

**Comprehensive Annual
Financial Report**

of the

Bridgewater-Raritan Regional School District

County of Somerset

Bridgewater, New Jersey

For the Fiscal Year Ended June 30, 2012

Prepared by

**Bridgewater-Raritan Regional School District
Board of Education
Business Office**



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INTRODUCTORY SECTION

Board of Education

Bridgewater-Raritan Regional School District

836 Newmans Lane, P. O. Box 6030
Bridgewater, New Jersey 08807-0030

(908) 685-2777 ext. 3212
Fax (908) 231-8496

J. Michael Schilder, Ed. D.
Superintendent of Schools

Peter F. Starrs
School Business Administrator/Board Secretary

September 27, 2012

Honorable President and
Members of the Board of Education
Bridgewater-Raritan Regional School District
836 Newmans Lane
Bridgewater, NJ 08807

Dear Board Members:

The comprehensive annual financial report of the Bridgewater-Raritan Regional School District for the fiscal year ended June 30, 2012, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Bridgewater-Raritan Regional Board of Education. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the basic financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1996 and the U.S. Office of Management and Budget Circular A-133, "Audits of State, Local Governments and Non-Profit Organizations", and the state Treasury Circular Letter 04-04 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments".

Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations are included in the single audit section of this report.

1) **REPORTING ENTITY AND ITS SERVICES:**

Bridgewater-Raritan 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. All funds and account groups of the District are included in this report. The Bridgewater-Raritan Regional Board of Education and all of its schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels K through 12. These include regular as well as special education for handicapped youngsters. The District completed the 2011-2012 fiscal year with an average daily enrollment of 8,706 students, which is 148 students below the previous year's enrollment. The following details the changes in the student enrollment of the District over the last ten years.

Average Daily Enrollment

Fiscal Year	Student Average Daily Enrollment	Enrollment Increase <Decrease>	% Change
2011-2012	8,706	<148>	<1.67%>
2010-2011	8,854	<239>	<2.63%>
2009-2010	9,092	<35>	<.38%>
2008-2009	9,127	<6>	<.07%>
2007-2008	9,133	<66>	<.72%>
2006-2007	9,199	209	2.32%
2005-2006	8,990	189	2.15%
2004-2005	8,801	103	1.18%
2003-2004	8,698	337	4.03%
2002-2003	8,361	247	3.04%

2) **ECONOMIC CONDITION AND OUTLOOK OF THE LOCAL ECONOMY:**

The Bridgewater-Raritan area is facing the same challenges the nation and state are as both unemployment and tax appeals have risen. The area should recover in the same timeframe as the rest of the region.

3) **MAJOR INITIATIVES UNDERTAKEN:**

Bridgewater-Raritan students continue to excel and demonstrate proficiency in Reading, Writing, and Mathematics as measured by the NJASK and the High School Proficiency Assessment. The results of these State administered tests for students in grades 3-11 are summarized below:

Percent of students who performed at or above State standards in Language Arts Literacy

Grade 3: 84.3% Grade 4: 76.6% Grade 5: 82.3% Grade 6: 83.7%
 Grade 7: 76.3% Grade 8: 91.9% Grade 11: 97.7%

Percent of students who performed at or above State standards in Mathematics

Grade 3: 89.7% Grade 4: 91.3% Grade 5: 93.7% Grade 6: 92.7%
 Grade 7: 80.5% Grade 8: 86.5% Grade 11: 93.7%

4) **INTERNAL ACCOUNTING CONTROLS:**

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

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

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

5) **BUDGETARY CONTROLS:**

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

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

6) **ACCOUNTING SYSTEM 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 and account groups. These funds and account groups are explained in "Notes to the Financial Statements", Note 1.

7) **CASH MANAGEMENT:**

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

8) **DEBT ADMINISTRATION:**

At June 30, 2012, the District's outstanding debt issues included \$49,561,000.00 of general obligation bonds and \$11,842.10 of intergovernmental loans payable (N.J. Safe Schools Loan).

9) **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.

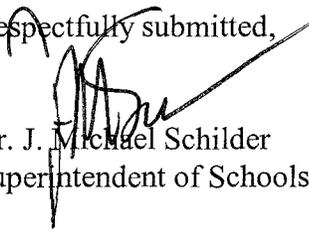
10) **OTHER INFORMATION:**

Independent Audit - New Jersey State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The Board appointed Suplee, Clooney & Company as the District's auditing firm. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act of 1996 and the related OMB Circular A-133 and state Treasury Circular Letter 04-04 OMB. The auditor's report on the basic financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

11) **ACKNOWLEDGMENTS:**

We would like to express our appreciation to the members of the Bridgewater-Raritan Regional Board of Education for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of our financial and accounting staff.

Respectfully submitted,


Dr. J. Michael Schilder
Superintendent of Schools



Peter F. Starrs
School Business Administrator/Board Secretary

**BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
ROSTER OF OFFICIALS
JUNE 30, 2012**

Members of the Board of Education

Term Expires

Evan Lerner – President	2014
Patrick Breslin – Vice-President	2012
Cindy Cullen	2012
Daniel Petrozelli	2012
Jeffrey Brookner	2013
Jill Gladstone	2013
Lynne Hurley	2013
Dr. Arvind Mathur	2014
Ann Marie Mead	2014

Other Officials

Dr. J. Michael Schilder, Superintendent of Schools

Cheryl Dyer, Assistant Superintendent

Peter F. Starrs, Business Administrator/Board Secretary

Ronald Rossi, Treasurer of School Moneys

Nicholas Celso,III – Schwartz Simon Edelstein Celso & Kessler

Consultants and Advisors

ARCHITECTS

Parette Somjen Architects
439 Route 46 East
Rockaway, NJ 07866

AUDIT FIRM

Suplee, Clooney & Company
308 East Broad Street
Westfield, NJ 07090

ATTORNEYS

Nicholas Celso, III
Schwartz, Simon, Edelstein, Celso & Kessler
44 Whippany Road
Morristown, NJ 07962

OFFICIAL DEPOSITORY

PNC Bank
Washington Valley Road
Martinsville, NJ 08836

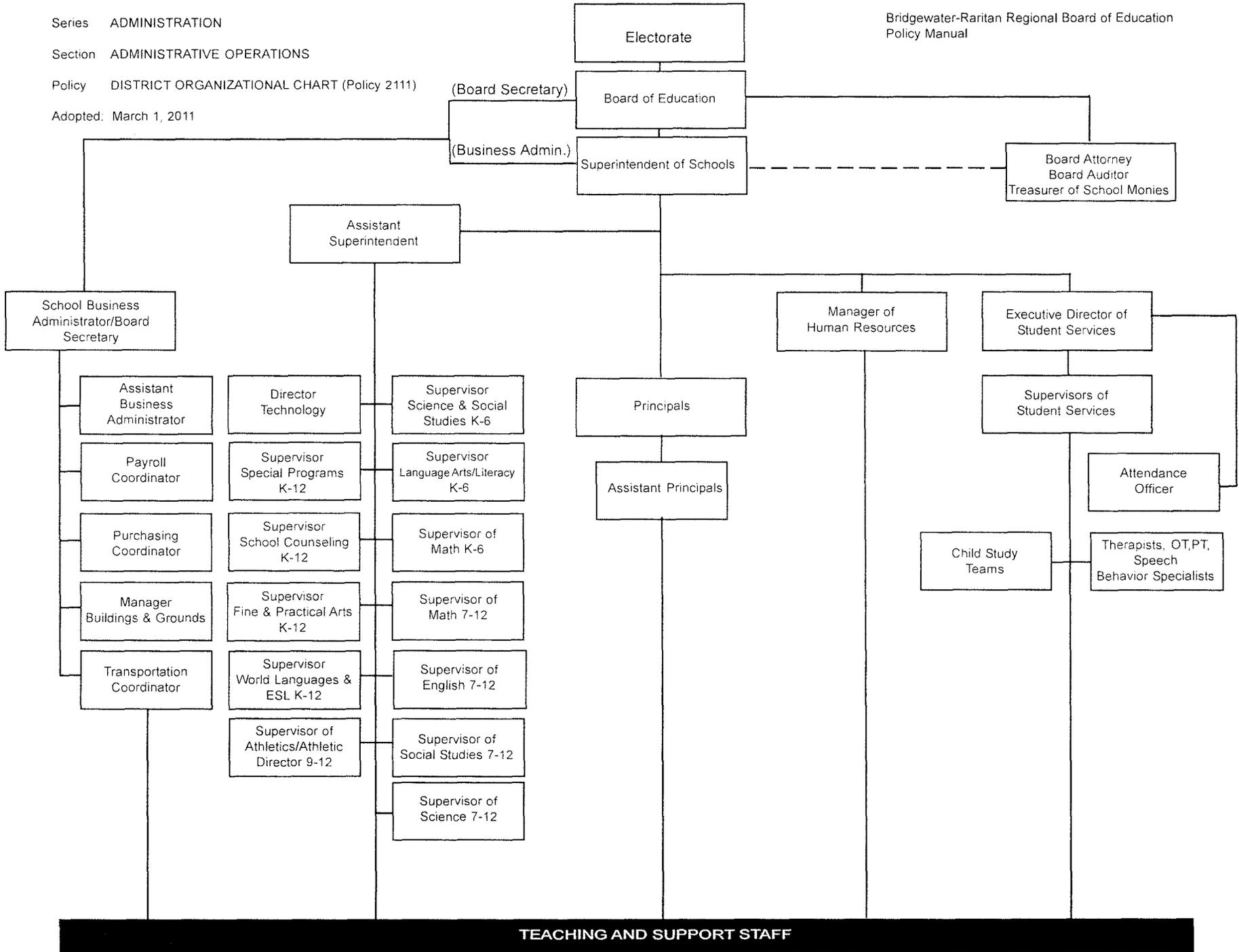
Series ADMINISTRATION

Section ADMINISTRATIVE OPERATIONS

Policy DISTRICT ORGANIZATIONAL CHART (Policy 2111)

Adopted: March 1, 2011

Bridgewater-Raritan Regional Board of Education
Policy Manual



FINANCIAL SECTION



SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

308 East Broad Street, Westfield, New Jersey 07090-2122

Telephone 908-789-9300

Fax 908-789-8535

E-mail info@scnco.com

INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Education
Bridgewater-Raritan Regional School District
County of Somerset

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Bridgewater-Raritan Regional School District, County of Somerset, New Jersey as of and for the 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 District's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, audit requirements prescribed by the Division of Finance, Department of Education, State of New Jersey, the provisions of U. S. Office of Management and Budget (OMB) Circular A-133 "Audits of State, Local Governments and Non-Profit Organizations" and State of New Jersey OMB Circular 04-04, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid." Those standards and provisions require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Bridgewater-Raritan Regional School District, County of Somerset, New Jersey as of June 30, 2012, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with U.S. generally accepted accounting principles.

SUPLEE, CLOONEY & COMPANY

In accordance with Government Auditing Standards, we have also issued our report dated September 27, 2012 on our consideration of the Bridgewater-Raritan Regional School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

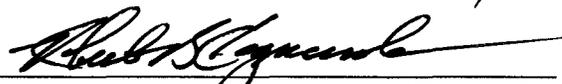
Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and Budgetary Comparison Information in Exhibits C-1 through C-3 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the Bridgewater-Raritan Regional School District's financial statements that collectively comprise the basic financial statements. The accompanying supplementary information schedules such as the combining and individual fund financial statements and the Schedules of Expenditures of Federal and State Awards, as listed in the table of contents, as required by U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments and Nonprofit Organization," New Jersey's OMB Circular NJOMB 04-04, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid," and State of New Jersey, Department of Education, Division of Finance are presented for purposes of additional analysis and are not a required part of the basic financial statements of the Bridgewater-Raritan Regional School District, County of Somerset, New Jersey. 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 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other

SUPLEE, CLOONEY & COMPANY

records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole. The accompanying other information, such as the introductory and statistical sections, is presented for the purposes of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.


CERTIFIED PUBLIC ACCOUNTANTS


PUBLIC SCHOOL ACCOUNTANT NO. 93

September 27, 2012

REQUIRED SUPPLEMENTARY INFORMATION – Part I

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**MANAGEMENT'S DISCUSSION AND ANALYSIS -
UNAUDITED**

**BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
BRIDGEWATER, NEW JERSEY**

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

The Management's Discussion and Analysis of the Bridgewater-Raritan Regional School District (the "District") offers readers of the District's financial statements a narrative overview of the financial activities for the fiscal year ended June 30, 2012. The intent of this discussion is to look at the District's financial performance as a whole; therefore readers should also review the transmittal letter at the front of this report, along with the District's financial statements and notes to the financial statements to enhance their understanding of the District's financial performance.

Financial Highlights

- Revenue from governmental activities accounted for \$148,891,838.01 or 98.17 percent of total school district revenue. The other 1.83 percent of revenue was generated by the business type activities.
- Governmental fund revenues exceeded expenditures by \$4,613,843.00.
- Total net assets of the District increased by \$4,417,676.71.

Overview of the Financial Statements

This Comprehensive Annual Financial Report ("CAFR") 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, District-wide Financial Statements and Fund Financial Statements.

- District-wide Financial Statements provide both short-term and long-term information about the District's overall financial status.
- Fund Financial Statements report the District's operations in more detail than the District-wide statements on individual parts of the District, the Governmental Funds, Proprietary Funds and Fiduciary Funds.

**BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
BRIDGEWATER, NEW JERSEY**

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

- Governmental Funds Statements tell how basic services such as regular and special education were financed in the short-term as well as what remains for future spending.
- Proprietary Funds Statements offer short and long-term financial information about the activities the District operates like a business, which include food services.
- 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.

The notes to financial statements are also included, which are an integral part of the financial statements. The information in the notes provides detailed data on the District's financial operations.

Required supplementary information further explains and supports the financial statements with a comparison of the District's budget for the year. Exhibit A-1 reflects how the various parts of this annual report are arranged and related to one another.

District-wide Financial Statements

The District-wide Financial 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 current year's revenue and expenses are accounted for in the statement of activities regardless of when cash is received or disbursed.

The District-wide Financial Statements report the District's net assets and how they have changed. Net assets, the difference between the District's assets and liabilities, is 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 has improved or diminished. The causes of this change may be a result of many factors, some financial and some not. Non-financial factors include the District's property tax base, current laws in New Jersey restricting revenue growth, facility condition, required educational programs and other factors.

In the District-wide Financial Statements, the District's activities are divided into two categories, governmental and business-type activities.

- Governmental activities - All of the District's programs and services are reported here including, but not limited to regular and special education instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities. Property taxes and state formula aid finance most of these activities.

**BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
BRIDGEWATER, NEW JERSEY**

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

- Business-type activities - These services are provided on a charge for goods or services basis to recover all the expenses of the goods or services provided. District charges fees to help it cover the costs of certain services it provided. The food service activities are reported as business activities.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's funds, focusing on major funds. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs. Some funds are required by state law and by bond covenants. The District establishes other funds to control and manage money for particular purposes (i.e. long-term debt) or to show that it is properly using certain restricted revenues (i.e. entitlement grants).

The District maintains three financial funds:

- **Governmental Funds:** The District's activities reported in governmental funds focus on how money flows into and out of those funds and the balances left at year-end available for spending in the future years. These funds are reported using an accounting method called modified accrual accounting that measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the government-wide Statement of Net Assets and Statement of Activities) and governmental funds statements is reconciled in the financial statements.
- **Proprietary Funds:** Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the District-wide financial statements. The District's enterprise funds (one type of proprietary fund) are the same as its business-type activities but provide more detail and additional information, such as cash flow.
- **Fiduciary Funds:** The District is the trustee, or fiduciary, for assets that belong to others, such as scholarship funds and the student activities funds. 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. The District excludes these activities from the District-wide financial statements because it cannot use these assets to finance its operations.

**BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
BRIDGEWATER, NEW JERSEY**

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

Financial Analysis of the District as a Whole

The District's combined net assets have increased from the 2010-2011 fiscal year. The net assets from governmental funds increased \$4,417,676.71, as a result of cuts in expenditures and increases in revenues including an increase in state aid as compared to 2010-2011. Net assets from business-type activities increased \$53,537.64. The increase in the restricted net assets from the prior year was \$4,272,667.05. Exhibit A-1 below reflects the District's net assets as a whole. Exhibit A-2 reflects the changes in net assets from operating results.

**Exhibit A-1
Condensed Statement of Net Assets**

	Governmental Activities		Business-Type Activities		Total School District		Total Percentage
	FY 2012	FY 2011	FY 2012	FY 2011	FY 2012	FY 2011	Change
Current and							
Other Assets	\$21,610,970.94	\$15,062,603.58	\$541,317.92	\$539,704.97	\$22,152,288.86	\$15,602,308.55	41.98%
Capital Assets	70,606,551.70	75,455,588.06	286,543.69	260,111.92	70,893,095.39	75,715,699.98	-6.37%
Total Assets	92,217,522.64	90,518,191.64	827,861.61	799,816.89	93,045,384.25	91,318,008.53	1.89%
Long-Term							
Liabilities	53,535,517.54	56,300,460.87			53,535,517.54	56,300,460.87	-4.91%
Short-Term							
Liabilities	6,819,960.01	6,773,362.39	194,783.96	220,276.88	7,014,743.97	6,993,639.27	0.30%
Total Liabilities	60,355,477.55	63,073,823.26	194,783.96	220,276.88	60,550,261.51	63,294,100.14	-4.34%
Net Assets:							
Invested in							
Capital Assets							
Net of Related							
Debt	20,233,516.31	20,586,430.05	286,543.69	260,111.92	20,520,060.00	20,846,541.97	-1.57%
Restricted	12,977,178.27	8,704,511.22			12,977,178.27	8,704,511.22	49.09%
Unrestricted	(1,348,646.49)	(1,846,572.89)	346,533.96	319,428.09	(1,002,112.53)	(1,527,144.80)	-34.38%
Total Net Assets	\$31,862,048.09	\$27,444,368.38	\$633,077.65	\$579,540.01	\$32,495,125.74	\$28,023,908.39	15.96%

**BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
BRIDGEWATER, NEW JERSEY**

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

**Exhibit A-2
Changes in Net Assets from Operating Results**

	Governmental Activities <u>FY 2012</u>	Business-Type Activities <u>FY 2012</u>	Total School District <u>FY 2012</u>
Revenue:			
Program Revenue:			
Charges for Services		\$2,200,164.99	\$2,200,164.99
Operating Grants and Contributions	\$13,964,773.01	576,163.30	14,540,936.31
General Revenue:			
Property Taxes	124,303,675.00		124,303,675.00
Federal and State Aid not restricted	9,390,145.61		9,390,145.61
Other	<u>1,233,244.39</u>	<u>233.33</u>	<u>1,233,477.72</u>
Total Revenue	<u>148,891,838.01</u>	<u>2,776,561.62</u>	<u>151,668,399.63</u>
Expenses:			
Instruction	89,585,706.99		89,585,706.99
Student & Instructional Related Services	17,896,513.88		17,896,513.88
Administrative and Business	13,872,724.46		13,872,724.46
Maintenance & Operations	11,708,336.92		11,708,336.92
Transportation	9,437,729.05		9,437,729.05
Other	<u>1,973,150.01</u>	<u>2,723,023.98</u>	<u>4,696,173.99</u>
Total Expenses	<u>144,474,161.31</u>	<u>2,723,023.98</u>	<u>147,197,185.29</u>
Increase/(Decrease) in Net Assets	<u>\$4,417,676.70</u>	<u>\$53,537.64</u>	<u>\$4,471,214.34</u>

Sources of Revenue for Fiscal Year 2012

The District's total revenue for the 2011-2012 school year was \$151,668,399.63 as reflected in Exhibit A-3 below. Property taxes and state formula aid accounted for 87.09 percent of the total revenue with the other 12.91 percent consisting of restricted state and federal aid, charges for services, and miscellaneous sources.

**BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
BRIDGEWATER, NEW JERSEY**

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

**Exhibit A-3
Sources of Revenue for Fiscal Year 2012**

<u>Sources of Revenue</u>	<u>Amount</u>	<u>Percentage</u>
Property Taxes	\$124,303,675.00	81.96%
State Formula Aid	7,791,512.00	5.14%
Other State and Federal Aid	13,503,512.17	8.90%
Federal and State Grants	2,636,057.75	1.74%
Charges for Services	2,200,164.99	1.45%
Other	1,233,477.72	0.81%
	<u>\$151,668,399.63</u>	<u>100.00%</u>

Expenses for the Fiscal Year 2012

The total expenditures for the 2011-2012 fiscal year for all programs and services were \$147,197,185.28. Exhibit A-4 below summarizes these program costs. The District's expenses are predominantly related to instructing, providing services and transporting students, grades kindergarten through twelve, which accounts for 79.43 percent of the total District costs. Administrative and business expenses account for the costs of the Office of the Superintendent of Schools, the Business Office, and the Principal's Offices in all eleven school buildings. Maintenance and operations account for the costs of keeping the school buildings and grounds safe, clean and in good operating condition, and includes all the utility costs related to the school facilities. Other costs include interest on long-term debt, unallocated depreciation expense and the costs of the business-type activities of the proprietary funds. It is important to note that depreciation expense on capital assets is included in expenses for the year. Depreciation is \$6,460,965.96 for the governmental fund and \$27,708.90 for the proprietary fund.

**Exhibit A-4
Expenses for Fiscal Year 2012**

<u>Expense Category</u>	<u>Amount</u>	<u>Percentage</u>
Instruction	\$89,585,706.98	60.86%
Student & Instructional Related Services	17,896,513.88	12.16%
Administrative and Business	13,872,724.46	9.42%
Maintenance & Operations	11,708,336.92	7.95%
Transportation	9,437,729.05	6.41%
Other	4,696,173.99	3.20%
	<u>\$147,197,185.28</u>	<u>100.00%</u>

**BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
BRIDGEWATER, NEW JERSEY**

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

Governmental Activities

Exhibit A-5 presents the net cost (total cost less fees generated by the activities and intergovernmental aid provided for specific programs) of six major District activities: instruction, student and instructional services, administration and business, maintenance and operations, transportation, and other. The net cost shows the financial burden placed on the District's taxpayers and the state by each of these functions.

**Exhibit A-5
Net Cost of Governmental Activities**

<u>Function/Program</u>	<u>Amount</u>	<u>Percentage</u>
Instruction	\$79,497,646.72	60.91%
Student & Instruction Related Services	15,374,470.40	11.78%
Administrative and Business	12,680,571.99	9.72%
Maintenance & Operations	11,708,336.92	8.97%
Transportation	9,437,729.05	7.23%
Other	1,810,633.21	1.39%
	<u>\$130,509,388.29</u>	<u>100.00%</u>

General Fund Budgeting Highlights

The District's budget is prepared according to New Jersey Statutes and is based on accounting for certain transactions on a basis of modified accrual and encumbrance accounting.

Over the course of the year, the Board of Education approved revisions to the general fund budget as needed. These budget amendments were necessary for the following reasons:

- Realign budgeted salary accounts after contract negotiation settlement and staff transfers to various programs.
- Realigned appropriations in accordance with the prescribed chart of accounts as modified by the comprehensive educational improvement and financing act.
- Transferred from unexpended appropriations to purchase teaching materials, computers, and equipment to meet various program needs.

**BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
BRIDGEWATER, NEW JERSEY**

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

Capital Assets

During the fiscal year 2011-2012 the District's depreciation expense exceeded capital acquisitions, therefore capital assets net of depreciation decreased. Exhibit A-6 reflects the comparative balances of capital assets net of depreciation. The detail of the changes in capital assets is reflected in Note 3 to the financial statements.

**Exhibit A-6
Capital Assets (Net of Depreciation)**

	Governmental Activities		Business-Type Activities		Total School District		Total Percentage Change
	<u>FY 2012</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2011</u>	
Land and Site Improvements	\$17,685,784.00	\$17,743,387.00			\$17,685,784.00	\$17,743,387.00	-0.32%
Construction in Progress		60,930.00				60,930.00	-100.00%
Building and Building Improvements	50,788,317.43	55,623,845.38			50,788,317.43	55,623,845.38	-8.69%
Machinery and Equipment	<u>2,132,450.27</u>	<u>2,027,425.68</u>	<u>\$286,543.69</u>	<u>\$260,111.92</u>	<u>2,418,993.96</u>	<u>2,287,537.60</u>	<u>5.75%</u>
Total Assets	<u>\$70,606,551.70</u>	<u>\$75,455,588.06</u>	<u>\$286,543.69</u>	<u>\$260,111.92</u>	<u>\$70,893,095.39</u>	<u>\$75,715,699.98</u>	<u>-6.37%</u>

Debt Administration

At June 30, 2012 the District had \$56,323,448.69 of outstanding long-term debt, consisting of bonds payable from construction, loans payable, compensated absences, and capital leases. The District will continue to pay down its debt, as the obligations are due. Exhibit A-7 reflects the comparison of outstanding debt for the past two fiscal years. More information of the District's long-term debt is presented in Note 4 to the financial statements.

**BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
BRIDGEWATER, NEW JERSEY**

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

**Exhibit A-7
Outstanding Long-term Debt**

	Total School Debt		Total Percentage Change
	FY 2012	FY 2011	
Capital Leases	\$800,193.29	\$796,394.86	0.48%
Compensated Absences	5,950,413.30	5,210,427.93	14.20%
Bonds & Loans Payable	49,572,842.10	54,072,763.15	-8.32%
	<u>\$56,323,448.69</u>	<u>\$60,079,585.94</u>	<u>-6.25%</u>

The District's Future

The District is presently in stable financial position. A major concern for the community is that even though the District has seen an increase in state aid after major cuts in prior years, the burden of the rising cost of education is focused on taxpayers to support their local schools. Despite these concerns, the Bridgewater-Raritan Regional School District is committed to maintaining fiscal responsibility as well as achieving educational excellence for all of the students of the District.

Contacting the District's Financial Management

This financial report is designed to provide the District's citizens, taxpayers, customers 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 questions about this report or need additional financial information, contact Peter F. Starrs, School Business Administrator/Board Secretary at the Bridgewater-Raritan Regional School District, 836 Newmans Lane, P.O. Box 6030, Bridgewater, New Jersey 08807-0030. Please visit our website at www.brrsd.k12.nj.us.

BASIC FINANCIAL STATEMENTS

The basic financial statements provide a financial overview of the District's operations. These financial statements present the financial position and operating results of all funds as of June 30, 2012.

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DISTRICT-WIDE FINANCIAL STATEMENTS

The statement of net assets and the statement of activities display information about the District. These statements include the financial activities of the overall district, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the governmental and business-type activities of the District.

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
STATEMENT OF NET ASSETS
JUNE 30, 2012

<u>ASSETS</u>	<u>GOVERNMENTAL ACTIVITIES</u>	<u>BUSINESS-TYPE ACTIVITIES</u>	<u>TOTAL</u>
Cash and cash equivalents	\$15,581,050.71	\$478,684.19	\$16,059,734.90
Receivables, net	3,688,293.07	24,328.07	3,712,621.14
Inventory		38,305.66	38,305.66
Restricted assets:			
Restricted cash and cash equivalents	2,186,400.51		2,186,400.51
Deferred Bond Issue Costs, net	155,226.65		155,226.65
Capital assets:			
Land and construction in progress	17,300,300.00		17,300,300.00
Other capital assets, net	53,306,251.70	286,543.69	53,592,795.39
Total assets	<u>92,217,522.64</u>	<u>827,861.61</u>	<u>93,045,384.25</u>
 <u>LIABILITIES</u>			
Accounts payable	1,755,353.20	131,496.36	1,886,849.56
Contracts payable			
Payable to federal government	82,786.58		82,786.58
Payable to state government	99,775.15		99,775.15
Other liabilities	2,149.15		2,149.15
Deferred revenue	70,210.77	63,287.60	133,498.37
Interest payable	747,527.36		747,527.36
Noncurrent liabilities:			
Due within one year	3,782,157.80		3,782,157.80
Due beyond one year	53,815,517.54		53,815,517.54
Total liabilities	<u>60,355,477.55</u>	<u>194,783.96</u>	<u>60,550,261.51</u>
 <u>NET ASSETS</u>			
Investment in capital assets, net of related debt	20,233,516.31	286,543.69	20,520,060.00
Restricted for:			
Capital projects fund	472,671.54		472,671.54
Debt service fund (deficit)	(666,350.60)		(666,350.60)
Other purposes	13,170,857.33		13,170,857.33
Unrestricted (deficit)	<u>(1,348,649.49)</u>	<u>346,533.96</u>	<u>(1,002,115.53)</u>
Total net assets	<u>\$31,862,045.09</u>	<u>\$633,077.65</u>	<u>\$32,495,122.74</u>

See accompanying notes to financial statements.

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
JUNE 30, 2012

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FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES		NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS		
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
Governmental Activities:						
Instruction:						
Regular	\$57,987,780.38		\$6,169,636.67	(\$51,818,143.71)		(\$51,818,143.71)
Special education	23,498,110.64		3,209,042.79	(20,289,067.85)		(20,289,067.85)
Other	8,099,815.96		709,380.80	(7,390,435.16)		(7,390,435.16)
Support services:						
Student and instruction related services	17,896,513.88		2,522,043.48	(15,374,470.40)		(15,374,470.40)
General administrative services	2,738,255.61		137,362.98	(2,600,892.63)		(2,600,892.63)
School administrative services	9,317,039.07		932,977.04	(8,384,062.03)		(8,384,062.03)
Central services	1,566,166.35		106,261.93	(1,459,904.42)		(1,459,904.42)
Administration information technology	251,263.43		15,550.53	(235,712.91)		(235,712.91)
Plant operations and maintenance	11,708,336.92			(11,708,336.92)		(11,708,336.92)
Student transportation services	9,437,729.05			(9,437,729.05)		(9,437,729.05)
Interest on long term debt	1,973,150.01		162,516.80	(1,810,633.21)		(1,810,633.21)
Total governmental activities	<u>144,474,161.30</u>		<u>13,964,773.01</u>	<u>(130,509,388.29)</u>		<u>(130,509,388.29)</u>
Business-type activities:						
Food service						
Total business-type activities	<u>2,723,023.98</u>	<u>\$2,200,164.99</u>	<u>576,163.30</u>		<u>\$53,304.31</u>	<u>53,304.31</u>
Total primary government	<u>\$147,197,185.28</u>	<u>\$2,200,164.99</u>	<u>\$14,540,936.31</u>	<u>(\$130,509,388.29)</u>	<u>\$53,304.31</u>	<u>(\$130,456,083.98)</u>
General Revenues:						
Taxes:						
Property taxes - general				\$119,155,099.00		\$119,155,099.00
Property taxes - debt service				5,148,576.00		5,148,576.00
Federal and state aid not restricted				9,390,145.61		9,390,145.61
Miscellaneous income				1,233,244.39	\$233.33	1,233,477.72
Total general revenues				<u>134,927,065.00</u>	<u>233.33</u>	<u>134,927,298.33</u>
Change in net Assets				<u>4,417,676.71</u>	<u>53,537.64</u>	<u>4,471,214.35</u>
Net Assets - beginning (restated)				<u>27,444,368.38</u>	<u>579,540.01</u>	<u>28,023,908.39</u>
Net Assets ending				<u>\$31,862,045.09</u>	<u>\$633,077.65</u>	<u>\$32,495,122.74</u>

See accompanying notes to financial statements.

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MAJOR FUND FINANCIAL STATEMENTS

The Individual fund financial statements and schedules present more detailed information for the individual fund in a format that segregates information by fund type.

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2012

ASSETS AND OTHER DEBITS:	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTAL GOVERNMENTAL FUNDS
Assets:					
Cash and cash equivalents	\$14,833,298.44		\$666,575.51	\$81,176.76	\$15,581,050.71
Capital reserve account	2,186,400.51				2,186,400.51
Accounts receivable:					
State	1,366,922.95				1,366,922.95
Federal	411,378.00	\$551,051.03			962,429.03
Other	389,200.58	8,224.58			397,425.16
Interfund	1,088,292.60		65,204.01		1,153,496.61
Total assets	20,275,493.08	559,275.61	731,779.52	81,176.76	21,647,724.97
LIABILITIES AND FUND BALANCES:					
Liabilities:					
Accounts payable	1,316,518.78	179,726.44	259,107.98		1,755,353.20
Other liabilities	2,149.15				2,149.15
Intergovernmental payable:					
Federal		82,786.58			82,786.58
State		99,775.15			99,775.15
Interfunds payable	65,204.01	126,776.67			191,980.68
Deferred revenue		70,210.77			70,210.77
Total liabilities	1,383,871.94	559,275.61	259,107.98		2,202,255.53
Fund balances:					
Restricted for:					
Capital reserve account	2,186,400.51				2,186,400.51
Excess surplus designated for subsequent years expenditures	3,877,132.36				3,877,132.36
Excess surplus - current year	6,375,779.82				6,375,779.82
Capital projects fund			73,247.00		73,247.00
Debt service fund				81,176.76	81,176.76
Assigned for year-end encumbrances	2,881,197.12				2,881,197.12
Committed for:					
Year-end encumbrances			399,424.54		399,424.54
Designated for subsequent years expenditures	731,544.64				731,544.64
Unassigned:					
General fund	2,839,566.69				2,839,566.69
Total fund balances	18,891,621.14		472,671.54	81,176.76	19,445,469.44
Total liabilities and fund balances	\$20,275,493.08	\$559,275.61	\$731,779.52	\$81,176.76	\$21,647,724.97

See accompanying notes to financial statements.

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2012

Total Fund Balances (Brought Forward) \$19,445,469.44

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.

Cost of Assets	\$309,460,051.23	
Accumulated Depreciation	(238,853,499.53)	
		70,606,551.70

Long term liabilities, including bonds payable, and other related
amounts that are not due and payable in the current period
and therefore are not reported as liabilities in the funds.

Serial bonds payable	(49,561,000.00)	
Loans Payable	(11,842.10)	
Original Issue Premium, net	(2,282,256.65)	
Deferred Amount on Refunding Bonds, net	1,008,030.00	
Bond Issue Costs, net	155,226.65	
Capital leases payable	(800,193.29)	
Compensated absences payable	(5,950,413.30)	
		(57,442,448.69)

Certain liabilities are not due and payable in the current period
and therefore, are not reported in the governmental funds.

Accrued Interest Payable		(747,527.36)

Net Assets of Governmental Activities		\$31,862,045.09

See accompanying notes to financial statements.

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTAL GOVERNMENTAL FUNDS
REVENUES:					
Local sources:					
Local tax levy	\$119,155,099.00			\$5,148,576.00	\$124,303,675.00
Other local government units - restricted	324,437.00				324,437.00
Interest earned on capital reserve funds	585.10				585.10
Miscellaneous	893,664.08	\$86,010.85		14,558.21	994,233.14
Total revenues-local sources	120,373,785.18	86,010.85		5,163,134.21	125,622,930.24
State sources	20,009,478.61	119,352.43	\$162,516.80		20,291,347.84
Federal sources	460,854.61	2,516,705.32			2,977,559.93
Total revenues	140,844,118.40	2,722,068.60	162,516.80	5,163,134.21	148,891,838.01
EXPENDITURES:					
Current expense:					
Instruction:					
Regular	38,887,193.69	562,097.46			39,449,291.15
Special education	12,510,557.22	1,316,957.51			13,827,514.73
Other instruction	5,187,426.41				5,187,426.41
Support services:					
Tuition	4,404,226.04				4,404,226.04
Student and instruction related services	11,674,685.50	625,316.60			12,300,002.10
General administrative services	1,620,467.19				1,620,467.19
School administrative services	6,307,236.53				6,307,236.53
Central services	1,246,525.55				1,246,525.55
Administration information technology	204,486.73				204,486.73
Plant operations and maintenance	9,335,127.41				9,335,127.41
Student transportation services	7,444,375.74				7,444,375.74
Unallocated benefits	33,892,919.27	104,014.25			33,996,933.52
Allocated benefits	428,945.17				428,945.17
Capital outlay	953,776.07	113,682.78	789,983.46		1,857,442.31
Capital outlay-debt assessment	105,193.00				105,193.00
Debt service:					
Principal				3,380,921.05	3,380,921.05
Interest				2,018,623.73	2,018,623.73
Payment to refunding escrow agent				1,008,030.00	1,008,030.00
Cost of issuance of refunding bonds				155,226.65	155,226.65
Total expenditures	134,203,141.52	2,722,068.60	789,983.46	6,562,801.43	144,277,995.01
Excess (deficiency) of revenues over (under) expenditures	6,640,976.88		(627,466.66)	(1,399,667.22)	4,613,843.00
Other financing sources (uses):					
Operating transfer in	61,618.40		983,933.20	2,828.75	1,048,380.35
Operating transfer out	(983,933.20)		(64,447.15)		(1,048,380.35)
Capital leases (non-budgeted)	807,002.45				807,002.45
Refunding bond proceeds				17,165,000.00	17,165,000.00
Original issue premium				2,282,256.65	2,282,256.65
Payment to refunding bonds escrow agent				(18,284,000.00)	(18,284,000.00)
Total financing sources(uses):	(115,312.35)		919,486.05	1,166,085.40	1,970,259.10
Net change in fund balances	6,525,664.53		292,019.39	(233,581.82)	6,584,102.10
Fund balances, July 1, 2011	12,365,956.61		180,652.15	314,758.58	12,861,367.34
Fund balances, June 30, 2012	\$18,891,621.14	\$-0-	\$472,671.54	\$81,176.76	\$19,445,469.44

See accompanying notes to financial statements.

BRIDGEWATER-RARITAN 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 FISCAL YEAR ENDED JUNE 30, 2012

Total net change in fund balances - governmental funds (from B-2)	\$6,584,102.10
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 depreciation exceeded capital outlays in the period.	
Depreciation expense	(\$6,460,965.96)
Capital outlays	\$1,962,635.31
Capital outlays not capitalized	<u>(350,705.71)</u>
	(4,849,036.36)
Repayment of bond principal is an expenditure in the governmental funds, but repayment reduces long-term liabilities in the statement of net assets and is not reported in the statements of activities.	
Paid - principal on bond	21,659,000.00
Proceeds from debt issues are a financing source in the governmental funds. They are not revenue in the statement of activities; issuing debt increases long-term liabilities in the statement of net assets.	
Proceeds from capital leases	(807,002.45)
Refunding bond proceeds	(17,165,000.00)
Original issue premium on refunding bonds	(2,282,256.65)
Deferred amount on refunding bond payments to escrow agent	1,008,030.00
Repayment of long-term debt 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 capital leases payable	803,204.02
Payment of principal on loan	5,921.05
In the statement of activities, interest on long-term debt is accrued, regardless of when due. In governmental funds, interest is reported when due. The accrued interest is an addition in the reconciliation.	
	45,473.72
Bond issue costs are reported in the governmental funds as expenditures in the year the bonds are issued. However, on the statement of activities the costs are amortized over the life of the bonds.	
	155,226.65
In the statement of activities, certain expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In 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 a reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).	
	<u>(739,985.37)</u>
Change in net assets of governmental activities	<u>\$4,417,676.71</u>

See accompanying notes to financial statements.

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OTHER FUNDS

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
 PROPRIETARY FUND
 STATEMENT OF NET ASSETS
 AS OF JUNE 30, 2012

	<u>BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND</u>		
	<u>FOOD</u>	<u>READING</u>	
ASSETS:	<u>SERVICE</u>	<u>RECOVERY</u>	<u>TOTAL</u>
		(non-major fund)	
Current assets:			
Cash and cash equivalents	\$462,769.91	\$15,914.28	\$478,684.19
Accounts receivable:			
State	1,491.79		1,491.79
Federal	22,836.28		22,836.28
Inventories	38,305.66		38,305.66
Total current assets	<u>525,403.64</u>	<u>15,914.28</u>	<u>541,317.92</u>
Noncurrent assets			
Furniture, machinery & equipment	638,562.93		638,562.93
Less: Accumulated depreciation	<u>(352,019.24)</u>		<u>(352,019.24)</u>
Total noncurrent assets	<u>286,543.69</u>		<u>286,543.69</u>
TOTAL ASSETS	<u>811,947.33</u>	<u>15,914.28</u>	<u>827,861.61</u>
LIABILITIES:			
Current liabilities:			
Accounts payable	131,496.36		131,496.36
Deferred Revenue	<u>63,287.60</u>		<u>63,287.60</u>
Total current liabilities	<u>194,783.96</u>		<u>194,783.96</u>
NET ASSETS:			
Invested in capital assets net of related debt	286,543.69		286,543.69
Unrestricted	<u>330,619.68</u>	<u>15,914.28</u>	<u>346,533.96</u>
TOTAL NET ASSETS	<u>\$617,163.37</u>	<u>\$15,914.28</u>	<u>\$633,077.65</u>

See accompanying notes to financial statements.

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
PROPRIETARY FUND
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	<u>BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND</u>		
	<u>FOOD</u>	<u>READING</u>	
	<u>SERVICE</u>	<u>RECOVERY</u>	<u>TOTAL</u>
		<u>(non-major fund)</u>	
OPERATING REVENUES:			
Local sources:			
Daily sales-reimbursable programs:			
School lunch program	\$2,169,499.46		\$2,169,499.46
Daily sales non-reimbursable programs	30,665.53		30,665.53
Total operating revenue	2,200,164.99		2,200,164.99
OPERATING EXPENSES:			
Salaries	855,825.00		855,825.00
Employee benefits and taxes	236,287.50		236,287.50
Other purchased services	43,415.03		43,415.03
Management fee	35,292.00		35,292.00
Supplies and materials	156,330.80		156,330.80
Other expenses	59,420.48		59,420.48
Depreciation	27,708.90		27,708.90
Cost of sales	1,308,744.27		1,308,744.27
Total operating expenses	2,723,023.98		2,723,023.98
Operating income (loss)	(522,858.99)		(522,858.99)
Nonoperating revenues:			
State sources:			
State school lunch program	27,537.21		27,537.21
Federal sources:			
National school lunch program	405,127.09		405,127.09
National school breakfast program	3,451.53		3,451.53
National food distribution commodities	140,047.47		140,047.47
Interest earned	233.33		233.33
Total nonoperating revenues	576,396.63		576,396.63
Net income	53,537.64		53,537.64
Net assets - July 1	563,625.73	15,914.28	579,540.01
Net assets - June 30	\$617,163.37	\$15,914.28	\$633,077.65

See accompanying notes to financial statements.

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
PROPRIETARY FUND
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	<u>BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND</u>		
	<u>FOOD SERVICE</u>	<u>READING RECOVERY (non-major fund)</u>	<u>TOTAL</u>
Cash flows from operating activities:			
Receipts from customers	\$2,204,137.82		\$2,204,137.82
Payments to employees	(792,882.30)		(792,882.30)
Payments for employee benefits	(218,167.86)		(218,167.86)
Payments to suppliers	(1,711,182.37)		(1,711,182.37)
Net cash provided (used) by operating activities	<u>(518,094.71)</u>		<u>(518,094.71)</u>
Cash flows from noncapital financing activities:			
State sources	30,668.03		30,668.03
Federal sources	591,961.49		591,961.49
Net cash provided (used) by noncapital financing activities	<u>622,629.52</u>		<u>622,629.52</u>
Cash flows from investing activities:			
Interest earned	233.33		233.33
Net cash provided (used) by noncapital financing activities	<u>233.33</u>		<u>233.33</u>
Cash flows from capital and related financing activities:			
Purchases of capital assets	(54,140.67)		(54,140.67)
Net cash provided (used) by capital and related financing activities	<u>(54,140.67)</u>		<u>(54,140.67)</u>
Net increase(decrease) in cash and cash equivalents	50,627.47		50,627.47
Cash and cash equivalents, July 1	<u>412,142.44</u>	<u>15,914.28</u>	<u>428,056.72</u>
Cash and cash equivalents, June 30	<u>462,769.91</u>	<u>15,914.28</u>	<u>478,684.19</u>
Operating income(loss)	(522,858.99)		(522,858.99)
Adjustments to reconcile operating income (loss) to cash provided (used) by operating activities:			
Depreciation and net amortization	27,708.90		27,708.90
Change in assets and liabilities:			
Increase (Decrease) in deferred revenue	(308.92)		(308.92)
(Increase) Decrease in inventory	2,548.30		2,548.30
Increase (Decrease) in accounts payable	(25,184.00)		(25,184.00)
Net cash provided (used) by operating activities	<u>(\$518,094.71)</u>		<u>(\$518,094.71)</u>

See accompanying notes to financial statements.

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
JUNE 30, 2012

	<u>AGENCY FUNDS</u>		
	<u>STATE UNEMPLOYMENT INSURANCE</u>	<u>STUDENT ACTIVITIES</u>	<u>PAYROLL</u>
ASSETS:			
Cash and cash equivalents	<u>\$3,199,374.37</u>	<u>\$870,375.93</u>	<u>\$750,033.32</u>
Total assets	<u>3,199,374.37</u>	<u>870,375.93</u>	<u>750,033.32</u>
LIABILITIES:			
Liabilities:			
Interfunds payable	929,553.68	31,962.25	
Payroll deductions & withholdings			750,033.32
Due to student groups		<u>838,413.68</u>	
Total liabilities	<u>929,553.68</u>	<u>870,375.93</u>	<u>750,033.32</u>
NET ASSETS:			
Reserve for state unemployment	<u>2,269,820.69</u>		
Total net assets	<u><u>\$2,269,820.69</u></u>	<u><u>\$-0-</u></u>	<u><u>\$-0-</u></u>

See accompanying notes to financial statements.

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	<u>STATE UNEMPLOYMENT INSURANCE</u>	<u>PROFESSIONAL DEVELOPMENT FUNDS</u>
ADDITIONS:		
Contributions:		
Other	<u>\$801,085.34</u>	<u>\$1,665.00</u>
Total additions	<u>801,085.34</u>	<u>1,665.00</u>
DEDUCTIONS:		
State unemployment insurance	484,297.77	
Professional development costs		<u>1,665.00</u>
Total deductions	<u>484,297.77</u>	<u>1,665.00</u>
Change in net assets	316,787.57	
Net assets - July 1	<u>1,953,033.12</u>	
Net assets - June 30	<u><u>\$2,269,820.69</u></u>	<u><u>\$-0-</u></u>

See accompanying notes to financial statements.

Bridgewater-Raritan School District
Notes to the Financial Statements
June 30, 2012

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Bridgewater-Raritan Regional School District have been prepared in conformity with U.S. Generally Accepted Accounting Principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Board's accounting policies are described below.

Reporting Entity

The Bridgewater-Raritan Regional School District is a Type II District located in Somerset County, New Jersey. The School District is an instrumentality of the State of New Jersey, established to function as an educational institution. The Board consists of elected officials and is responsible for the fiscal control of the District. A Superintendent is appointed by the Board and is responsible for the administrative control of the District.

The primary criterion for including activities within the District's reporting entity, are set forth in Statement No. 39 of the Governmental Accounting Standards Board entitled "*Determining Whether Certain Organizations are Component Units*" (GASB 39) as codified in Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards.

Organizations that are legally separate, tax-exempt entities and that meet *all* of the following criteria should be discretely presented as component units. These criteria are:

1. The economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government.
2. The primary government, or its component units, is entitled to, or has the ability to otherwise access, a majority of the economic resources of the organization.
3. The economic resources received or held by an *individual organization* that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government.

The combined financial statements include all funds of the District over which the Board exercises operating control. The operations of the District include elementary, middle and high schools located in the Township of Bridgewater and the Borough of Raritan. 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.

Bridgewater-Raritan School District
Notes to the Financial Statements
June 30, 2012

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation, Basis of Accounting

The District's basic financial statements consist of District-wide statements, including a statement of net assets and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

Basis of Presentation

District-wide Statements: The statement of net assets and the statement of activities display information about the District as a whole. These statements include the financial activities of the overall District, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. These statements distinguish generally between the governmental and business-type activity of the District. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of net assets presents the financial condition of the governmental and business-type activity of the District at fiscal year end. The statement of activities presents a comparison between direct expenses and program revenues for the business-type activity of the District and for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirement of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as generally revenues. The comparison of direct expenses with program revenues identifies the extent to which each governmental function or business segment is self-financing or draws from the general revenues of the District.

Fund Financial Statements: During the fiscal year, the District segregates transactions related to certain District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. The fund financial statements provide information about the District's funds, including its fiduciary funds. Separate statements for each fund category - governmental, proprietary, and fiduciary - are presented. The New Jersey Department of Education (NJDOE) has elected to require New Jersey districts to treat each governmental fund as a major fund in accordance with the option noted in GASB No. 34, paragraph 76. The NJDOE believes that the presentation of all funds as major is important for public interest and to promote consistency among district financial reporting models.

Bridgewater-Raritan School District
Notes to the Financial Statements
June 30, 2012

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Governmental Fund Types

General Fund - The general fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund. Included are certain expenditures for vehicles and movable instructional or noninstructional equipment which are classified in the capital outlay subfund.

As required by the New Jersey State Department of Education, the District includes budgeted capital outlay in this fund. Generally accepted accounting principles as they pertain to governmental entities state that general fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues. Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, district taxes and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to fixed assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to current expense by board resolution.

Special Revenue Fund - The Special Revenue Fund is used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. Thus, the Special Revenue Fund is used to account for the proceeds of specific revenue from State and Federal Governments (other than major capital projects, debt service or the enterprise funds) and local appropriations that are legally restricted or committed to expenditures for specified purposes.

Capital Projects Fund - The Capital Projects Fund is used to account for and report financial resources that are restricted, committed or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets (other than those financed by proprietary funds). The financial resources are derived from temporary notes or serial bonds that are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election, funds appropriated from the General Fund, and from aid provided by the state to offset the cost of approved capital projects.

Debt Service Fund - The debt service fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

Bridgewater-Raritan School District
Notes to the Financial Statements
June 30, 2012

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Proprietary Fund

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

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

Food Service Fund:	
Equipment	12 Years
Light Trucks and Vehicles	4 Years
Heavy Trucks and Vehicles	6 Years

Fiduciary Fund Types

Agency Funds – The agency funds are used to account for assets held by the district on behalf of others and are custodial in nature. The agency funds included in this category are as follows:

Unemployment Compensation Insurance Trust Fund - A trust fund used to account for assets to finance the costs of unemployment benefits. Since the Board has adopted the direct reimbursement method, the District is under obligation to appropriate sufficient funds out of its general fund and hold them in trust for this purpose.

Payroll and Student Activities Funds (Agency) - These are agency funds 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.

Bridgewater-Raritan School District
Notes to the Financial Statements
June 30, 2012

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting – Measurement Focus

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements.

Districtwide, Proprietary, and Fiduciary Fund Financial Statements: The Districtwide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures. Ad Val Orem (Property) Taxes are susceptible to accrual as under New Jersey State Statute a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available.

The District is entitled to receive monies under the established payment schedule and the unpaid amount is considered to be an "accounts receivable". Revenue from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied. Governmental Fund Financial Statements: Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. "Measurable" means the amount of the transactions 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 recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

All governmental and business type activities and enterprise funds of the District follow FASB Statements and Interpretations issued on or before November 30, 1989, Accounting Research Bulletins, unless those pronouncements conflict with GASB pronouncements.

Bridgewater-Raritan School District
Notes to the Financial Statements
June 30, 2012

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets/Budgetary Control

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

All budget amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budgets during the year).

Appropriations, except remaining project appropriations, encumbrances, and unexpended grant appropriations, lapse at the end of each fiscal year. The capital projects fund presents the remaining project appropriations compared to current year expenditures.

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 recognition of the last state aid payment for budgetary purposes only and the special revenue fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

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

Bridgewater-Raritan School District
Notes to the Financial Statements
June 30, 2012

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Encumbrance Accounting

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 and capital projects fund for which the District has received advances are reflected in the balance sheet as deferred revenues at fiscal year end.

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

Interfunds

Interfund receivables and payables arise from transactions between particular funds and are considered short term in duration. The interfund transactions are recorded by all funds affected in the period in which the transactions are executed and are part of the district's available spendable resources.

Inventories and Prepaid Expenses

Inventories of materials and supplies held for consumption in the governmental funds are recorded as expenditures at the time of purchase and year end balances are not reported in the financial statements.

Inventories of food and/or supplies in the food service fund are recorded at cost on a first-in, first-out basis or, in the case of Food Distribution Commodities, at stated value which approximates market.

Prepaid expenses which benefit future period, other than those recorded in the enterprise fund, are recorded as an expenditure in the year of purchase.

Bridgewater-Raritan School District
Notes to the Financial Statements
June 30, 2012

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets

The District has an established formal system of accounting for its capital assets. Purchased or constructed capital assets are reported at cost. Donated capital assets are valued at their estimated fair market value on the date received. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Capital assets are depreciated in the district-wide statements using the straight-line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
School Buildings	50
Building Improvements	20
Electrical/Plumbing	30
Vehicles	8
Office & Computer Equipment	5-10
Instructional Equipment	10
Grounds Equipment	15

Compensated Absences

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

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

In the district-wide Statement of Net Assets, the liabilities whose average maturities are greater than one year should be reported in two components – the amount due within one year and the amount due in more than one year.

Bridgewater-Raritan School District
Notes to the Financial Statements
June 30, 2012

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Equity

Fund balance reserves are used to indicate that portion of the fund balance that is not available for expenditures or is legally segregated for a specific future use. Designation of portions of the fund balances are established to indicate tentative plans for financial utilization in a future period. The unreserved fund balances represent the amount available for future budgetary operations.

Unrestricted retained earnings represent the remains of the District's equity in the cumulative earnings of the proprietary funds.

Deferred Revenue

Deferred revenue in the general and special revenue funds represents funds which have been received but not yet earned. A corresponding accounts receivable has also been established for any open encumbrances at year end which is allowable under generally accepted accounting principles.

Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported on the District-wide financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. However, contractually required pension contributions and compensated absences that are paid from governmental funds are reported as liabilities on the fund financial statements only to the extent that they are due for payment during the current year. Bonds are recognized as a liability on the fund financial statements when due.

Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction, or improvement of those assets. Net assets 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. The District's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

Bridgewater-Raritan School District
Notes to the Financial Statements
June 30, 2012

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balance Reserves

In fiscal year 2011, the District implemented GASB Statement 54, "Fund Balance Reporting and Governmental Fund Type Definitions". This statement modifies fund balance reporting and clarifies fund type definitions. This new Statement aims to enhance the usefulness of fund balance information by providing clearer fund balance clarifications that can be applied more consistently.

The restricted fund balance classification includes amounts that are subject to externally enforceable legal restriction such as by constitutional provision, enabling legislation or other government imposed restrictions. The committed fund balance classification includes amounts constrained for a specific purpose by a government using its highest decision-making authority. The assigned fund balance classification includes amounts for all funds, other than the general fund with any remaining positive balances not already classified as restricted or committed. For the general fund, amounts constrained with the intent to be used for a specific purpose by the governing board or an official delegated authority by the board. The unassigned fund balance classification includes for the general fund, amounts not classified as restricted, committed or assigned. The general fund is the only fund that will report a positive unassigned fund balance. For all other governmental funds the amount of a residual deficit would be classified as unassigned. Fund balance restrictions have been established for excess surplus, excess surplus-designated for subsequent year's expenditures, capital reserve, maintenance and emergency reserve.

Revenues – Exchange and Nonexchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, available means within sixty days of the fiscal year end.

Nonexchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, income taxes, grants, entitlements, and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from income taxes is recognized in the period in which the income is earned. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Bridgewater-Raritan School District
Notes to the Financial Statements
June 30, 2012

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenues – Exchange and Nonexchange Transactions (continued)

Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the District must provide local resources to be used for a specific purpose; and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On the modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered both measurable and available at fiscal year end: property taxes available as an advance, interest, and tuition.

Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the enterprise fund. For the District, these revenues are sales in the Enterprise Funds. Operating expenses are necessary costs incurred to provide the service that is the primary activity of the enterprise fund.

Allocation of Indirect Expenses

The District reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Indirect expenses are allocated to functions but are reported separately in the Statement of Activities. Employee benefits, including the employer's share of social security, workers compensation, and medical and dental benefits, were allocated based on salaries of the program. Depreciation expense, where practicable, is specifically identified by function and is included in the indirect expense column of the Statement of Activities. Depreciation expense that could not be attributed to a specific function is considered an indirect expense and is reported separately on the Statement of Activities.

Extraordinary and Special Items

Extraordinary items are transactions or events that are unusual in nature and infrequent of occurrence. Special items are transactions or events that are within control of management and are either unusual in nature or infrequent in occurrence. Neither of these types of transactions occurred during the fiscal year.

Bridgewater-Raritan School District
Notes to the Financial Statements
June 30, 2012

NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS

The Board considers petty cash, change funds, cash in banks, deposits in the government money market account, and short-term investments with original maturities of three months or less as cash and cash equivalents. Investments are stated at cost, which approximates market.

Deposits

New Jersey statutes permit the deposit of public funds in public depositories which are located in New Jersey and which meet the requirements of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA requires a bank that accepts public funds to be a public depository. A public depository is defined as a state bank, a national bank, or a savings bank, which is located in the State of New Jersey, the deposits of which are insured by the Federal Deposit Insurance Corporation. The statutes also require public depositories to maintain collateral for deposits of public funds that exceed certain insurance limits. All collateral must be deposited with the Federal Reserve Bank or a Banking Institution that is a member of the Federal Reserve System, and has capital funds of not less than \$25,000,000.00. Under (GUDPA), 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 the deposits to the governmental unit.

The Bridgewater-Raritan Regional School District had the following cash and cash equivalents at June 30, 2012.

	<u>Cash in Bank</u>	<u>Additions</u>	<u>Deletions</u>	<u>Reconciled Balance</u>
Governmental Funds	\$18,699,401.82		\$931,950.60	\$17,767,451.22
Proprietary Fund	478,505.77	\$247.72	69.30	478,684.19
Fiduciary Fund	4,936,503.41		116,719.79	4,819,783.62
	<u>\$24,114,411.00</u>	<u>\$247.72</u>	<u>\$1,048,739.69</u>	<u>\$23,065,919.03</u>

Bridgewater-Raritan School District
Notes to the Financial Statements
June 30, 2012

NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

Deposits (Continued)

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the deposits may not be returned. The District does not have a specific deposit policy for custodial credit risk other than those policies that adhere to the requirements of statute. As of June 30, 2012, based upon the coverage provided by FDIC and NJ GUDPA, no amount of the bank balance was exposed to custodial credit risk. Of the cash on balance in the bank \$282,107.30 was covered by Federal Depository Insurance and \$20,380,236.06 was covered by NJ GUDPA. The New Jersey Cash Management Fund is an investment pool and is not insured by either FDIC or GUDPA.

Investments

The purchase of investments by the Board is strictly limited by the express authority of the N.J.S.A. 18A:20-37 Education, Administration of School Districts. Permitted investments include any of the following type of securities:

1. Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
2. Government money market mutual funds which are purchased from an investment company or investment trust which is registered with the Securities and Exchange Commission under the "Investment Company Act of 1940," 15 U.S.C. 80a-1 et seq., and operated in accordance with 17 C.F.R. § 270.2a-7 and which portfolio is limited to U.S. Government securities that meet the definition of an eligible security pursuant to 17 C.F.R. § 270.2a-7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 18A:20-37. These funds are also required to be rated by a nationally recognized statistical rating organization.
3. Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor.
4. Bonds or other obligations of the Local Unit or bonds or other obligations of school districts of which the Local Unit is a part or within which the school district is located.

Bridgewater-Raritan School District
Notes to the Financial Statements
June 30, 2012

NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

Investments (Continued)

5. Bonds or other obligations, having a maturity date not more than 397 days from date of purchase, approved by the Division of Investment of the Department of Treasury for investment by School Districts.
6. Local government investment pools that are fully invested in U.S. Government securities that meet the definition of eligible security pursuant to 17 C.F.R. § 270a-7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 18A:20-37. This type of investment is also required to be rated in the highest category by a nationally recognized statistical rating organization.
7. Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C. 52:18A-90.4); or
8. Agreements for the repurchase of fully collateralized securities if:
 - a. the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection;
 - b. the custody of collateral is transferred to a third party;
 - c. the maturity of the agreement is not more than 30 days;
 - d. the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c.236 (C. 17:19-41); and;
 - e. a master repurchase agreement providing for the custody and security of collateral is executed.

As of June 30, 2012 the District has \$3,443,119.02 on deposit with the New Jersey Cash Management Fund and \$8,948.62 on deposit with N.J.A.R.M. Based upon the limitations set forth by New Jersey Statutes 40A:5-15.1 and existing investment practices of the Investment Council of the New Jersey Cash Management Fund, the District is generally not exposed to credit risks and interest rate risks for its investments, nor is it exposed to foreign currency risk for its deposits and investments.

Bridgewater-Raritan School District
Notes to the Financial Statements
June 30, 2012

NOTE 3: CHANGE IN CAPITAL ASSET

Capital asset activity for the year ended June 30, 2012 was as follows:

	<u>Beginning Balance</u>	<u>Additions/ Other</u>	<u>Retirements/ Transfers</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets that are not depreciated:				
Land	\$17,300,300.00			\$17,300,300.00
Construction in progress	60,930.00		(60,930.00)	
Total capital assets that are not depreciated	<u>17,361,230.00</u>		<u>(60,930.00)</u>	<u>17,300,300.00</u>
Capital assets being depreciated:				
Land improvements	2,401,500.00		140,955.21	2,542,455.21
Building and building improvements	281,341,533.21	1,095,764.58		282,437,297.79
Machinery and equipment	6,743,858.42	516,165.02	(80,025.21)	7,179,998.23
Total capital assets being depreciated	<u>290,486,891.63</u>	<u>1,611,929.60</u>	<u>60,930.00</u>	<u>292,159,751.23</u>
Total gross assets	307,848,121.63	1,611,929.60		309,460,051.23
Less: accumulated depreciation for:				
Land improvements	(1,958,413.00)	(57,603.00)		(2,016,016.00)
Building and building improvements	(225,717,687.83)	(6,072,247.74)		(231,789,935.57)
Machinery and equipment	(4,716,432.74)	(331,115.22)		(5,047,547.96)
	<u>(232,392,533.57)</u>	<u>(6,460,965.96)</u>		<u>(238,853,499.53)</u>
Governmental activities capital assets, net	<u>75,455,588.06</u>	<u>(4,849,036.36)</u>		<u>70,606,551.70</u>
Business type activities:				
Machinery and equipment	584,422.26	54,140.67		638,562.93
Less: accumulated depreciation	<u>(324,310.34)</u>	<u>(27,708.90)</u>		<u>(352,019.24)</u>
Proprietary fund capital assets, net	<u>\$260,111.92</u>	<u>\$26,431.77</u>		<u>\$286,543.69</u>

Depreciation Expense was charged to governmental expenses as follows:

Instruction:	
Regular	(\$1,769,314.10)
Special Education	(158,281.49)
Other	(260,433.03)
Support Services:	
Student and instruction related services	(72,667.09)
School administrative services	(159,074.71)
General administrative services	(684,201.11)
Plant operations and maintenance	(1,808,830.14)
Student transportation	(1,548,164.29)
	<u>(\$6,460,965.96)</u>

Bridgewater-Raritan School District
Notes to the Financial Statements
June 30, 2012

NOTE 4: LONG-TERM DEBT

Bonds are issued by the District pursuant to the provisions of Title 18A, Education, of the New Jersey Statutes and are required to be approved by the voters of the municipality through referendum. The proceeds of bonds are recorded in the Capital Projects Fund and are restricted to the use for which they were approved in the bond referendum. All bonds are retired in annual installments within the statutory period of usefulness.

School Bonds issued by the District are entitled to and benefit from the provision of the New Jersey School Board Reserve Act P.L. 1980 c.72. Basically, funds are held by the State of New Jersey within its State Fund for the Support of Free Public Schools as a school bond reserve pledged by law to secure payment of principal and interest due on such bonds in the event of the inability of the issuer to make payments.

At June 30, 2012, the District had no bonds or notes authorized but not issued.

The following is a summary of changes in liabilities that effect other long-term obligations for the year ended June 30, 2012.

	<u>Capital Leases Payable</u>	<u>Bonds and Loans Payable</u>	<u>Original Issue Premium</u>	<u>Deferred Amount on Refund</u>	<u>Compensated Absences Payable</u>	<u>Total</u>
Balance, July 1, 2010	\$796,394.86	\$54,072,763.15			\$5,210,427.93	\$60,079,585.94
Additions/Issued	807,002.45	17,165,000.00	\$2,282,256.65	(\$1,008,030.00)	739,985.37	19,986,214.47
Reductions	<u>803,204.02</u>	<u>21,664,921.05</u>				<u>22,468,125.07</u>
Balance, June 30, 2011	<u>\$800,193.29</u>	<u>\$49,572,842.10</u>	<u>\$2,282,256.65</u>	<u>(\$1,008,030.00)</u>	<u>\$5,950,413.30</u>	<u>\$57,597,675.34</u>
Amounts Due Within One Year	<u>\$531,236.75</u>	<u>\$3,530,921.05</u>				<u>\$4,062,157.80</u>

Bridgewater-Raritan School District
Notes to the Financial Statements
June 30, 2012

NOTE 4: LONG-TERM DEBT (CONTINUED)

Bonds Payable

The annual requirements to amortize all debt outstanding as of June 30, 2012, with interest payments on issued debt, are as follows:

<u>Year Ending</u> <u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$3,525,000.00	\$2,019,215.01	\$5,544,215.01
2014	3,575,000.00	1,870,133.75	5,445,133.75
2015	3,735,000.00	1,722,971.25	5,457,971.25
2016	3,910,000.00	1,568,840.00	5,478,840.00
2017	4,080,000.00	1,406,752.50	5,486,752.50
2018	4,270,000.00	1,231,577.50	5,501,577.50
2019	4,550,000.00	1,045,702.50	5,595,702.50
2020	4,755,000.00	847,807.50	5,602,807.50
2021	4,975,000.00	631,912.50	5,606,912.50
2022	5,215,000.00	413,472.50	5,628,472.50
2023	5,465,000.00	135,525.00	5,600,525.00
2024	750,000.00	47,692.50	797,692.50
2025	756,000.00	16,065.00	772,065.00
	<u>\$49,561,000.00</u>	<u>\$12,957,667.51</u>	<u>\$62,518,667.51</u>

Bridgewater-Raritan School District
Notes to the Financial Statements
June 30, 2012

NOTE 4: LONG-TERM DEBT (CONTINUED)

Capital Leases Payable

The District is leasing computer technology and other equipment under capital leases. All capital leases are for terms of three to seven years. The following is a schedule of the future minimum lease payments under these capital leases, and the present value of the net minimum lease payments at June 30, 2012.

<u>Fiscal Year</u>	<u>Amount</u>
2013	\$550,000.00
2014	<u>275,000.00</u>
Total minimum lease payments	825,000.00
Less: Amount representing interest	<u>(24,806.71)</u>
Present value of net minimum lease payment	<u><u>\$800,193.29</u></u>

Loan Agreements

The Bridgewater-Raritan Regional School District has entered into three loan agreements with the New Jersey Economic Development Authority to provide funds for the acquisition and construction of capital facilities. Following are the remaining maturities and debt schedules for the outstanding principal interest on the loans:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$5,921.05	\$133.23	\$6,054.28
2014	<u>5,921.05</u>	<u>44.41</u>	<u>5,965.46</u>
	<u><u>\$11,842.10</u></u>	<u><u>\$177.64</u></u>	<u><u>\$12,019.74</u></u>

Bridgewater-Raritan School District
Notes to the Financial Statements
June 30, 2012

NOTE 5: PENSION PLANS

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

Public Employees' Retirement System (PERS) - The Public Employees' Retirement System (PERS) was established as of January 1, 1955 under the provision 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.

Vesting and Benefit Provisions - The vesting and benefit provisions of PERS are set by N.J.S.A. 43:15A and 43.3B, and N.J.S.A. 18A:6C for TPAF. All benefits vest after eight to ten years of service, except for medical benefits that vest after 25 years of service. Retirement benefits for age and service are available at age 60 and are generally determined to be 1/60 of the final average salary for each year of service credit, as defined. Final average salary equals the average salary for the final three years of service prior to retirement (or highest three years' compensation if other than the final three years).

Bridgewater-Raritan School District
Notes to the Financial Statements
June 30, 2012

NOTE 5: PENSION PLANS (CONTINUED)

Vesting and Benefit Provisions - Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving eight to ten years of service in which case benefits would begin the first day of the month after the member attains normal retirement age. The TPAF and PERS provides for specified medical benefits for members who retire after achieving 25 years of qualified service, as defined, or under the disability provision of the System.

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

Significant Legislation - Chapter 89- P.L. 2008- Members of either system who became members before July 1, 2007 may retire at age 55 years with 25 years of service or at age 60 with any number of years of service without a reduction in the amount of retirement allowance the members' receive. There is a reduction in such an allowance if the member is under 55 with 25 years of service. There is also a reduction in an allowance for members of either system who became members on or after July 1, 2007 and who retire between age 55 and 60 years with 25 or more years of service.

Bridgewater-Raritan School District
Notes to the Financial Statements
June 30, 2012

NOTE 5: PENSION PLANS (CONTINUED)

Contribution Requirements - The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 and N.J.S.A. 18:66, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. TPAF and PERS provide for employee contributions of 5% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The actuarially determined contribution includes funding for both cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums. Under current statute the District is a non-contributing employer of TPAF.

Three-Year Trend Information for PERS

<u>Year</u> <u>Funding</u>	<u>Annual Pension</u> <u>Cost (APC)</u>	<u>Percentage of</u> <u>APC Contributed</u>	<u>Net Pension</u> <u>Obligation</u>
6/30/2012	\$1,588,996.00	100%	\$1,588,996.00
6/30/2011	\$1,558,815.00	100%	\$1,558,815.00
6/30/2010	\$1,220,910.00	100%	\$1,220,910.00

During the fiscal year ended June 30, 2012, the State of New Jersey contributed \$2,132,019.00 to the TPAF pension system on behalf of the District.

During the fiscal year ended June 30, 2012, the State of New Jersey contributed \$4,285,917.00 to the TPAF for normal and post-retirement benefits on behalf of the District. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$4,662,251.61 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. This amount has been included in the basic financial statements, and the combining and individual fund and account group statements and schedules as a revenue and expenditure in accordance with GASB 27.

Bridgewater-Raritan School District
Notes to the Financial Statements
June 30, 2012

NOTE 6: OTHER POST-RETIREMENT BENEFITS

For eligible retired employees, the School District participates in the State Health Benefits Program (SHBP), a cost-sharing, multiple-employer defined benefit post-employment healthcare plan administered by the State of New Jersey Division of Pensions and Benefits. SHBP was established in 1961 under N.J.S.A. 52:14-17.25 *et seq.*, to provide health benefits to State employees, retirees, and their dependents. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. SHBP provides medical, prescription drugs, mental health/substance abuse, and Medicare Part B reimbursement to retirees and their covered dependents.

The State Health Benefits Commission is the executive body established by statute to be responsible for the operation of the SHBP. The State of New Jersey Division of Pensions and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for the SHBP. That report may be obtained by writing to: State of New Jersey Division of Pensions and Benefits, P.O. Box 295, Trenton, NJ 08625-0295.

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 state disability retirement. P.L. 2007, Chapter 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.

Bridgewater-Raritan School District
Notes to the Financial Statements
June 30, 2012

NOTE 6: OTHER POST-RETIREMENT BENEFITS (CONTINUED)

The State will set the contribution rate based on the annual required contribution of the employers (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The State's contributions to the State Health Benefits Program Fund for TPAF retirees' post-retirement benefits on behalf of the School District for the years ended June 30, 2012, 2011 and 2010 were \$4,285,917, \$4,310,867 and \$3,997,984, respectively, which equaled the required contributions for each year. The State's contributions to the State Health Benefits Program Fund for PERS retirees' post-retirement benefits on behalf of the School District was not determined or made available by the State of New Jersey.

NOTE 7: LITIGATION

The Board attorney's letter advises that there is no litigation, pending litigation, claims, contingent liabilities, unasserted claims or assessments or statutory violations which involve the Board of Education and which might materially affect the Board's financial position.

NOTE 8: CONTINGENCIES

The Board receives financial assistance from the State of New Jersey and the U.S. Government in the form of grants. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditure of the funds for eligible purposes. The State and Federal grants received and expended in the 2011-2012 fiscal year were subject to the U.S. OMB A-133 and New Jersey OMB Circular 04-04 which mandates that grant revenues and expenditures be audited in conjunction with the Board's annual audit. Findings and questioned costs, if any, relative to federal and state financial assistance programs will be discussed in the Single Audit Section, Schedule of Findings and Questioned Costs. In addition, all grants and cost reimbursements are subject to financial and compliance audits by the grantors. Further, the School Child Nutrition Program is a recipient of federal reimbursements and is subject to certain related federal regulations. These federal reimbursements are subject to subsequent audit and interpretation by the New Jersey Department of Education. The Board management does not believe such an audit would result in material amounts of disallowed costs.

Bridgewater-Raritan School District
Notes to the Financial Statements
June 30, 2012

NOTE 9: RISK MANAGEMENT

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

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

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

<u>Fiscal Year</u>	<u>Interest</u>	<u>Board Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2011-2012	\$1,085.34	\$800,000.00	\$484,297.77	\$2,269,820.69
2010-2011	3,118.91	1,173,476.00	945,255.91	1,953,033.12
2009-2010	5,433.99	250,000.00	126,000.00	1,721,694.12

NOTE 10: FUND BALANCE APPROPRIATED

General Fund – Of the \$18,877,183.39 General Fund fund balance at June 30, 2012, \$2,881,197.12 is assigned for year-end encumbrances. \$2,186,400.51 has been restricted in the Capital Reserve Account; \$10,238,474.43 is restricted as excess surplus in accordance with N.J.S.A. 18A:7F-7, of which \$3,877,342.07 has been appropriated and included as anticipated revenue for the year ending June 30, 2013; \$731,544.64 is committed fund balance designated for subsequent years expenditures; and \$2,239,566.69 is unassigned fund balance.

Bridgewater-Raritan School District
Notes to the Financial Statements
June 30, 2012

NOTE 11: CALCULATION OF EXCESS SURPLUS

In accordance with N.J.S.A.18A:7F-7, as amended by P.L. 2004,c.73 (S1701), the designation for Restricted Fund Balance - Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. Based on this calculation, the Bridgewater-Raritan School District has \$6,361,342.07 excess fund balance resulting from the year ended June 30, 2012.

NOTE 12: INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances remained on the balance sheet at June 30, 2012. All balances resulted from the time lag between the dates that short-term loans were disbursed and payments between funds were made.

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$1,073,854.85	\$65,204.01
Special Revenue Fund		126,776.67
Capital Projects Fund	65,204.01	
Fiduciary Fund		947,078.18
	<u>\$1,139,058.86</u>	<u>\$1,139,058.86</u>

NOTE 13: CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the District by the inclusion of \$1,000.00 in the 2000-2001 school year for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the district's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a district may increase the balance in the capital reserve as per N.J.S.A. 18A:7G-31(c), 18A:7G-13 and N.J.A.C. 6A23A-14.1, by appropriating funds in the annual general fund budget certified for taxes. 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. N.J.S.A. 18A:7F-41(a), 18A:7F-41(b) and N.J.A.C.6A:23A-14.3 permit a district board of education to transfer by board resolution (prior to June 30) any unanticipated revenue or unexpended line-item appropriation amounts to the capital reserve for withdrawal in subsequent school years. Pursuant to N.J.A.C. 6:23A-5.1(d) 7, the balance in the account cannot at any time exceed the local costs of uncompleted capital projects in its approved LRFP.

Bridgewater-Raritan School District
Notes to the Financial Statements
June 30, 2012

NOTE 13: CAPITAL RESERVE ACCOUNT (CONTINUED)

The activity of the capital reserve for the year ending June 30, 2012 year is as follows:

Beginning balance, July 1, 2011	\$3,108,130.21
Add: Interest earnings	585.10
Add: Return of completed projects	224,135.20
Less: Withdrawals - Board Resolutions	<u>(1,146,450.00)</u>
Ending balance, June 30, 2012	<u>\$2,186,400.51</u>

The June 30, 2012 LRFP balance of local support costs of uncompleted capital projects is \$16,733,960.00. The withdrawals from the capital reserve were for use in a DOE approved facilities project, consistent with the district's Long Range Facilities Plan.

NOTE 14: DEFERRED COMPENSATION

The District offers its employees a choice of the deferred compensation plans created in accordance with Internal Revenue Code Section 403(b) and 457. The plans permit participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death, or unforeseeable emergency. Since the Board does not have any property or rights to the plan assets and no fiduciary relationship exists between the District and the deferred compensation plan, the plan assets are not included in the District's financial statements as of June 30, 2012.

NOTE 15: INVENTORY

Inventory in the Food Service Fund at June 30, 2012 consisted of the following:

Food and Supplies	<u>\$38,305.66</u>
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The value of Federal donated commodities as reflected on Schedule A (required by the Single Audit Law of 1984) is the difference between market value and cost of the commodities at the date of purchase and has been included as an item of non-operating revenue in the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

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BUDGETARY COMPARISON SCHEDULES

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2012

	ORIGINAL BUDGET	BUDGET TRANSFERS/ ENCUMBRANCES	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
REVENUES:					
Local sources:					
Local tax levy			\$119,155,099.00	\$119,155,099.00	
Other local government units - restricted	330,000.00		330,000.00	324,437.00	(\$5,563.00)
Interest earned on capital reserve funds	1,500.00		1,500.00	565.10	(914.90)
Miscellaneous - unrestricted	624,000.00		624,000.00	893,664.08	269,664.08
Total - local sources	120,110,599.00		120,110,599.00	120,373,785.18	263,186.18
State sources:					
Categorical Special education aid	5,236,650.00		5,236,650.00	5,236,650.00	
Equalization aid	1,481,113.00		1,481,113.00	2,149,223.00	668,110.00
Categorical security aid	600,000.00		600,000.00	663,435.00	63,435.00
Extraordinary aid				1,053,289.00	1,053,289.00
Other state aid				84,490.00	84,490.00
On -behalf TPAF post-retirement contribution (non-budgeted)				4,285,917.00	4,285,917.00
On -behalf TPAF pension contribution (non-budgeted)				2,132,019.00	2,132,019.00
Reimbursed TPAF social security cont. (non-budgeted)				4,662,251.61	4,662,251.61
Total state sources	7,317,763.00		7,317,763.00	20,267,274.61	12,949,511.61
Federal Sources:					
Medicaid Reimbursement	58,549.00		58,549.00	49,476.61	(9,072.39)
Education Jobs Fund	398,882.00		398,882.00	411,378.00	12,496.00
Total federal sources	457,431.00		457,431.00	460,854.61	3,423.61
Total revenues	127,885,793.00		127,885,793.00	141,101,914.40	13,216,121.40
EXPENDITURES:					
CURRENT EXPENSE:					
Regular programs - instruction:					
Kindergarten - salaries of teachers	704,031.00	\$11,148.51	715,179.51	688,918.05	26,261.46
Grades 1-5 - salaries of teachers	13,525,417.00	48,282.60	13,573,699.60	13,240,551.66	333,147.94
Grades 6-8 - salaries of teachers	9,744,184.00	88,369.20	9,832,553.20	9,592,031.88	240,521.32
Grades 9-12 - salaries of teachers	13,072,826.00	362,501.82	13,435,327.82	13,107,463.38	327,864.44
Regular programs - home instruction:					
Salaries of teachers	270,000.00	(70,000.00)	200,000.00	194,754.00	5,246.00
Purchased professional-educational services	75,000.00	(60,000.00)	15,000.00	14,690.67	309.33
Regular programs - undistributed instruction:					
Other salaries for instruction	53,256.00	7,164.72	60,420.72	58,947.04	1,473.68
Purchased professional-educational services	1,000.00	450.00	1,450.00		1,450.00
Purchased technical services	71,450.00	(30,000.00)	41,450.00	40,463.00	987.00
Other purchased services (400-500 series)	977,330.00	(302,154.50)	675,175.50	668,515.77	6,659.73
General supplies	1,152,517.00	(25,584.25)	1,126,932.75	1,081,359.85	45,572.90
Textbooks	296,277.00	54.07	296,331.07	196,265.88	100,065.19
Other objects	4,477.00	1,455.00	5,932.00	3,232.51	2,699.49
Total regular programs - instruction	39,947,765.00	31,687.17	39,979,452.17	38,887,193.69	1,092,258.48
Special education - instruction:					
Cognitive - mild:					
Salaries of teachers	148,099.00	(19,000.00)	129,099.00	124,993.40	4,105.60
Other salaries for instruction	61,577.00		61,577.00	57,923.90	3,653.10
General supplies	1,000.00	1,000.00	2,000.00	1,588.96	411.04
Textbooks		515.00	515.00	100.00	415.00
Total cognitive - mild	210,676.00	(17,485.00)	193,191.00	184,606.26	8,584.74
Learning and/or language disabilities:					
Salaries of teachers	491,600.00	125,262.52	616,862.52	601,817.09	15,045.43
Other salaries for instruction	263,208.00	195,074.80	458,282.80	446,457.49	11,825.31
General supplies	10,000.00	2,790.00	12,790.00	12,766.54	23.46
Textbooks	500.00		500.00		500.00
Total learning and/or language disabilities	765,308.00	323,127.32	1,088,435.32	1,061,041.12	27,394.20
Resource room/resource center:					
Salaries of teachers	8,907,640.00	(520,476.95)	8,387,163.05	8,182,598.10	204,564.95
Other salaries for instruction	1,106,470.00	(79,002.00)	1,027,468.00	1,002,287.73	25,180.27
General supplies	18,000.00	(1,000.00)	17,000.00	12,733.85	4,266.15
Textbooks	2,000.00		2,000.00		2,000.00
Total resource room/resource center	10,034,110.00	(600,478.95)	9,433,631.05	9,197,619.68	236,011.37
Autism:					
Salaries of teachers	674,592.00	11,887.30	686,479.30	669,735.90	16,743.40
Other salaries for instruction	972,991.00	45,554.03	1,018,545.03	991,605.49	26,939.54
General supplies	8,300.00	2,550.41	10,850.41	10,627.45	222.96
Total autism	\$1,655,883.00	\$59,991.74	\$1,715,874.74	\$1,671,968.84	\$43,905.90

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2012

	ORIGINAL BUDGET	BUDGET TRANSFERS/ ENCUMBRANCES	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
Preschool disabilities - part-time:					
Salaries of teachers	\$233,664.00	(\$32,000.00)	\$201,664.00	\$196,032.59	5,631.41
Other salaries for instruction	169,277.00	32,793.71	202,070.71	196,843.08	\$5,227.63
Other purchased services (400-500 series)	500.00		500.00		500.00
General supplies	5,000.00	(2,500.00)	2,500.00	2,445.65	54.35
Total preschool disabilities - part-time	<u>408,441.00</u>	<u>(1,706.29)</u>	<u>406,734.71</u>	<u>395,321.32</u>	<u>11,413.39</u>
Total special education - instruction	<u>13,074,418.00</u>	<u>(236,551.18)</u>	<u>12,837,866.82</u>	<u>12,510,557.22</u>	<u>327,309.60</u>
Basic skills/remedial - instruction:					
Salaries of teachers	2,722,454.00	36,167.34	2,758,621.34	2,691,337.89	67,283.45
Other salaries for instruction	20,000.00	(7,500.00)	12,500.00	12,073.00	427.00
General supplies	15,000.00		15,000.00	11,580.38	3,419.62
Textbooks	1,000.00		1,000.00		1,000.00
Total basic skills/remedial - instruction	<u>2,758,454.00</u>	<u>28,667.34</u>	<u>2,787,121.34</u>	<u>2,714,991.27</u>	<u>72,130.07</u>
Bilingual education - instruction:					
Salaries of teachers	681,195.00	204,943.49	886,138.49	862,624.71	23,513.78
Other salaries for instruction	2,500.00	8,943.10	11,443.10	11,164.00	279.10
Other purchased services (400-500 series)	1,000.00	(85.00)	915.00	297.75	617.25
General supplies	3,500.00	100.00	3,600.00	3,468.76	131.24
Textbooks	1,000.00	(100.00)	900.00	382.40	517.60
Total bilingual education - instruction	<u>689,195.00</u>	<u>213,801.59</u>	<u>902,996.59</u>	<u>877,937.62</u>	<u>25,058.97</u>
School-sponsored cocurricular activities - instruction:					
Salaries	176,028.00	44,431.36	220,459.36	214,784.50	5,674.86
Purchased services (300-500 series)	62,900.00	694.50	63,594.50	55,229.50	8,365.00
Supplies and materials	57,750.00	(192.00)	57,558.00	52,988.97	4,569.03
Other objects	22,650.00	(2,639.00)	20,011.00	11,308.00	8,703.00
Total school-sponsored cocurricular activities - instruction	<u>319,328.00</u>	<u>42,294.86</u>	<u>361,622.86</u>	<u>334,310.97</u>	<u>27,311.89</u>
School sponsored athletics - instruction:					
Salaries	882,834.00	(2,086.50)	880,747.50	844,987.50	35,760.00
Purchased services (300-500 series)	258,700.00	(22,993.69)	235,706.31	231,872.86	3,833.45
Supplies and materials	165,095.00	(4,495.50)	160,599.50	152,047.19	8,552.31
Other objects	46,190.00	(11,916.54)	34,273.46	31,279.00	2,994.46
Total school sponsored athletics - instruction	<u>1,352,819.00</u>	<u>(41,492.23)</u>	<u>1,311,326.77</u>	<u>1,260,186.55</u>	<u>51,140.22</u>
Total instruction	<u>58,141,979.00</u>	<u>38,407.55</u>	<u>58,180,386.55</u>	<u>56,585,177.32</u>	<u>1,595,209.23</u>
Undistributed expenditures - instruction:					
Tuition to other LEAs within the state - regular	74,700.00	25,310.32	100,010.32	97,520.14	2,490.18
Tuition to other LEAs within the state - special	891,465.00	71,626.55	963,091.55	963,091.55	
Tuition to county vocational school district - regular	259,245.00	(7,593.00)	251,652.00	251,652.00	
Tuition to county vocational school district - special		4,400.00	4,400.00	4,400.00	
Tuition to CSSD & regional day schools		46,681.00	46,681.00	46,681.00	
Tuition to private schools for the disabled - within state	2,488,498.00	(6,656.73)	2,481,841.27	2,468,072.46	13,768.81
Tuition to private school disabled & other LEAs-special outside	67,200.00	110,142.65	177,342.65	170,329.72	7,012.93
Tuition - state facilities	61,500.00		61,500.00	61,500.00	
Tuition - other	321,502.00	19,477.17	340,979.17	340,979.17	
Total undistributed expenditures - instruction	<u>4,164,110.00</u>	<u>263,387.96</u>	<u>4,427,497.96</u>	<u>4,404,226.04</u>	<u>23,271.92</u>
Undistributed expenditures - attendance & social work:					
Salaries	399,209.00		399,209.00	360,811.20	38,397.80
Other purchased services (400-500 series)	3,500.00	(1,300.00)	2,200.00	2,049.54	150.46
Total undistributed expenditures - attendance & social work	<u>\$402,709.00</u>	<u>(\$1,300.00)</u>	<u>\$401,409.00</u>	<u>\$362,860.74</u>	<u>\$38,548.26</u>

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2012

	ORIGINAL BUDGET	BUDGET TRANSFERS/ ENCUMBRANCES	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
Undistributed expenditures - health services:					
Salaries	\$1,333,555.00	\$64,776.38	\$1,398,331.38	\$1,362,098.80	\$36,232.58
Purchased professional and technical services	5,500.00	1,280.00	6,780.00	4,942.00	1,838.00
Supplies and materials	22,380.00	5,734.37	28,114.37	23,963.64	4,150.73
Other Objects					
Total undistributed expenditures - health services	1,361,435.00	71,790.75	1,433,225.75	1,391,004.44	42,221.31
Undistributed expenditures - other support vs. students-related services:					
Salaries	2,300,827.00	104,112.01	2,404,939.01	2,281,943.38	122,995.63
Purchased professional - educational services	123,000.00	47,000.00	170,000.00	119,315.20	50,684.80
Travel expense - related service		2,200.00	2,200.00	764.10	1,435.90
Supplies and materials	18,000.00	2,022.64	20,022.64	17,520.81	2,501.83
Other objects		1,045.00	1,045.00		1,045.00
Total undistrib. expend.-other support vs. students-related services	2,441,827.00	156,379.65	2,598,206.65	2,419,543.49	178,663.16
Undistributed expenditures - other support vs. students - extra services:					
Salaries of other professional staff	421,309.00	27,302.54	448,611.54	399,062.40	49,549.14
Purchased professional - educational services	178,250.00	(59,425.93)	118,824.07	71,716.15	47,107.92
Supplies and materials	500.00		500.00		500.00
Other objects	950.00		950.00		950.00
Total undistributed expend.-other support vs. students - extra services	601,009.00	(32,123.39)	568,885.61	470,778.55	98,107.06
Undistributed expenditures - other support services students - regular:					
Salaries of other professional staff	2,744,130.00	(44,402.81)	2,699,727.19	2,613,613.69	86,113.50
Salaries of secretarial and clerical assistants	318,018.00	44,402.81	362,420.81	351,630.06	10,790.75
Other salaries	40,000.00		40,000.00	38,527.41	1,472.59
Purchased professional - educational services	29,400.00	17,694.77	47,094.77	45,841.99	1,252.78
Other purchased professional and technical services	500.00	193.45	693.45	693.45	
Other purchased services (400-500 series)	4,600.00		4,600.00	589.82	4,010.18
Supplies and materials	39,461.00	(495.25)	38,965.75	27,899.62	11,066.13
Other objects	1,580.00		1,580.00	1,560.00	20.00
Total undistributed expenditures - other support vs. students - regular	3,177,689.00	17,392.97	3,195,081.97	3,080,356.04	114,725.93
Undistributed expenditures - other support services students - special:					
Salaries of other professional staff	1,919,193.00	(15,154.00)	1,904,039.00	1,857,598.38	46,440.62
Salaries of secretarial and clerical assistants	263,013.00	3,587.61	266,600.61	260,098.16	6,502.45
Other salaries	80,000.00	(74,370.00)	5,630.00	5,491.81	138.19
Purchased professional - educational services	101,549.00	(50,478.16)	51,070.84	47,745.00	3,325.84
Misc. purchased services other than residential costs	13,500.00	5,800.00	19,300.00	16,729.34	2,570.66
Supplies and materials	48,000.00	(335.00)	47,665.00	42,250.36	5,414.64
Other objects	6,870.00	(1,560.00)	5,310.00	5,239.00	71.00
Total undistributed expenditures - other support vs. students - special	2,432,125.00	(132,509.55)	2,299,615.45	2,235,152.05	64,463.40
Undistributed expenditures - improvement of instructional services:					
Other salaries	82,800.00	592.00	83,392.00	80,666.00	2,726.00
Salaries of facilitators, Math & Literacy Coaches	121,412.00		121,412.00	57,051.00	64,361.00
Other purchased services (400-500)	26,000.00	500.00	26,500.00	5,164.00	21,336.00
Supplies and materials	19,825.00	(5,692.20)	14,132.80	8,126.00	6,006.80
Other objects	11,200.00	(9,000.00)	2,200.00		2,200.00
Total undistributed expenditures -improvement of instructional services	261,237.00	(13,600.20)	247,636.80	151,007.00	96,629.80
Undistributed expenditures - educational media services/school library:					
Salaries	1,342,595.00	21,590.55	1,364,185.55	1,329,002.90	35,182.65
Purchased professional and technical services	20,000.00	(20,000.00)			
Other purchased services (400-500 series)	6,000.00	(1,476.25)	4,523.75	2,559.94	1,963.81
Supplies and materials	196,966.00	(12,191.73)	184,774.27	169,225.76	15,548.51
Total undistrib. expend.-educational media services/school library	1,565,561.00	(12,077.43)	1,553,483.57	1,500,788.60	52,694.97
Undistributed expenditures - instructional staff training services:					
Other salaries	15,000.00		15,000.00	11,995.18	3,004.82
Purchased professional - educational services	16,700.00	1,000.00	17,700.00	17,100.00	600.00
Other purchased services (400-500 series)	16,200.00	5,158.74	21,358.74	19,399.65	1,958.89
Supplies and materials	14,500.00	500.00	15,000.00	14,699.56	300.44
Total undistributed expenditures - instructional staff training services	\$62,400.00	\$6,658.74	\$69,058.74	\$63,194.59	\$5,864.15

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2012

	ORIGINAL BUDGET	BUDGET TRANSFERS/ ENCUMBRANCES	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
Undistributed expenditures - support services - general administration:					
Salaries	\$555,531.00	\$13,887.42	\$569,418.42	\$555,530.16	\$13,888.26
Legal services	250,000.00	\$129,273.50	379,273.50	371,409.01	7,864.49
Audit fees	38,000.00	33,050.00	71,050.00	33,050.00	38,000.00
Architectural/Engineering Services	30,000.00	2,772.30	32,772.30	17,584.41	15,187.89
Other purchased professional services	56,500.00	(31,032.75)	25,467.25	22,076.21	3,391.04
Communications/telephone	466,084.00	(107,787.42)	358,296.58	304,817.56	53,479.02
Travel expense - related service		7,422.00	7,422.00	1,225.55	6,196.45
BOE other purchased services	2,500.00		2,500.00	2,123.55	376.45
Other purchased services (400-500 series) & Travel	315,300.00	(17,706.50)	297,593.50	273,881.02	23,732.48
Supplies and materials	7,500.00		7,500.00	6,008.98	1,491.02
BOE in-house training/meeting supplies	500.00		500.00		500.00
Judgements		120,000.00	120,000.00		120,000.00
Miscellaneous expenditures	13,500.00	156.00	13,656.00	6,069.40	7,586.60
BOE dues and fees	29,500.00		29,500.00	26,711.34	2,788.66
Total undistributed expenditures-support services -general administration	1,764,915.00	150,034.55	1,914,949.55	1,620,467.19	294,482.36
Undistributed expenditures - support services - school administration:					
Salaries of principals/assistant principals	2,676,098.00	36,672.29	2,712,770.29	2,617,760.01	95,010.28
Salaries of other professional staff	1,634,685.00	187,304.94	1,821,989.94	1,686,034.97	135,954.97
Salaries of secretarial and clerical assistants	1,867,299.00	15,379.84	1,882,678.84	1,771,714.61	110,964.23
Other salaries	23,032.00	575.39	23,607.39	23,031.60	575.79
Purchased professional and technical services	6,250.00	1,626.00	7,876.00	3,869.00	4,007.00
Other purchased services (400-500 series)	106,176.00	60,045.00	166,221.00	65,840.41	100,380.59
Supplies and materials	125,296.00	11,277.00	136,573.00	105,521.60	31,051.40
Other objects	57,100.00	(5,626.90)	51,473.10	33,464.33	18,008.77
Total Undistributed expenditures-support services -school administration	6,495,936.00	307,253.56	6,803,189.56	6,307,236.53	495,953.03
Undistributed expenditures - support services - central administration:					
Salaries	1,142,457.00	24,616.21	1,167,073.21	1,138,608.00	28,465.21
Purchased professional services	9,000.00	6,126.90	15,126.90	13,703.94	1,422.96
Purchased technical services	20,000.00	23,378.96	43,378.96	43,160.44	218.52
Equipment rental/lease - central services		8,700.00	8,700.00	6,228.00	2,472.00
Travel expense - related service		5,200.00	5,200.00	4,260.45	939.55
Miscellaneous purchased services (400-500 Series)	66,900.00	(44,558.24)	22,341.76	22,219.66	122.10
Supplies and materials	26,900.00	(9,938.02)	16,961.98	16,048.06	913.92
Other objects	5,700.00		5,700.00	2,297.00	3,403.00
Total undistributed expenditures-support services central administration	1,270,957.00	13,525.81	1,284,482.81	1,246,525.55	37,957.26
Undistributed expend. - support services -admin. information technology:					
Purchased technical services	152,850.00	9,500.00	162,350.00	156,350.60	5,999.40
Supplies and materials	65,090.00	5,651.76	70,741.76	48,136.13	22,605.63
Other Objects	2,500.00		2,500.00		2,500.00
Total undist. expend. - support services - admin. information technology	220,440.00	15,151.76	235,591.76	204,486.73	31,105.03
Undistributed expenditures - required maintenance for school facilities:					
Salaries	952,026.00		952,026.00	907,916.38	44,109.62
Purchased professional services		92,349.81	92,349.81	80,679.37	11,670.44
Cleaning, repair and maintenance services	470,552.00	(31,135.63)	439,416.37	371,593.00	67,823.37
General supplies	332,400.00	6,319.45	338,719.45	294,473.44	44,246.01
Other objects	3,150.00		3,150.00	300.00	2,850.00
Total undistributed expenditures - required maint. for school facilities	1,758,128.00	67,533.63	1,825,661.63	1,654,962.19	170,699.44
Undistributed expenditures - other operations & maintenance of plant:					
Salaries	565,320.00	15,005.49	580,325.49	541,040.35	39,285.14
Purchased professional and technical services	3,458,457.00	80,116.27	3,538,573.27	3,215,034.46	323,538.81
Cleaning, repair and maintenance services	869,050.00	(39,674.47)	829,375.53	532,954.08	296,421.45
Rental of land and buildings other than lease purchase	2,000.00	67.73	2,067.73	1,755.13	312.60
Other purchased property services	706,000.00	1,857.34	707,857.34	601,698.74	106,158.60
Insurance	186,000.00	(8,056.00)	177,944.00	165,433.00	12,511.00
Miscellaneous purchased services	2,000.00		2,000.00		2,000.00
General supplies	296,700.00	88,758.41	385,458.41	359,711.51	25,746.90
Energy (Natural Gas)	943,000.00	(72,563.78)	870,436.22	473,412.14	397,024.08
Energy (Electricity)	1,777,500.00	13,004.97	1,790,504.97	1,274,602.19	515,902.78
Energy (Gasoline)	86,000.00	(11,381.45)	74,618.55	54,712.30	19,906.25
Other objects	3,500.00	2,374.00	5,874.00	2,987.00	2,887.00
Total undistributed expenditures - other operations & maint. of plant	8,895,527.00	69,508.51	8,965,035.51	7,223,340.90	1,741,694.61
Undistributed expenditures - care & upkeep of grounds:					
Salaries	367,412.00	17,872.09	385,284.09	375,886.92	9,397.17
Clean, Repair, Maintenance		5,432.50	5,432.50	5,432.50	
General Supplies	35,250.00	11,387.16	46,637.16	46,637.16	
Total undistributed expenditures - care & upkeep of grounds	402,662.00	34,691.75	437,353.75	427,956.58	9,397.17
Undistributed expenditures - security					
Salaries	11,745.00		11,745.00	8,504.70	3,240.30
Clean, Repair, Maintenance	23,000.00		23,000.00	20,363.04	2,636.96
General Supplies	20,000.00	(5,162.03)	14,837.97		14,837.97
	54,745.00	(5,162.03)	49,582.97	28,867.74	20,715.23
Total undistributed expenditures-other operations & maint. of plant serv.	\$11,111,062.00	\$166,571.86	\$11,277,633.86	\$9,335,127.41	\$1,942,506.45

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2012

	ORIGINAL BUDGET	BUDGET TRANSFERS/ ENCUMBRANCES	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
Undistributed expenditures - student transportation services:					
Salaries for pupil transportation (between home & school) - regular	\$811,029.00	\$7,114.28	\$818,143.28	\$798,188.57	\$19,954.71
Salaries for pupil transportation (between home & school) - special	224,990.00		224,990.00	142,919.88	82,070.12
Salaries for pupil transportation (other than between home & school)	83,160.00		83,160.00	80,979.74	2,180.26
Management fees - ESC & CTSA transportation programs	49,775.00		49,775.00	42,402.92	7,372.08
Purchased technical services	14,720.00		14,720.00	9,575.30	5,144.70
Cleaning, repair and maintenance services	37,800.00	28,852.00	66,652.00	44,512.46	\$22,139.54
Rentals	1,000.00		1,000.00		1,000.00
Contracted services - aid in lieu of payments	294,195.00	(20,187.00)	274,008.00	263,504.95	10,503.05
Contracted services (between home and school) - vendors	4,161,950.00	(205,000.02)	3,956,949.98	3,952,199.17	4,750.81
Contracted services (other than between home and school) - vendors	190,100.00	(17,750.00)	172,350.00	80,767.44	91,582.56
Contracted services (special education students) - vendors	1,195,583.00	(248,000.00)	947,583.00	875,524.47	72,058.53
Contracted services (special education students) - joint agreements	23,000.00	73,083.03	96,083.03	96,083.03	
Contracted services (regular students) - ESCs	47,275.00		47,275.00		47,275.00
Contracted services (special education students) - ESCs	485,000.00	278,899.09	763,899.09	763,899.09	
Miscellaneous purchased services - transportation	54,000.00	447.00	54,447.00	53,821.00	626.00
Supplies and materials	158,000.00	1,553.00	159,553.00	152,538.18	7,014.82
Transportation supplies	62,800.00	25,000.00	87,800.00	87,414.07	385.93
Other objects	4,100.00		4,100.00	45.47	4,054.53
Total undistributed expenditures - student transportation services	7,898,477.00	(75,986.62)	7,822,488.38	7,444,375.74	378,112.64
Unallocated benefits:					
Social security contributions	1,493,815.00	(200,000.00)	1,293,815.00	981,018.16	312,796.84
Other retirement contributions - regular	1,683,520.00		1,683,520.00	1,600,670.89	82,849.11
Unemployment Compensation	600,000.00	200,000.00	800,000.00	800,000.00	
Workmen's compensation	490,000.00		490,000.00	470,500.00	19,500.00
Health benefits	20,824,389.00	(713,900.96)	20,110,488.04	18,530,591.37	1,579,896.67
Tuition reimbursement	403,108.00		403,108.00	76,826.20	326,281.80
Other employee benefits	473,354.00	174,797.49	648,151.49	353,125.04	295,026.45
Total unallocated benefits	25,968,186.00	(539,103.47)	25,429,082.53	22,812,731.66	2,616,350.87
Allocated benefits:					
Social security contributions	81,185.00		81,185.00	78,014.55	3,170.45
Health benefits	280,000.00	70,930.62	350,930.62	350,930.62	
Total allocated benefits	361,185.00	70,930.62	432,115.62	428,945.17	3,170.45
On-behalf TPAF post retirement medical contributions (non-budgeted)				4,285,917.00	(4,285,917.00)
On-behalf TPAF pension contributions (non-budgeted)				2,132,019.00	(2,132,019.00)
Reimbursed TPAF social security contributions (non-budgeted)				4,662,251.61	(4,662,251.61)
Total on-behalf contributions				11,080,187.61	(11,080,187.61)
Total personal services - employee benefits	26,329,371.00	(468,172.85)	25,861,198.15	34,321,864.44	(8,460,666.29)
Total undistributed expenditures	71,561,260.00	432,375.57	71,993,635.57	76,558,995.13	(4,565,359.56)
Total general current expense	\$129,703,239.00	\$470,783.12	\$130,174,022.12	\$133,144,172.45	(\$2,970,150.33)

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2012

	ORIGINAL BUDGET	BUDGET TRANSFERS/ ENCUMBRANCES	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
CAPITAL OUTLAY:					
Increase in capital reserve	\$1,500.00		\$1,500.00		\$1,500.00
Equipment					
Regular programs - instruction:					
Grades 1-5		1,634.57	1,634.57	1,634.57	
Grades 9-12		9,468.00	9,468.00	9,468.00	
Total Regular programs - instruction:		11,102.57	11,102.57	11,102.57	
School-sponsored and other instructional program					
Undistributed expenditures:					
School Sponsered and other instructional program		17,199.00	17,199.00	17,199.00	
Support Services - Students - Regular	2,700.00		2,700.00		2,700.00
Library Equipment - District Wide		15,228.80	15,228.80	15,228.80	
Administrative Info Tech.		13,303.00	13,303.00	13,303.00	
Maintenance Equipment		18,146.00	18,146.00	18,146.00	
Other operations and maintenance of plant		74,794.25	74,794.25	71,794.25	3,000.00
Student Transportation - Non-Inst. Equip.	80,000.00	7,750.00	87,750.00		87,750.00
School Buses - Regular					
	82,700.00	146,421.05	229,121.05	135,671.05	93,450.00
Total equipment	82,700.00	157,523.62	240,223.62	146,773.62	93,450.00
Facilities acquisition and construction services:					
Other Objects	105,193.00		105,193.00	105,193.00	
Total facilities acquisition and construction services	105,193.00		105,193.00	105,193.00	
Assets acquired under capital leases (non-budgeted):					
undistributed expenditures				807,002.45	(807,002.45)
Total assets acquired under capital leases (non-budgeted)				807,002.45	(807,002.45)
Total capital outlay	189,393.00	157,523.62	346,916.62	1,058,969.07	(712,052.45)
CHARTER SCHOOL					
Transfer to charter school	10,000.00	2,334.00	12,334.00		12,334.00
Total expenditures	129,902,632.00	630,640.74	130,533,272.74	134,203,141.52	(3,669,868.78)
Excess (deficiency) of revenues					
Over (under) expenditures	(2,016,839.00)	(630,640.74)	(2,647,479.74)	6,898,772.88	9,546,252.62
Other financing sources(uses):					
Capital leases (non-budgeted)				807,002.45	807,002.45
Operating transfers in - capital projects fund				61,618.40	61,618.40
Operating transfers out - capital projects fund				(983,933.20)	(983,933.20)
Total other financing sources				(115,312.35)	(115,312.35)
Excess (deficiency) of revenues and other financing sources					
Over (under) expenditures and other financing sources (uses)	(2,016,839.00)	(630,640.74)	(2,647,479.74)	6,783,460.53	9,430,940.27
Fund balance, July 1	12,869,620.61		12,869,620.61	12,869,620.61	
Fund balance, June 30	\$10,852,781.61	(\$630,640.74)	\$10,222,140.87	\$19,653,081.14	\$9,430,940.27
Recapitulation:					
Assigned - year-end encumbrances				\$2,881,197.12	
Restricted - capital reserve				2,186,400.51	
Restricted - excess surplus - designated for subsequent year's expenditures				3,877,132.36	
Restricted - excess surplus - current year				6,375,779.82	
Committed - designated for subsequent year's expenditures				731,544.64	
Unassigned fund balance				3,601,026.69	
				19,653,081.14	
Reconciliation to Government Fund Statements					
Last Federal and State aid payments not recognized on GAAP basis				(761,460.00)	
Fund Balance per Governmental Funds (GAAP)				\$18,891,621.14	

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND - EDUCATION JOBS
FOR FISCAL YEARS ENDED JUNE 30, 2012

	<u>ORIGINAL BUDGET</u>	<u>BUDGET TRANSFERS/ AMENDMENTS</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FINAL TO ACTUAL</u>
REVENUES:					
Federal sources	398,882.00	\$12,496.00	\$411,378.00	\$411,378.00	
Total revenues	<u>398,882.00</u>	<u>12,496.00</u>	<u>411,378.00</u>	<u>411,378.00</u>	
EXPENDITURES:					
Regular programs - instruction:					
Grades 1-5 - salaries of teachers	81,809.68	12,496.00	94,305.68	94,305.68	
Grades 6-8 - salaries of teachers	15,456.32		15,456.32	15,456.32	
Grades 9-12 - salaries of teachers	118,402.00		118,402.00	118,402.00	
Total regular programs - instruction	<u>215,668.00</u>	<u>12,496.00</u>	<u>228,164.00</u>	<u>228,164.00</u>	
Special education programs - instruction:					
Learning and/or language disabilities	48,301.00		48,301.00	48,301.00	
Resource room/resource center	54,101.00		54,101.00	54,101.00	
Total special education programs - instruction	<u>102,402.00</u>		<u>102,402.00</u>	<u>102,402.00</u>	
Unallocated benefits					
Health benefits	80,812.00		80,812.00	80,812.00	
Total unallocated benefits	<u>80,812.00</u>		<u>80,812.00</u>	<u>80,812.00</u>	
Total expenditures	<u>\$398,882.00</u>	<u>\$12,496.00</u>	<u>\$411,378.00</u>	<u>\$411,378.00</u>	

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR FISCAL YEARS ENDED JUNE 30, 2012

	<u>ORIGINAL BUDGET</u>	<u>BUDGET TRANSFERS/ AMENDMENTS</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FINAL TO ACTUAL</u>
REVENUES:					
State sources	\$209,646.00	(\$935.60)	\$208,710.40	\$119,352.43	\$89,357.97
Federal sources	1,893,395.00	2,007,498.19	3,900,893.19	2,516,705.32	1,384,187.87
Other sources		172,935.99	172,935.99	86,010.85	86,925.14
Total revenues	<u>2,103,041.00</u>	<u>2,179,498.58</u>	<u>4,282,539.58</u>	<u>2,722,068.60</u>	<u>1,560,470.98</u>
EXPENDITURES:					
Instruction:					
Personal services - salaries	246,738.00	38,987.00	285,725.00	278,094.80	7,630.20
Purchased professional & technical services	206,151.00	90,118.32	296,269.32	142,817.38	153,451.94
Other purchased services/Tuition	1,335,000.00	677,681.36	2,012,681.36	1,286,046.42	726,634.94
General supplies		268,330.27	268,330.27	153,158.81	115,171.46
Textbooks	26,773.00	(5,340.40)	21,432.60	21,312.00	120.60
Total instruction	<u>1,814,662.00</u>	<u>1,070,026.55</u>	<u>2,884,688.55</u>	<u>1,881,429.41</u>	<u>1,003,259.14</u>
Support services:					
Personal services - salaries	122,817.00	423,903.81	546,720.81	457,094.12	89,626.69
Personal services - employee benefits	133,840.00	28,130.11	161,970.11	101,639.81	60,330.30
Purchased prof. educational services		411,775.10	411,775.10	98,231.70	313,543.40
Other purchased professional services	31,722.00	(1,212.36)	30,509.64	29,855.48	654.16
Other purchased services		30,656.50	30,656.50	21,633.36	9,023.14
Supplies and materials		81,338.64	81,338.64	18,501.94	62,836.70
Total support services	<u>288,379.00</u>	<u>974,591.80</u>	<u>1,262,970.80</u>	<u>726,956.41</u>	<u>536,014.39</u>
Facilities acquisition & construction services:					
Instructional equipment		84,314.99	84,314.99	68,653.12	15,661.87
Non-instructional equipment		50,565.24	50,565.24	45,029.66	5,535.58
Total facilities acquisition & construction services		<u>134,880.23</u>	<u>134,880.23</u>	<u>113,682.78</u>	<u>21,197.45</u>
Total expenditures	<u>\$2,103,041.00</u>	<u>\$2,179,498.58</u>	<u>\$4,282,539.58</u>	<u>\$2,722,068.60</u>	<u>\$1,560,470.98</u>

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
BUDGET TO GAAP RECONCILIATION
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	<u>GENERAL FUND</u>	<u>SPECIAL REVENUE FUND</u>
Sources/inflows of resources		
Actual amounts (budgetary) "revenues" from the budgetary comparison schedules	\$141,101,914.40	\$2,722,068.60
Difference - budget to GAAP		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and related revenue is recognized.		
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	503,664.00	
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	(761,460.00)	
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	<u>140,844,118.40</u>	<u>2,722,068.60</u>
Uses/outflows of resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedules	134,203,141.52	2,722,068.60
Difference - budget to GAAP		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial purposes		
Total expenditures as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	<u>\$134,203,141.52</u>	<u>\$2,722,068.60</u>

OTHER SUPPLEMENTARY INFORMATION

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SPECIAL REVENUE FUND DETAIL STATEMENTS

Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specific purposes other than debt service or capital projects.

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	TITLE I CARRYOVER	TITLE I	TITLE II PART A CARRYOVER	TITLE II PART A	TITLE II PART D CARRYOVER	TITLE III CARRYOVER
REVENUES:						
State sources						
Federal sources	\$12,041.73	\$224,134.28	\$7,485.19	\$129,001.62	\$1,307.61	\$12,684.90
Other sources						
Total revenues	<u>12,041.73</u>	<u>224,134.28</u>	<u>7,485.19</u>	<u>129,001.62</u>	<u>1,307.61</u>	<u>12,684.90</u>
EXPENDITURES:						
Instruction:						
Personal services - salaries	11,186.00	152,627.00		98,027.00		11,738.00
Purchased professional educational services						
Other purchased services						
Tuition						
General supplies		19,868.38	7,485.19			48.95
Textbooks						
Total instruction	<u>11,186.00</u>	<u>172,495.38</u>	<u>7,485.19</u>	<u>98,027.00</u>		<u>11,786.95</u>
Support services:						
Personal services - salaries		23,582.96			1,297.61	
Personal services - employee benefits	855.73	28,055.94		16,860.64		897.95
Purchased professional educational services						
Other purchased professional services						
Other purchased services				13,600.00		
Supplies and materials				513.98	10.00	
Total support services	<u>855.73</u>	<u>51,638.90</u>		<u>30,974.62</u>	<u>1,307.61</u>	<u>897.95</u>
Facilities acquisition & construction services:						
Construction services						
Instructional equipment						
Non-instructional equipment						
Total facilities acquisition & construction services						
Total expenditures	<u>\$12,041.73</u>	<u>\$224,134.28</u>	<u>\$7,485.19</u>	<u>\$129,001.62</u>	<u>\$1,307.61</u>	<u>\$12,684.90</u>

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BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	TITLE III	TITLE III IMMIGRANT	TITLE IV CARRYOVER	IDEA PART B BASIC CARRYOVER	IDEA PART B BASIC	IDEA PART B PRESCHOOL
REVENUES:						
State sources						
Federal sources	\$18,944.18	\$5,979.53	\$8,975.14	\$48,679.67	\$1,642,903.49	\$46,073.37
Other sources						
Total revenues	<u>18,944.18</u>	<u>5,979.53</u>	<u>8,975.14</u>	<u>48,679.67</u>	<u>1,642,903.49</u>	<u>46,073.37</u>
EXPENDITURES:						
Instruction:						
Personal services - salaries		4,516.80				
Purchased professional educational services					27,759.43	
Other purchased services					30,499.00	
Tuition					1,255,547.42	
General supplies	5,342.40	1,352.00	8,975.14	2,202.04	3,093.00	231.06
Textbooks						
Total instruction	<u>5,342.40</u>	<u>5,868.80</u>	<u>8,975.14</u>	<u>2,202.04</u>	<u>1,316,898.85</u>	<u>231.06</u>
Support services:						
Personal services - salaries	12,885.94			38,851.00	194,255.00	38,292.75
Personal services - employee benefits	715.84	110.73			40,094.25	7,549.56
Purchased professional educational services					90,846.70	
Other purchased professional services						
Other purchased services				145.36		
Supplies and materials				7,481.27	808.69	
Total support services	<u>13,601.78</u>	<u>110.73</u>		<u>46,477.63</u>	<u>326,004.64</u>	<u>45,842.31</u>
Facilities acquisition & construction services:						
Construction services						
Instructional equipment						
Non-instructional equipment						
Total facilities acquisition & construction services						
Total expenditures	<u>\$18,944.18</u>	<u>\$5,979.53</u>	<u>\$8,975.14</u>	<u>\$48,679.67</u>	<u>\$1,642,903.49</u>	<u>\$46,073.37</u>

(Continued on next page)

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	<u>IDEA PART B PRESCHOOL CARRYOVER</u>	<u>ARRA IDEA BASIC</u>	<u>ARRA IDEA PRESCHOOL</u>	<u>NON-PUBLIC CH 193 SUPP. INSTR.</u>	<u>NON-PUBLIC CH 193 EXAM & CLASS</u>	<u>NON-PUBLIC CH 193 CORR. SPEECH</u>	<u>NON-PUBLIC CH 192 COMP. ED.</u>
REVENUES:							
State sources				\$1,989.13	\$14,423.90	\$37,935.00	\$9,430.00
Federal sources	\$6,985.00	\$341,622.37	\$9,887.24				
Other sources							
Total revenues	<u>6,985.00</u>	<u>341,622.37</u>	<u>9,887.24</u>	<u>1,989.13</u>	<u>14,423.90</u>	<u>37,935.00</u>	<u>9,430.00</u>
EXPENDITURES:							
Instruction:							
Personal services - salaries							
Purchased professional educational services		44,673.00		1,989.13	14,423.90	37,935.00	9,430.00
Other purchased services							
Tuition							
General supplies		103,442.72					
Textbooks							
Total instruction		<u>148,115.72</u>		<u>1,989.13</u>	<u>14,423.90</u>	<u>37,935.00</u>	<u>9,430.00</u>
Support services:							
Personal services - salaries	5,600.00	129,455.74	9,184.62				
Personal services - employee benefits		5,796.55	702.62				
Purchased professional educational services	1,385.00	6,000.00					
Other purchased professional services							
Other purchased services							
Supplies and materials							
Total support services	<u>6,985.00</u>	<u>141,252.29</u>	<u>9,887.24</u>				
Facilities acquisition & construction services:							
Construction services							
Instructional equipment		41,345.70					
Non-instructional equipment		10,908.66					
Total facilities acquisition & construction services		<u>52,254.36</u>					
Total expenditures	<u>\$6,985.00</u>	<u>\$341,622.37</u>	<u>\$9,887.24</u>	<u>\$1,989.13</u>	<u>\$14,423.90</u>	<u>\$37,935.00</u>	<u>\$9,430.00</u>

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BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

					COMPARATIVE TOTALS (MEMORANDUM ONLY)	
	NON-PUBLIC CH 192 ESL	NON-PUBLIC TEXTBOOKS	NON-PUBLIC NURSING	LOCAL PROGRAMS	TOTAL 2012	TOTAL 2011
REVENUES:						
State sources	\$4,406.92	\$21,312.00	\$29,855.48		\$119,352.43	\$149,406.63
Federal sources					2,516,705.32	2,914,011.15
Other sources				\$86,010.85	86,010.85	155,018.07
Total revenues	4,406.92	21,312.00	29,855.48	86,010.85	2,722,068.60	3,218,435.85
EXPENDITURES:						
Instruction:						
Personal services - salaries					278,094.80	529,257.40
Purchased professional educational services	4,406.92			2,200.00	142,817.38	132,488.88
Other purchased services					30,499.00	9,975.00
Tuition					1,255,547.42	1,018,639.64
General supplies				1,117.93	153,158.81	162,091.88
Textbooks		21,312.00			21,312.00	24,059.82
Total instruction	4,406.92	21,312.00		3,317.93	1,881,429.41	1,876,512.62
Support services:						
Personal services - salaries				3,688.50	457,094.12	647,382.29
Personal services - employee benefits					101,639.81	335,631.11
Purchased professional educational services					98,231.70	114,737.20
Other purchased professional services			29,855.48		29,855.48	27,427.93
Other purchased services				1,748.00	15,493.36	16,419.00
Supplies and materials				9,688.00	18,501.94	28,892.78
Total support services			29,855.48	15,124.50	720,816.41	1,170,490.31
Facilities acquisition & construction services:						
Construction services				6,140.00	6,140.00	
Instructional equipment				27,307.42	68,653.12	50,773.50
Non-instructional equipment				34,121.00	45,029.66	120,659.42
Total facilities acquisition & construction services				67,568.42	119,822.78	171,432.92
Total expenditures	\$4,406.92	\$21,312.00	\$29,855.48	\$86,010.85	\$2,722,068.60	\$3,218,435.85

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CAPITAL PROJECTS FUND DETAIL STATEMENTS

The capital projects fund is used to account for and report financial resources that are restricted, committed or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY STATEMENT OF PROJECT EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

<u>ISSUE / PROJECT TITLE</u>	<u>ORIGINAL DATE</u>	<u>APPROPRIATION</u>	<u>CANCELED/ ADJUSTMENT</u>	<u>EXPENDITURES TO DATE</u>		<u>(MEMO ONLY) UNEXPENDED BALANCE JUNE 30, 2012</u>
				<u>PRIOR YEARS</u>	<u>CURRENT YEAR</u>	
Bradley Gardens Roof Replacement	05/07/12	\$445,720.00			\$445,720.00	
Hamilton Roof Replacement	05/07/12	261,830.00			261,830.00	
High School HVAC Controls Upgrade	07/18/11	438,900.00			420,928.00	\$17,972.00
High School HVAC Controls Upgrade	07/23/10	430,275.00		\$375,000.00		55,275.00
Middle School Ventilator Replacement	06/03/09	1,199,554.00	\$324,528.65	875,025.35		
Adamsville Partial Roof Replacement	06/01/09	908,220.00	60,000.00	848,220.00		
Construction of a New School and Additions and Renovations at Various Other District Schools	06/01/03	46,606,363.00	365,532.71	46,240,830.29		
		<u>\$50,290,862.00</u>	<u>\$750,061.36</u>	<u>\$48,339,075.64</u>	<u>\$1,128,478.00</u>	<u>\$73,247.00</u>

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
 CAPITAL PROJECTS FUND
 SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS
 BUDGETARY BASIS - BRADLEY GARDENS ROOF PROJECT
 FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	<u>PRIOR PERIODS</u>	<u>CURRENT YEAR</u>	<u>TOTALS</u>	<u>REVISED AUTHORIZED COST</u>
REVENUES AND OTHER FINANCING SOURCES:				
State sources - SCC grant				
Transfer from capital reserve		\$445,720.00	\$445,720.00	\$445,720.00
Total revenues and other financing sources		445,720.00	445,720.00	445,720.00
EXPENDITURES AND OTHER FINANCING USES:				
Purchased professional and technical services		37,170.00	37,170.00	37,170.00
Construction services		408,550.00	408,550.00	408,550.00
Total expenditures and other financing uses		445,720.00	445,720.00	445,720.00
Excess (deficiency) of revenues over (under) expenditures	\$-0-	\$-0-	\$-0-	
ADDITIONAL PROJECT INFORMATION:				
Project number	0555-040-12-1000			
Project date	5/7/12			
Bond authorization date	N/A			
Bonds authorized	N/A			
Bonds issued	N/A			
Original authorized cost	\$445,720.00			
Additional authorized cost				
Revised authorized cost	\$445,720.00			
Percentage increase over original authorized cost	N/A			
Percentage completion	95.00%			
Original target completion date	9/1/12			
Revised completion date	N/A			

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
 CAPITAL PROJECTS FUND
 SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS
 BUDGETARY BASIS - HAMILTON ROOF PROJECT
 FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	<u>PRIOR PERIODS</u>	<u>CURRENT YEAR</u>	<u>TOTALS</u>	<u>REVISED AUTHORIZED COST</u>
REVENUES AND OTHER FINANCING SOURCES:				
State sources - SCC grant				
Transfer from capital reserve		\$261,830.00	\$261,830.00	\$261,830.00
Total revenues and other financing sources		261,830.00	261,830.00	261,830.00
EXPENDITURES AND OTHER FINANCING USES:				
Purchased professional and technical services		21,830.00	21,830.00	21,830.00
Construction services		240,000.00	240,000.00	240,000.00
Total expenditures and other financing uses		261,830.00	261,830.00	261,830.00
Excess (deficiency) of revenues over (under) expenditures	\$-0-	\$-0-	\$-0-	
ADDITIONAL PROJECT INFORMATION:				
Project number	0555-063-12-1000			
Grant date	5/7/12			
Bond authorization date	N/A			
Bonds authorized	N/A			
Bonds issued	N/A			
Original authorized cost	\$261,830.00			
Additional authorized cost				
Revised authorized cost	\$261,830.00			
Percentage increase over original authorized cost	N/A			
Percentage completion	95.00%			
Original target completion date	9/1/12			
Revised completion date	N/A			

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
 CAPITAL PROJECTS FUND
 SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS
 BUDGETARY BASIS - HIGH SCHOOL HVAC CONTROLS UPGRADE 2
 FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	<u>PRIOR PERIODS</u>	<u>CURRENT YEAR</u>	<u>TOTALS</u>	<u>REVISED AUTHORIZED COST</u>
REVENUES AND OTHER FINANCING SOURCES:				
State sources - SCC grant				
Transfer from capital reserve		\$438,900.00	\$438,900.00	\$438,900.00
Total revenues and other financing sources		438,900.00	438,900.00	438,900.00
EXPENDITURES AND OTHER FINANCING USES:				
Purchased professional and technical services				
Construction services		\$420,928.00	420,928.00	438,900.00
Total expenditures and other financing uses		420,928.00	420,928.00	438,900.00
Excess (deficiency) of revenues over (under) expenditures	\$-0-	\$17,972.00	\$17,972.00	
ADDITIONAL PROJECT INFORMATION:				
Project number	0555-005-11-1000			
Grant date	7/18/11			
Bond authorization date	N/A			
Bonds authorized	N/A			
Bonds issued	N/A			
Original authorized cost	\$438,900.00			
Additional authorized cost				
Revised authorized cost	\$438,900.00			
Percentage increase over original authorized cost	N/A			
Percentage completion	100.00%			
Original target completion date	2/29/12%			
Revised target completion date	N/A			

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
 CAPITAL PROJECTS FUND
 SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS
 BUDGETARY BASIS - HIGH SCHOOL HVAC CONTROLS UPGRADE 1
 FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	<u>PRIOR PERIODS</u>	<u>CURRENT YEAR</u>	<u>TOTALS</u>	<u>REVISED AUTHORIZED COST</u>
REVENUES AND OTHER FINANCING SOURCES:				
State sources - SCC grant		\$162,516.80	\$162,516.80	\$162,516.80
Transfer from capital reserve	\$430,275.00	(162,516.80)	267,758.20	267,758.62
Total revenues and other financing sources	<u>430,275.00</u>	<u></u>	<u>430,275.00</u>	<u>430,275.42</u>
EXPENDITURES AND OTHER FINANCING USES:				
Purchased professional and technical services				55,275.00
Construction services	375,000.00		375,000.00	375,000.00
Total expenditures and other financing uses	<u>375,000.00</u>	<u></u>	<u>375,000.00</u>	<u>430,275.00</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$55,275.00</u>	<u>\$-0-</u>	<u>\$55,275.00</u>	
ADDITIONAL PROJECT INFORMATION:				
Project number	0555-005-10-1001			
Grant date	7/23/10			
Bond authorization date	N/A			
Bonds authorized	N/A			
Bonds issued	N/A			
Original authorized cost	\$430,275.00			
Additional authorized cost				
Revised authorized cost	\$430,275.00			
Percentage increase over original authorized cost	N/A			
Percentage completion	95.00%			
Original target completion date	5/1/11			
Revised target completion date	7/15/11			

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
 CAPITAL PROJECTS FUND
 SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS
 BUDGETARY BASIS - CONSTRUCTION OF NEW SCHOOL AND ADDITIONS AND RENOVATIONS AT VARIOUS OTHER SCHOOLS
 FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	<u>PRIOR PERIODS</u>	<u>CURRENT YEAR</u>	<u>TOTALS</u>	<u>REVISED AUTHORIZED COST</u>
REVENUES AND OTHER FINANCING SOURCES:				
State sources - SCC grant	\$9,371,363.00		\$9,371,363.00	\$9,371,363.00
Bond proceeds	36,085,000.00		36,085,000.00	36,085,000.00
Transfer from capital reserve	1,150,000.00		1,150,000.00	875,619.15
Total revenues and other financing sources	46,606,363.00		46,606,363.00	46,331,982.15
EXPENDITURES AND OTHER FINANCING USES:				
Equipment	749,842.57		749,842.57	749,842.57
Purchased professional and technical services	3,677,275.65		3,677,275.65	3,680,103.55
Construction services	40,907,536.03		40,907,536.03	40,907,536.03
Land improvements	994,500.00		994,500.00	994,500.00
Transfer to debt service fund	274,380.00	2,828.75	277,208.75	
Total expenditures and other financing uses	46,603,534.25	2,828.75	46,606,363.00	46,331,982.15
Excess (deficiency) of revenues over (under) expenditures	<u>\$2,828.75</u>	<u>(\$2,828.75)</u>	<u>\$-0-</u>	
ADDITIONAL PROJECT INFORMATION:				
Project number		various		
Grant date		10/15/03		
Bond authorization date		3/11/03		
Bonds authorized	\$25,114,591.00			
Bonds issued	25,114,591.00			
Original authorized cost	34,485,954.00			
Additional authorized cost	12,121,000.00			
Revised authorized cost	\$46,606,954.00			
Percentage increase over original authorized cost		35.15%		
Percentage completion		100.00%		
Original target completion date		9/30/05		
Revised target completion date		9/1/09		

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
 CAPITAL PROJECTS FUND
 SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS
 BUDGETARY BASIS - MIDDLE SCHOOL VENTILATION REPLACEMENT
 FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	<u>PRIOR PERIODS</u>	<u>CURRENT YEAR</u>	<u>TOTALS</u>	<u>REVISED AUTHORIZED COST</u>
REVENUES AND OTHER FINANCING SOURCES:				
State sources - SCC grant	\$352,064.00		\$352,064.00	\$352,064.00
Transfer from capital reserve	524,579.75	(\$1,618.40)	522,961.35	522,961.35
Total revenues and other financing sources	<u>876,643.75</u>	<u>(1,618.40)</u>	<u>875,025.35</u>	<u>875,025.35</u>
EXPENDITURES AND OTHER FINANCING USES:				
Purchased professional and technical services	82,359.35		82,359.35	82,359.35
Construction services	792,666.00		792,666.00	792,666.00
Total expenditures and other financing uses	<u>875,025.35</u>		<u>875,025.35</u>	<u>875,025.35</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$1,618.40</u>	<u>(\$1,618.40)</u>	<u>\$-0-</u>	
ADDITIONAL PROJECT INFORMATION:				
Project number	0555-010-09-1001			
Grant date	6/30/09			
Bond authorization date	N/A			
Bonds authorized	N/A			
Bonds issued	N/A			
Original authorized cost	\$1,097,861.00			
Additional authorized cost	(219,598.85)			
Revised authorized cost	\$878,262.15			
Percentage increase over original authorized cost	-20.00%			
Percentage completion	100.00%			
Original target completion date	9/30/09			
Revised target completion date	9/1/10			

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
 CAPITAL PROJECTS FUND
 SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS
 BUDGETARY BASIS - ADAMSVILLE SCHOOL PARTIAL ROOF REPLACEMENT
 FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	<u>PRIOR PERIODS</u>	<u>CURRENT YEAR</u>	<u>TOTALS</u>	<u>REVISED AUTHORIZED COST</u>
REVENUES AND OTHER FINANCING SOURCES:				
State sources - SCC grant	\$344,140.00		\$344,140.00	\$344,140.00
Transfer from capital reserve	564,080.00	(\$60,000.00)	504,080.00	504,080.00
Total revenues and other financing sources	908,220.00	(60,000.00)	848,220.00	848,220.00
EXPENDITURES AND OTHER FINANCING USES:				
Purchased professional and technical services	59,220.00		59,220.00	59,220.00
Construction services	789,000.00		789,000.00	789,000.00
Total expenditures and other financing uses	848,220.00		848,220.00	848,220.00
Excess (deficiency) of revenues over (under) expenditures	\$60,000.00	(\$60,000.00)	\$-0-	
ADDITIONAL PROJECT INFORMATION:				
Project number	0555-030-09-1003			
Grant date	N/A			
Bond authorization date	N/A			
Bonds authorized	N/A			
Bonds issued	N/A			
Original authorized cost	\$908,220.00			
Additional authorized cost	(60,000.00)			
Revised authorized cost	\$848,220.00			
Percentage increase over original authorized cost	-6.61%			
Percentage completion	100.00%			
Original target completion date	9/30/10%			
Revised target completion date	N/A			

PROPRIETARY FUND DETAIL STATEMENTS

Proprietary 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 Services Fund: This fund provides for the operation of food services in all schools within the school district.

Reading Recovery Fund: This fund provides for the operation of the reading recovery program.

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
PROPRIETARY FUND
COMBINING STATEMENT OF NET ASSETS
AS OF JUNE 30, 2012

ASSETS:	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND		COMPARATIVE TOTALS	
	FOOD SERVICE	READING RECOVERY	2012	2011
Current assets:				
Cash and cash equivalents	\$462,769.91	\$15,914.28	\$478,684.19	\$428,056.72
Accounts receivable:				
State	1,491.79		1,491.79	4,622.61
Federal	22,836.28		22,836.28	66,171.68
Inventories	38,305.66		38,305.66	40,853.96
Total current assets	525,403.64	15,914.28	541,317.92	539,704.97
Noncurrent assets				
Furniture, machinery & equipment	638,562.93		638,562.93	584,422.26
Less: Accumulated depreciation	(352,019.24)		(352,019.24)	(324,310.34)
Total noncurrent assets	286,543.69		286,543.69	260,111.92
TOTAL ASSETS	811,947.33	15,914.28	827,861.61	799,816.89
LIABILITIES:				
Current liabilities:				
Accounts payable	131,496.36		131,496.36	156,680.36
Deferred Revenue	63,287.60		63,287.60	63,596.52
Total current liabilities	194,783.96		194,783.96	220,276.88
NET ASSETS:				
Invested in capital assets net of related debt	286,543.69		286,543.69	260,111.92
Unrestricted	330,619.68	15,914.28	346,533.96	319,428.09
TOTAL NET ASSETS	\$617,163.37	\$15,914.28	\$633,077.65	\$579,540.01

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
 PROPRIETARY FUND
 COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	<u>BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND</u>		<u>COMPARATIVE TOTALS</u>	
	<u>FOOD SERVICE</u>	<u>READING RECOVERY</u>	<u>2012</u>	<u>JUNE 30 2011</u>
OPERATING REVENUES:				
Local sources:				
Daily sales-reimbursable programs:				
School lunch program	\$2,169,499.46		\$2,169,499.46	2,187,990.43
Daily sales non-reimbursable programs	30,665.53		30,665.53	52,989.08
Total operating revenue	<u>2,200,164.99</u>		<u>2,200,164.99</u>	<u>2,240,979.51</u>
OPERATING EXPENSES:				
Salaries	855,825.00		855,825.00	867,315.85
Employee benefits and taxes	236,287.50		236,287.50	228,376.04
Other purchased services	43,415.03		43,415.03	42,481.64
Management fee	35,292.00		35,292.00	35,638.00
Supplies and materials	156,330.80		156,330.80	170,606.52
Other expenses	59,420.48		59,420.48	59,409.80
Depreciation	27,708.90		27,708.90	24,302.91
Cost of sales	1,308,744.27		1,308,744.27	1,327,572.17
Total operating expenses	<u>2,723,023.98</u>		<u>2,723,023.98</u>	<u>2,755,702.93</u>
Operating income (loss)	<u>(522,858.99)</u>		<u>(522,858.99)</u>	<u>(514,723.42)</u>
Nonoperating revenues:				
State sources:				
State school lunch program	27,537.21		27,537.21	28,895.71
Federal sources:				
National school lunch program	405,127.09		405,127.09	402,463.22
National school breakfast program	3,451.53		3,451.53	3,894.48
National milk program				15.94
National food distribution commodities	140,047.47		140,047.47	164,166.23
Interest earned	233.33		233.33	280.90
Total nonoperating revenues	<u>576,396.63</u>		<u>576,396.63</u>	<u>599,716.48</u>
Net income (Loss)	53,537.64		53,537.64	84,993.06
Net assets - July 1	<u>563,625.73</u>	<u>15,914.28</u>	<u>579,540.01</u>	<u>494,546.95</u>
Net assets - June 30	<u>\$617,163.37</u>	<u>\$15,914.28</u>	<u>\$633,077.65</u>	<u>\$579,540.01</u>

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
PROPRIETARY FUND
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	<u>BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND</u>		<u>COMPARATIVE TOTALS</u>	
	<u>FOOD SERVICE</u>	<u>COMMUNITY SCHOOL</u>	<u>JUNE 30</u> 2012	2011
Cash flows from operating activities:				
Receipts from customers	\$2,204,137.82		\$2,204,137.82	\$2,240,397.02
Payments to employees	(792,882.30)		(792,882.30)	(794,799.47)
Payments for employee benefits	(218,167.86)		(218,167.86)	(210,085.11)
Payments to suppliers	(1,711,182.37)		(1,711,182.37)	(1,732,809.07)
Net cash provided (used) by operating activities	(518,094.71)		(518,094.71)	(497,296.63)
Cash flows from noncapital financing activities:				
State sources	30,668.03		30,668.03	26,694.58
Federal sources	591,961.49		591,961.49	533,539.95
Net cash provided (used) by noncapital financing activities	622,629.52		622,629.52	560,234.53
Cash flows from investing activities:				
Interest earned	233.33		233.33	280.90
Net cash provided (used) by noncapital financing activities	233.33		233.33	280.90
Cash flows from capital and related financing activities:				
Purchases of capital assets	(54,140.67)		(54,140.67)	(89,475.00)
Net cash provided (used) by capital and related financing activities	(54,140.67)		(54,140.67)	(89,475.00)
Net increase(decrease) in cash and cash equivalents	50,827.47		50,827.47	(26,256.20)
Cash and cash equivalents, July 1	412,142.44	15,914.28	428,056.72	454,312.92
Cash and cash equivalents, June 30	462,769.91	15,914.28	478,684.19	428,056.72
Operating income(loss)	(522,858.99)		(522,858.99)	(514,723.42)
Adjustments to reconcile operating income (loss) to cash provided (used) by operating activities:				
Depreciation and net amortization	27,708.90		27,708.90	24,302.91
Change in assets and liabilities:				
Increase (Decrease) in deferred revenue	(308.92)		(308.92)	(3,255.60)
(Increase) Decrease in inventory	2,548.30		2,548.30	(800.69)
Increase (Decrease) in accounts payable	(25,184.00)		(25,184.00)	(2,819.83)
Net cash provided (used) by operating activities	(\$518,094.71)		(\$518,094.71)	(\$497,296.63)

FIDUCIARY FUND DETAIL STATEMENTS

Fiduciary funds are used to account for fund received by the district for a specific purpose:

Unemployment Compensation Insurance Trust Fund: This trust fund is used to pay unemployment compensation claims as they arise.

Agency Funds are used to account for assets held by the district as an agent for another party:

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

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

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
 FIDUCIARY FUND
 COMBINING STATEMENT OF FIDUCIARY NET ASSETS
 JUNE 30, 2012

	<u>AGENCY</u>			<u>COMPARATIVE TOTALS</u>	
	STATE UNEMPLOYMENT INSURANCE	STUDENT ACTIVITIES	PAYROLL	<u>JUNE 30</u>	
				2012	2011
ASSETS:					
Cash and cash equivalents	\$3,199,374.37	\$870,375.93	\$750,033.32	\$4,819,783.62	\$3,836,201.85
Interfund accounts receivable					11,960.00
Total assets	<u>3,199,374.37</u>	<u>870,375.93</u>	<u>750,033.32</u>	<u>4,819,783.62</u>	<u>3,848,161.85</u>
LIABILITIES:					
Liabilities:					
Payroll deductions & withholdings			750,033.32	750,033.32	689,257.26
Due to student groups		838,413.68		838,413.68	760,615.56
Interfund accounts payable	929,553.68	31,962.25		961,515.93	445,255.91
Total liabilities	<u>929,553.68</u>	<u>870,375.93</u>	<u>750,033.32</u>	<u>2,549,962.93</u>	<u>1,895,128.73</u>
NET ASSETS:					
Reserve for state unemployment	2,269,820.69			2,269,820.69	1,953,033.12
Total net assets	<u>\$2,269,820.69</u>	<u>\$-0-</u>	<u>\$-0-</u>	<u>\$2,269,820.69</u>	<u>\$1,953,033.12</u>

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
 FIDUCIARY FUND
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	STATE UNEMPLOYMENT INSURANCE	PROFESSIONAL DEVELOPMENT FUNDS	TOTAL
ADDITIONS:			
Contributions:			
Other	\$801,085.34	\$1,665.00	\$802,750.34
Total additions	801,085.34	1,665.00	802,750.34
DEDUCTIONS:			
State unemployment insurance claims/taxes	484,297.77		484,297.77
Professional development costs		1,665.00	1,665.00
Total deductions	484,297.77	1,665.00	485,962.77
Change in net assets	316,787.57		316,787.57
Net assets - July 1	1,953,033.12	-0-	1,953,033.12
Net assets - June 30	\$2,269,820.69	\$-0-	\$2,269,820.69

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
FIDUCIARY FUND
STUDENT ACTIVITY FUND SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	<u>BALANCE</u> <u>JULY 1, 2011</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>BALANCE</u> <u>JUNE 30, 2012</u>
ASSETS:				
Cash and cash equivalents	\$748,655.56	\$1,463,922.90	\$1,342,202.53	\$870,375.93
Interfund accounts receivable	\$11,960.00		11,960.00	
Total assets	<u>760,615.56</u>	<u>1,463,922.90</u>	<u>1,354,162.53</u>	<u>870,375.93</u>
LIABILITIES:				
Interfunds account payable		46,400.00	14,437.75	31,962.25
Due student groups:				
High school	468,129.77	694,245.43	607,248.62	555,126.58
Middle school	174,980.44	421,081.15	433,581.60	162,479.99
Elementary schools:				
Adamsville	8,139.33	2,784.45	3,465.04	7,458.74
Bradley Gardens	6,318.98	992.23		7,311.21
Crim	10,649.04	7,324.85	6,386.35	11,587.54
Eisenhower	3,301.54	53,859.39	51,500.39	5,660.54
Hamilton	6,749.93	5,217.72	3,943.27	8,024.38
Hillside	47,355.72	30,323.68	25,479.96	52,199.44
John F. Kennedy	4,471.38	7,791.58	7,905.96	4,357.00
Milltown	14,229.67	21,984.79	32,059.23	4,155.23
Van Holten	11,790.01	37,172.91	35,508.81	13,454.11
Athletic activities	4,499.75	134,744.72	132,645.55	6,598.92
Total liabilities	<u>\$760,615.56</u>	<u>\$1,463,922.90</u>	<u>\$1,354,162.53</u>	<u>\$870,375.93</u>

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

	<u>BALANCE</u> <u>JULY 1, 2011</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>BALANCE</u> <u>JUNE 30, 2012</u>
ASSETS:				
Cash and cash equivalents	<u>\$689,257.26</u>	<u>\$35,385,929.78</u>	<u>\$35,325,153.72</u>	<u>\$750,033.32</u>
Total assets	<u><u>689,257.26</u></u>	<u><u>35,385,929.78</u></u>	<u><u>35,325,153.72</u></u>	<u><u>750,033.32</u></u>
LIABILITIES:				
Deductions payable	<u>689,257.26</u>	<u>35,385,929.78</u>	<u>35,325,153.72</u>	<u>750,033.32</u>
Total liabilities	<u><u>\$689,257.26</u></u>	<u><u>\$35,385,929.78</u></u>	<u><u>\$35,325,153.72</u></u>	<u><u>\$750,033.32</u></u>

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LONG-TERM DEBT SCHEDULES

The Long-Term schedules are used to reflect the outstanding principal balances of the long-term liabilities of the District. This includes obligations under Serial Bonds and Capital Leases.

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS
JUNE 30, 2012

ISSUE	DATE OF ISSUE	AMOUNT OF ISSUE	MATURITIES		RATE OF INTEREST	BALANCE JULY 1, 2011	ISSUED	RETIRED	BALANCE JUNE 30, 2012
			DATE	AMOUNT					
Refunding	10/6/2009	\$3,340,000.00				\$1,220,000.00		\$1,220,000.00	
Various School Improvements	10/1/2001	600,000.00				100,000.00		100,000.00	
Refunding	6/1/2003	5,505,000.00				900,000.00		900,000.00	
Various School Improvements	6/1/2003	25,114,000.00	05/01/13	\$1,445,000.00	3.375%	20,234,000.00		18,789,000.00	\$1,445,000.00
Refunding	6/1/2003	17,165,000.00	05/01/14	1,395,000.00	3.00%				
			05/01/15	1,445,000.00	3.00%				
			05/01/16	1,500,000.00	3.00%				
			05/01/17	1,555,000.00	4.00%				
			05/01/18	1,635,000.00	4.00%				
			05/01/19	1,715,000.00	4.00%				
			05/01/20	1,795,000.00	5.00%				
			05/01/21	1,895,000.00	4.50%				
			05/01/22	1,995,000.00	4.50%				
			05/01/23	2,105,000.00	2.25%		17,165,000.00	130,000.00	17,035,000.00
Various School Improvements	1/15/2005	10,971,000.00	07/15/12	485,000.00	3.750%				
			07/16/13	505,000.00	3.750%				
			07/17/14	525,000.00	3.750%				
			07/18/15	550,000.00	3.750%				
			07/19/16	570,000.00	4.000%				
			07/20/17	595,000.00	4.000%				
			07/21/18	620,000.00	4.000%				
			07/22/19	640,000.00	4.000%				
			07/23/20	660,000.00	4.000%				
			07/24/21	690,000.00	4.100%				
			07/25/22	720,000.00	4.125%				
			07/26/23	750,000.00	4.150%				
			07/27/24	756,000.00	4.250%	8,531,000.00		465,000.00	8,066,000.00
Refunding	07/15/05	24,815,000.00	07/15/12	1,595,000.00	5.000%				
			07/15/13	1,675,000.00	5.000%				
			07/15/14	1,765,000.00	5.000%				
			07/15/15	1,860,000.00	5.000%				
			07/15/16	1,955,000.00	5.000%				
			07/15/17	2,040,000.00	4.000%				
			07/15/18	2,215,000.00	5.000%				
			07/15/19	2,320,000.00	4.200%				
			07/15/20	2,420,000.00	4.250%				
			07/15/21	2,530,000.00	4.300%				
			07/15/22	2,640,000.00	4.350%				
						23,070,000.00		55,000.00	23,015,000.00
						<u>\$54,055,000.00</u>	<u>\$17,165,000.00</u>	<u>\$21,659,000.00</u>	<u>\$49,561,000.00</u>
								\$3,375,000.00	
								17,165,000.00	
								1,119,000.00	
								<u>\$21,659,000.00</u>	

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
LONG-TERM DEBT ACCOUNT
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES
JUNE 30, 2012

<u>DESCRIPTION</u>	<u>INTEREST RATE PAYABLE</u>	<u>AMOUNT OUTSTANDING JUNE 30, 2011</u>	<u>ISSUED CURRENT YEAR</u>	<u>RETIRED CURRENT YEAR</u>	<u>AMOUNT OUTSTANDING JUNE 30, 2012</u>
Computer technology	3.13%	\$266,653.74		\$266,653.74	
Computer technology	3.57%	529,741.12		261,550.28	\$268,190.84
Computer technology	2.247%		\$807,002.45	275,000.00	532,002.45
		<u>\$796,394.86</u>	<u>\$807,002.45</u>	<u>\$803,204.02</u>	<u>\$800,193.29</u>

BRIDGEWATER RARITAN REGIONAL SCHOOL DISTRICT
 DEBT SERVICE FUND
 COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE FISCAL YEARS ENDED JUNE 30, 2012 AND 2011

	2012				2011			
	BUDGET	FINAL BUDGET	ACTUAL	VARIANCE	BUDGET	FINAL BUDGET	ACTUAL	VARIANCE
REVENUES:								
Local sources:								
Local tax levy	\$5,148,576.00	\$5,148,576.00	\$5,148,576.00		\$5,558,329.00	\$5,558,329.00	\$5,558,329.00	
Miscellaneous			14,558.21	\$14,558.21				
Total revenues	5,148,576.00	5,148,576.00	5,163,134.21	14,558.21	5,558,329.00	5,558,329.00	5,558,329.00	
EXPENDITURES:								
Regular debt service:								
Interest	2,212,414.00	2,212,414.00	2,018,623.73	193,790.27	2,307,408.00	2,307,408.00	2,307,408.40	(0.40)
Redemption of principal	3,250,921.00	3,250,921.00	3,380,921.05	(130,000.05)	3,250,921.00	3,250,921.00	3,250,921.05	(0.05)
Payment to refunding escrow agent			1,008,030.00	(1,008,030.00)				
Cost of issuance of refunding bonds			155,226.65	(155,226.65)				
Total regular debt service-expenditures	5,463,335.00	5,463,335.00	6,562,801.43	(1,099,466.43)	5,558,329.00	5,558,329.00	5,558,329.45	(0.45)
Excess (deficiency) of revenues over (under) expenditures	(314,759.00)	(314,759.00)	(1,399,667.22)	(1,084,908.22)			(0.45)	(0.45)
Other financing sources(uses):								
Refunding bond proceeds			17,165,000.00	17,165,000.00				
Payment to refunding bonds escrow agent			(18,284,000.00)	(18,284,000.00)				
Original issue premium			2,282,356.65	2,282,356.65				
Operating Transfers in			2,828.75	2,828.75			274,380.00	274,380.00
Total other financing sources(uses)			1,166,185.40	1,166,185.40			274,380.00	274,380.00
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(314,759.00)	(314,759.00)	(233,481.82)	81,277.18			274,379.55	274,379.55
Fund balance, July 1	314,758.58	314,758.58	314,758.58		40,379.03	40,379.03	40,379.03	
Fund balance, June 30	(\$0.42)	(\$0.42)	\$81,276.76	\$81,277.18	\$40,379.03	\$40,379.03	\$314,758.58	\$274,379.55

STATISTICAL SECTION
(UNAUDITED)

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BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
STATISTICAL SECTION

<u>Contents</u>	<u>Page</u>
Financial Trends:	
These schedules contain trend information to help the reader understand how the district's financial performance and well being have changed over time.	J-1 to J-4
Revenue Capacity:	
These schedules contain information to help the reader assess the district's most significant local revenue source, the property tax.	J-5 to J-9
Debt Capacity:	
These schedules present information to help the reader assess the affordability of the district's current levels of outstanding debt and the district's ability to issue additional debt in the future.	J-10 to J-13
Demographic and Economic Information:	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place.	J-14 to J-15
Operating Information:	
These schedules contain service and infrastructure data to help the reader understand how the information in the district's financial report relates to the services the district provides and the activities it performs.	J-16 to J-20

Sources

Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports (CAFR) for the relevant year. The district implemented GASB Statement 34 in the fiscal year ending June 30, 2003; schedules presenting district-wide information include information beginning in that year.

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
CHANGES IN NET ASSETS
UNAUDITED

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Expenses										
Governmental activities:										
Instruction:										
Regular	\$57,987,780.38	\$56,876,771.30	\$61,823,239.08	\$59,035,528.29	\$58,783,402.16	\$57,457,648.49	\$52,773,083.73	\$46,790,373.19	\$43,685,950.60	\$43,548,730.09
Special education	23,498,110.64	23,071,348.40	22,848,338.22	21,619,659.53	21,215,962.94	19,093,178.65	17,103,975.26	16,965,621.25	15,158,976.66	12,042,489.89
Other instruction	8,099,815.96	7,040,250.26	5,618,286.97	5,112,519.35	4,871,779.50	4,332,120.27	4,006,456.23	3,919,365.02	3,820,968.61	3,587,699.13
Support Services:										
Student & instruction related services	17,896,513.88	16,954,930.43	17,827,238.07	19,167,436.97	18,660,123.07	17,457,535.62	16,617,856.95	14,894,938.84	14,039,141.80	12,920,806.88
School administrative services	9,317,039.07	9,348,901.65	9,142,894.39	7,131,966.47	6,954,323.17	6,702,922.22	5,805,868.11	4,710,294.50	4,043,223.07	3,850,373.17
General administrative and central services	4,555,685.39	4,447,331.37	4,083,364.73	3,981,790.54	4,396,338.42	4,104,605.77	4,099,585.35	5,175,416.62	4,247,198.72	4,135,866.96
Plant operations and maintenance	11,708,336.92	12,829,552.10	13,334,966.91	13,455,886.84	12,979,243.97	12,411,744.29	12,145,532.29	11,742,408.67	10,839,015.05	10,696,309.85
Student transportation services	9,437,729.05	9,526,082.93	8,795,112.79	8,568,743.54	7,662,431.59	7,208,319.88	6,882,581.56	6,493,386.09	6,146,307.04	5,821,688.64
Interest on long-term debt	1,973,150.01	2,275,297.38	2,351,534.71	2,523,083.94	2,624,363.46	3,388,807.28	3,169,365.92	3,152,886.29	2,600,807.51	2,581,333.10
Total governmental activities expenses	144,474,161.30	142,370,465.82	145,824,975.87	140,596,615.47	138,147,968.28	132,156,882.47	122,604,305.40	113,844,690.47	104,581,589.06	99,185,297.71
Business-type activities:										
Food Service	2,723,023.98	2,755,702.93	2,549,193.96	2,330,938.19	2,448,537.45	2,173,223.65	2,022,327.44	1,857,417.33	1,802,850.22	1,794,199.00
Reading Recovery	181,019.21	102,659.73	181,019.21	102,659.73	128,638.89	140,352.24	156,326.21	160,450.23	148,924.85	260,949.42
Total business-type activities expense	2,723,023.98	2,755,702.93	2,730,213.17	2,433,597.92	2,577,176.14	2,313,575.89	2,178,653.65	2,017,867.56	1,951,775.07	2,055,148.42
Total district expenses	147,197,185.28	145,126,168.75	148,555,189.04	143,030,213.39	140,725,144.42	134,470,458.36	124,782,959.05	115,862,558.03	106,533,364.13	101,240,446.13
Program Revenues										
Governmental activities:										
Operating grants and contributions	13,964,773.01	12,461,726.56	15,091,129.10	14,720,848.24	18,874,235.63	7,927,064.00	10,215,253.41	10,706,815.78	12,807,587.91	18,453,354.04
Total governmental activities program revenues	13,964,773.01	12,461,726.56	15,091,129.10	14,720,848.24	18,874,235.63	7,927,064.00	10,215,253.41	10,706,815.78	12,807,587.91	18,453,354.04
Business-type activities:										
Charges for services:										
Food Service	2,200,164.99	2,240,979.51	2,184,883.19	2,007,144.22	1,937,443.16	1,846,836.61	1,748,563.30	1,620,626.47	1,562,136.33	1,507,773.70
Reading Recovery	171,682.00	171,682.00	171,682.00	59,750.00	79,500.00	149,400.00	151,278.00	215,430.00	115,720.00	200,433.62
Operating grants and contributions:										
Food service	576,163.30	599,435.58	520,855.35	406,704.48	385,871.39	336,508.12	333,011.58	294,621.44	294,456.71	232,533.99
Reading Recovery	48.44									
Total business type activities program revenues	2,776,328.29	2,840,415.09	2,877,420.54	2,473,598.70	2,402,814.55	2,332,744.73	2,232,852.88	2,130,726.35	1,972,313.04	1,940,741.31
Total district program revenues	16,741,101.30	15,302,141.65	17,968,549.64	17,194,446.94	21,277,050.18	10,259,808.73	12,448,106.29	12,837,542.13	14,779,900.95	20,394,095.35
Net (Expense)/Revenue										
Governmental activities	(130,509,388.29)	(129,908,739.26)	(130,733,846.77)	(125,875,767.23)	(119,273,732.65)	(124,229,818.47)	(112,389,051.99)	(103,137,874.69)	(91,774,001.15)	(80,731,943.67)
Business-type activities	53,304.31	84,712.16	147,207.37	40,000.78	(174,361.59)	19,168.84	54,199.23	112,858.79	20,537.97	(114,407.11)
Total district-wide net expense	(\$130,456,083.98)	(\$129,824,027.10)	(\$130,586,639.40)	(\$125,835,766.45)	(\$119,448,094.24)	(\$124,210,649.63)	(\$112,334,852.76)	(\$103,025,015.90)	(\$91,753,463.18)	(\$80,846,350.78)

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
CHANGES IN NET ASSETS
UNAUDITED

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
General Revenues and Other Changes in Net Assets										
Governmental activities:										
Taxes:										
Property taxes levied for general purposes	\$119,155,099.00	\$117,979,825.00	\$113,403,359.00	\$110,648,297.00	\$107,988,805.00	\$105,178,496.00	\$95,667,123.00	\$91,983,382.00	\$85,647,228.44	\$80,366,010.00
Property taxes levied for debt service principal	5,148,576.00	5,558,329.00	5,561,671.00	5,449,937.05	5,453,251.00	5,421,866.00	5,614,907.00	4,547,314.00	1,845,921.05	631,258.24
Federal and State aid not restricted	9,390,145.61	7,235,131.23	6,897,343.63	8,523,642.00	7,101,009.93	17,046,776.66	10,777,184.70	9,025,310.42	8,630,010.48	95,651.70
Investment earnings	18,209.20	28,675.00	126,887.65	407,675.07	969,515.61	1,062,161.25	1,150,246.46	703,168.03	462,884.89	128,879.95
Miscellaneous income	1,215,035.19	2,030,949.57	991,616.24	1,018,365.88	1,078,994.36	544,036.32	568,433.71	506,410.01	478,946.51	431,241.85
Retirement of fixed assets		(1,433,689.32)	(743,665.47)	(768,392.40)	(2,991,457.51)	(76,681.40)				
Conversion adjustment						1,263,004.77				
N.J. Economic Development Authority Grants							(28,711.13)	615,174.00	(109,279.00)	9,691,293.00
Total government activities	<u>134,927,065.00</u>	<u>131,399,220.48</u>	<u>126,237,212.05</u>	<u>125,279,524.60</u>	<u>119,609,832.50</u>	<u>130,439,659.60</u>	<u>113,749,183.74</u>	<u>107,380,758.46</u>	<u>96,955,712.37</u>	<u>91,344,334.74</u>
Business-type activities:										
Investment earnings	233.33	280.90	734.57	4,264.80	9,714.11	8,488.76	8,207.81	657.65	37.31	1,059.90
Total business-type activities	<u>233.33</u>	<u>280.90</u>	<u>734.57</u>	<u>4,264.80</u>	<u>9,714.11</u>	<u>8,488.76</u>	<u>8,207.81</u>	<u>657.65</u>	<u>37.31</u>	<u>1,059.90</u>
Total district-wide general revenues	<u>134,927,298.33</u>	<u>131,399,501.38</u>	<u>126,237,946.62</u>	<u>125,283,789.40</u>	<u>119,609,832.50</u>	<u>130,448,148.36</u>	<u>113,757,391.55</u>	<u>107,381,416.11</u>	<u>96,955,749.68</u>	<u>91,345,394.64</u>
Change in Net Assets										
Governmental activities	4,417,676.71	1,490,481.22	(4,496,634.72)	(596,242.63)	326,365.74	6,209,841.13	1,360,131.75	4,242,883.77	5,182,439.34	10,612,691.07
Business-type activities	53,537.64	84,993.06	147,941.94	44,265.58	(164,647.48)	27,657.60	62,407.04	113,516.44	20,575.28	(113,347.21)
Total district-wide change in net assets	<u>\$4,471,214.35</u>	<u>\$1,575,474.28</u>	<u>(\$4,348,692.78)</u>	<u>(\$551,977.05)</u>	<u>\$161,738.26</u>	<u>\$6,237,498.73</u>	<u>\$1,422,538.79</u>	<u>\$4,356,400.21</u>	<u>\$5,203,014.62</u>	<u>\$10,499,343.86</u>

Source: District records

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
FUND BALANCES - GOVERNMENTAL FUNDS
UNAUDITED

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
General Fund										
Restricted	\$12,439,312.69	\$8,587,079.86								
Assigned	2,881,197.12	630,640.74								
Committed	731,544.64	415,021.71								
Unassigned	2,839,566.69	2,733,214.30								
Reserved			\$7,008,082.14	\$14,420,458.12	\$15,185,036.47	\$13,431,599.45	\$10,736,254.56	\$10,273,522.85	\$7,613,096.23	\$937,305.64
Unreserved			<u>2,025,882.95</u>	<u>1,772,797.00</u>	<u>2,815,560.65</u>	<u>2,205,031.41</u>	<u>2,136,395.46</u>	<u>2,189,153.60</u>	<u>3,855,954.90</u>	<u>6,366,125.01</u>
Total general fund	<u>18,891,621.14</u>	<u>12,365,956.61</u>	<u>9,033,965.09</u>	<u>16,193,255.12</u>	<u>18,000,597.12</u>	<u>15,636,630.86</u>	<u>12,872,650.02</u>	<u>12,462,676.45</u>	<u>11,469,051.13</u>	<u>7,303,430.65</u>
All Other Governmental Funds										
Restricted	154,423.76	434,480.73								
Committed	399,424.54	60,930.00								
Reserved			874,661.57	658,720.02	471,956.22	599,803.54	1,869,741.76	19,269,633.69	11,833,104.75	2,361,210.83
Unreserved, reported in:										
Special revenue fund										(18,212.50)
Capital projects fund			597,291.10	349,080.85	193,510.13	1,073,674.19	2,404,694.96	4,953,048.60	19,761,080.93	109,077.47
Debt service fund			<u>40,379.03</u>	<u>1.22</u>	<u>1.22</u>	<u>11,924.09</u>	<u>166,964.02</u>	<u>55,896.89</u>	<u>204,417.32</u>	<u>32,927,735.31</u>
Total all other governmental funds	<u>553,848.30</u>	<u>495,410.73</u>	<u>1,512,331.70</u>	<u>1,007,802.09</u>	<u>665,467.57</u>	<u>1,685,401.82</u>	<u>4,441,400.74</u>	<u>24,278,579.18</u>	<u>31,798,603.00</u>	<u>35,379,811.11</u>
Total Fund Balances	<u>\$19,445,469.44</u>	<u>\$12,861,367.34</u>	<u>\$10,546,296.79</u>	<u>\$17,201,057.21</u>	<u>\$18,666,064.69</u>	<u>\$17,322,032.68</u>	<u>\$17,314,050.76</u>	<u>\$36,741,255.63</u>	<u>\$43,267,654.13</u>	<u>\$42,683,241.76</u>

Source: District records

**BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
UNAUDITED**

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Revenues										
Tax levy	\$124,303,675.00	\$123,538,154.00	\$118,965,030.00	\$116,098,234.05	\$113,442,056.00	\$110,600,362.00	\$101,282,030.00	\$96,530,696.00	\$90,093,957.00	\$83,578,601.34
Other Local Government Units	324,437.00	332,135.80	319,551.00	354,254.40	374,561.00	264,296.00	258,981.45	242,995.00	215,448.00	207,978.00
Tuition charges	152,669.84	119,659.02	193,745.47	105,473.70	102,815.70	37,274.47	127,618.53	144,900.36	110,873.04	58,060.77
Transportation fees	30,364.75	78,478.15	61,652.30	106,407.32	135,003.34	62,653.37	66,771.58	75,114.46		59,670.82
Interest earnings	18,209.20	28,675.00	126,887.65	407,675.07	969,515.61	1,062,161.25	1,150,246.46	703,168.03		7,500.00
Miscellaneous	793,574.45	1,659,860.67	507,622.04	452,230.46	466,614.32	444,108.47	392,321.00	361,509.65	830,958.36	494,561.03
State sources	20,291,347.84	16,559,947.27	18,272,617.77	20,404,250.12	23,334,501.07	22,674,755.65	18,698,667.65	17,492,635.30	16,683,622.97	13,936,290.04
Federal sources	2,977,559.93	2,977,726.45	3,624,900.39	2,840,240.12	2,640,744.49	2,034,789.01	2,034,789.01	1,921,381.44	1,937,719.91	1,764,033.78
Total revenue	<u>148,891,838.01</u>	<u>145,294,636.36</u>	<u>142,072,006.62</u>	<u>140,768,765.24</u>	<u>141,465,811.53</u>	<u>137,180,400.22</u>	<u>124,011,425.68</u>	<u>117,472,400.24</u>	<u>109,872,579.28</u>	<u>100,106,695.78</u>
Expenditures										
Instruction:										
Regular Instruction	39,449,291.15	41,294,430.79	45,766,552.74	43,180,717.67	41,691,054.08	40,949,713.84	38,308,432.94	35,734,868.11	33,462,778.00	33,395,170.13
Special education instruction	13,827,514.73	13,874,513.53	14,229,606.76	13,921,851.20	13,177,266.39	11,441,592.96	10,214,042.43	8,926,587.37	7,494,040.73	5,279,259.23
Other instruction	5,187,426.41	4,862,355.56	4,055,127.25	3,526,580.20	3,243,282.43	2,972,300.77	2,851,121.09	2,796,194.60	2,770,706.74	2,627,385.25
Support Services:										
Tuition	4,404,226.04	4,134,170.08	3,939,325.79	3,262,695.17	3,353,576.76	3,681,629.95	4,436,255.49	5,785,421.49	5,493,240.49	5,727,919.82
Student & instruction related services	12,300,002.10	12,433,405.96	12,856,408.43	14,111,896.46	13,347,919.72	12,668,651.31	12,306,161.11	11,568,187.91	10,882,600.88	10,297,896.37
School administrative services	6,307,236.53	6,634,918.99	6,976,381.11	5,062,304.31	4,802,547.73	4,651,960.25	4,470,953.61	4,196,879.58	3,767,323.49	3,605,489.81
General administrative, central services and adm. technology	3,071,479.47	3,130,891.15	3,156,618.02	3,141,134.27	3,407,850.20	3,329,859.44	2,953,428.57	2,755,164.28	2,634,097.41	2,884,813.52
Plant operations and maintenance	9,335,127.41	10,423,116.87	10,917,612.10	11,192,969.24	10,916,902.17	10,862,456.87	10,320,473.52	9,498,652.86	8,751,731.63	8,768,261.46
Student transportation	7,444,375.74	7,472,374.14	7,765,595.69	7,475,322.15	6,905,133.02	6,787,300.70	6,445,027.90	6,053,597.32	5,932,284.72	5,458,284.20
Employee benefits	34,425,878.69	31,442,154.34	32,329,818.10	29,664,783.61	32,704,391.40	30,926,761.60	24,983,246.71	21,939,382.19	19,800,048.49	16,749,005.41
Capital outlay	1,962,635.31	2,525,259.35	1,973,129.74	2,593,695.72	2,340,312.36	4,221,284.69	21,315,397.72	22,415,462.73	5,003,286.78	5,044,229.81
Charter school		11,387.00	9,507.00	9,197.00						
Debt service:										
Principal	3,380,921.05	3,250,921.05	3,120,921.05	2,890,921.05	2,805,921.05	2,805,921.05	2,970,921.05	2,150,921.05	1,845,921.05	1,435,921.05
Interest and other charges	3,181,880.38	2,307,408.40	2,406,090.96	2,559,016.00	2,659,252.82	2,770,984.88	2,544,839.42	2,600,807.51	2,581,458.10	2,213,995.29
Total expenditures	<u>144,277,995.01</u>	<u>143,797,307.21</u>	<u>149,502,694.74</u>	<u>142,593,084.05</u>	<u>141,355,410.13</u>	<u>138,072,418.31</u>	<u>144,120,301.56</u>	<u>136,422,127.00</u>	<u>110,419,518.51</u>	<u>103,487,631.35</u>
Excess (Deficiency) of revenues over (under) expenditures	4,613,843.00	1,497,329.15	(7,430,688.12)	(1,824,318.81)	110,401.40	(892,018.09)	(20,108,875.88)	(18,949,726.76)	(546,939.23)	(3,380,935.57)
Other Financing sources (uses)										
Authorized/Canceled							(500.00)	10,971,000.00		25,114,000.00
Capital leases (non-budgeted)	807,002.45	817,741.12	775,927.98	799,531.33	793,408.61	900,000.00	728,159.54	837,564.26	1,240,630.60	316,909.70
N.J. economic development authority grants							(28,711.13)	615,174.00	(109,279.00)	9,691,293.00
Prior period adjustment						0.01	(17,777.40)		(109,279.00)	(0.01)
Transfers in	1,048,380.35	1,374,215.25	940,571.80	850,000.00		91,352.52	309,612.94	2,145,246.13	430,369.35	548,579.95
Transfers out	(1,048,380.35)	(1,374,215.25)	(940,571.80)	(850,000.00)		(91,352.52)	(309,612.94)	(2,145,246.13)	(430,369.35)	(548,579.95)
Refunding bond proceeds	17,165,000.00									
Original issue premium	2,282,256.65									
Payment to refunding bonds escrow agent	(18,284,000.00)									
Total other financing sources (uses)	<u>1,970,259.10</u>	<u>817,741.12</u>	<u>775,927.98</u>	<u>799,531.33</u>	<u>793,408.61</u>	<u>900,000.01</u>	<u>681,171.01</u>	<u>12,423,738.26</u>	<u>1,022,072.60</u>	<u>35,122,202.69</u>
Net change in fund balances	<u>\$6,564,102.10</u>	<u>\$2,315,070.27</u>	<u>(\$6,654,760.14)</u>	<u>(\$1,024,787.48)</u>	<u>\$903,810.01</u>	<u>\$7,981.92</u>	<u>(\$19,427,704.87)</u>	<u>(\$6,525,988.50)</u>	<u>\$475,133.37</u>	<u>\$31,741,267.12</u>
Debt service as a percentage of noncapital expenditures	4.61%	3.93%	3.75%	3.89%	3.93%	4.17%	4.49%	4.17%	4.20%	3.71%

Source: District records

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
GENERAL FUND OTHER LOCAL REVENUE BY SOURCE
UNAUDITED

<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>Tuition</u>	<u>Transportation</u>	<u>Athletic &</u> <u>Activity Fees</u>	<u>Rentals</u>	<u>Interest</u>	<u>Parking</u> <u>Permits</u>	<u>Miscellaneous</u>	<u>Total</u>
2012	\$152,669.84	\$30,364.75	\$287,514.00	\$117,021.25	\$17,624.10	\$46,400.00	\$242,070.14	\$893,664.08
2011	119,659.02	78,478.15	192,472.62	120,410.75	26,934.66	49,980.00	1,137,813.23	1,725,748.43
2010	193,745.47	61,652.30		112,879.38	123,394.56	48,005.32	250,063.95	789,740.98
2009	105,473.70	106,407.32		125,214.50	381,714.63	47,600.00	248,110.13	1,014,520.28
2008	102,815.70	135,003.34		159,532.99	935,062.79	47,520.00	238,160.11	1,618,094.93
2007	37,274.47	62,653.37		181,789.75	1,092,407.67	22,185.00	161,735.53	1,558,045.79
2006	127,618.53	67,451.61		140,978.33	666,043.57	20,880.00	221,633.16	1,244,605.20
2005	102,484.00	75,114.00		147,458.00	635,351.00	18,550.00	122,106.00	1,101,063.00
2004	102,484.00	40,561.00		110,468.00	208,207.00	19,553.00	62,080.00	543,353.00
2003	73,155.00	59,671.00		82,402.00	164,622.00	16,870.00	67,491.00	464,211.00

Source: District Records

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY -
TOWNSHIP OF BRIDGEWATER
UNAUDITED

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities (a)	Net Valuation Taxable	Est. Actual (County Equalized Value)	Total Direct School Tax Rate (b)
2012	\$92,712,000.00	\$6,109,885,500.00	\$6,408,500.00	\$1,708,500,700.00	\$457,868,100.00	\$51,571,400.00	\$8,426,946,200.00	\$10,720,405.00	\$8,437,666,605.00	N/A	1.324
2011	94,751,000.00	6,095,715,300.00	6,507,800.00	1,713,746,500.00	454,103,800.00	51,256,400.00	8,416,080,800.00	10,752,577.00	8,426,833,377.00	9,409,750,447.00	1.297
2010	104,974,600.00	6,278,722,100.00	6,669,500.00	1,824,068,900.00	417,412,900.00	52,336,300.00	8,684,184,300.00	12,662,084.00	8,696,846,384.00	9,602,149,823.00	1.222
2009	112,038,700.00	6,488,662,400.00	6,883,900.00	1,837,224,700.00	375,112,800.00	52,439,500.00	8,872,362,000.00	11,307,448.00	8,883,669,448.00	8,872,362,000.00	1.164
2008	119,347,100.00	6,733,962,500.00	5,811,600.00	1,804,513,500.00	366,284,400.00	48,523,200.00	9,078,442,300.00	10,321,568.00	9,088,763,868.00	9,078,442,300.00	1.111
2007	135,876,200.00	6,852,458,800.00	6,435,300.00	1,757,447,900.00	364,458,400.00	48,401,800.00	9,165,078,400.00	9,305,420.00	9,174,383,820.00	9,168,735,500.00	1.098
2006	135,876,200.00	6,778,949,600.00	6,351,400.00	1,723,683,100.00	365,904,900.00	47,851,100.00	9,058,616,300.00		9,058,616,300.00	9,932,693,311.00	1.041
2005	120,570,400.00	6,256,325,400.00	5,991,000.00	1,647,929,200.00	365,279,800.00	44,081,300.00	8,440,177,100.00		8,440,177,100.00	9,224,237,268.00	1.045

N/A - 2012 county equalized value not available

Source: District records Tax list summary & Municipal Tax Assessor

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

(a): Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies

(b): Tax rates are per \$100

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY -
BOROUGH OF RARITAN
UNAUDITED

<u>Fiscal Year</u> <u>Ended</u> <u>June 30,</u>	<u>Vacant Land</u>	<u>Residential</u>	<u>Farm</u>	<u>Commercial</u>	<u>Industrial</u>	<u>Apartment</u>	<u>Total</u> <u>Assessed Value</u>	<u>Public</u> <u>Utilities (a)</u>	<u>Net</u> <u>Valuation</u> <u>Taxable</u>	<u>Est. Actual</u> <u>(County Equalized</u> <u>Value)</u>	<u>Total Direct</u> <u>School</u> <u>Tax Rate (b)</u>
2012	\$11,711,500.00	\$611,088,984.00		\$237,925,357.00	\$276,551,500.00	\$1,898,600.00	\$1,139,175,941.00	\$1,727,289.00	\$1,140,903,230.00	N/A	1.293
2011	11,385,200.00	611,721,584.00		237,926,357.00	276,551,500.00	1,898,600.00	1,139,483,241.00	1,718,485.00	1,141,201,726.00	1,229,083,423.00	1.271
2010	11,579,600.00	611,784,284.00		237,416,923.00	276,551,500.00	1,898,600.00	1,139,230,907.00	1,718,485.00	1,140,949,392.00	1,280,034,727.00	1.271
2009	12,026,950.00	609,492,434.00		237,652,841.00	276,551,500.00	1,898,600.00	1,137,622,325.00	1,539,530.00	1,139,161,855.00	1,137,622,325.00	1.227
2008	10,612,600.00	608,953,934.00		251,226,741.00	278,406,500.00	1,898,600.00	1,151,098,375.00	1,177,566.00	1,152,275,941.00	1,151,098,375.00	1.129
2007	10,395,650.00	606,998,134.00		215,552,677.00	305,298,868.00	1,898,600.00	1,140,143,929.00	1,177,566.00	1,141,321,495.00	1,140,143,929.00	1.118
2006	10,395,650.00	608,522,634.00		217,894,686.00	309,623,219.00	1,898,600.00	1,148,334,789.00	1,690,412.00	1,150,025,201.00	1,148,334,789.00	0.998
2005	10,361,600.00	608,188,134.00		202,898,295.00	304,355,115.00	1,898,600.00	1,127,701,744.00	2,716,273.00	1,130,418,017.00	1,127,701,744.00	0.960

N/A - 2012 county equalized value not available

Source: District records Tax list summary & Municipal Tax Assessor

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

(a): Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies

(b): Tax rates are per \$100

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
DIRECT AND OVERLAPPING PROPERTY TAX RATES
UNAUDITED

Fiscal Year Ended Dec. 31,	Township of Bridgewater			Overlapping Rates		Total Direct and Overlapping Tax Rate
	Basic Rate (a)	General Obligation Debt Service	Total Direct School Tax Rate	Municipality	County	
2011	1.267	0.057	1.324	0.223	0.400	1.947
2010	1.244	0.053	1.297	0.223	0.400	1.920
2009	1.064	0.047	1.111	0.250	0.362	1.723
2008	1.049	0.049	1.098	0.245	0.366	1.709
2007	0.993	0.048	1.041	0.227	0.375	1.643
2006	0.988	0.053	1.041	0.225	0.374	1.640
2005	0.989	0.056	1.045	0.238	0.407	1.690
2004	1.265	0.052	1.317	0.261	0.482	2.060
2003	1.166	0.057	1.223	0.222	0.465	1.910
2002	1.123	0.044	1.167	0.211	0.452	1.830

Source: District Records and Municipal Tax Collector
(Rates are per \$100 of assessed value)

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.

(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.

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
DIRECT AND OVERLAPPING PROPERTY TAX RATES
UNAUDITED

Fiscal Year Ended <u>Dec. 31.</u>	Borough of Raritan			Overlapping Rates		Total Direct and Overlapping <u>Tax Rate</u>
	<u>Basic Rate</u>	General Obligation <u>Debt Service (b)</u>	Total Direct School <u>Tax Rate</u>	<u>Municipality</u>	<u>County</u>	
2011	1.237	0.0555	1.293	0.621	0.356	2.270
2010	1.219	0.0520	1.271	0.621	0.356	2.248
2009	1.175	0.0517	1.227	0.592	0.347	2.166
2008	1.079	0.0499	1.129	0.577	0.336	2.042
2007	1.066	0.0517	1.118	0.549	0.343	2.010
2006	0.946	0.0520	0.998	0.495	0.337	1.830
2005	0.918	0.0420	0.960	0.467	0.333	1.760
2004	1.719	0.0770	1.796	0.835	0.629	3.260
2003	1.510	0.0640	1.574	0.773	0.533	2.880
2002	1.502	0.0490	1.551	0.733	0.506	2.790

Source: District Records and Municipal Tax Collector
(Rates are per \$100 of assessed value)

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.

(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.

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
PRINCIPAL PROPERTY TAX PAYERS - CURRENT YEAR
TOWNSHIP OF BRIDGEWATER
UNAUDITED

<u>Taxpayer</u>	2012		
	<u>Taxable Assessed Value</u>	<u>Rank [Optional]</u>	<u>% of Total District Net Assessed Value</u>
Taxpayer # 1	\$203,450,000.00	1	2.41%
Taxpayer # 2	140,800,000.00	2	1.67%
Taxpayer # 3	104,080,000.00	3	1.23%
Taxpayer # 4	80,000,000.00	4	0.95%
Taxpayer # 5	65,500,000.00	5	0.78%
Taxpayer # 6	57,500,000.00	6	0.68%
Taxpayer # 7	52,520,000.00	7	0.62%
Taxpayer # 8	49,600,000.00	8	0.59%
Taxpayer # 9	49,600,000.00	9	0.59%
Taxpayer # 10	44,880,000.00	10	0.53%
Total	<u>\$847,930,000.00</u>		<u>10.05%</u>

Source: Municipal Tax Assessor

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
PRINCIPAL PROPERTY TAX PAYERS - CURRENT YEAR
BOROUGH OF RARITAN
UNAUDITED

<u>Taxpayer</u>	<u>2012</u>		
	<u>Taxable Assessed Value</u>	<u>Rank [Optional]</u>	<u>% of Total District Net Assessed Value</u>
Taxpayer # 1	\$192,938,000.00	1	16.91%
Taxpayer # 2	54,798,000.00	2	4.80%
Taxpayer # 3	45,506,000.00	3	3.99%
Taxpayer # 4	41,625,900.00	4	3.65%
Taxpayer # 5	19,895,000.00	5	1.74%
Taxpayer # 6	14,977,000.00	6	1.31%
Taxpayer # 7	14,728,800.00	7	1.29%
Taxpayer # 8	12,351,000.00	8	1.08%
Taxpayer # 9	9,569,000.00	9	0.84%
Taxpayer # 10	8,623,000.00	10	0.76%
Total	<u>\$415,011,700.00</u>		<u>36.38%</u>

Source: Municipal Tax Assessor

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS
TOWNSHIP OF BRIDGEWATER
UNAUDITED

<u>Fiscal Year</u> <u>Ended</u> <u>June 30,</u>	<u>Taxes Levied</u> <u>for the</u> <u>Fiscal Year</u>	<u>Collected within the Fiscal Year of the Levy (a)</u>		<u>Collections in</u> <u>Subsequent Years</u>
		<u>Amount</u>	<u>Percentage</u> <u>of Levy</u>	
2012	\$105,138,991.23	\$105,138,991.23	100.00%	-
2011	104,213,105.85	104,213,105.85	100.00%	-
2010	99,410,424.29	99,410,424.29	100.00%	-
2009	97,941,544.72	97,941,544.72	100.00%	-
2008	95,774,396.00	95,774,396.00	100.00%	-
2007	100,637,325.72	100,637,325.72	100.00%	-
2006	88,160,574.23	88,160,574.23	100.00%	-
2005	88,160,574.23	88,160,574.23	100.00%	-
2004	83,320,910.80	83,320,910.80	100.00%	-

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

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

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS
BOROUGH OF RARITAN
UNAUDITED

Fiscal Year Ended <u>June 30,</u>	Taxes Levied for the <u>Fiscal Year</u>	<u>Collected within the Fiscal Year of the Levy (a)</u>		<u>Collections in Subsequent Years</u>
		<u>Amount</u>	<u>Percentage of Levy</u>	
2012	\$14,016,107.77	\$14,016,107.77	100.00%	-
2011	13,766,719.15	13,766,719.15	100.00%	-
2010	13,992,934.71	13,992,934.71	100.00%	-
2009	12,706,752.28	12,706,752.28	100.00%	-
2008	12,214,409.00	12,214,409.00	100.00%	-
2007	12,726,330.14	12,726,330.14	100.00%	-
2006	10,849,473.30	10,849,473.30	100.00%	-
2005	10,849,473.30	10,849,473.30	100.00%	-
2004	10,268,548.26	10,268,548.26	100.00%	-

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

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

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
RATIOS OF OUTSTANDING DEBT BY TYPE
TOWNSHIP OF BRIDGEWATER
UNAUDITED

Fiscal Year Ended June 30,	Governmental Activities			Total District	Percentage of Personal Income (a)	Per Capita (a)
	General Obligation Bonds (b)	Loans	Capital Leases			
2012	\$49,561,000.00	\$11,842.10	\$807,002.45	\$50,379,844.55	0.14%	\$1,127.97
2011	54,055,000.00	17,763.15	796,394.86	54,869,158.01	0.13%	1,228.49
2010	57,300,000.00	23,684.20	791,635.77	58,115,319.97	0.12%	1,304.44
2009	60,410,000.00	29,605.25	799,531.33	61,239,136.58	0.12%	1,358.58
2008	63,295,000.00	35,526.30	793,408.61	64,123,934.91	0.11%	1,440.37
2007	66,095,000.00	41,447.35	939,818.20	67,076,265.55	0.10%	1,511.37
2006	68,895,000.00	47,368.40	728,159.54	69,670,527.94	0.09%	1,586.56
2005	71,860,000.00	53,289.45	837,654.26	72,750,943.71	0.08%	1,661.09
2004	62,734,000.00	59,210.50		62,793,210.50	0.09%	1,435.50

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.

(a) See Exhibit NJ J-14 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

(b) Includes Early Retirement Incentive Plan (ERIP) refunding

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
RATIOS OF OUTSTANDING DEBT BY TYPE
BOROUGH OF RARITAN
UNAUDITED

Fiscal Year Ended June 30,	Governmental Activities			Total District	Percentage of Personal Income (a)	Per Capita (a)
	General Obligation Bonds (b)	Loans	Capital Leases			
2012	\$49,561,000.00	\$11,842.10	\$807,002.45	\$50,379,844.55	0.14%	\$7,289.81
2011	54,055,000.00	17,763.15	796,394.86	54,869,158.01	0.13%	7,939.39
2010	57,300,000.00	23,684.20	791,635.77	58,115,319.97	0.12%	8,428.62
2009	60,410,000.00	29,605.25	799,531.33	61,239,136.58	0.12%	8,088.65
2008	63,295,000.00	35,526.30	793,408.61	64,123,934.91	0.11%	8,548.72
2007	66,095,000.00	41,447.35	939,818.20	67,076,265.55	0.10%	9,360.35
2006	68,895,000.00	47,368.40	728,159.54	69,670,527.94	0.09%	10,151.61
2005	71,860,000.00	53,289.45	837,654.26	72,750,943.71	0.08%	11,522.16
2004	62,734,000.00	59,210.50		62,793,210.50	0.09%	9,940.35

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.

(a) See Exhibit NJ J-14 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

(b) Includes Early Retirement Incentive Plan (ERIP) refunding

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
RATIOS OF NET BONDED DEBT OUTSTANDING
TOWNSHIP OF BRIDGEWATER
UNAUDITED

Fiscal Year Ended June 30,	General Bonded Debt Outstanding		Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value (a) of Property	Per Capita (b)
	General Obligation Bonds	Deductions			
2012	\$49,561,000.00		\$49,561,000.00	0.59%	\$1,109.64
2011	54,055,000.00		54,055,000.00	0.64%	1,210.26
2010	57,300,000.00		57,300,000.00	0.68%	1,286.14
2009	60,410,000.00		60,410,000.00	0.68%	1,340.18
2008	66,095,000.00		66,095,000.00	0.73%	1,484.65
2007	66,095,000.00		66,095,000.00	0.72%	1,489.26
2006	68,895,000.00		68,895,000.00	0.76%	1,568.90
2005	71,860,000.00		71,860,000.00	0.85%	1,640.75
2004	62,734,000.00		62,734,000.00	0.74%	1,434.15

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

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

(b) Population data can be found in Exhibit NJ J-14.

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
RATIOS OF NET BONDED DEBT OUTSTANDING
BOROUGH OF RARITAN
UNAUDITED

Fiscal Year Ended <u>June 30,</u>	<u>General Bonded Debt Outstanding</u>		Net General Bonded Debt <u>Outstanding</u>	Percentage of Actual Taxable Value (a) of <u>Property</u>	<u>Per Capita (b)</u>
	<u>General Obligation Bonds</u>	<u>Deductions</u>			
2012	\$49,561,000.00		\$49,561,000.00	4.34%	\$7,171.32
2011	54,055,000.00		54,055,000.00	4.74%	7,821.59
2010	57,300,000.00		57,300,000.00	5.02%	8,310.37
2009	60,410,000.00		60,410,000.00	5.29%	7,979.13
2008	66,095,000.00		66,095,000.00	5.80%	8,811.49
2007	66,095,000.00		66,095,000.00	5.74%	9,223.42
2006	68,895,000.00		68,895,000.00	6.04%	10,038.61
2005	71,860,000.00		71,860,000.00	6.25%	11,381.06
2004	62,734,000.00		62,734,000.00	5.46%	9,930.98

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

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

(b) Population data can be found in Exhibit NJ J-14.

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2011
UNAUDITED

	<u>Bridgewater Township</u>	<u>Raritan Borough</u>
Net Direct Debt of School District as of December 31, 2011	\$47,203,289.78	\$6,231,710.22
Net Overlapping Debt of School District:		
Municipal	58,882,541.40	4,096,742.75
County of Somerset	18,780,299.16	2,543,317.15
	<hr/>	<hr/>
Total direct and overlapping debt as of December 31, 2011	<u>\$124,866,130.34</u>	<u>\$12,871,770.12</u>

Source: Annual Debt Statements, Somerset County Comptrollers 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 paymer

(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.

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
LEGAL DEBT MARGIN INFORMATION
TOWNSHIP OF BRIDGEWATER
UNAUDITED

Legal Debt Margin Calculation for Calendar Year 2011:

Equalized Valuation Basis

	Calendar Year	
	2011	\$9,409,750,447.00
	2010	9,602,149,823.00
	2009	10,249,956,100.00
		<u>29,261,856,370.00</u>
Average Equalized Valuation of Taxable Property		9,753,952,123.33
Debt Limit (4% (a) of average equalization value)		390,158,084.93
Total Net Debt Applicable to Limit		47,203,289.78
Legal Debt Margin		<u>\$342,954,795.15</u>

	Calendar Year Ending December 31,							
	2011	2010	2009	2008	2007	2006	2005	2004
Debt Limit	\$390,158,084.93	\$391,073,840.79	\$391,946,280.09	\$387,716,109.57	\$384,322,237.96	\$374,339,420.00	\$342,114,443.00	\$307,555,292.00
Total Net Debt Applicable To Limit	<u>47,203,289.78</u>	<u>49,938,259.91</u>	<u>52,780,792.00</u>	<u>55,034,140.00</u>	<u>57,817,582.00</u>	<u>60,919,043.00</u>	<u>63,310,831.00</u>	<u>62,719,972.00</u>
Legal Debt Margin	<u>\$342,954,795.15</u>	<u>\$341,135,580.88</u>	<u>\$339,165,488.09</u>	<u>\$332,681,969.57</u>	<u>\$326,504,655.96</u>	<u>\$313,420,377.00</u>	<u>\$278,803,612.00</u>	<u>\$244,835,320.00</u>
Total Net Debt Applicable to the Limit as a % of Debt Limit	12.10%	12.77%	13.47%	14.19%	15.04%	16.27%	18.51%	20.39%

Source: Equalized valuation bases were obtained from the Annual Report of the State of New Jersey, Department Treasury, Division of Taxation.
(a) Limit set by N.J.S.A. 18A:24-19 for a K through 12 district; other % limits would be applicable for other district types.

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
LEGAL DEBT MARGIN INFORMATION
BOROUGH OF RARITAN
UNAUDITED

Legal Debt Margin Calculation for Calendar Year 2011:

Equalized Valuation Basis

	Calendar Year	
	2011	\$1,230,801,908.00
	2010	1,280,034,727.00
	2009	<u>1,353,989,913.00</u>
		<u>3,864,826,548.00</u>
Average Equalized Valuation of Taxable Property		1,288,275,516.00
Debt Limit (4% (a) of average equalization value)		51,531,020.64
Total Net Debt Applicable to Limit		<u>6,231,710.22</u>
Legal Debt Margin		<u><u>\$45,299,310.42</u></u>

	Calendar Year Ending December 31,							
	2011	2010	2009	2008	2007	2006	2005	2004
Debt Limit	\$51,531,020.64	\$52,913,023.11	\$52,590,203.81	\$51,399,409.35	\$49,006,165.05	\$46,246,007.00	\$42,255,846.00	\$37,263,675.00
Total Net Debt Applicable To Limit	<u>6,231,710.22</u>	<u>6,756,740.09</u>	<u>6,934,712.00</u>	<u>7,295,860.00</u>	<u>7,372,418.00</u>	<u>7,525,957.00</u>	<u>7,819,695.00</u>	<u>7,962,563.00</u>
Legal Debt Margin	<u><u>\$45,299,310.42</u></u>	<u><u>\$46,156,283.02</u></u>	<u><u>\$45,655,491.81</u></u>	<u><u>\$44,103,549.35</u></u>	<u><u>\$41,633,747.05</u></u>	<u><u>\$38,720,050.00</u></u>	<u><u>\$34,436,151.00</u></u>	<u><u>\$29,301,112.00</u></u>
Total Net Debt Applicable to the Limit as a % of Debt Limit	12.09%	12.77%	13.19%	14.19%	15.04%	16.27%	18.51%	21.37%

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

(a) Limit set by N.J.S.A. 18A:24-19 for a K through 12 district; other % limits would be applicable for other district types.

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
TOWNSHIP OF BRIDGEWATER
UNAUDITED

<u>Year</u>	<u>Population (a)</u>	<u>Personal Income (b)</u>	<u>Per Capita Personal Income (c)</u>	<u>Unemployment Rate (d)</u>
2011	44,664	N/A	N/A	6.50%
2010	44,552	3,113,561,072.00	69,886.00	6.90%
2009	45,076	3,099,110,228.00	68,753.00	6.90%
2008	44,519	3,303,131,724.00	74,196.00	3.60%
2007	44,381	3,196,097,715.00	72,015.00	2.70%
2006	43,913	2,987,840,520.00	68,040.00	3.00%
2005	43,797	2,746,509,870.00	62,710.00	3.00%
2004	43,743	2,636,346,867.00	60,269.00	2.90%
2003	43,610	2,487,819,670.00	57,047.00	3.30%
2002	43,646	2,448,060,494.00	56,089.00	3.40%

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 was computed using Census Bureau midyear population estimates.
Estimates for 2000-2010 reflect county population.
- (d) Unemployment data provided by the NJ Dept. of Labor and Workforce Development.

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
BOROUGH OF RARITAN
UNAUDITED

<u>Year</u>	<u>Population (a)</u>	<u>Personal Income (b)</u>	<u>Per Capita Personal Income (c)</u>	<u>Unemployment Rate (d)</u>
2011	6,911	N/A	N/A	10.20%
2010	6,895	481,863,970.00	69,886.00	10.30%
2009	7,571	520,528,963.00	68,753.00	10.30%
2008	7,501	556,544,196.00	74,196.00	5.90%
2007	7,166	516,059,490.00	72,015.00	4.40%
2006	6,863	466,958,520.00	68,040.00	2.50%
2005	6,314	395,950,940.00	62,710.00	2.50%
2004	6,317	380,719,273.00	60,269.00	4.70%
2003	6,296	359,167,912.00	57,047.00	5.40%
2002	6,307	353,753,323.00	56,089.00	5.50%

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 was computed using Census Bureau midyear population estimates.
Estimates for 2000-2010 reflect county population.
- (d) Unemployment data provided by the NJ Dept. of Labor and Workforce Development.

N/A -Not Available

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
 PRINCIPAL EMPLOYERS - CURRENT YEAR AND NINE YEARS AGO
 DECEMBER 31, 2011

Employer	2011			2002		
	# of Employees	Rank (Optional)	Percentage of Total Employment	# of Employees	Rank (Optional)	Percentage of Total Employment
Data Not Available						
	<u>0</u>		<u>0.00%</u>	<u>0</u>		<u>0.00%</u>

Source: Municipal Records

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
 FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
 UNAUDITED

Function/Program	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Instruction:								
Regular	593	597	654	651	643	620	609	559
Special education	241	266	272	267	274	289	241	223
Support Services:								
Student and instruction related services	170	156	189	189	184	181	198	186
General administrative services	5	5	5	5	4	4	4	4
School administrative services	78	78	70	70	69	67	65	65
Central services	17	17	19	19	18	19	20	21
Plant operations and maintenance	30	30	138	139	138	136	155	146
Pupil transportation	28	28	27	27	27	28	30	27
Total	<u>1,162</u>	<u>1,177</u>	<u>1,374</u>	<u>1,367</u>	<u>1,357</u>	<u>1,344</u>	<u>1,322</u>	<u>1,231</u>

Source: District Personnel Records

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
OPERATING STATISTICS
UNAUDITED

Fiscal Year	Enrollment	Operating Expenditures (a)	Cost Per Pupil	% Change	Teaching Staff (b)	Pupil/Teacher Ratio			Average Daily Enrollment (c)	Average Daily Attendance (c)	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School	High School				
2012	8,827	\$135,754,932.71	\$15,379.51	1.46%	883	N/A	N/A	N/A	8,705.6	8,362.3	-1.67%	96.06%
2011	8,953	135,713,718.41	15,158.46	-2.34%	883	9.8/1	10.1/1	11.1/1	8,853.8	8,501.1	-2.62%	96.02%
2010	9,149	142,002,552.25	15,521.10	5.70%	926	9.0/1	10.2/1	10.5/1	9,091.6	8,723.6	-0.39%	95.95%
2009	9,163	134,549,449.28	14,684.80	0.42%	918	9.3/1	N/A	10.7/1	9,127.1	8,760.3	-0.07%	95.98%
2008	9,133	133,560,955.88	14,624.00	6.85%	917				9,133.5	8,764.1	-0.71%	95.96%
2007	9,199	125,899,431.00	13,686.21	4.82%	825				9,199.1	8,864.1	2.33%	96.36%
2006	8,801	114,914,347.00	13,056.96	7.45%	850				8,990.0	8,640.7	2.15%	96.11%
2005	8,801	106,948,198.00	12,151.82		782				8,800.9	8,528.0	1.18%	96.90%

Sources: District records

Note: Enrollment based on annual October district count.

(a) Operating expenditures equal total expenditures less debt service and capital outlay.

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

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

(c) Obtained from school report card.

N/A - not available

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
UNAUDITED

	2012	2011	2010	2009	2008	2007	2006	2005
<u>District Buildings</u>								
<u>Elementary Schools:</u>								
<u>Adamsville (1953)</u>								
Square Feet	69,996	69,996	69,996	69,996	69,996	69,996	69,996	69,996
Capacity (students)	501.11	501.11	501.11	501.11	501.11	501.11	501.11	501.11
Enrollment	603	572	550	559	520	397	397	405
<u>Bradley Gardens (1955)</u>								
Square Feet	47,150	47,150	47,150	47,150	47,150	47,150	47,150	47,150
Capacity (students)	340.08	340.08	340.08	340.08	340.09	340.09	340.09	340.09
Enrollment*	295	326	364	353	352	302	302	380
<u>Cri Pupil transportation</u>								
Square Feet	47,140	47,140	47,140	47,140	47,140	47,140	47,140	47,140
Capacity (students)	340.18	340.18	340.18	340.18	340.18	340.18	340.18	340.18
Enrollment	402	421	442	465	456	425	425	448
<u>Hamilton (1965)</u>								
Square Feet	51,000	51,000	51,000	51,000	51,000	51,000	51,000	51,000
Capacity (students)	369.57	369.57	369.57	369.57	369.57	369.57	369.57	369.57
Enrollment	395	410	456	463	458	366	366	405
<u>JFK (1963)</u>								
Square Feet	44,500	44,500	44,500	44,500	44,500	44,500	44,500	44,500
Capacity (students)	320.47	320.47	320.47	320.47	320.47	320.47	320.47	320.47
Enrollment	407	444	466	494	518	417	417	565
<u>Mililown (2006)</u>								
Square Feet	52,832	52,832	52,832	52,832	52,832	52,832	52,832	52,832
Capacity (students)	497.76	497.76	497.76	497.76	497.76	497.76	497.76	497.76
Enrollment	501	519	531	551	575	452	452	
<u>Van Holten (1963)</u>								
Square Feet	45,200	45,200	45,200	45,200	45,200	45,200	45,200	45,200
Capacity (students)	320.50	320.50	320.50	320.50	320.50	320.50	320.50	320.50
Enrollment	421	431	491	476	485	415	415	570
<u>Eisenhower (1967)</u>								
Square Feet	92,850	92,850	92,850	92,850	92,850	92,850	92,850	92,850
Capacity (students)	652.84	652.84	652.84	652.84	652.84	652.84	652.84	652.84
Enrollment	885	890	846	854	843	790	790	765
<u>Hillside (1961)</u>								
Square Feet	73,070	73,070	73,070	73,070	73,070	73,070	73,070	73,070
Capacity (students)	515.39	515.39	515.39	515.39	515.39	515.39	519.39	519.39
Enrollment	588	576	576	600	698	655	655	647
<u>Middle School (1966)</u>								
Square Feet	240,120	240,120	240,120	240,120	240,120	240,120	240,120	240,120
Capacity (students)	1,304.10	1,304.10	1,304.10	1,304.10	1,304.10	1,304.10	1,304.10	1,304.10
Enrollment	1,423	1,450	1,522	1,482	1,446	2,174	2,174	2,140
<u>Bridgewater-Raritan High School (1964)</u>								
Square Feet	331,390	331,390	331,390	331,390	331,390	331,390	331,390	331,390
Capacity (students)	1,603.67	1,603.67	1,603.67	1,603.67	1,603.67	1,603.67	1,603.67	1,603.67
Enrollment	2,907	2,914	2,866	2,829	2,782	2,558	2,558	2,404
<u>Other</u>								
<u>Maintenance/Transportation Building</u>								
Square Feet	11,120	11,120	11,120	11,120	11,120	11,120	11,120	11,120
<u>Central Administration (1959)</u>								
Square Feet	31,120	31,120	31,120	31,120	31,120	31,120	31,120	31,120

Number of Schools at June 30, 2012

Elementary = 9
Middle School = 1
High School = 1
Other = 2

Source: District records

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

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
SCHEDULE OF REQUIRED MAINTENANCE
UNAUDITED

Undistributed expenditures - Required maintenance for school facilities - 11-000-261-XXX

School Facilities * Project #(s)	Total	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Bridgewater-Raritan High School	\$3,923,810.00	\$516,083.00	\$459,489.00	\$454,015.00	\$504,268.00	\$571,524.00	\$582,199.00	\$482,265.00	\$549,324.00	\$413,520.00	\$366,695.00
Bridgewater-Raritan Middle School	2,643,316.00	288,380.00	306,793.00	326,267.00	319,615.00	305,058.00	328,450.00	299,241.00	370,815.00	317,412.00	376,458.00
Adamsville PK-4	705,654.00	107,414.00	70,611.00	112,282.00	90,369.00	84,221.00	81,211.00	101,757.00	86,415.00	81,331.00	68,068.00
Bradley Gardens PK-4	574,797.00	72,402.00	64,150.00	75,504.00	67,517.00	81,920.00	65,706.00	66,634.00	73,046.00	82,963.00	61,507.00
Crim PK-4	604,416.00	69,606.00	64,286.00	78,136.00	78,030.00	78,165.00	72,468.00	92,707.00	80,995.00	58,996.00	64,919.00
Eisenhower 5-6	1,126,276.00	155,785.00	178,517.00	164,038.00	156,752.00	160,318.00	150,361.00	122,688.00	135,697.00	107,427.00	128,995.00
Hamilton PK-4	453,360.00	65,517.00	60,090.00	65,060.00	85,777.00	59,629.00	55,492.00	55,079.00	55,219.00	38,409.00	38,695.00
Hillside 5-6	974,671.00	116,924.00	116,710.00	128,167.00	122,573.00	129,623.00	112,788.00	111,305.00	146,585.00	96,410.00	127,220.00
John F. Kennedy PK-4	565,938.00	87,454.00	66,226.00	76,952.00	59,950.00	61,227.00	83,231.00	79,749.00	74,746.00	60,554.00	69,529.00
Van Holten PK-4	610,967.00	61,130.00	51,362.00	69,409.00	82,310.00	75,291.00	78,114.00	78,028.00	91,893.00	61,700.00	74,222.00
Milltown PK-4	374,704.00	73,690.00	68,006.00	73,569.00	90,233.00	75,502.00	71,805.00	63,595.00			
District Total	<u>\$12,557,909.00</u>	<u>\$1,614,385.00</u>	<u>\$1,506,240.00</u>	<u>\$1,623,399.00</u>	<u>\$1,657,394.00</u>	<u>\$1,682,478.00</u>	<u>\$1,610,020.00</u>	<u>\$1,489,453.00</u>	<u>\$1,664,735.00</u>	<u>\$1,318,722.00</u>	<u>\$1,376,308.00</u>

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

Source: District records

BRIDGEWATER-RARITAN REGIONAL SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2012
UNAUDITED

	<u>COVERAGE</u>	<u>DEDUCTIBLE</u>
Educational Risk Insurance Consortium - North (N.J. School Boards Association Insurance Group) Package Policy:		
Blanket Real and Personal Property	\$300,000,000.00	\$5,000.00
Blanket Extra Expense	50,000,000.00	1,000.00
Comprehensive General Liability	6,000,000.00	1,000.00
Automobile Liability - Bodily Injury and Property Damage	6,000,000.00	
Electronic Data Processing - Blanket Hardware	1,500,000.00	1,000.00
Equipment Coverage	100,000,000.00	5,000.00
Public Officials Bond Limit:		
Board Secretary/ Business Administrator	2,000.00	500.00
Treasurer of School Monies	525,000.00	1,000.00
Public Employees' Faithful Performance Blanket Position Bond	250,000.00	1,000.00

Source: District Records

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SINGLE AUDIT SECTION



SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

EXHIBIT "K-1"

308 East Broad Street, Westfield, New Jersey 07090-2122

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

Honorable President and Members
of the Board of Education
Bridgewater-Raritan Regional School District
County of Somerset

We have audited the basic financial statements of the Bridgewater-Raritan Regional School District, County of Somerset, New Jersey as of and for the fiscal year ended June 30, 2012, and have issued our report thereon dated September 27, 2012. We conducted our audit in accordance with U.S. generally accepted auditing standards, the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Bridgewater-Raritan Regional School District, County of Somerset, New Jersey internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the basic financial statements but not for the purpose of expressing an opinion on the effectiveness of the Bridgewater-Raritan Regional School District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Bridgewater-Raritan Regional School District's internal control over financial reporting.

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

SUPLEE, CLOONEY & COMPANY

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Bridgewater-Raritan Regional School District's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of basic financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

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


CERTIFIED PUBLIC ACCOUNTANTS


PUBLIC SCHOOL ACCOUNTANT NO. 93

September 27, 2012



SUPLEE, CLOONEY & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

EXHIBIT "K-2"

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
WITH REQUIREMENTS APPLICABLE TO EACH MAJOR FEDERAL
AND STATE FINANCIAL ASSISTANCE PROGRAM AND ON
INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE
WITH OMB CIRCULAR A-133 AND NEW JERSEY OMB CIRCULAR 04-04**

Honorable President and Members
of the Board of Education
Bridgewater-Raritan Regional School District
County of Somerset

Compliance

We have audited the compliance of the Bridgewater-Raritan Regional School District with the types of compliance requirements described in the New Jersey State Grant Compliance Supplement that are applicable to each of its major federal and state programs for the year ended June 30, 2012. The Bridgewater-Raritan 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 federal and state programs is the responsibility of Bridgewater-Raritan Regional School District's management. Our responsibility is to express an opinion on Bridgewater-Raritan Regional School District's compliance based on our audit.

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

SUPLEE, CLOONEY & COMPANY

In our opinion, the Bridgewater-Raritan Regional School District 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 year ended June 30, 2012.

Internal Control Over Compliance

The management of the Bridgewater-Raritan 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 our audit, we considered the Bridgewater-Raritan Regional School District's internal control over compliance with requirements that could have a direct and material effect on a major federal and state program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Bridgewater-Raritan 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 or state program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state program will not be prevented, or detected and corrected, on a timely basis.

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

This report is intended solely for the information and use of management and the Board of Education of the Bridgewater-Raritan Regional School District, the New Jersey State Department of Education and federal and state audit awarding agencies and is not intended to be and should not be used by anyone other than these specified parties


CERTIFIED PUBLIC ACCOUNTANTS


PUBLIC SCHOOL ACCOUNTANT NO. 93

September 27, 2012

BRIDGEWATER-RARITAN 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	GRANT PERIOD	AWARD AMOUNT	BALANCE		CARRYOVER AMOUNT	CASH RECEIPTS	BUDGETARY EXPENDITURES	ADJUSTMENTS/ REPAYMENT OF PRIOR YEAR'S BALANCE	BALANCE AT JUNE 30, 2012		
					AT JUNE 30, 2011						(ACCOUNTS RECEIVABLE)	DEFERRED REVENUE	DUE TO GRANTOR
General Fund													
U.S. Department of Education Education Jobs Fund	84.410	N/A	8/10/10 - 9/30/12	\$411,378.00					(\$411,378.00)		(\$411,378.00)		
Medicaid Assistance Program (SEMI)	93.778	N/A	7/01/11 - 6/30/12	49,976.61				\$49,976.61	(49,976.61)				
Total General Fund								49,976.61	(461,354.61)		(411,378.00)		
Enterprise Fund													
U.S. Department of Agriculture Passed-Through State Department of Education: Commodity Supplemental Food Program	10.565	N/A	7/1/10 - 6/30/11	161,493.12	\$10,134.85				(10,134.85)				
Commodity Supplemental Food Program	10.565	N/A	7/1/11 - 6/30/12	135,765.72			135,765.72		(129,912.62)			\$5,853.10	
National School Lunch Program	10.555	N/A	7/1/10 - 6/30/11	402,463.22	(65,522.50)		65,522.50						
National School Lunch Program	10.555	N/A	7/1/11 - 6/30/12	405,127.09			382,449.90		(405,127.09)		(22,677.19)		
School Breakfast Program	10.553	N/A	7/1/10 - 6/30/11	3,894.48	(643.86)		643.86						
School Breakfast Program	10.553	N/A	7/1/11 - 6/30/12	3,451.53			3,292.44		(3,451.53)		(159.09)		
Special Milk Program	10.556	N/A	7/1/10 - 6/30/11	15.94	(5.32)		5.32						
Total Enterprise Fund					(56,036.83)		587,679.74		(548,626.09)		(22,836.28)	5,853.10	
Special Revenue Fund													
U.S. Department of Education Passed-Through State Department of Education:													
Title I	84.010	NCLB055511	9/1/10 - 8/31/11	226,651.00	(137,887.00)		137,887.00						
Title I	84.010	NCLB055511	9/1/11 - 8/31/12	226,651.00					(12,041.73)		(12,041.73)		
Title I	84.010	NCLB055512	9/1/11 - 8/31/12	224,821.00			161,204.00		(224,134.28)		(62,930.28)		
Teacher Quality Enhancement - Mentoring Program	84.367	NCLB055505	9/1/04 - 8/31/05	10,440.00	250.59							250.59	
Title II - Part A	84.367	NCLB055511	9/1/10 - 8/31/11	157,308.00	(84,552.13)		88,123.00				(3,914.32)		
Title II - Part A	84.367	NCLB055511	9/1/11 - 8/31/12	157,308.00			7,485.19		(7,485.19)				
Title II - Part A	84.367	NCLB055512	9/1/11 - 8/31/12	129,442.74			92,462.00		(129,001.62)		(36,539.62)		
Title II - Part D - carryover	84.318	NCLB055507	9/1/07 - 8/31/08	1,078.00		1,078.00				(\$1,078.00)			
Title II - Part D	84.318	NCLB055511	9/1/11 - 8/31/12	2,665.00	(762.69)		743.00				(19.69)		
Title II - Part D	84.318	NCLB055512	9/1/11 - 8/31/12	1,307.61					(1,307.61)		(1,307.61)		
Title III - carryover	84.365	NCLB055506	9/1/06 - 8/31/07	49,852.00	3.70					(3.70)			
Title III	84.365	NCLB055511	9/1/10 - 8/31/11	35,469.00	(37,697.87)		50,383.00						
Title III	84.365	NCLB055511	9/1/11 - 8/31/12	35,469.00			12,685.13		(12,684.90)			0.23	
Title III	84.365	NCLB055512	9/1/11 - 8/31/12	18,944.25			12,368.00		(18,944.18)		(6,576.18)		
Title III - Immigrant - extended	84.365	NCLB055510	9/1/09 - 8/31/10	40,914.00	(6,295.81)		6,295.81						
Title III - Immigrant	84.365	NCLB055512	9/1/11 - 8/31/12	5,979.53			4,728.19		(5,979.53)		(1,251.34)		
Title IV - carryover	84.186	NCLB055507	9/1/07 - 8/31/08	20,561.00	20,561.00					(20,561.00)			
Title IV	84.186	NCLB055510	9/1/10 - 8/31/11	16,601.00	(4,151.18)		4,151.18						
Title IV	84.186	NCLB055512	9/1/11 - 8/31/12	8,728.00			8,728.82		(8,975.14)		(246.32)		
Title V - extended	84.298	NCLB055508	9/1/08 - 8/31/09	10,757.00	125.52					(125.52)			
I.D.E.A. Part B, Basic - carryover	84.027	IDEA055506	9/1/06 - 8/31/07	1,613,004.00	22.28					(22.28)			
I.D.E.A. Part B, Basic - extended year	84.027	IDEA055507	9/1/07 - 8/31/08	1,685,258.00	78.35					(78.35)			
I.D.E.A. Part B, Basic	84.027	IDEA055508	9/1/08 - 8/31/09	1,734,365.00	2,535.25					(2,535.25)			
I.D.E.A. Part B, Basic	84.027	IDEA055510	9/1/11 - 8/31/12	1,899,200.00	(5,677.12)		32,253.70						\$26,576.58
I.D.E.A. Part B, Basic	84.027	IDEA055511	9/1/10 - 8/31/11	1,823,767.00	(303,708.57)		322,800.88				(29,587.36)		
I.D.E.A. Part B, Basic	84.027	IDEA055511	9/1/11 - 8/31/12	1,823,767.00			48,679.67		(48,679.67)				
I.D.E.A. Part B, Basic	84.027	IDEA055512	9/1/11 - 8/31/12	1,649,932.00			1,323,510.00		(1,642,903.49)		(319,393.49)		
I.D.E.A. Part B, Basic - ARRA	84.391	ARRA055511	9/1/09 - 8/31/11	2,006,672.00	(301,307.94)		658,209.00		(341,622.37)		(40,931.31)		56,210.00
I.D.E.A. Part B-Preschool	84.173	IDEA055511	9/1/10 - 8/31/11	72,582.00	(15,299.20)		9,610.00		(6,985.00)		(12,674.20)		
I.D.E.A. Part B-Preschool	84.173	IDEA055512	9/1/11 - 8/31/12	46,270.89			24,810.00		(46,073.37)		(21,263.37)		
I.D.E.A. Part B-Preschool - ARRA	84.392	ARRA055511	9/1/09 - 8/31/11	72,583.00	(4,289.50)		14,178.00		(9,887.24)			1.26	
Total Special Revenue Fund					(876,974.32)		2,952,445.58		(2,516,705.32)		(24,404.10)	252.08	82,786.58
Total Expenditures of Federal Awards					(\$933,011.15)		\$3,590,101.93		(\$3,526,686.02)		(\$24,404.10)	\$6,105.18	\$82,786.58

See accompanying notes to schedules of expenditures of awards and financial assistance.

BRIDGEWATER - RARITAN REGIONAL SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

STATE GRANTOR/PROGRAM TITLE	GRANT OR STATE PROJECT NUMBER	GRANT PERIOD	AWARD AMOUNT	BALANCE AT JUNE 30, 2011		CARRY OVER AMOUNT	CASH RECEIPTS	BUDGETARY EXPENDITURES	ADJUSTMENT	REPAYMENT OF PRIOR YEARS BALANCES	BALANCE AT JUNE 30, 2012			MEMO CUMULATIVE TOTAL	
				DEFERRED REVENUE (ACCTS RECEIVABLE)	DUE TO GRANTOR						(ACCOUNTS RECEIVABLE)	DEFERRED REVENUE	DUE TO GRANTOR	BUDGETARY RECEIVABLE	EXPENDITURES
State Department of Education															
General Funds:															
Special Education Cateorical Aid	12-495-034-5120-089	7/1/11 - 6/30/12	\$5,236,650.00				\$4,741,244.12	(\$5,236,650.00)	\$495,405.88					\$495,405.88	\$5,236,650.00
Equalization Aid	12-495-034-5120-078	7/1/11 - 6/30/12	2,149,223.00				1,945,913.18	(2,149,223.00)	203,309.82					203,309.82	2,149,223.00
Security Aid	12-495-034-5120-084	7/1/11 - 6/30/12	653,435.00				600,690.70	(663,435.00)	62,744.30					62,744.30	653,435.00
Extraordinary Aid	11-100-034-5120-473	7/1/10 - 6/30/11	692,445.00	(\$692,445.00)			692,445.00								692,445.00
Extraordinary Aid	12-100-034-5120-473	7/1/11 - 6/30/12	1,053,289.00					(1,053,289.00)			(\$1,053,289.00)			1,053,289.00	1,053,289.00
Nonpublic School Transportation Aid	11-495-034-5120-044	7/1/10 - 6/30/11	59,123.30	(59,123.30)			59,123.30								59,123.30
Nonpublic School Transportation Aid	12-495-034-5120-044	7/1/11 - 6/30/12	81,740.00					(81,740.00)			(81,740.00)			81,740.00	81,740.00
Anti-Bullying Grant	N/A	7/1/11 - 6/30/12	2,750.00				2,750.00	(2,750.00)							2,750.00
Reimbursed TPAF social security contributions	11-495-034-5095-002	7/1/10 - 6/30/11	4,764,853.34	(235,703.93)			235,703.93								4,764,853.34
Reimbursed TPAF social security contributions	12-495-034-5095-002	7/1/11 - 6/30/12	4,662,251.61				4,430,357.66	(4,662,251.61)				(231,893.95)		231,893.95	4,662,251.61
Total General Fund				(987,272.23)			12,708,227.89	(13,849,338.61)	781,460.00			(1,366,922.95)		2,128,382.95	19,365,760.25
Special Revenue Fund:															
N.J. Nonpublic Aid:															
Textbook Aid	10-100-034-5120-054	7/1/09 - 6/30/10	34,960.00		\$4,777.84						(\$4,777.84)				30,182.16
Textbook Aid	11-100-034-5120-064	7/1/10 - 6/30/11	26,773.00		2,713.18						(2,713.18)				24,059.82
Textbook Aid	12-100-034-5120-064	7/1/11 - 6/30/12	21,312.00				21,312.00	(18,102.35)					\$3,209.65		18,102.35
Auxiliary Services:															
Compensatory Education	11-100-034-5120-067	7/1/10 - 6/30/11	36,839.00		13,435.06						(\$13,435.06)				23,403.94
Compensatory Education	12-100-034-5120-067	7/1/11 - 6/30/12	18,597.00				18,597.00	(9,430.00)					9,167.00		8,430.00
English as a Second Language	11-100-034-5120-067	7/1/10 - 6/30/11	22,199.00		7,359.73						(7,359.73)				14,839.27
English as a Second Language	12-100-034-5120-067	7/1/11 - 6/30/12	11,207.00				11,207.00	(4,310.00)					6,897.00		4,310.00
Handicapped Services:															
Supplemental Instruction	11-100-034-5120-066	7/1/10 - 6/30/11	8,338.00		1,505.95						(1,505.95)				6,832.05
Supplemental Instruction	12-100-034-5120-066	7/1/11 - 6/30/12	7,015.00				7,015.00	(1,989.13)					5,025.87		1,989.13
Examination & Classification	11-100-034-5120-066	7/1/10 - 6/30/11	20,405.00		14,112.36						(14,112.36)				6,292.64
Examination & Classification	12-100-034-5120-066	7/1/11 - 6/30/12	20,439.00				20,439.00	(13,680.00)					6,759.00		13,680.00
Corrective Speech	11-100-034-5120-066	7/1/10 - 6/30/11	63,370.00		16,819.02						(16,819.02)				46,550.98
Corrective Speech	12-100-034-5120-066	7/1/11 - 6/30/12	101,891.00				101,891.00	(33,854.00)					68,037.00		33,854.00
Nursing Services	10-100-034-5120-070	7/1/09 - 6/30/10	39,372.00		82.28						(82.28)				39,289.72
Nursing Services	11-100-034-5120-070	7/1/10 - 6/30/11	31,722.00		4,284.07						(4,284.07)				27,437.93
Nursing Services	12-100-034-5120-070	7/1/11 - 6/30/12	30,442.00				30,442.00	(29,762.37)					679.63		29,762.37
Character Education - Carryover	09-100-034-5120-053	7/1/08 - 6/30/09	23,548.00	3,799.19								\$3,799.19			19,748.81
NJ Best Practices		7/1/01 - 6/30/02	2,500.00	23.31								23.31			2,476.69
Total Special Revenue Fund				3,822.50	65,099.49		210,903.00	(111,127.85)			(65,099.49)		3,822.50	99,775.15	351,141.86
Enterprise Fund:															
State School Lunch Program	11-100-010-3360-067	7/1/10 - 6/30/11	28,895.71	(4,622.61)			4,622.61							1,491.79	28,895.71
State School Lunch Program	12-100-010-3360-067	7/1/11 - 6/30/12	27,537.21				26,045.42	(27,537.21)				(1,491.79)		1,491.79	27,537.21
Total Enterprise Fund				(4,622.61)			30,668.03	(27,537.21)				(1,491.79)		1,491.79	56,432.92
Capital Projects Fund:															
High School HVAC Control Upgrades	0555-005-10-1001	various	172,110.00				162,516.80	(162,516.80)							162,516.80
Total Capital Projects Fund							162,516.80	(162,516.80)							162,516.80
Total State Financial Assistance Subject to OMB 04-04				(\$988,072.34)	\$65,099.49		\$13,112,315.72	(\$14,150,520.47)	\$781,460.00	(\$65,099.49)	(\$1,368,414.74)	\$3,822.50	\$99,775.15	\$2,129,874.74	\$19,935,851.83
On-behalf TPAF post retirement contributions	12-495-034-5095-001	7/1/11 - 6/30/12	4,285,917.00				\$4,285,917.00	(\$4,285,917.00)							
On-behalf TPAF pension contributions	12-495-034-5095-006	7/1/11 - 6/30/12	2,132,019.00				2,132,019.00	(2,132,019.00)							
Total Expenditures of State Financial Assistance							\$19,530,251.72	(\$20,568,456.47)							

See accompanying notes to schedules of expenditures of awards and financial assistance.

Bridgewater-Raritan Regional School District
Notes to the Schedules of Expenditures of Federal Awards
and State Financial Assistance
Year Ended June 30, 2012

NOTE 1: GENERAL

The accompanying schedules of expenditures of federal awards and state financial assistance include federal and state activity of the Board of Education, Bridgewater-Raritan Regional 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 the federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies is included on the schedule of expenditures of federal awards and state financial assistance.

NOTE 2: BASIS OF ACCOUNTING

The accompanying schedules of expenditures of awards and federal awards and state financial assistance are presented on the budgetary basis of accounting with the exceptions 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 of 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 States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

The basic financial statements present the general fund and special revenue fund on a GAAP basis. Budgetary comparison statements or schedule (RSI) are presented for the general fund and special revenue fund to demonstrate finance-regulated 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 revenue, whereas 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.

Bridgewater-Raritan Regional School District
Notes to the Schedules of Expenditures of Federal Awards
and State Financial Assistance
Year Ended June 30, 2012

NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (CONTINUED)

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$257,796.00) for the general fund with no difference for the special revenue fund. See the notes to the required supplementary information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Federal awards and state financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$460,854.61	\$20,009,478.61	\$20,470,333.22
Special Revenue Fund	2,519,079.76	119,352.43	2,638,432.19
Capital Projects Fund		162,516.80	162,516.80
Food Service Fund	<u>548,626.09</u>	<u>27,537.21</u>	<u>576,163.30</u>
Total Awards and Financial Assistance	<u>\$3,528,560.46</u>	<u>\$20,318,885.05</u>	<u>\$23,847,445.51</u>

NOTE 4: RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5: OTHER

Revenues and expenditures reported in 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 represent 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.

Bridgewater-Raritan Regional School District
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2012

Section I – Summary of Auditor’s Results

Financial Statements

- | | | |
|-----|--|-------------|
| (1) | Type of Auditor’s Report Issued: | Unqualified |
| (2) | Internal Control Over Financial Reporting: | |
| (a) | Material weakness identified? | No |
| (b) | Significant deficiencies identified that are not considered to be material weaknesses? | N/A |
| (3) | Noncompliance material to basic financial statements noted? | No |

Federal Program(s)

- | | | |
|-----|--|---------------|
| (1) | Internal Control Over Major Federal Programs: | |
| (a) | Material weakness identified? | None Reported |
| (b) | Significant deficiencies identified that are not considered to be material weaknesses? | N/A |
| (2) | Type of Auditor’s Report issued on compliance for major federal program(s)? | Unqualified |
| (3) | Any audit findings disclosed that are required to be reported in accordance with Section.510(a) of Circular OMB A-133? | None Reported |

Bridgewater-Raritan Regional School District
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2012

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

Federal Program(s) (Continued)

(4) Identification of Major Federal Program(s):

<u>CFDA Number</u>	<u>Program</u>
84.410	Education Job Fund
10.555	National School Lunch Program
10.553	National School Breakfast Program
10.565	Commodity Supplemental Food Program

(5) Program Threshold Determination:

Type A Federal Program Threshold > \$300,000.00
Type B Federal Program Threshold <= \$300,000.00

(6) Auditee qualified as a low-risk auditee under OMB Circular A-133? Yes

Bridgewater-Raritan Regional School District
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2012

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

State Program(s)

- | | | | | | | |
|---------------------|--|---------------------|---|--------|--|--|
| (1) | Internal Control Over Major State Programs: | | | | | |
| | (a) Material weakness identified? | None Reported | | | | |
| | (b) Significant deficiencies identified that are not considered to be material weaknesses? | N/A | | | | |
| (2) | Type of Auditor’s Report issued on compliance for major state program(s)? | Unqualified | | | | |
| (3) | Any audit findings disclosed that are required to be reported in accordance with N.J. OMB Circular 04-04? | None Reported | | | | |
| (4) | Identification of Major State Program(s): | | | | | |
| | <table border="0" style="margin-left: auto; margin-right: auto;"> <tr> <td style="text-align: center;"><u>Grant</u></td> <td style="text-align: center;"><u>Program</u></td> </tr> <tr> <td style="text-align: center;">Number</td> <td></td> </tr> </table> | <u>Grant</u> | <u>Program</u> | Number | | |
| <u>Grant</u> | <u>Program</u> | | | | | |
| Number | | | | | | |
| | <table border="0" style="margin-left: auto; margin-right: auto;"> <tr> <td style="text-align: center;">12-495-034-5095-002</td> <td style="text-align: center;">Reimbursed TPAF Social Security Contributions</td> </tr> </table> | 12-495-034-5095-002 | Reimbursed TPAF Social Security Contributions | | | |
| 12-495-034-5095-002 | Reimbursed TPAF Social Security Contributions | | | | | |
| (5) | Program Threshold Determination:
Type A State Program Threshold > \$424,516.00
Type B State Program Threshold <= \$424,516.00 | | | | | |
| (6) | Auditee qualified as a low-risk auditee under OMB Circular A-133? | Yes | | | | |

Bridgewater-Raritan Regional School District
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2012

Section II – Financial Statement Audit – Reported Findings
Under Government Auditing Standards

Internal Control Findings

None Reported

Compliance Findings

None Reported

Section III – Findings and Questioned Costs Relative to Major Federal and State Programs

Federal Programs – None Reported

State Programs – None Reported

Bridgewater-Raritan Regional School District

Schedule of Prior Year Audit Findings

Not Applicable

