Services	4,700	-	-	-	-	4,700
Travel	2,309	-	5,135	-	-	7,444
Total support services	57,574	6,685	16,034	12,428	3,070	95,791
Facilities acquisition and construction services:						
Non-instructional Equipment	-	-	-	-	-	-
Total facilities acquisition and construction services	-	-	-	-	-	-
Total Expenditures	224,919	123,189	39,679	532,062	26,573	951,584
Other Financing Sources (Uses)						
Transfer to General Fund	-	-	-	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Bordentown Regional School District
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2012

	Title II, Part A Teacher & Principal Training & Recruiting		Title III, Part A English Language Acquisition		Total Carried Forward
	2011-2012	Carryover	2011-2012	Carryover	
REVENUES					
Local Sources	\$ 16,722	\$ -	\$ -	\$ -	\$ 16,722
State Sources	44,284	-	-	-	44,284
Federal Sources	111,748	27,661	12,000	4,309	163,913
Total Revenues	172,754	27,661	12,000	4,309	224,919
EXPENDITURES:					
Instruction:					
Salaries of Teachers	3,346	25,000	12,000	2,000	42,346
Purchased Professional and Technical Services	10,308	-	-	-	10,308
General Supplies	108,042	-	726	-	108,768
Textbooks	5,923	-	-	-	5,923
Total instruction	127,619	25,000	12,000	2,000	167,345
Support services:					
Other Salaries	10,578	-	-	-	10,578
Purchased Professional - Educational Services	29,857	2,661	7,469	-	39,987
Purchased Property Services	4,700	-	-	-	4,700
Travel	-	-	-	2,309	2,309
Total support services	45,135	2,661	7,469	2,309	57,574
Facilities acquisition and construction services:					
Non-instructional Equipment	-	-	-	-	-
Total facilities acquisition and construction services	-	-	-	-	-
Total Expenditures	172,754	27,661	12,000	4,309	224,919
Other Financing Sources (Uses)					
Transfer to General Fund	-	-	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	\$ -	\$ -	\$ -	\$ -	\$ -

Bordentown Regional School District
 Special Revenue Fund
 Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
 For the Fiscal Year Ended June 30, 2012

	Total Brought Forward (Ex. E-1c)	ARRA			ARRA IDEEA, Part B	ARRA IDEEA, Preschool	N.J. Nonpublic Auxiliary Services		Total Carried Forward
		Title I	IDEA, Part B	ARRA			Ch. 192 Compensatory Education		
REVENUES									
Local Sources	\$ 16,722	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	16,722
State Sources	30,337	-	-	-	-	-	13,947	-	44,284
Federal Sources	-	3,346	102,479	5,923	-	-	-	-	111,748
Total Revenues	47,059	3,346	102,479	5,923	5,923	13,947			172,754
EXPENDITURES									
Instruction:									
Salaries of Teachers	-	3,346	-	-	-	-	-	-	3,346
Purchased Professional and Technical Services	-	-	10,308	-	-	-	-	-	10,308
General Supplies	9,948	-	92,171	5,923	-	-	-	-	108,042
Textbooks	5,923	-	-	-	-	-	-	-	5,923
Total instruction	15,871	3,346	102,479	5,923	5,923	-	-	-	127,619
Support services:									
Other Salaries	10,578	-	-	-	-	-	-	-	10,578
Purchased Professional - Educational Services	15,910	-	-	-	-	-	13,947	-	29,857
Purchased Property Services	4,700	-	-	-	-	-	-	-	4,700
Total support services	31,188	-	-	-	-	-	13,947	-	45,135
Facilities acquisition and const. serv.:									
Non-instructional Equipment	-	-	-	-	-	-	-	-	-
Total facilities acquisition and const. serv.	-	-	-	-	-	-	-	-	-
Total Expenditures	47,059	3,346	102,479	5,923	5,923	13,947			172,754
Other Financing Sources (Uses)									
Transfer to General Fund	-	-	-	-	-	-	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Bordertown Regional School District
Special Revenue Fund
Combining Schedule of Revenues and Expenditures - Budgetary Basis (Cont'd.)
For the Fiscal Year Ended June 30, 2012

	Total Brought Forward (Ex. E-1d)	N.J. Supplemental Instruction	N.J. Nonpublic Handicapped Services Ch. 193 Examination & Classification	Corrective Speech	N.J. Nonpublic Nursing Aid	N.J. Nonpublic Textbook Aid	Total Carried Forward
REVENUES							
Local Sources	\$ 16,722	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 16,722
State Sources	(224)	3,578	4,670	7,662	8,728	5,923	30,337
Total Revenues	16,498	3,578	4,670	7,662	8,728	5,923	47,059
EXPENDITURES							
Instruction:							
General Supplies	9,948	-	-	-	-	-	9,948
Textbooks	-	-	-	-	-	5,923	5,923
Total instruction	9,948	-	-	-	-	5,923	15,871
Support services:							
Other Salaries	1,850	-	-	-	8,728	-	10,578
Purchased Professional - Educational Services	-	3,578	4,670	7,662	-	-	15,910
Purchased Property Services	4,700	-	-	-	-	-	4,700
Total support services	6,550	3,578	4,670	7,662	8,728	-	31,188
Facilities acquisition and construction services:							
Non-instructional equipment	-	-	-	-	-	-	-
Total facilities acquisition and construction services	-	-	-	-	-	-	-
Total Expenditures	16,498	3,578	4,670	7,662	8,728	5,923	47,059
Other Financing Sources (Uses)							
Transfer to General Fund	-	-	-	-	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Bordertown Regional School District
 Special Revenue Fund
 Combining Schedule of Revenues and Expenditures - Budgetary Basis (Cont'd.)
 For the Fiscal Year Ended June 30, 2012

	Burlington County Municipal Alliance (BRAD)	Nelchen Sievers Library Grants	Bordertown Regional School District Education Foundation Grant 2011-2012	Teacher Quality Mentoring Program Carryover	Total Carried Forward
REVENUES					
Local Sources	\$ 6,774	\$ 2,935	\$ 6,132	\$ -	\$ 16,722
State Sources	-	-	-	(224)	(224)
Total Revenues	6,774	2,935	6,132	(224)	16,498
EXPENDITURES					
Instruction:					
General Supplies	-	2,935	6,132	-	9,948
Total instruction	-	2,935	6,132	-	9,948
Support services:					
Other Salaries	2,074	-	-	(224)	1,850
Purchased Property Services	4,700	-	-	-	4,700
Total support services	6,774	-	-	(224)	6,550
Facilities acquisition and construction services:					
Non-instructional equipment	-	-	-	-	-
Total facilities acquisition and construction services	-	-	-	-	-
Total Expenditures	6,774	2,935	6,132	(224)	16,498
Other Financing Sources (Uses)					
Transfer to General Fund	-	-	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	\$ -	\$ -	\$ -	\$ -	\$ -

SECTION - F

CAPITAL PROJECTS

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

**Bordentown Regional School District
Capital Projects Fund
Summary Schedule of Project Expenditures
For the Fiscal Year Ended June 30, 2012**

Project Title/Issue	Approval Date	Revised Budgetary Appropriations	GAAP Expenditures to Date		Unexpended Appropriations 6/30/2012
			Prior Years	Current Year	
Renovations to Clara Barton Elementary School	6/19/2002	\$ 1,831,755	\$ 1,713,569	\$ -	\$ 118,186
Renovations to MacFarland Elementary School	6/19/2002	1,613,832	1,522,328	-	91,504
Renovations to Peter Muschal Elementary School	6/19/2002	923,063	854,715	-	68,348
Renovations to Bordentown Middle School	6/19/2002	2,324,235	1,953,922	-	370,313
Renovations to New Bordentown Regional High School	6/19/2002	40,420,241	40,576,217	17,095	(173,071)
Bond Proceeds \$37,447,000; Grant \$9,666,126		47,113,126	46,620,751	17,095	475,280
Completion of Various Renovations at the Bordentown Regional High School Complex Bond Proceeds \$8,499,000	12/8/2009	8,174,762	6,813,112	497,446	864,204
Transfers to Debt Service Fund		324,238	-	324,238	-
Totals		\$ 55,612,126	\$ 53,433,863	\$ 838,779	\$ 1,339,484

B-1:

Fund Balance	1,339,484
Assigned to Debt Service 2012-13 budget	(381,787)
Encumbrances	-
EDA Grant Receivable	-
	<u>\$ 957,697</u>

**Bordentown Regional School District
Capital Projects Fund**

F-2

**Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budgetary Basis
For the Year Ended June 30, 2012**

	Prior Periods	Current Period	Totals	Revised Authorized Cost
Revenues and Other Financing Sources:				
State sources - SCC Grant	\$ 9,666,126	\$ -	\$ 9,666,126	\$ 9,666,126
Bond proceeds and transfers	37,447,000	-	37,447,000	37,447,000
Contribution from private source	-	-	-	-
Transfer from capital reserve	-	-	-	-
Transfer from capital outlay	-	-	-	-
Total revenues	47,113,126	-	47,113,126	47,113,126
Expenditures and Other Financing Uses:				
Purchased professional and technical services	3,613,892	(544)	3,613,348	5,267,016
Land and Improvements	1,616,000	-	1,616,000	1,616,000
Construction services	40,990,311	243,578	41,233,889	40,230,110
Equipment purchases	102,244	-	102,244	-
Other objects	614,234	-	614,234	-
Total expenditures	46,936,681	243,034	47,179,715	47,113,126
Excess (Deficiency) of revenues over (under) expenses	\$ 176,445	\$ (243,034)	\$ (66,589)	\$ -
Fund Balance - Beginning	2,178,263			
Fund Balance - Ending	\$ 1,339,484			

**Bordentown Regional School District
Capital Projects Fund**

F-2a

**Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budgetary Basis
Renovations to Clara Barton Elementary School
From Inception and For the Year Ended June 30, 2012**

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

Additional project information:

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

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

**Bordentown Regional School District
Capital Projects Fund**

F-2b

**Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budgetary Basis
Renovations to MacFarland Elementary School
From Inception and For the Year Ended June 30, 2012**

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

Additional project information:

Project Number	SP#202336
Grant Date	19-Jun-02
Bond Authorization Date	12-Mar-02
Bonds Authorized	\$ 1,166,366
Bonds Issued	25-Jul-02
Original Authorized Cost	\$ 1,613,832
Additional Authorized Cost	\$ -
Revised Authorized Cost	\$ 1,613,832

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

**Bordentown Regional School District
Capital Projects Fund**

F-2c

**Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budgetary Basis
Renovations to Peter Muschal Elementary School
From Inception and For the Year Ended June 30, 2012**

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

Additional project information:

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

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

**Bordentown Regional School District
Capital Projects Fund**

F-2d

**Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budgetary Basis
Renovations to Bordentown Middle School
From Inception and For the Year Ended June 30, 2012**

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

Additional project information:

Project Number	SP#202338
Grant Date	19-Jun-02
Bond Authorization Date	12-Mar-02
Bonds Authorized	\$ 1,654,542
Bonds Issued	25-Jul-02
Original Authorized Cost	\$ 2,324,235
Additional Authorized Cost	\$ -
Revised Authorized Cost	\$ 2,324,235

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

**Bordentown Regional School District
Capital Projects Fund**

F-2e

**Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budgetary Basis
Renovations to New Bordentown Regional High School
From Inception and For the Year Ended June 30, 2012**

	Prior Periods	Adjustments	Current Period	Totals	Revised Authorized Cost
Revenues and Other Financing Sources:					
State sources - SCC Grant	\$ 7,975,517	\$ -	\$ -	\$ 7,975,517	\$ 7,975,517
Bond proceeds and transfers	32,444,724	-	-	32,444,724	32,444,724
Contribution from private source	-	-	-	-	-
Transfer from capital reserve	-	-	-	-	-
Transfer from capital outlay	-	-	-	-	-
Total revenues	40,420,241	-	-	40,420,241	40,420,241
Expenditures and Other Financing Uses:					
Purchased professional and technical services	2,909,270	-	-	2,909,270	3,802,074
Land and Improvements	1,615,500	-	-	1,615,500	1,616,000
Construction services	35,375,993	(5,998)	5,998	35,375,993	35,002,167
Equipment purchases	50,939	-	-	50,939	-
Other objects	641,609	-	-	641,609	-
Total expenditures	40,593,311	(5,998)	5,998	40,593,311	40,420,241
Excess (Deficiency) of revenues over (under) expenses	\$ (173,070)	\$ 5,998	\$ (5,998)	\$ (173,070)	\$ -

Additional project information:

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

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

**Bordentown Regional School District
Capital Projects Fund**

F-2f

**Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budgetary Basis
Completion of Various Renovations at the Bordentown Regional High School Complex
From Inception and For the Year Ended June 30, 2012**

	Prior Periods	Adjustments	Current Period	Totals	Revised Authorized Cost
Revenues and Other Financing Sources:					
State sources - SCC Grant	\$ -	\$ -	\$ -	\$ -	\$ -
Bond proceeds and transfers	8,499,000	-	-	8,499,000	8,499,000
Contribution from private source	-	-	-	-	-
Transfer from capital reserve	-	-	-	-	-
Transfer from capital outlay	-	-	-	-	-
Total revenues	8,499,000	-	-	8,499,000	8,499,000
Expenditures and Other Financing Uses:					
Purchased professional and technical services	104,911	-	(544)	104,367	650,000
Land and Improvements	-	-	-	-	-
Construction services	6,879,914	5,998	237,580	7,123,492	7,799,000
Equipment purchases	51,305	-	-	51,305	-
Other objects	31,392	-	-	31,392	50,000
Transfer to Debt Service Fund			324,238	324,238	
Total expenditures	7,067,523	5,998	561,274	7,634,795	8,499,000
 Excess (Deficiency) of revenues over (under) expenses	 \$ 1,431,477	 \$ (5,998)	 \$ (561,274)	 \$ 864,205	 \$ -

Additional project information:

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

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

SECTION - G

ENTERPRISE FUNDS - DETAIL STATEMENTS

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

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

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

BORDENTOWN REGIONAL SCHOOL DISTRICT
ENTERPRISE FUNDS
COMBINING STATEMENT OF NET ASSETS
AS OF JUNE 30, 2012
(With comparative totals for June 30, 2011)

	Food Service Fund		Community District Alliance		Total Enterprise Funds	
	2012	2011	2012	2011	2012	2011
ASSETS						
Current Assets:						
Cash and Cash Equivalents	\$ 100,012	\$ 139,402	\$ 479,742	\$ 272,874	\$ 579,754	\$ 412,276
Accounts Receivable:						
Federal	18,347	12,734	-	-	18,347	12,734
State	563	808	10,919	11,934	11,482	12,742
Local	-	-	497	-	-	-
Inventories	11,602	12,753	-	-	11,602	12,753
Total Current Assets	<u>130,524</u>	<u>165,697</u>	<u>491,158</u>	<u>284,808</u>	<u>621,682</u>	<u>450,505</u>
Fixed Assets:						
Equipment	487,523	476,323	-	-	487,523	476,323
Accumulated Depreciation	<u>(303,927)</u>	<u>(249,159)</u>	<u>-</u>	<u>-</u>	<u>(303,927)</u>	<u>(249,159)</u>
Total Fixed Assets	<u>183,596</u>	<u>227,164</u>	<u>-</u>	<u>-</u>	<u>183,596</u>	<u>244,294</u>
Total Assets	<u>314,120</u>	<u>392,861</u>	<u>491,158</u>	<u>284,808</u>	<u>805,278</u>	<u>694,799</u>
LIABILITIES						
Current Liabilities:						
Accounts Payable	-	35,386	-	-	-	35,386
Interfund Payable - General Fund	-	-	2,000	7,200	2,000	7,200
Deferred Revenue	-	-	224,718	219,164	224,718	219,164
Total Current Liabilities	<u>-</u>	<u>35,386</u>	<u>226,718</u>	<u>226,364</u>	<u>226,718</u>	<u>261,750</u>
Noncurrent Liabilities:						
Interfund Payable - General Fund	85,781	85,781	-	-	85,781	85,781
Total Noncurrent Liabilities	<u>85,781</u>	<u>85,781</u>	<u>-</u>	<u>-</u>	<u>85,781</u>	<u>85,781</u>
Total Liabilities	<u>85,781</u>	<u>121,167</u>	<u>226,718</u>	<u>226,364</u>	<u>312,499</u>	<u>347,531</u>
NET ASSETS						
Invested in capital assets net of related debt	183,596	227,164	-	-	183,596	244,294
Unrestricted	44,743	44,530	264,440	58,444	309,183	102,974
	<u>\$ 228,339</u>	<u>\$ 271,694</u>	<u>\$ 264,440</u>	<u>\$ 58,444</u>	<u>\$ 492,779</u>	<u>\$ 347,268</u>

**BORDENTOWN REGIONAL SCHOOL DISTRICT
ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET ASSETS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(With comparative totals for the fiscal year ended June 30, 2011)**

	Food Service Fund		Community District Alliance		Community District Alliance OCBOA (Without Deferred Revenue)		Total Enterprise Funds	
	2012	2011	2012	2011	2012	2011	2012	2011
OPERATING REVENUES:								
Local Sources:								
Daily Sales - Reimbursable Programs:								
School Lunch Program	283,770	\$ 283,059	\$ -	\$ -	\$ -	\$ -	\$ 283,770	\$ 283,059
Daily Sales - Non-Reimbursable Programs:	126,053	137,362	-	-	-	-	126,053	137,362
Special Functions	17,113	14,146	-	-	-	-	17,113	14,146
Community Service Activities:								
Tuition, Trips and Rentals	-	-	857,343	583,040	862,897	802,204	857,343	583,040
Total Operating Revenue	426,936	436,567	857,343	583,040	862,897	802,204	1,284,129	1,019,607
OPERATING EXPENSES:								
Salaries	-	-	499,990	478,162	499,990	478,162	499,990	478,162
Employee Benefits	-	-	69,785	75,756	69,785	75,756	69,785	75,756
Supplies and Materials	-	-	26,756	28,215	26,756	28,215	26,756	28,215
Purchased Services	-	-	84,586	77,624	84,586	77,624	84,586	77,624
Bank Card Fees	-	-	20,353	15,856	20,353	15,856	20,353	15,856
Depreciation	54,768	23,732	-	-	-	-	54,768	23,732
Miscellaneous Expenditures	-	-	-	-	-	-	-	-
Non-Instructional Equipment	-	-	-	-	-	-	-	-
Cost of Sales	729,496	718,156	-	-	-	-	729,496	718,156
Total Operating Expenses	784,264	741,888	701,470	675,613	701,470	675,613	1,485,734	1,417,501
Operating Income (Loss)	(357,328)	(305,321)	155,873	(92,573)	161,427	126,591	(201,455)	(397,894)
NONOPERATING REVENUES:								
State Sources:								
State School Lunch Program	7,874	7,757	-	-	-	-	7,874	7,757
State Breakfast Program	-	-	-	-	-	-	-	-
Adult Basic Skills Program	-	-	50,123	52,396	50,123	52,396	50,123	52,396
Healthy Schools Grant	-	-	-	-	-	-	-	-
Federal Sources:								
National School Lunch Program	214,484	196,344	-	-	-	-	214,484	196,344
National Breakfast Program	41,989	40,578	-	-	-	-	41,989	40,578
Special Milk Program	-	49	-	-	-	-	-	49
Food Distribution Program	38,426	36,067	-	-	-	-	38,426	36,067
General Fund capital assets purchased	11,200	-	-	-	-	-	11,200	-
Total Nonoperating Income	313,973	280,795	50,123	52,396	50,123	52,396	364,096	333,191
Net Income (Loss) Before Contributions and Transfers	(43,355)	(24,526)	205,996	(40,177)	211,550	178,987	162,641	(64,703)
Operating Transfer In - General Fund	-	-	-	-	-	-	-	-
Change in Net Assets	(43,355)	(24,526)	205,996	(40,177)	211,550	178,987	162,641	(64,703)
Total Net Assets - beginning	271,694	296,220	58,444	98,621	277,608	98,621	330,138	394,841
Total Net Assets - ending	\$ 228,339	\$ 271,694	\$ 264,440	\$ 58,444	\$ 489,158	\$ 277,608	\$ 492,779	\$ 330,138

**BORDENTOWN REGIONAL SCHOOL DISTRICT
COMBINING STATEMENT OF CASH FLOWS
ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 2012**

	Food Service Fund	Community District Alliance	Total Enterprise Funds
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	\$ 426,936	\$ 857,200	\$ 1,284,136
Payments to employees	-	(499,990)	(499,990)
Payments for employee benefits	-	(69,785)	(69,785)
Payments to suppliers	(725,305)	(111,342)	(836,647)
Payments to bank card fees	-	(20,353)	(20,353)
Net cash provided by (used for) operating activities	<u>(298,369)</u>	<u>155,730</u>	<u>(142,639)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
State Sources	46,963	51,138	98,101
Federal Sources	212,016	-	212,016
Net cash provided by (used for) non-capital financing activities	<u>258,979</u>	<u>51,138</u>	<u>310,117</u>
Net increase (decrease) in cash and cash equivalents	(39,390)	206,868	167,478
Balances—beginning of year	139,402	272,874	412,276
Balances—end of year	<u>\$ 100,012</u>	<u>\$ 479,742</u>	<u>\$ 579,754</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$ (333,920)	\$ 155,873	(178,047)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation	31,360	-	31,360
Food Distribution Program	38,426	-	38,426
(Increase) decrease in accounts receivable	-	(497)	(497)
(Increase) decrease in inventories	1,151	-	1,151
Increase (decrease) in interfund payable	-	(5,200)	(5,200)
Increase (decrease) in accounts payable	(35,386)	-	(35,386)
Increase (decrease) in deferred revenue	-	5,554	5,554
Total adjustments	<u>35,551</u>	<u>(143)</u>	<u>35,408</u>
Net cash provided by (used for) operating activities	<u>\$ (298,369)</u>	<u>\$ 155,730</u>	<u>\$ (142,639)</u>

SECTION - H

TRUST AND AGENCY FUNDS - DETAIL STATEMENTS

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

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

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

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

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

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

BORDENTOWN REGIONAL SCHOOL DISTRICT
 COMBINING STATEMENT OF FIDUCIARY NET ASSETS
 FIDUCIARY FUNDS
 JUNE 30, 2012
 (WITH COMPARATIVE TOTALS FOR JUNE 30, 2011)

	Expendable Trusts		Agency		Totals	
	Unemployment Insurance	Scholarship	Student Activity	Payroll	2012	2011
ASSETS:						
Cash and Cash Equivalents	\$ 16,809	\$ 138,877	\$ 139,243	\$ 203,051	\$ 497,980	\$ 454,631
	16,809	138,877	139,243	203,051	497,980	454,631
LIABILITIES:						
Payroll Deductions and Withholdings	-	-	-	203,051	203,051	176,702
Due to Student Groups	-	-	139,243	-	139,243	139,225
Total Liabilities	-	-	139,243	203,051	342,294	315,927
NET ASSETS:						
Held in trust for Unemployment Claims and other purposes	\$ 16,809	\$ 138,877	\$ -	\$ -	\$ 155,686	\$ 138,704

BORDENTOWN REGIONAL SCHOOL DISTRICT
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
 FIDUCIARY FUNDS
 FOR THE FISCAL YEARS ENDED JUNE 30, 2012

	Unemployment Insurance Expendable Trust Fund	Scholarship Expendable Trust Fund
ADDITIONS		
Local Sources:		
Payroll Withholdings	\$ 16,779	\$ -
Donations	-	10,000
Interest and Investment Income	-	1,535
Total Additions	<u>16,779</u>	<u>11,535</u>
DEDUCTIONS		
Quarterly Contribution Reports	-	-
Other	-	-
Scholarship Payments	-	11,332
Total Deductions	<u>-</u>	<u>11,332</u>
Change in Net Assets	16,779	203
Net Assets, July 1	<u>30</u>	<u>138,674</u>
Net Assets, June 30	<u>\$ 16,809</u>	<u>\$ 138,877</u>

BORDENTOWN REGIONAL SCHOOL DISTRICT
 STUDENT ACTIVITY AGENCY FUND
 SCHEDULE OF RECEIPTS AND DISBURSEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Balance July 1, 2011	Cash Receipts	Cash Disbursements	Adjustments	Accounts Payable June 30, 2012	Balance June 30, 2012
ELEMENTARY SCHOOLS:						
Clara Barton	\$ 3,799	\$ 2,448	\$ 3,384	\$ -	\$ -	2,863
Peter Muschal	15,839	16,206	15,123	889	-	17,811
MacFarland	14,756	11,226	12,490	(30)	-	13,462
Total Elementary Schools	34,394	29,880	30,997	859	-	34,136
JUNIOR HIGH SCHOOL:						
Bordentown Regional Middle School	30,339	59,926	62,361	(847)	-	27,057
Total Junior High School	30,339	59,926	62,361	(847)	-	27,057
SENIOR HIGH SCHOOL:						
Bordentown Regional High School	73,321	243,942	239,120	(2,118)	-	76,025
Bordentown Regional Athletics	1,171	16,264	15,410	-	-	2,025
Total Senior High School	74,492	260,206	254,530	(2,118)	-	78,050
Total All Schools	\$ 139,225	\$ 350,012	\$ 347,888	\$ (2,106)	\$ -	\$ 139,243

BORDENTOWN REGIONAL SCHOOL DISTRICT
 PAYROLL AGENCY FUND
 SCHEDULE OF RECEIPTS AND DISBURSEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Balance July 1, 2010	Cash Receipts	Cash Disbursements	Balance June 30, 2011
ASSETS:				
Cash and Cash Equivalents	\$ 176,702	\$ 9,594,717	\$ 9,568,368	\$ 203,051
Total Assets	<u>\$ 176,702</u>	<u>\$ 9,594,717</u>	<u>\$ 9,568,368</u>	<u>\$ 203,051</u>
LIABILITIES:				
Payroll Deductions and Withholdings	\$ 176,702	\$ 9,594,717	\$ 9,568,368	\$ 203,051
Total Liabilities	<u>\$ 177,077</u>	<u>\$ 9,594,717</u>	<u>\$ 9,568,368</u>	<u>\$ 203,051</u>

SECTION - I

LONG - TERM DEBT

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

**BORDENTOWN REGIONAL SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

Issue	Date of Issue	Amount of Issue	Annual Maturities Date	Annual Maturities Amount	Interest Rate	Balance	
						June 30, 2011	June 30, 2012
Renovations and Improvements at the High School Complex to include Solar Energy and Athletic Fields	3/12/2010	\$ 8,499,000	3/1/2013	400,000	2.00%	\$ 8,499,000	\$ -
			3/1/2014	700,000	2.50%		375,000
			3/1/2015	450,000	2.50%		
			3/1/2016	525,000	2.50%		
			3/1/2017	550,000	3.00%		
			3/1/2018	575,000	3.00%		
			3/1/2019	600,000	3.00%		
			3/1/2020	625,000	3.25%		
			3/1/2021	700,000	3.50%		
			3/1/2022	750,000	3.50%		
			3/1/2023	750,000	3.50%		
			3/1/2024	750,000	3.50%		
			3/1/2025	749,000	3.50%		
Refunding Issue	10/1/2003	3,805,000	2/1/2013	440,000	3.50%	890,000	440,000
Acquisition of Land, Construction of and Acquisition of Furniture and Equipment (Partially refunded in 2006)	7/15/2002	37,447,000	N/A	N/A	N/A	570,000	570,000
Refunding Issue 2006	1/15/2006	38,840,000	1/15/2013	700,000	4.000%	35,820,000	70,000
			1/15/2014	755,000	4.500%		
			1/15/2015	1,325,000	5.000%		
			1/15/2016	1,355,000	5.000%		
			1/15/2017	1,410,000	5.000%		
			1/15/2018	1,475,000	4.000%		
			1/15/2019	1,525,000	4.250%		
			1/15/2020	1,560,000	4.250%		
			1/15/2021	1,585,000	4.000%		
			1/15/2022	1,615,000	4.375%		
			1/15/2023	1,675,000	4.125%		
			1/15/2024	1,725,000	4.125%		
			1/15/2025	1,810,000	4.250%		
			1/15/2026	1,905,000	4.250%		
			1/15/2027	1,955,000	4.125%		
			1/15/2028	2,035,000	4.250%		
			1/15/2029	2,150,000	4.250%		
			1/15/2030	2,210,000	4.250%		
			1/15/2031	2,245,000	4.250%		
			1/15/2032	2,375,000	4.250%		
			1/15/2033	2,360,000	4.250%		
						\$ 45,779,000	\$ 44,314,000

BORDENTOWN REGIONAL SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

Purpose	Date of Lease	Term of Lease	Amount of Original Lease		Interest Rate	Balance June 30, 2011	Issued	Retired	Balance June 30, 2012
			Principal	Interest					
<u>2009-10</u> Dell Computers	5/12/2009	3 Years	\$ 236,306	\$ 17,509		\$ 78,628	\$	78,628	\$ -
VOIP	8/13/2009	5 Years	462,203	36,199	3.65%	278,470		89,516	188,954
						\$ 357,098	\$ -	\$ 168,144	\$ 188,954

**Bordertown Regional School District
Budgetary Comparison Schedule
Debt Service Fund
For the Fiscal Year Ended June 30, 2012**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 2,680,506	\$ -	\$ 2,680,506	\$ 2,680,506	\$ -
State Sources:					
Debt Service Aid Type II	315,436	-	315,436	315,436	-
Total - State Sources	315,436	-	315,436	315,436	-
Total Revenues	2,995,942	-	2,995,942	2,995,942	-
EXPENDITURES:					
Regular Debt Service:					
Interest on Bonds	1,855,180	-	1,855,180	1,855,180	-
Redemption of Principal	1,465,000	-	1,465,000	1,465,000	-
Total Regular Debt Service	3,320,180	-	3,320,180	3,320,180	-
Total expenditures	3,320,180	-	3,320,180	3,320,180	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(324,238)	-	(324,238)	(324,238)	-
Other Financing Sources:					
Operating Transfers In:					
From Capital Projects Fund	324,238	-	324,238	324,238	-
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	-	-	-	-	-
Fund Balance, July 1	(3)	-	(3)	(4)	(1)
Fund Balance, June 30	(3)	-	(3)	(4)	(1)
Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures					
Budgeted Fund Balance	\$ -	\$ -	\$ -	\$ -	\$ -

SECTION - J

STATISTICAL SECTION

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

Exhibit J-1

	Fiscal Year Ending June 30,									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	
Governmental activities										
Invested in capital assets, net of related debt	\$ 15,544,253	\$ 31,717,290	\$ 7,739,406	\$ 13,184,835	\$ 13,652,363	\$ 13,454,206	\$ 6,666,723	\$ 12,400,387	\$ 12,214,431	\$
Restricted	32,526,830	16,125,909	4,525,256	3,517,076	2,978,547	1,558,161	8,304,216	1,254,222	1,333,654	
Unrestricted	953,946	247,148	(1,464,512)	(1,700,333)	(1,757,992)	(1,751,761)	(2,174,163)	(482,412)	47,603	
Total governmental activities net assets	\$ 49,025,029	\$ 48,090,347	\$ 10,800,150	\$ 15,001,578	\$ 14,872,918	\$ 13,260,606	\$ 12,796,776	\$ 13,172,197	\$ 13,595,688	
Business-type activities										
Invested in capital assets, net of related debt	\$ 71,710	\$ 86,601	\$ 69,584	\$ 55,042	\$ 73,690	\$ 95,152	\$ 244,294	\$ 227,164	\$ 183,596	
Restricted	86,859	163,251	215,441	226,514	101,636	17,471	150,547	102,974	309,183	
Unrestricted	158,569	249,852	285,025	281,556	175,326	112,623	394,841	330,138	492,779	
Total business-type activities net assets	\$ 158,569	\$ 249,852	\$ 285,025	\$ 281,556	\$ 175,326	\$ 112,623	\$ 394,841	\$ 330,138	\$ 492,779	
District-wide										
Invested in capital assets, net of related debt	\$ 15,615,963	\$ 31,803,891	\$ 7,808,990	\$ 13,239,877	\$ 13,726,053	\$ 13,549,358	\$ 6,911,017	\$ 12,627,551	\$ 12,398,027	\$
Restricted	32,526,830	16,125,909	4,525,256	3,517,076	2,978,547	1,558,161	8,304,216	1,254,222	1,333,654	
Unrestricted	1,040,805	410,399	(1,249,071)	(1,473,819)	(1,656,356)	(1,734,290)	(2,023,616)	(379,438)	356,786	
Total district net assets	\$ 49,183,598	\$ 48,340,199	\$ 11,085,175	\$ 15,283,134	\$ 15,048,244	\$ 13,373,229	\$ 13,191,617	\$ 13,502,335	\$ 14,088,467	

Source: CAFR Schedule A-1

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

Exhibit J-2

	Fiscal Year Ending June 30,								
	2004	2005	2006	2007	2008	2009	2010	2011	2012
Taxes levied for debt service	3,139,833	2,570,503	2,073,514	2,797,567	2,480,316	2,588,064	2,676,172	2,680,506	2,680,506
Unrestricted grants and contributions	6,502,008	6,751,191	6,762,260	6,811,870	7,241,981	7,532,102	7,792,162	7,182,584	7,762,512
EDA Grant not restricted to specific functions	169,051	-	7,095,958	1,196,318	-	-	358,898	-	-
Investment earnings	623,571	593,334	243,292	91,854	108,191	61,291	20,964	6,199	5,014
Miscellaneous income	295,693	199,782	256,116	310,092	358,113	250,276	345,220	723,078	479,398
Accounts receivable canceled	-	-	-	(16,807)	-	-	-	-	(9,911)
Extraordinary item - Fire loss impairment - buses	-	-	-	-	-	-	-	(92,775)	-
Extraordinary item - Insurance proceeds for fire loss - buses	-	-	-	-	-	-	-	246,668	696,690
Special item - Capital asset adjustment	-	-	-	-	-	-	-	-	17,018
Special item - Capital lease buyout	-	-	-	-	-	-	-	(86,527)	-
Total governmental activities	26,807,027	26,796,235	35,159,974	33,690,624	33,190,216	32,731,348	34,385,015	34,403,995	35,762,309
Business-type activities:									
Special item - Capital asset adjustment	-	-	-	-	-	-	-	-	(12,208)
Transfers	-	-	-	-	-	-	-	-	(12,208)
Total business-type activities	-	-	-	-	-	-	-	-	(12,208)
Total district-wide	\$ 26,807,027	\$ 26,796,235	\$ 35,159,974	\$ 33,690,624	\$ 33,190,216	\$ 32,731,348	\$ 34,385,015	\$ 34,403,995	\$ 35,750,101
Change in Net Assets									
Governmental activities	\$ 1,852,425	\$ 4,627	\$ 7,587,194	\$ 4,201,428	\$ (128,660)	\$ (1,612,312)	\$ (533,250)	\$ 375,421	\$ 423,491
Business-type activities	10,320	31,036	72,628	(3,470)	(106,230)	(62,702)	282,217	(64,703)	162,641
Total district	\$ 1,862,745	\$ 35,663	\$ 7,659,822	\$ 4,197,958	\$ (234,890)	\$ (1,675,014)	\$ (251,033)	\$ 310,718	\$ 586,132

Source: CAFR Schedule A-2

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

	Fiscal Year Ending June 30,								
	2004	2005	2006	2007	2008	2009	2010	2011	2012
Expenses									
Governmental activities									
Instruction									
Regular	\$ 9,272,556	\$ 9,849,940	\$ 9,715,050	\$ 10,488,195	\$ 11,688,411	\$ 12,507,348	\$ 11,871,087	\$ 11,412,860	\$ 11,782,331
Special education	2,038,889	2,181,614	2,517,377	2,705,156	2,947,124	3,080,964	4,399,350	4,459,110	4,383,873
Other special education	669,004	748,383	784,338	729,727	846,962	738,265	839,047	780,307	909,103
Other instruction	711,269	677,010	660,403	653,518	726,262	760,495	797,930	837,571	813,316
Support Services:									
Tuition	1,528,632	2,062,935	2,331,451	2,246,932	2,224,270	1,960,912	1,502,383	1,320,514	1,204,106
Student & instruction related services	3,444,965	3,683,407	3,716,220	4,110,578	4,429,658	4,798,095	4,815,094	4,589,935	4,705,990
General administrative services	618,488	412,829	462,473	521,550	562,799	516,934	498,491	484,317	506,363
School administrative services	1,499,225	1,718,141	1,478,987	1,665,674	1,539,553	1,723,832	1,745,775	1,737,531	1,829,094
Business administrative services	273,722	586,719	332,100	336,078	381,874	392,340	413,037	414,613	477,502
Administrative information technology	-	-	281,890	282,637	234,162	246,673	224,176	236,061	247,074
Plant operations and maintenance	2,457,686	2,323,818	2,493,909	3,960,477	4,146,037	4,501,470	4,492,522	4,343,102	4,122,207
Pupil transportation	1,776,350	1,953,514	2,109,979	2,085,718	2,322,669	2,227,234	2,244,822	2,355,307	2,421,515
Employee benefits	1,607,664	1,677,663	1,977,192	2,885,783	3,037,029	2,004,611	2,055,060	2,158,567	2,474,537
Charter schools	3,827	7,802	-	-	-	-	-	-	-
Interest on long-term debt	2,057,703	2,024,987	1,978,611	1,293,503	1,850,805	1,805,871	1,832,474	2,072,048	2,001,334
Amortization of debt issue costs	13,714	15,612	15,612	18,909	21,265	21,265	21,846	23,478	23,478
Miscellaneous expenses	439,921	483,179	136,718	-	-	-	-	-	-
Unallocated depreciation	28,433,615	30,407,553	443,316	34,403,935	38,497,884	38,679,408	39,117,896	1,360,714	2,079,851
Total governmental activities expenses	28,433,615	30,407,553	31,455,626	34,403,935	38,497,884	38,679,408	39,117,896	38,386,035	39,581,674
Business-type activities:									
Food service	574,907	574,106	591,951	670,690	714,710	668,933	543,626	741,888	760,856
Community education and recreation	438,825	486,760	503,879	661,765	800,985	-	-	-	-
Community district alliance	-	-	-	-	-	836,681	629,355	675,613	701,470
Total business-type activities expense	1,013,732	1,060,866	1,095,830	1,332,455	1,515,695	1,505,614	1,172,981	1,417,501	1,462,326
Total district expenses	\$ 29,447,347	\$ 31,468,419	\$ 32,551,456	\$ 35,736,390	\$ 40,013,579	\$ 40,185,022	\$ 40,290,877	\$ 40,003,536	\$ 41,444,000
Program Revenues									
Governmental activities:									
Charges for services:									
Instruction (tuition)	\$ 653,720	\$ 738,285	\$ 739,080	\$ 824,765	\$ 941,368	\$ 1,148,999	\$ 919,689	\$ 1,041,527	\$ 881,504
Business and other support services	74,020	-	-	-	-	-	-	-	-
Operating grants and contributions	2,751,273	2,877,660	3,143,766	4,089,974	4,237,640	3,186,749	3,279,942	3,515,934	3,761,352
Total governmental activities program revenues	\$ 3,479,013	\$ 3,615,945	\$ 3,882,846	\$ 4,914,739	\$ 5,179,008	\$ 4,335,748	\$ 4,199,631	\$ 4,557,461	\$ 4,642,856
Business-type activities:									
Charges for services:									
Food service	399,071	400,210	416,705	468,371	486,904	484,032	459,476	436,567	426,936
Community education and recreation	445,155	496,523	547,924	643,833	641,174	-	-	-	-
Community district alliance	-	-	-	-	-	675,696	680,671	583,040	857,343
Operating grants and contributions	179,826	195,169	203,829	216,781	281,387	283,184	315,051	333,191	352,896
Total business-type activities program revenues	\$ 1,024,052	\$ 1,091,902	\$ 1,168,458	\$ 1,328,985	\$ 1,409,465	\$ 1,442,912	\$ 1,455,198	\$ 1,352,798	\$ 1,637,175
Total district program revenues	\$ 4,503,065	\$ 4,707,847	\$ 5,051,304	\$ 6,243,724	\$ 6,588,473	\$ 5,778,660	\$ 5,654,829	\$ 5,910,259	\$ 6,280,031
Net (Expense)/Revenue									
Governmental activities	\$ (24,954,602)	\$ (26,791,608)	\$ (27,572,780)	\$ (29,489,196)	\$ (33,318,876)	\$ (34,343,660)	\$ (34,918,265)	\$ (34,028,574)	\$ (35,338,818)
Business-type activities	10,320	31,036	72,628	(3,470)	(106,230)	(62,702)	283,217	(64,703)	174,849
Total district-wide net expense	\$ (24,944,282)	\$ (26,760,572)	\$ (27,500,152)	\$ (29,492,666)	\$ (33,425,106)	\$ (34,406,362)	\$ (34,635,048)	\$ (34,093,277)	\$ (35,163,969)
General Revenues and Other Changes in Net Assets									
Governmental activities:									
Property taxes levied for general purposes, net	\$ 16,076,871	\$ 16,681,425	\$ 18,728,834	\$ 22,499,730	\$ 23,001,615	\$ 22,299,615	\$ 23,191,599	\$ 23,744,262	\$ 24,131,082

**Bordentown Regional School District
Fund Balances, Governmental Funds,
Last Nine Fiscal Years
(modified accrual basis of accounting)**

Exhibit J-3

	Fiscal Year Ending June 30,								
	2004	2005	2006	2007	2008	2009	2010	2011	2012
General Fund									
Reserved	\$ 320,864	\$ 282,305	\$ 54,666	\$ 1,958,248	\$ 2,109,404	\$ 912,273	\$ 709,405	\$ -	\$ -
Unreserved	393,088	(127,663)	392,123	434,250	479,871	487,105	23,608	-	-
Restricted	-	-	-	-	-	-	-	929,984	951,867
Assigned	-	-	-	-	-	-	-	652,052	1,494,259
Unassigned	-	-	-	-	-	-	-	(126,589)	(148,268)
Total general fund	\$ 713,952	\$ 154,642	\$ 446,789	\$ 2,392,498	\$ 2,589,275	\$ 1,399,378	\$ 733,013	\$ 1,453,447	\$ 2,297,858
All Other Governmental Funds									
Reserved	\$ 35,007,960	\$ 20,603,814	\$ 4,616,728	\$ 1,130,254	\$ 610,306	\$ 149,460	\$ 5,041,460	\$ -	\$ -
Unreserved, reported in:									
Special revenue fund	(1,804)	(1,795)	(1,799)	(1,799)	(1,799)	-	-	-	-
Capital projects fund	(3,459,406)	(5,833,026)	(139,471)	309,164	224,096	532,461	2,622,978	-	-
Debt service fund	662,375	858,449	196,768	259,097	63,045	818	148,285	-	-
Assigned, reported in:									
Capital projects fund	-	-	-	-	-	-	-	2,178,263	1,339,484
Debt service fund	-	-	-	-	-	-	-	(4)	(4)
Total all other governmental funds	\$ 32,209,125	\$ 15,627,442	\$ 4,672,226	\$ 1,696,716	\$ 895,648	\$ 682,739	\$ 7,812,723	\$ 2,178,259	\$ 1,339,480

Source: CAFR Schedule B-1

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

	Fiscal Year Ending June 30,								
	2004	2005	2006	2007	2008	2009	2010	2011	2012
Revenues									
Tax levy	19,216,704	19,251,928	20,802,348	25,297,297	25,481,931	24,887,679	25,867,771	26,424,768	26,811,588
Other Local Government Units Unrestricted	-	-	-	-	87,589	70,127	139,377	134,377	134,377
Tuition charges	653,720	738,285	736,080	824,765	941,368	1,166,594	922,089	1,041,527	881,504
Interest earnings	623,571	593,334	336,641	148,153	108,191	61,291	20,964	6,199	5,014
Miscellaneous	375,686	278,550	232,614	325,018	348,858	261,227	541,702	656,484	419,237
State sources	8,622,751	8,772,139	16,172,070	11,266,854	10,607,622	9,803,262	9,399,187	9,350,449	10,342,697
Federal sources	793,608	856,712	829,914	831,308	871,999	915,589	2,031,815	1,348,069	1,181,167
Total revenue	30,286,040	30,497,048	39,112,667	38,693,395	38,447,558	37,146,466	38,653,655	38,966,873	39,775,584
Expenditures									
Instruction									
Regular instruction	7,963,239	8,411,107	8,164,984	8,931,708	9,908,516	10,644,014	10,005,949	9,482,923	9,577,867
Special education instruction	1,711,706	1,779,003	2,047,719	2,215,441	2,415,427	2,560,531	3,729,164	3,776,138	3,608,899
Other special instruction	554,915	632,367	667,117	589,073	696,558	623,779	674,688	624,840	735,627
Other instruction	630,698	600,608	579,577	570,155	628,148	657,324	678,015	704,413	706,974
Support Services:									
Tuition	1,528,632	2,062,935	2,331,451	2,246,932	2,224,270	1,960,912	1,502,383	1,320,514	1,204,106
Student & instruction related services	3,004,827	3,157,590	3,213,285	3,520,931	3,743,521	4,096,468	4,038,281	3,826,634	3,982,886
General administrative services	618,488	412,829	411,632	425,748	570,807	465,229	451,495	471,862	499,761
School Administrative services	1,272,518	1,330,665	1,288,289	1,319,625	1,353,135	1,395,819	1,423,889	1,434,687	1,439,956
Business administrative services	273,722	586,719	548,812	547,801	528,519	532,070	532,512	535,231	593,977
Plant operations and maintenance	2,187,206	2,069,532	2,218,505	3,480,838	3,747,089	4,098,322	4,011,396	3,849,549	3,603,386
Pupil transportation	1,825,006	1,936,689	2,160,698	2,034,257	2,270,472	1,599,234	1,519,994	1,557,314	1,647,528
Unallocated employee benefits	4,515,923	4,768,453	5,482,696	6,614,253	7,135,392	6,623,538	7,403,035	7,566,334	8,232,012
Charter Schools	3,827	7,802	-	-	-	-	-	-	-
Capital outlay:	3,650,428	16,844,300	17,665,516	4,395,749	1,012,909	600,306	2,577,558	5,968,179	608,882
Debt service:									
Principal	1,205,000	1,115,000	975,000	1,650,000	1,109,000	1,090,000	1,155,000	1,030,000	1,465,000
Interest and other charges	2,946,725	2,022,751	1,969,610	1,301,670	1,767,086	1,726,776	1,684,187	1,827,427	1,855,180
Total expenditures	33,802,860	47,738,350	49,724,891	39,854,181	39,051,849	38,694,322	41,387,546	44,039,045	39,762,041
Excess (Deficiency) of revenues over (under) expenditures	(3,606,820)	(17,247,402)	(10,612,224)	(1,160,786)	(604,291)	(1,153,016)	(2,755,891)	(5,072,173)	13,543
Other Financing sources (uses)									
Prior year receivable	-	-	-	(16,807)	-	(17,594)	-	-	-
Capital leases (non-budgeted)	440,137	512,711	-	147,792	-	145,704	698,509	-	-
Bond proceeds	-	-	-	-	-	-	8,499,000	-	-
Payment to refunded debt escrow agent	-	-	-	(36,400,282)	-	-	-	-	-
Par amount of bonds	-	30,125,000	-	36,650,000	-	-	-	-	-
Original issue premium	-	1,469,808	-	92,150	-	-	-	-	-
Accrued interest	-	77,801	-	-	-	-	-	-	-
Deposit to escrow fund	-	(31,272,619)	-	-	-	-	-	-	-
Costs of issuance	-	(322,189)	-	(341,868)	-	-	-	-	-
Accrued interest	-	(77,801)	-	-	-	-	-	-	-
Other	-	-	(50,845)	-	-	-	-	-	-
Cancelled grant receivable	-	-	-	-	-	-	-	-	(9,911)
Transfers in	35,032	66,414	-	286,229	45,700	22,390	8,165	6,199	326,407
Transfers out	(35,032)	(66,414)	-	(286,229)	(45,700)	(22,390)	(8,165)	(6,199)	(326,407)
Total other financing sources (uses)	440,137	512,711	(50,845)	130,985	-	128,110	9,197,809	-	(9,911)
Special & Extraordinary Items (uses)									
Copier Lease buyout	-	-	-	-	-	-	-	(86,526)	-
Insurance proceeds from fire loss - buses	-	-	-	-	-	-	-	246,668	696,690
Expenditures from fire loss - buses	-	-	-	-	-	-	-	-	(696,690)
Total special items	-	-	-	-	-	-	-	160,142	-
Net change in fund balances	\$ (3,166,683)	\$ (16,734,691)	\$ (10,665,069)	\$ (1,029,801)	\$ (604,291)	\$ (1,402,806)	\$ 6,465,618	\$ (4,912,050)	\$ 3,632
Debt service as a percentage of noncapital expenditures	13.7%	10.2%	9.2%	8.3%	7.5%	7.4%	7.3%	7.7%	8.5%

Source: CAFR Schedule B-2

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

<u>Fiscal Year Ended June 30,</u>	<u>Interest on Investments</u>	<u>Tuition Revenue</u>	<u>Rentals</u>	<u>Misc.</u>	<u>Solar SREC's</u>	<u>Total</u>
2003	450	657,928	-	193,989	-	852,367
2004	450	653,720	-	262,444	-	916,614
2005	45,563	738,285	-	216,129	-	999,977
2006	243,292	739,080	-	325,963	-	1,308,335
2007	136,260	824,765	-	166,635	-	1,127,660
2008	108,191	941,368	-	348,858	-	1,398,417
2009	38,402	1,166,594	-	299,650	-	1,504,646
2010	12,758	919,689	-	391,565	-	1,324,012
2011	4,032	1,041,527	-	477,155	69,326	1,592,040
2012	2,845	886,704	-	182,669	120,764	1,192,982

Source: District Records

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

TOWNSHIP OF BORDERTOWN

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Q/farm	Commercial	Industrial
2005	51,055,800	438,747,050	1,262,600	312,100	114,630,960	16,937,830
2006	43,005,900	476,348,650	1,050,100	200,400	117,354,860	16,937,830
2007	35,599,100	502,616,250	1,050,100	200,300	118,175,260	20,537,830
2008	34,690,400	505,312,150	949,300	522,400	118,741,560	20,537,830
2009	65,906,700	1,058,439,300	2,476,400	238,700	285,255,600	49,643,600
2010	64,306,800	1,055,478,400	2,476,400	272,600	280,438,000	45,765,900
2011	63,821,300	1,057,960,900	2,476,400	272,200	269,614,600	45,462,200
2012 R	48,400,900	839,651,800	2,098,900	269,200	205,987,000	35,082,500

Fiscal Year Ended June 30,	Apartment	Total Assessed Value	Less: Tax-Exempt Property	Public Utilities	Net Valuation Taxable	Total Direct School Tax Rate	Estimated Actual (County Equalized Value)
2005	17,901,800	640,848,140	-	2,841,591	643,689,731	2.311	991,114,635
2006	17,901,800	672,799,540	-	2,537,724	675,337,264	2.554	1,151,105,288
2007	17,901,800	696,080,640	-	2,337,418	698,418,058	2.772	1,331,080,728
2008	15,557,000	696,310,640	-	2,135,846	698,446,486	2.767	1,331,134,908
2009	46,645,400	1,508,605,700	-	4,393,296	1,512,998,996	1.282	1,454,238,314
2010	44,299,900	1,493,038,000	-	4,797,374	1,497,835,374	1.332	1,456,196,385
2011	43,036,900	1,482,644,500	-	4,524,928	1,487,169,428	1.371	1,462,658,169
2012 R	34,707,800	1,166,198,100	-	4,683,360	1,170,881,460	1.767 R	1,391,468,415

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

CITY OF BORDENTOWN

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial
2005	2,812,200	126,472,260	-	-	26,148,700	18,479,700
2006	3,155,000	127,132,560	-	-	26,067,900	9,089,600
2007	3,065,000	128,491,960	-	-	25,673,300	9,089,600
2008	7,107,200	293,454,900	-	-	56,856,000	16,517,600
2009	7,496,400	293,763,600	-	-	54,322,300	16,517,600
2010	7,496,400	293,955,600	-	-	54,322,300	16,517,600
2011	6,178,400	293,129,600	-	-	55,828,300	18,017,600
2012	5,908,300	292,188,050	-	-	53,331,700	16,517,600

Fiscal Year Ended June 30,	Apartment	Total Assessed Value	Less: Tax-Exempt Property	Public Utilities	Net Valuation Taxable	Total Direct School Tax Rate	Estimated Actual (County Equalized Value)
2005	13,981,200	187,894,060	-	210,565	188,104,625	1.779	286,140,912
2006	13,955,200	179,400,260	-	195,486	179,595,746	2.809	291,949,730
2007	13,720,600	180,040,460	-	184,828	180,225,288	2.852	327,503,703
2008	28,155,300	402,091,000	-	351,264	402,442,264	1.233 R	731,314,309
2009	28,155,300	400,255,200	-	351,264	400,606,464	1.282	385,998,922
2010	28,155,300	400,447,200	-	351,264	400,798,464	1.345	395,293,313
2011	27,775,300	400,929,200	-	503,525	401,432,725	1.364	390,835,299
2012	26,575,300	394,520,950	-	556,037	395,076,987	1.399	376,925,961

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

BOROUGH OF FIELDSBORO

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial
2005	830,500	18,576,300	-	-	1,284,500	7,865,900
2006	784,300	18,862,800	-	-	1,379,800	7,865,900
2007	815,900	18,971,100	-	-	1,285,100	7,865,900
2008	815,900	18,944,300	-	-	1,287,400	7,865,900
2009	1,775,300	42,160,800	-	-	2,365,400	13,800,000
2010	1,775,300	42,010,400	-	-	2,365,400	10,300,000
2011	1,775,300	41,974,800	-	-	2,365,400	10,300,000
2012	1,775,300	41,872,600	-	-	2,083,600	10,300,000

Fiscal Year Ended June 30,	Apartment	Total Assessed Value	Less: Tax-Exempt Property	Public Utilities	Net Valuation Taxable	Total Direct School Tax Rate	Estimated Actual (County Equalized Value)
2005	-	28,557,200	-	39,474	28,596,674	2.238	40,796,419
2006	-	28,892,800	-	27,127	28,919,927	2.630	52,662,812
2007	-	28,938,000	-	23,828	28,961,828	3.068	59,567,725
2008	-	28,913,500	-	24,966	28,938,466	3.082	59,519,675
2009	-	60,101,500	-	65,050	60,166,550	1.397 R	61,248,946
2010	-	56,451,100	-	59,909	56,511,009	1.437	57,313,926
2011	-	56,415,500	-	44,879	56,460,379	1.409	57,231,369
2012	-	56,031,500	-	44,879	56,076,379	1.446	59,737,671

Source: District records Tax list summary & Municipal Tax Assessor

R: Reassessment year

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

BORDENTOWN REGIONAL SCHOOL DISTRICT
Direct and Overlapping Property Tax Rates
Last Nine Fiscal Years
(rate per \$100 of assessed value)

Exhibit J-7

TOWNSHIP OF BORDENTOWN

Fiscal Year Ended June 30,	BORDENTOWN REG. SCHOOL DIST.			Overlapping Rates				Total Direct and Overlapping Tax Rate
	Basic Rate ^a	General Obligation Debt Service ^b	Total Direct	Township of Bordentown	Municipal Open Space	County Library/Other	Burlington County	
2004	2.163	0.233	2.396	0.474	0.000	0.000	0.673	3.543
2005	2.043	0.268	2.311	0.475	0.000	0.114	0.592	3.492
2006	2.292	0.262	2.554	0.476	0.000	0.157	0.628	3.815
2007	2.470	0.302	2.772	0.499	0.000	0.139	0.668	4.078
2008	2.489	0.278	2.767	0.623	0.000	0.138	0.632	4.160
2009	1.149	0.133	1.282	0.336	0.000	0.068	0.298	1.984 R
2010	1.205	0.136	1.341	0.390	0.000	0.068	0.287	2.086
2011	1.234	0.137	1.371	0.379	0.030	0.068	0.315	2.163
2012	1.590	0.176	1.766	0.522	0.030	0.081	0.355	2.754

CITY OF BORDENTOWN

Fiscal Year Ended June 30,	BORDENTOWN REG. SCHOOL DIST.			Overlapping Rates				Total Direct and Overlapping Tax Rate
	Basic Rate ^a	General Obligation Debt Service ^b	Total Direct	City of Bordentown	Municipal Open Space	County Library/Other	Burlington County	
2004	2.098	0.232	2.330	1.146	0.000	0.000	0.607	4.083
2005	2.122	0.278	2.400	1.207	0.000	0.112	0.583	4.302
2006	2.516	0.293	2.809	1.405	0.000	0.120	0.600	4.934
2007	2.527	0.325	2.852	1.459	0.000	0.128	0.612	5.051
2008	1.109	0.124	1.233	0.707	0.000	0.065	0.295	2.300 R
2009	1.149	0.133	1.282	0.735	0.000	0.068	0.298	2.383
2010	1.216	0.138	1.354	0.764	0.000	0.069	0.306	2.493
2011	1.223	0.137	1.360	0.794	0.000	0.068	0.300	2.522
2012	1.260	0.140	1.400	0.811	0.000	0.067	0.290	2.568

BOROUGH OF FIELDSBORO

Fiscal Year Ended June 30,	BORDENTOWN REG. SCHOOL DIST.			Overlapping Rates				Total Direct and Overlapping Tax Rate
	Basic Rate ^a	General Obligation Debt Service ^b	Total Direct	Borough of Fieldsboro	Municipal Open Space	County Library/Other	Burlington County	
2004	2.049	0.228	2.277	0.647	0.000	0.000	0.615	3.539
2005	1.978	0.260	2.238	0.748	0.000	0.105	0.546	3.637
2006	2.353	0.277	2.630	0.900	0.000	0.134	0.670	4.334
2007	2.736	0.332	3.068	0.950	0.000	0.155	0.747	4.920
2008	2.772	0.310	3.082	1.067	0.000	0.162	0.738	5.049
2009	1.252	0.145	1.397	0.689	0.000	0.071	0.316	2.473 R
2010	1.301	0.147	1.448	0.680	0.000	0.071	0.314	2.513
2011	1.268	0.141	1.409	0.680	0.000	0.071	0.314	2.474
2012	1.301	0.144	1.445	0.669	0.000	0.075	0.329	2.518

Source: District Records and Municipal Tax Collector

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

R Reassessment year

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

^b Rates for debt service are based on each year's requirements.

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

Exhibit J-8

TOWNSHIP OF BORDENTOWN

Taxpayer	2011			2001		
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
Bordentown Investors LLC	\$ 18,391,500	1	1.23%	\$ -	-	-
Bord Investment C/O Thomson Tax	17,445,300	2	1.17%	-	-	-
Rock IDI Central Crossings LLC	17,275,400	3	1.16%	-	-	-
Mosholu Reality LLC	14,984,000	4	1.00%	6,225,000	4	1.14%
HPT PSC Properties Trust DBA.TCA	13,705,100	5	0.92%	-	-	-
Bordentown VF LLC	12,844,800	6	0.86%	9,925,410	2	1.81%
Central Crossings Business Prk, LLC	11,309,500	7	0.76%	-	-	-
Hodding Hotels, LLC	11,130,800	8	0.75%	-	-	-
PSE&G Co. Mgr Tax Dept	10,525,200	9	0.70%	-	-	-
Public Service Electric & Gas Co.	9,156,200	10	0.61%	11,390,500	1	2.08%
Bennetton Sports System USA, Inc.				9,126,700	3	1.67%
Square D. Company				5,630,600	7	1.03%
Quaker Group Development, LP				-	-	-
Mastoris Diner/Restaurant, Inc.				5,887,000	5	1.08%
Bordentown Truck Stop J.V.				5,854,100	6	1.07%
Hunter Industries				4,836,700	8	0.88%
Verizon - New Jersey				3,913,320	10	0.72%
Tadeo, LLC				3,917,500	9	0.72%
Total	\$ 136,767,800		9.16%	\$ 66,706,830		12.20%

CITY OF BORDENTOWN

Taxpayer	2011			2001		
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
Ocean Spray Cranberries	\$ 14,800,000	1	3.70%	\$ 17,534,000	1	9.52%
Park Apartments	11,200,000	2	2.80%	5,392,400	2	2.93%
Schino Property Mgmt.	6,100,000	3	1.52%	-	-	-
Bob Maguire	2,900,000	4	0.72%	1,553,400	5	0.84%
Bordentown New Valley Realty	2,750,000	5	0.69%	-	-	-
Storage Depot	2,700,000	6	0.67%	-	-	-
Thompson Realty of Princeton	2,203,000	7	0.55%	-	-	-
860-206 Associates	1,865,900	8	0.47%	-	-	-
Riverwood Gardens	1,825,000	9	0.46%	1,050,000	-	0.57%
New Punjab Equity	1,400,000	10	0.35%	-	-	-
Insight Properties				2,597,500	3	1.41%
Bordentown Estates				1,672,000	4	0.91%
Individual #1				1,410,600	6	0.77%
101 Farnsworth Ave.				1,187,200	7	0.64%
J & B Investments				981,800	10	0.53%
Individual #2				1,059,700	8	0.58%
Total	\$ 47,743,900		11.92%	\$ 34,438,600		18.70%

BOROUGH OF FIELDSBORO

Taxpayer	2011			2001		
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
Stepan Chemical	\$ 10,030,000	1	17.77%	\$ 7,525,200	1	26.42%
Individual # 1	641,800	2	1.14%	161,900	6	0.57%
Olivia Konek Group, LLC	550,000	3	0.97%	-	-	-
Balon Real Estate LLC	485,300	4	0.86%	-	-	-
Individual # 2	456,900	5	0.81%	154,300	9	0.54%
Reddy Holding LLC	448,500	6	0.79%	-	-	-
Individual # 3	436,000	7	0.77%	151,400	10	0.53%
Individual # 4	422,800	8	0.75%	-	-	-
Individual # 5	416,600	9	0.74%	-	-	-
Individual # 6	411,000	10	0.73%	-	-	-
Individual # 7				-	-	-
Individual # 8				-	-	-
Asiklar Deli				157,800	8	0.55%
Fieldsboro Inn, Inc.				161,100	7	0.57%
Francesco Bassani Tavern				316,900	5	1.11%
R & J Liquors				320,900	4	1.13%
River Club Homeowners				1,688,900	2	5.93%
Stepan Company				397,000	3	1.39%
Total	\$ 14,298,900		25.33%	\$ 11,035,400		38.74%

Source: District CAFR & Municipal Tax Assessor

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

Exhibit J-9

TOWNSHIP OF BORDENTOWN

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy	
		Amount	Percentage of Levy
2002	18,612,648	18,344,556	98.56%
2003	22,217,298	21,943,665	98.77%
2004	23,379,371	23,175,544	99.13%
2005	24,580,228	24,370,126	99.15%
2006	28,007,096	27,584,314	98.49%
2007	30,539,803	30,100,509	98.56%
2008	31,172,847	30,838,124	98.93%
2009	31,892,057	31,486,722	98.73%
2010	32,943,260	32,690,253	99.23%
2011	33,598,186	33,202,342	98.82%

CITY OF BORDENTOWN

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy	
		Amount	Percentage of Levy
2002	6,635,273	6,368,217	95.98%
2003	7,276,773	6,983,697	95.97%
2004	7,706,937	7,462,437	96.83%
2005	8,115,789	7,939,809	97.83%
2006	8,905,282	8,646,793	97.10%
2007	9,235,616	9,016,444	97.63%
2008	9,286,951	8,994,125	96.85%
2009	9,571,273	9,240,199	96.54%
2010	9,952,334	9,589,673	96.36%
2011	10,076,142	9,597,984	95.25%

BOROUGH OF FIELDSBORO

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy	
		Amount	Percentage of Levy
2002	932,070	862,753	92.56%
2003	983,706	924,126	93.94%
2004	1,012,965	970,330	95.79%
2005	1,045,071	1,009,332	96.58%
2006	1,254,768	1,210,062	96.44%
2007	1,426,717	1,371,801	96.15%
2008	1,465,632	1,390,578	94.88%
2009	1,487,919	1,417,056	95.24%
2010	1,413,906	1,347,402	95.30%
2011	1,396,830	1,327,881	95.06%

Source: Municipal records.

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

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

Fiscal Year Ended June 30,	Governmental Activities					Business-Type Activities		Total District	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases	Capital Leases				
2004	\$ 41,387,000	\$ 1,965,000	\$ 76,492	\$ -	\$ -	\$ -	43,428,492	7.73%	\$ 3,006	
2005	40,642,000	1,595,000	141,873	-	-	-	42,378,873	7.53%	2,876	
2006	40,052,000	1,210,000	39,576	-	-	-	41,301,576	6.79%	2,778	
2007	40,850,000	805,000	72,129	-	-	-	41,727,129	6.61%	2,857	
2008	40,070,000	485,000	-	-	-	-	40,555,000	6.42%	2,798	
2009	39,215,000	250,000	71,916	-	-	-	39,536,916	6.26%	2,736	
2010	46,809,000	-	516,535	-	-	-	47,325,535	7.49%	3,284	
2011	45,779,000	-	357,098	-	-	-	46,136,098	7.31%	2,909	
2012	44,314,000	-	188,954	-	-	-	44,502,954	N/A	N/A	

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

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

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

Exhibit J-11

Fiscal Year Ended June 30,	General Bonded Debt Outstanding		Deductions	Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value of Property	Debt per Capita	Population	Taxable Value of Property
	General Obligation Bonds							
2005	\$ 40,642,000	\$ -	-	\$ 40,642,000	4.72%	\$ 2,758	14,737	\$ 861,391,030
2006	40,052,000	-	-	40,052,000	4.53%	2,694	14,869	883,852,937
2007	40,850,000	-	-	40,850,000	4.50%	2,797	14,603	907,605,174
2008	40,070,000	-	-	40,070,000	3.55%	2,764	14,495	1,129,827,216
2009	39,215,000	-	-	39,215,000	1.99%	2,714	14,448	1,973,772,010
2010	46,809,000	-	-	46,809,000	2.39%	3,248	14,410	1,955,144,847
2011	45,779,000	-	-	45,779,000	2.36%	2,887	15,858	1,943,115,532
2012	44,314,000	-	-	44,314,000	2.73%	2,794	15,858	1,622,034,826

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

Bordentown Regional School District
Ratios of Overlapping Governmental Activities Debt
As of June 30, 2012

Exhibit J-12

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Bordentown Township	- Issued		
	\$ 8,453,000		
	- Authorized But Not Issued		
	<u>1,446,676</u>		
	9,899,676	100.000%	\$ 9,899,676
Bordentown City	- Issued		
	2,026,000		
	- Authorized But Not Issued		
	<u>774,250</u>		
	2,800,250	100.000%	2,800,250
Fieldsboro Borough	- Issued		
	431,733		
	- Authorized But Not Issued		
	<u>246,500</u>		
	678,233	100.000%	678,233
Other debt			
Bordentown Sewer Authority	22,671,516	100.000%	22,671,516
Burlington County Gross Debt at December 31, 2011 - Issued and Authorized But Not Issued	764,027,398	4.676%	<u>35,725,921</u>
Subtotal, overlapping debt			71,775,596
Bordentown Regional School District Direct Bonded Debt			<u>44,314,000</u>
Total direct and overlapping debt			<u>\$ 116,089,596</u>

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

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

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

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

Legal Debt Margin Calculation

Equalized valuation basis December 31, 2011

Bordentown City	385,964,006
Bordentown Twp.	1,440,537,948
Fieldsboro	56,802,942
	<u>\$ 1,883,304,896</u>

Debt limit (4 % of average equalization value)	\$ 75,332,196
Net bonded school debt	(44,314,000)
Legal debt margin	<u>\$ 31,018,196</u>

	Fiscal Year								
	2004	2005	2006	2007	2008	2009	2010	2011	2012
Debt limit	37,429,486	40,862,529	49,915,456	57,807,513	65,802,251	74,681,041	74,681,041	75,736,915	75,332,196
Total net debt applicable to limit	41,387,000	40,642,000	40,052,000	40,850,000	40,070,000	39,215,000	46,809,000	45,779,000	44,314,000
Legal debt margin	<u>\$ (3,957,514)</u>	<u>\$ 220,529</u>	<u>\$ 9,863,456</u>	<u>\$ 16,957,513</u>	<u>\$ 25,732,251</u>	<u>\$ 35,466,041</u>	<u>\$ 27,872,041</u>	<u>\$ 29,957,915</u>	<u>\$ 31,018,196</u>
Total net debt applicable to the limit as a percentage of debt limit	110.57%	99.46%	80.24%	70.67%	60.89%	52.51%	62.68%	60.44%	58.82%

Source:
 Abstract of Rates and District Records.

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

Exhibit J-14

BORDENTOWN TOWNSHIP

<u>Year</u>	<u>Population ^a</u>	<u>Personal Income ^b</u>	<u>Per Capita Personal Income ^c</u>	<u>Unemployment Rate ^d</u>
2002	9,463	\$ 344,481,589	\$ 36,403	5.10%
2003	9,627	357,152,073	37,099	5.10%
2004	9,905	384,769,630	38,846	4.70%
2005	10,228	410,142,800	40,100	3.30%
2006	10,395	440,727,210	42,398	3.80%
2007	10,201	432,216,370	42,370	3.50%
2008	10,110	445,618,470	44,077	9.20%
2009	10,068	468,806,352	46,564	8.20%
2010	10,088	469,253,408	46,516	8.70%
2011	11,388	539,688,708	47,391	8.50%

BORDENTOWN CITY

<u>Year</u>	<u>Population ^a</u>	<u>Personal Income ^b</u>	<u>Per Capita Personal Income ^c</u>	<u>Unemployment Rate ^d</u>
2002	4,001	\$ 145,648,403	\$ 36,403	2.70%
2003	3,397	126,025,303	37,099	2.70%
2004	3,985	154,801,310	38,846	2.40%
2005	3,958	158,715,800	40,100	5.20%
2006	3,925	166,412,150	42,398	4.20%
2007	3,854	163,293,980	42,370	3.80%
2008	3,817	168,241,909	44,077	9.20%
2009	3,820	177,874,480	46,564	9.00%
2010	3,759	174,853,644	46,516	9.50%
2011	3,930	186,246,630	47,391	9.30%

FIELDSBORO

<u>Year</u>	<u>Population ^a</u>	<u>Personal Income ^b</u>	<u>Per Capita Personal Income ^c</u>	<u>Unemployment Rate ^d</u>
2002	549	\$ 19,985,247	\$ 36,403	8.80%
2003	564	20,923,836	37,099	8.90%
2004	580	22,530,680	38,846	8.10%
2005	575	23,057,500	40,100	3.30%
2006	573	24,294,054	42,398	7.00%
2007	568	24,066,160	42,370	6.40%
2008	562	24,771,274	44,077	9.20%
2009	560	26,075,840	46,564	14.50%
2010	540	25,118,640	46,516	15.30%
2011	542	25,685,922	47,391	15.00%

Source:

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

^b Personal income has been estimated based upon the municipal population and per capita personal income presented.

^c Per capita personal income by municipality based on projected 2010 information.

^d Unemployment data provided by the NJ Dept of Labor and Workforce Development as of 6/30/2012.

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

Exhibit J-15

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

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

Source: Municipal Records. Year 2000 information is not available

**Bordertown Regional School District
Full Time Equivalent District Employees by Function/Program
Last Nine Fiscal Years**

<u>Function/Program</u>	2004	2005	2006	2007	2008	2009	2010	2011	2012
Instruction	115	123	132	129	137	139	140	142	150
Regular	60	63	67	68	69	70	86	92	106
Special education	12	15	14	15	15	15	11	13	13
Other special education	-	-	-	-	-	-	-	-	-
Vocational	-	-	-	-	-	-	-	-	-
Other instruction	-	-	-	-	-	-	-	-	-
Nonpublic school programs	-	-	-	-	-	-	-	-	-
Adult/continuing education programs	-	-	-	-	-	-	-	-	-
Support Services:	-	-	-	-	-	-	-	-	-
Tuition	31	35	35	36	40	40	38	33	33
Student & instruction related services	1	1	1	1	1	1	1	1	1
General administrative services	55	54	52	59	60	61	63	58	61
School administrative services	2	2	2	1	1	1	1	1	1
Business administrative services	32	30	29	34	39	41	44	43	41
Plant operations and maintenance	39	42	43	39	38	39	38	35	35
Pupil transportation	-	-	-	-	-	-	-	-	-
Special Schools	-	-	-	-	-	-	-	-	-
Food Service	-	-	-	-	-	-	-	-	-
Child Care	-	-	-	-	-	-	-	-	-
Total	347	365	375	382	400	407	422	418	441

Source: District Personnel Records

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

Exhibit J-17

Fiscal Year	Enrollment	Operating Expenditures	Cost Per Pupil	% Change	Teaching Staff
2004	2,044	26,090,707	12,765	-	204
2005	2,109	27,761,080	13,163	3.12%	207
2006	2,192	27,489,119	12,541	-4.73%	215
2007	2,276	28,536,152	12,538	-0.02%	216
2008	2,346	31,401,380	13,385	6.76%	224
2009	2,427	32,806,502	13,517	0.99%	224
2010	2,480	32,968,346	13,294	-1.65%	215
2011	2,461	32,718,416	13,295	0.01%	217
2012	2,464	32,426,539	13,160	-1.01%	212

Pupil/Teacher Ratio

Fiscal Year	Elementary	Middle School	High School	Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
2004	12.5:1	10.4:1	13.2:1	2,001.60	1,912.70	-	95.56%
2005	11.4:1	9.7:1	12.8:1	2,088.80	1,989.30	4.36%	95.24%
2006	11.4:1	10.1:1	11.0:1	2,151.20	2,056.00	2.99%	95.60%
2007	10.9:1	10.7:1	12.5:1	2,263.50	2,161.50	5.22%	95.50%
2008	7.9:1	10.9:1	12.8:1	2,325.60	2,213.20	2.74%	95.20%
2009	10.9:1	10.5:1	12.7:1	2,434.00	2,275.30	4.66%	93.50%
2010	10.1:1	10.8:1	11.8:1	2,400.02	2,320.60	-1.40%	96.70%
2011	9.3:1	10.9:1	11.8:1	2,409.40	2,334.50	0.39%	96.90%
2012	10.3:1	12.0:1	11.5:1	2,426.00	2,347.00	0.69%	96.80%

Sources: District records, ASSA

Note: Enrollment based on annual October ASSA district count.

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

	2004	2005	2006	2007	2008	2009	2010	2011	2012
<u>Elementary</u>									
Clara Barton Elementary School (1953)									
Square Feet	51,432	51,432	51,432	51,432	51,432	51,432	51,432	51,432	51,432
Capacity (students)	346	346	346	346	346	346	346	346	346
Enrollment	357	361	379	229	220	221	254	249	237
Peter Muschal Elementary School (1953)									
Square Feet	83,309	83,309	83,309	83,309	83,309	83,309	83,309	83,309	83,309
Capacity (students)	517	517	517	517	517	517	517	517	517
Enrollment	692	728	755	460	572	537	553	612	642
<u>Junior School</u>									
MacFarland Intermediate School (1924)									
Square Feet	61,837	61,837	61,837	61,837	61,837	61,837	61,837	61,837	61,837
Capacity (students)	334	334	334	334	334	334	334	334	334
Enrollment	324	326	351	353	343	344	352	345	381
<u>Middle School</u>									
Bordentown Regional Middle School (1965)									
Square Feet	87,720	87,720	87,720	87,720	87,720	87,720	87,720	87,720	87,720
Capacity (students)	545	545	545	545	545	545	545	545	545
Enrollment	672	672	697	493	533	532	541	541	524
<u>High School</u>									
Bordentown Regional High School (2006)									
Square Feet	-	-	-	192,000	192,000	192,000	192,000	192,000	192,000
Capacity (students)	-	-	-	1,102	1,102	1,102	1,102	1,102	1,102
Enrollment	-	-	-	678	766	723	712	716	694
<u>Other</u>									
James F. Black Administration Building									
Square Feet	2,990	2,990	2,990	2,990	2,990	2,990	2,990	2,990	2,990
Transportation (1990)									
Square Feet	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000

Number of Schools at June 30, 2012

- Elementary = 3
- Middle School = 1
- High School = 1
- Other = 2

Source: District records, ASSA

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

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

**BORDENTOWN REGIONAL SCHOOL DISTRICT
GENERAL FUND
SCHEDULED OR REQUIRED MAINTENANCE FOR SCHOOL FACILITIES
For the Fiscal Year Ended June 30, 2012**

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

School Facilities	Project # (s)	2012	2011	2010	2009	2008	2007	2006	2006	2005	2004
James Black Dist. Admin. Building	N/A	5,550	2,838	2,965	3,496	3,027	2,457	908	908	9,331	9,109
Transportation / Bus Building	N/A	6,937	4,745	4,952	5,846	5,063	4,109	2,512	2,512	15,604	15,233
Bordentown Regional Middle School	N/A	128,333	83,250	86,887	102,567	88,818	72,099	51,241	51,241	160,510	156,692
Clara Barton School	N/A	71,450	48,811	50,944	60,137	52,076	42,273	30,745	30,745	259,992	253,809
MacFarland Junior School	N/A	89,486	58,686	61,250	72,303	62,611	50,825	35,867	35,867	192,982	188,392
Peter Muschal School	N/A	119,315	79,064	82,518	97,409	84,352	68,474	49,533	49,533	273,758	267,247
Bordentown Regional High School	N/A	272,621	180,306	188,184	222,142	192,365	156,158	-	-	-	-
		693,692	457,700	477,700	563,900	488,312	396,395	170,806	170,806	912,177	890,482
Other Facilities		-	-	-	-	-	-	-	-	-	-
Grand Total		693,692	457,700	477,700	563,900	488,312	396,395	170,806	170,806	912,177	890,482

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

**BORDENTOWN REGIONAL SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2012
UNAUDITED**

	<u>Coverage</u>	<u>Deductible</u>
PROPERTY [School Alliance Insurance Fund ("SAIF")]		
Property Insurance		
Limit of Liability	\$ 250,000,000 Per occurrence	\$ 1,000
SAIF Self Insured Retention	\$ 100,000 Per occurrence	
Fund Aggregate Retention	100% of Property/BM/GL/AL Loss Fund	
Perils Included:	Coverage written on an "All Risk" Basis, including flood and earthquake (see sub-limits)	
Property Included:		
Buildings, Contents, Boiler & Machinery	\$ 250,000,000 with a	
Buildings, Contents, Boiler & Machinery	\$ 200,000,000 Sub-limit for National Weather Service Named Storms	
Extra Expenses	\$ 50,000,000	
Newly Acquired Property	\$ 25,000,000	
Builders Risk/New Construction	\$ 25,000,000	
Property in Transit	\$ 25,000,000	
Automobile Physical Damage	Included	
Unnamed Locations	\$ 25,000,000	
Cost of Construction	\$ 25,000,000	
Earthquake	\$ 25,000,000 Per Occurrence/Per Member/Annual Aggregate	
Flood	\$ 10,000,000 Per Occurrence/Per Member (Excluding Zones A & V)	
Flood	\$ 25,000,000 Per Occurrence/Per Member (Zones A & V)	
Flood	\$ 100,000,000 Fund Annual Aggregate Sub-limit to \$50,000,000 Annual Aggregate for Flood Zones A&V	
Accounts Receivable	\$ 2,500,000	
Fine Arts	\$ 2,500,000	
Loss of Rents	\$ 500,000 \$2,500,000 Aggregate	
Terrorism	\$ 100,000,000 Per Occurrence	
Terrorism	\$ 200,000,000 Annual Aggregate	
BOILER AND MACHINERY [School Alliance Insurance Fund]	\$ 100,000,000 Per Occurrence	\$ 1,000
CRIME AND FIDELITY [School Alliance Insurance Fund]		
Money & Securities (Loss Inside and Loss Outside)	\$ 50,000 Each (either) Loss	\$ 1,000
Blanket Employee Dishonesty	\$ 500,000 Per Loss	\$ 1,000
Computer Fraud, Forgery & Alterations (each)	\$ 50,000	

**BORDENTOWN REGIONAL SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2012
UNAUDITED**

	<u>Coverage</u>	<u>Deductible</u>
COMPREHENSIVE GENERAL LIABILITY AND AUTOMOBILE LIABILITY COVERAGE [SAIF]		
Limit of Liability	\$ 5,000,000 Per Occurrence/ Per Member	None
Includes civil claim action or bodily injury, property damage and personal injury liability		
Sub-limit applicable to Sexual Molestation	\$ 5,000,000 Per Occurrence/Aggregate Per Member	
EXCESS LIABILITY COVERAGE [SAIF]		
Limit of Liability	\$ 5,000,000 Per Occurrence/ Per Member	NIL
Workers' Compensation [School Alliance Insurance Fund]		
Workers' Compensation	NJ Statutory Benefits	NIL
Employers' Liability	\$ 5,000,000 Per Occurrence/ Per Member	NIL
WORKERS' COMPENSATION SUPPLEMENTARY INDEMNITY [SAIF]		
Limit of Liability [7 day waiting period applies]	\$ 1,000,000 Per Incident & Annual Aggregate	NIL
SCHOOL LEADERS ERRORS & OMISSIONS [N.J.S.B.A.I.G.]		
Claims Made Coverage Form - Coverage A	\$ 5,000,000	5,000
Aggregate - Coverage A	\$ 5,000,000	5,000
Claims Made Coverage Form - Coverage B	\$ 100,000	5,000
Aggregate - Coverage B	\$ 300,000	5,000
BOARD SECRETARY [Selective Insurance Co.]	\$ 100,000	
TREASURER [Selective Insurance Co.]	\$ 340,000	
GROUP TRAVEL ACCIDENT -		
School Board Members [Hartford Insurance]		
Principal Sum	\$ 50,000	
Aggregate	\$ 250,000	
STUDENT PHYSICAL ED & ATHLETICS	\$ 25,000	
[T.L. Groseclose Assoc. Inc]		

Source: District Records

SECTION - K
SINGLE AUDIT SECTION

Certified Public Accountant

Registered Municipal Accountant

P.O. Box 614

BORDENTOWN, NEW JERSEY 08505

PHONE: (609) 298-8639

FAX: (609) 298-1198

MEMBER
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

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

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

I have audited the financial statements of the Board of Education of the Bordentown Regional School District, in the County of Burlington, State of New Jersey, as of and for the year ended June 30, 2012, and have issued my report thereon dated October 15, 2012. I conducted my audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey.

Internal Control Over Financial Reporting

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

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

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

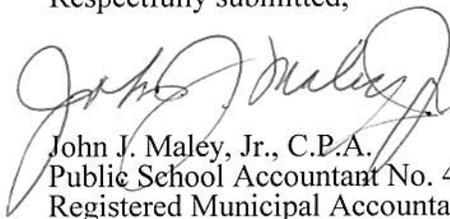
Compliance and Other Matters

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

I noted certain matters that I have reported to management of the Bordentown Regional School District Board of Education in a separate *Auditor's Management Report on Administrative Findings – Financial, Compliance and Performance* dated October 15, 2012.

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

Respectfully submitted,



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

October 15, 2012

JOHN J. MALEY, JR.

Certified Public Accountant

Registered Municipal Accountant

P.O. Box 614

BORDENTOWN, NEW JERSEY 08505

PHONE: (609) 298-8639

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EXHIBIT K-2

MEMBER
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO
EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
IN ACCORDANCE WITH OMB CIRCULAR A-133 AND
NEW JERSEY OMB CIRCULAR 04-04**

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

Compliance

I have audited the compliance of the Board of Education of the Bordentown Regional School District, in the County of Burlington, State of New Jersey, with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* and the *New Jersey State Grant Compliance Supplement* that are applicable to each of its major state programs for the year ended June 30, 2012. Bordentown Regional School District's major federal and state programs are identified in the *Summary of Auditor's Results Section* of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major state programs is the responsibility of the Bordentown Regional School District's management. My responsibility is to express an opinion on the Bordentown Regional School District's compliance based on my audit.

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

In my opinion, the Board of Education of the Bordentown Regional School District, in the County of Burlington, State of New Jersey, complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal and state programs for the fiscal year ended June 30, 2012.

Internal Control Over Compliance

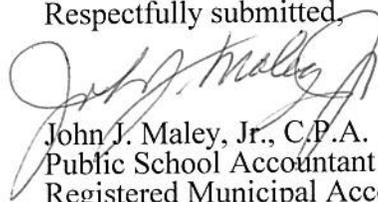
The management of the Board of Education of the Bordentown Regional School District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal and state programs. In planning and performing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

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

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

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

Respectfully submitted,



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

October 15, 2012

BORDENTOWN REGIONAL SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards
for the Fiscal Year ended June 30, 2012

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Grant or State Project Number	Program or Award Amount	Grant Period From To	Balance at June 30, 2011	Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	Balance at June 30, 2012	
											Accounts Receivable	Deferred Revenue
U.S. Department of Education												
General Fund:												
Education Jobs Fund	84-410A	ARRA	\$ 284,931	8/10/10	9/30/12	\$ -	\$ 36,620	\$ (270,766)	-	-	\$ (234,146)	\$ -
Total General Fund							36,620	(270,766)	-	-	(234,146)	-
U.S. Department of Education												
Passed-through State Department of Education:												
Special Revenue Fund:												
Title I-A, Improving Basic Programs Operated by LEA's	84-010A	NCLB-0475-12	222,695	9/1/11	8/31/12	-	-	(123,189)	(6,363) a. c.	-	(129,552)	-
Title I-A, Improving Basic Programs Operated by LEA's	84-010A	NCLB-0475-11	234,867	9/1/10	8/31/11	(72,282)	105,599	(39,679)	6,362 c.	-	-	-
Title I-A, Improving Basic Programs Operated by LEA's	84-010A	NCLB-0475-10	225,921	9/1/09	8/31/10	5,192	-	-	-	-	-	-
ARRA - Title I, Part A	84-389	ARRA-0475-10	74,172	7/1/09	8/31/11	(33,805)	37,151	(3,346)	-	-	-	5,192
Title II-A, Teacher & Principal Training & Recruiting	84-281A	NCLB-0475-12	47,752	9/1/11	8/31/12	(20,627)	17,857	(27,661)	9,005 c.	-	(799)	58
Title II-A, Teacher & Principal Training & Recruiting	84-281A	NCLB-0475-11	53,556	9/1/10	8/31/11	1,564	37,827	(8,195)	(8,947) b. c.	-	-	1,564
Title II-A, Teacher & Principal Training & Recruiting	84-281A	NCLB-0475-10	51,490	9/1/09	8/31/10	(8,509)	-	-	-	-	(8,509)	-
Title II-A, Teacher & Principal Training & Recruiting	84-281A	NCLB-0475-11	459	9/1/10	8/31/11	(449)	459	-	-	-	-	10
Title II-D, Enhancing Education Through Technology	84-281D	NCLB-0475-10	2,300	9/1/09	8/31/10	91	-	(12,000)	-	-	(11,886)	91
Title III - English Language Acquisition & Enhancement	84-291	NCLB-0475-12	16,664	9/1/11	8/31/12	(9,606)	10,114	(4,309)	-	-	-	-
Title III - English Language Acquisition & Enhancement	84-291	NCLB-0475-11	17,024	9/1/10	8/31/11	22	13,915	-	-	-	-	22
Title IV - Safe and Drug Free Schools and Communities	84-186	NCLB-0475-10	6,298	9/1/09	8/31/10	-	397,406	(532,062)	-	-	(134,656)	-
IDEA, Part B - Basic	84-027A	IDEA-0475-12	535,080	9/1/11	8/31/12	(104,247)	109,409	(5,162)	-	-	-	-
IDEA, Part B - Basic	84-027	IDEA-0475-11	536,381	9/1/10	8/31/11	-	25,358	(26,573)	-	-	(1,215)	-
IDEA, Part B - Preschool	84-173	IDEA-0475-12	26,573	9/1/11	8/31/12	(26)	-	-	-	-	(26)	-
IDEA, Part B - Preschool	84-173	IDEA-0475-10	25,358	9/1/09	8/31/10	2,011	102,966	(102,479)	1 a.	-	-	2,499
ARRA - IDEA, Part B	84-391A	ARRA-0475-10	572,335	7/1/09	8/31/11	(12,459)	18,607	(5,923)	-	-	-	245
ARRA - IDEA, Preschool	84-392A	ARRA-0475-10	20,664	7/1/09	8/31/11	-	-	-	-	-	-	-
Governor's Initiative - Enhancing & Expanding In-District Program Options for Students With Disabilities - Year 2	84-027A	07-FC02-103	150,000	6/1/08	6/1/09	5,191	-	-	-	-	-	5,191
Local Capacity Building & Improvement Project for Special Education Least Restrictive Environment	84-027A	04-BC26-H03	200,000	10/1/04	9/30/06	(7,825)	-	-	7,825 d.	-	-	-
Total Special Revenue Fund						(255,744)	876,668	(890,578)	7,883	-	(276,643)	12,118
U.S. Department of Agriculture												
Passed-through State Department of Education:												
Enterprise Fund:												
Food Distribution Program	10-550	N/A	37,838	7/1/11	6/30/12	-	38,426	(37,838)	(1) a.	-	-	2,463
Food Distribution Program	10-550	N/A	38,824	7/1/10	6/30/11	1,876	(1,876)	-	-	-	-	-
School Breakfast Program	10-553	N/A	41,989	7/1/11	6/30/12	-	38,844	(41,989)	-	-	(3,145)	-
School Breakfast Program	10-553	N/A	40,578	7/1/10	6/30/11	(2,327)	2,327	-	-	-	-	-
National School Lunch Program	10-555	N/A	214,484	7/1/11	6/30/12	(10,405)	199,282	(214,484)	-	-	(15,202)	-
National School Lunch Program	10-555	N/A	196,344	7/1/10	6/30/11	(3)	10,405	-	-	-	-	-
Special Milk Program	10-556	N/A	49	7/1/10	6/30/11	(3)	3	-	-	-	-	-
Total Enterprise Fund						(10,859)	289,287	(294,311)	(1)	-	(18,347)	2,463
Total Federal Financial Awards						\$ (266,603)	\$ 1,202,575	\$ (1,455,655)	\$ 7,882	\$ -	\$ (529,136)	\$ 14,581
												\$ 2,754

a. Rounding adjustment.
b. Prior year P.O. adjustment
c. Expenditure reclassification
d. Cancelled

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

BORDENTOWN REGIONAL SCHOOL DISTRICT
Schedule of Expenditures of State Financial Assistance
for the Fiscal Year Ended June 30, 2012

State Grants/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period From To	Balance at June 30, 2011		Cash Received	Budgetary Expenditures	Adjustment/ Repayment of Prior Years' Balances	Balance June 30, 2012		Budgetary Receivable	Cumulative Total Expenditures
				Deferred Revenues/ (Accounts Receivable)	Due to Grantor				Deferred Revenues/ Interfund Payable	Due to Grantor		
State Department of Education:												
General Fund:												
Equitization Aid	12-495-034-5120-078	\$ 5,980,109	7/1/11	6/30/12		\$ 5,980,109	(\$ 5,980,109)		\$ -		\$ -	\$ 5,980,109
Special Education Categorical Aid	12-495-034-5120-089	1,342,444	7/1/11	6/30/12		1,342,444	(1,342,444)					1,342,444
Extracurricular Aid 11-12	12-100-034-5120-473	293,636	7/1/10	6/30/12		293,636	(293,636)					293,636
Extracurricular Aid 10-11	11-100-034-5120-473	229,248	7/1/10	6/30/12								
Reimbursed Non Public Transportation Costs	N/A	21,301	7/1/11	6/30/12			(21,301)		(21,301)			21,301
Reimbursed Non Public Transportation Costs	N/A	11,832	7/1/10	6/30/12								
Department of Children & Families Homeless Tuition Aid	N/A	8,914	7/1/11	6/30/12			(8,914)		(8,914)			8,914
Department of Children & Families Homeless Tuition Aid	N/A	4,988	7/1/10	6/30/12								
Anti-Bullying Bill of Rights Act (HB)	N/A	1,649	7/1/11	6/30/12			(1,649)					1,649
Department of Children & Families Homeless Tuition Aid	N/A	460,758	7/1/11	6/30/12		460,758	(460,758)					460,758
One-Behalf TPAF Pension Contributions	12-495-034-5095-006	926,242	7/1/11	6/30/12		926,242	(926,242)					926,242
One-Behalf TPAF Post-Retirement Medical	12-495-034-5095-001	926,242	7/1/11	6/30/12		926,242	(926,242)					926,242
Reimbursed TPAF Social Security Contributions	12-495-034-5095-002	1,087,537	7/1/11	6/30/12		1,087,537	(1,087,537)					1,087,537
Total General Fund					(16,820)	10,109,155	(10,122,590)		(30,215)		919,197	10,122,590
Enterprise Fund:												
Adult Basic Skills Grant Program	3-67144-9701	50,123	7/1/11	6/30/12		42,824	(50,123)		(7,299)			50,123
Adult Basic Skills Grant Program	3-67144-9701	47,199	7/1/10	6/30/11		8,314			(14)			
Adult Basic Skills Grant Program	3-67144-9701	28,100	7/1/07	6/30/08			(50,123)		(3,605)			
Total Enterprise Fund					(11,935)	51,138	(50,123)		(10,918)			50,123
Special Revenue Fund:												
N.J. Nonpublic Aid												
Textbook Aid	12-100-034-5120-064	6,110	7/1/11	6/30/12		6,110	(5,923)			187		5,923
Textbook Aid	11-100-034-5120-064	10,345	7/1/10	6/30/11	28			(28) a				
Ch 192 - Ancillary Services	12-100-034-5120-067	34,659	7/1/11	6/30/12	15,656	34,659	(13,947)			20,712		13,947
Compensatory Education	11-100-034-5120-067	35,165	7/1/10	6/30/11				(15,656) a				
Ch 193 - Handicapped Services	12-100-034-5120-066	7,717	7/1/11	6/30/12		7,717	(3,278)			4,139		3,278
Supplemental Instruction	11-100-034-5120-066	7,643	7/1/10	6/30/11	1,876			(1,876) a				
Examination & Classification	12-100-034-5120-066	5,638	7/1/11	6/30/12		5,638	(4,670)			968		4,670
Examination & Classification	11-100-034-5120-066	8,931	7/1/10	6/30/11	4,462			(4,462) a				
Corrective Speech	12-100-034-5120-066	15,007	7/1/11	6/30/12		15,007	(7,662)			7,345		7,662
Corrective Speech	11-100-034-5120-066	9,388	7/1/10	6/30/11	861			(861) a				
Nursing Aid	12-100-034-5120-070	8,728	7/1/11	6/30/12		8,728	(8,728)					8,728
Character Education Aid	06-495-034-5120-053	5,661	7/1/05	6/30/06	132				132			
NJ School Counseling Initiative & SSSPTI	N/A	10,000	9/1/01	6/30/03	(2,086)							
Teacher Quality Mentoring Program	N/A	10,093	9/1/08	6/30/09	9,428				9,652			(224)
Governor's School of Excellence Award	05-100-034-5063-298	25,000	9/1/05	6/30/06	4,979				4,979			
Other Special Projects:												
Burlington County Municipal Alliance (BRAD)	N/A	28,625	1/1/12	12/31/12								
Subaru of America Foundation Grant	N/A	5,000	7/1/10	6/30/11	987				21,851			6,774
Bordentown Regional School District Education Foundation	N/A	6,451	7/1/11	6/30/12		6,451	(6,132)					6,132
Bordentown Regional School District Education Foundation	N/A	14,096	7/1/10	6/30/11	1,030				319			97
Bordentown Regional School District Education Foundation	N/A	10,680	7/1/09	6/30/10	784				933			784
Nelchen Sievers Library Grant	N/A	3,865	7/1/11	6/30/12		3,865	(2,388)					2,208
Nelchen Sievers Library Grant	N/A	1,450	7/1/10	6/30/11	827				2,484			623
Nelchen Sievers Library Grant	N/A	7,684	7/1/09	6/30/10	104				(623)			104
Bristol-Meyers Squibb - Rider University Science Grant	N/A	7,000	7/1/07	6/30/08					70			
Total Special Revenue Fund					16,878	22,883	(61,096)	(20,797)		33,331		61,096
State Department of Education:												
Debt Service Fund:												
Debt Service Aid Type II	12-100-034-5120-125	315,436	7/1/11	6/30/12		315,436	(315,436)					315,436
Total Debt Service Fund												315,436
State Department of Agriculture:												
Enterprise Fund:												
State School Lunch Program	12-100-010-3150-023	7,874	7/1/11	6/30/12		7,311	(7,874)		(563)			7,874
State School Lunch Program	11-100-010-3150-023	7,371	7/1/10	6/30/11	(422)							
Total Enterprise Fund					(422)	7,311	(7,874)		(563)			7,874
Total State Financial Assistance						\$ 10,600,302	(\$ 10,557,029)	(20,797)		\$ 41,407	\$ 919,197	\$ 10,557,029

a. Repayment of prior year balances
b. Prior Year P.O. adjustment
c. Rounding adjustment
d. Canceled
e. Prior year accounts receivable canceled

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

BORDENTOWN REGIONAL SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF EXPENDITURES OF AWARDS
AND FINANCIAL ASSISTANCE
JUNE 30, 2012

Note 1: GENERAL

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

Note 2: BASIS OF ACCOUNTING

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

Note 3: RELATIONSHIP TO GENERAL PURPOSE FINANCIAL STATEMENTS

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

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

The net adjustment to reconcile from budgetary basis to the GAAP basis is \$(139,613) for the general fund and \$19,795 for the special revenue fund. See Note A (the Notes to Required Supplementary Information) for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenues are reported in the Board's basic financial statements on GAAP basis as presented below.

	<u>Federal</u>	<u>State/ Local</u>	<u>Total</u>
General Fund	\$ 270,766	\$ 9,982,977	\$ 10,253,743
Special Revenue Fund	910,401	60,978	971,379
Capital Projects Fund	0	0	0
Debt Service Fund	0	315,436	315,436
Enterprise Funds	<u>294,899</u>	<u>57,997</u>	<u>352,896</u>
Total Financial Assistance	<u>\$1,476,066</u>	<u>\$10,417,388</u>	<u>\$ 11,893,454</u>

BORDENTOWN REGIONAL SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF EXPENDITURES OF AWARDS
AND FINANCIAL ASSISTANCE
JUNE 30, 2012

Note 4: RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

Note 5: OTHER

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.

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

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

State Awards

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

Auditee qualified as low-risk auditee? ___ yes X no

Internal Control over major programs:

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

 2) Significant deficiencies identified that are not
 considered to be material weaknesses? ___ yes X no

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

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

Identification of major programs:

<u>State Grant/Project Number(s)</u>	<u>Name of State Program</u>
<u>12-495-034-5120-078</u>	<u>Equalization Aid</u>
<u>12-100-034-5120-473</u>	<u>Extraordinary Aid</u>
<u>12-100-034-5120-125</u>	<u>Debt Service Aid Type II</u>
_____	_____

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

Section II - Schedule of Financial Statement Findings

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

There were no findings or questioned costs.

**BORDENTOWN REGIONAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

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

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

FEDERAL AWARDS

There were no findings or questioned costs.

STATE AWARDS

There were no findings or questioned costs.

**SUMMARY SCHEDULE OF PRIOR-YEAR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT
FOR THE YEAR ENDED JUNE 30, 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 *Government Auditing Standards*, USOMB Circular A-133 and NJOMB's Circular 04-04.]

STATUS OF PRIOR-YEAR FINDINGS

FINANCIAL STATEMENT FINDINGS

There were no findings or questioned costs.

FEDERAL AWARDS

There were no findings or questioned costs.

STATE AWARDS

There were no findings or questioned costs.