

**SCHOOL DISTRICT OF
MILLSTONE TOWNSHIP**

MILLSTONE BOARD OF EDUCATION
Millstone Township, New Jersey
County of Monmouth

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

COMPREHENSIVE ANNUAL FINANCIAL REPORT

OF THE

MILLSTONE TOWNSHIP SCHOOL DISTRICT

MILLSTONE TOWNSHIP, NEW JERSEY

FOR THE FISCAL YEAR ENDED JUNE 30, 2012

Prepared by

**Millstone Township School District
Business Administrator's Office**

OUTLINE OF CAFR – GASB 34

	PAGE
INTRODUCTORY SECTION	
Letter of Transmittal	1
Organizational Chart	2
Roster of Officials	3
Consultants and Advisors	4

FINANCIAL SECTION	
Independent Auditor’s Report	5

REQUIRED SUPPLEMENTARY INFORMATION – PART I

Management’s Discussion and Analysis	7
--------------------------------------	---

BASIC FINANCIAL STATEMENTS

A. District-wide Financial Statements:	
A-1 Statement of Net Assets	11
A-2 Statement of Activities	12
B. Fund Financial Statements:	
Governmental Funds:	
B-1 Balance Sheet	14
B-2 Statement of Revenues, Expenditures & Changes in Fund Balances	15
B-3 Reconciliation of the Statement of Revenues, Expenditures & Changes in Fund Balances of Governmental Funds to the Statement of Activities	16
Proprietary Funds:	
B-4 Statement of Net Assets	17
B-5 Statement of Revenues, Expenses & Changes in Fund Net Assets	18
B-6 Statement of Cash Flows	19
Fiduciary Funds:	
B-7 Statement of Fiduciary Net Assets	20
B-8 Statement of Changes in Fiduciary Net Assets	21
Notes to Financial Statements	22

REQUIRED SUPPLEMENTARY INFORMATION – PART II

C. Budgetary Comparison Schedules	
C-1 Budgetary Comparison Schedule – General Fund	45
C-1a Combining Schedule of Revenues, Expenditures & Changes in Fund Balance - Budget & Actual	N/A
C-1b Education Jobs Fund Program – Budget & Actual	56
C-2 Budgetary Comparison Schedule – Special Revenue Fund	57

(continued)

OUTLINE OF CAFR – GASB 34 (continued)

	PAGE
Notes to the Required Supplementary Information	
C-3 Budget-to-GAAP Reconciliation	58
D. School Based Budget Schedules Fund –	
D-1 Combining Balance Sheet	N/A
D-2 Blended Resource Fund - Schedule of Expenditures Allocated by Resource Type - Actual	N/A
D-3 Blended Resource Fund - Schedule of Blended Expenditures - Budget and Actual	N/A
E. Special Revenue Fund:	
E-1 Combining Schedule of Program Revenues & Expenditures Budgetary Basis	59
E-2 Preschool Education Aid Schedule of Expenditures - Budgetary Basis	N/A
F. Capital Projects Fund:	
F-1 Summary Schedule of Project Expenditures	62
F-2 Summary Schedule of Revenues, Expenditures and Changes in Fund Balance – Budgetary Basis	63
F-2a Schedule of Revenues, Expenditures, Project Balance, and Project Status – Budgetary Basis – New Middle School Building	64
F-2b Schedule of Revenues, Expenditures, Project Balance, and Project Status – Budgetary Basis – Renovations & Repairs to Old Millstone Middle School	65
F-2c Schedule of Revenues, Expenditures, Project Balance, and Project Status – Budgetary Basis – Construction of Various Renovations to the Elementary School	66
G. Proprietary Funds:	
Enterprise Fund:	
G-1 Combining Schedule of Net Assets	67
G-2 Combining Schedule of Revenues, Expenses & Changes in in Fund Net Assets	68
G-3 Combining Schedule of Cash Flows	69
Internal Service Fund –	
G-4 Combining Schedule of Net Assets	N/A
G-5 Combining Schedule of Revenues, Expenses & Changes in Fund Net Assets	N/A
G-6 Combining Schedule of Cash Flows	N/A
H. Fiduciary Funds:	
H-1 Combining Statement of Fiduciary Net Assets	70
H-2 Combining Statement of Changes in Fiduciary Net Assets	71
H-3 Student Activity Agency Fund Schedule of Receipts & Disbursements	72
H-4 Payroll Agency Fund Schedule of Receipts & Disbursements	72

(continued)

OUTLINE OF CAFR – GASB 34 (continued)

	PAGE
I. Long-Term Debt:	
I-1 Schedule of Serial Bonds	73
I-2 Schedule of Obligations Under Capital Leases	75
I-3 Debt Service Fund Budgetary Comparison Schedule	76

STATISTICAL SECTION (unaudited)

Financial Trends:

J-1 Net Assets by Component	77
J-2 Changes in Net Assets	78
J-3 Fund Balances – Governmental Funds	81
J-4 Changes in Fund Balances – Governmental Funds	82
J-5 General Fund Other Local Revenue by Source	84

Revenue Capacity:

J-6 Assessed Value & Estimated Actual Value of Taxable Property	85
J-7 Direct & Overlapping Property Tax Rates	86
J-8 Principal Property Taxpayers	N/A
J-9 Property Tax Levies & Collections	87

Debt Capacity:

J-10 Ratios of Outstanding Debt by Type	87
J-11 Ratios of General Bonded Debt Outstanding	88
J-12 Direct & Overlapping Governmental Activities Debt	88
J-13 Legal Debt Margin Information	89

Demographic & Economic Information:

J-14 Demographic & Economic Statistics	90
J-15 Principal Employers	90

Operating Information:

J-16 Full-Time Equivalent District Employees by Function/Program	91
J-17 Operating Statistics	92
J-18 School Building Information	93
J-19 Schedule of Required Maintenance	94
J-20 Insurance Schedule	95

K SINGLE AUDIT SECTION

K-1 Report on Compliance and on Internal Control Over Financial Reporting and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	96
K-2 Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133 and New Jersey OMB Circular Letter 04-04	98
K-3 Schedule of Expenditures of Federal Awards, Schedule A	100
K-4 Schedule of Expenditures of State Financial Assistance, Schedule B	101
K-5 Notes to Schedules of Awards and Financial Assistance	102
K-6 Schedule of Findings and Questioned Costs	104
K-7 Summary Schedule of Prior Audit Findings	106

(concluded)

INTRODUCTORY SECTION

Millstone Township School District

5 Dawson Court, Millstone Township, NJ 08535

Scott T. Feder
Superintendent of Schools
Phone: 732-786-0950 X51010
e-mail: sfeder@millstone.k12.nj.us



Bernard Biesiada
Business Administrator/Board Secretary
Phone: 732-786-0950 X51002
e-mail: bbiesiada@millstone.k12.nj.us

November 30, 2012

Honorable President and
Members of the Board of Education
Millstone Township School District
County of Monmouth, NJ

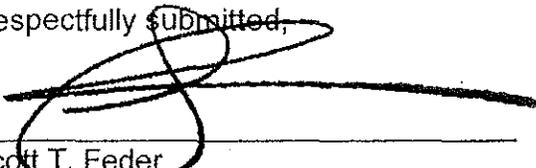
Dear Board Members,

The comprehensive annual financial report of the Millstone Township School District ("District") for the fiscal year ended on 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 Millstone Township Board of Education ("Board"). To the best of our knowledge and belief, the data presented in the report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operation 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.

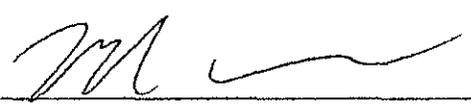
The comprehensive annual financial report is presented in four sections; introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the district's organizational chart, a roster of the principal officials and a list of consultants and advisors. The financial section includes the district-wide and fund financial statements and schedules, as well as the auditor's report and the Management's Discussion and Analysis. The statistical section includes selected financial statements and schedules as well as 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 1984, the U.S. Office of Management and Budget ("OMB") Circular A-133, Audits of States, Local Governments and Non-Profit Organizations, and the State Treasury OMB Circular 04-04, 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.

Respectfully submitted,

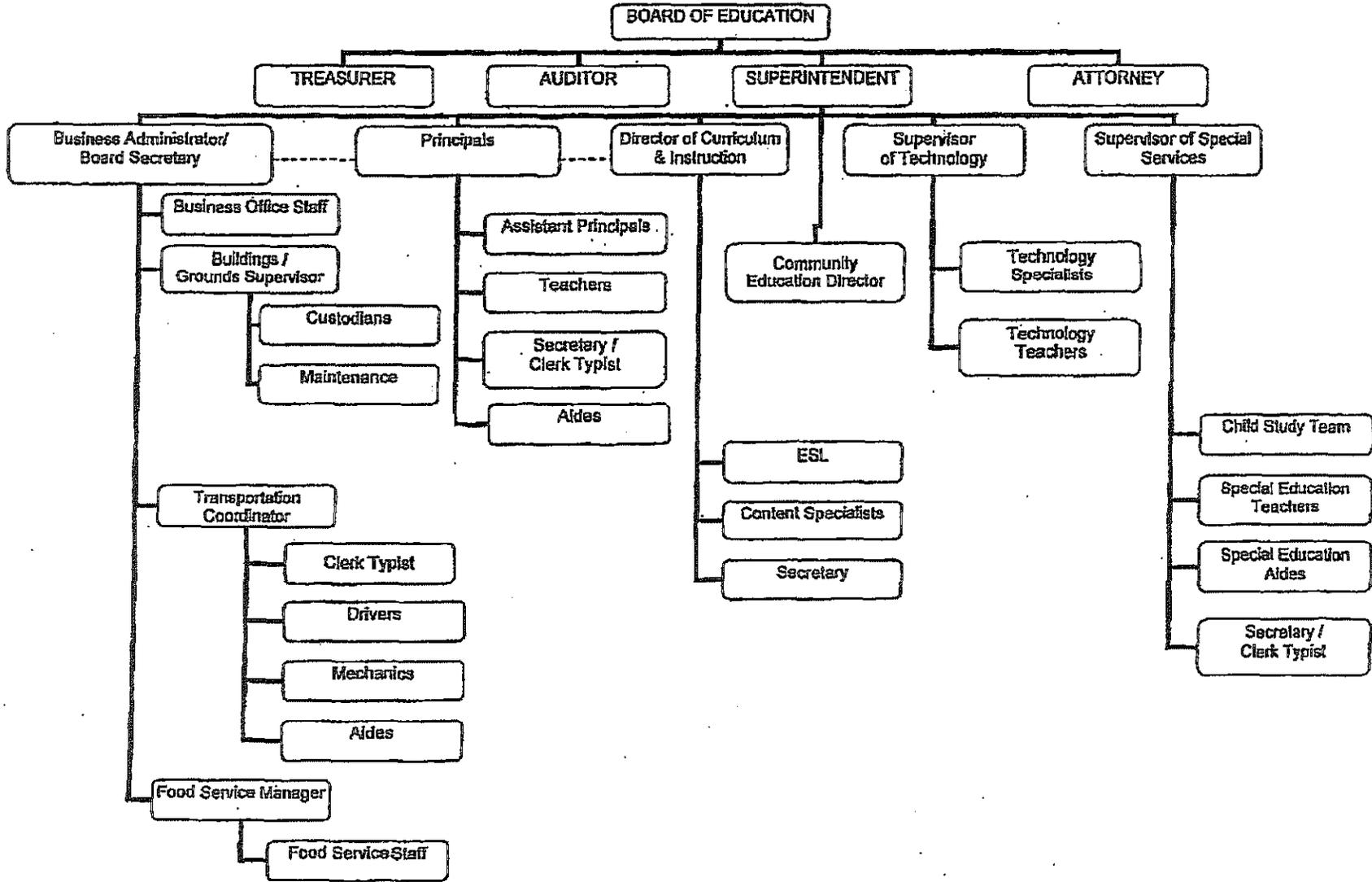


Scott T. Feder
Superintendent of Schools



Bernard Biesiada
Business Administrator/Board Secretary

**MILLSTONE TOWNSHIP SCHOOL DISTRICT
ORGANIZATION CHART**



MILLSTONE TOWNSHIP SCHOOL DISTRICT

5 Dawson Court
Millstone Township, New Jersey 08535

ROSTER OF OFFICIALS

June 30, 2012

MEMBERS OF THE BOARD OF EDUCATION

TERM EXPIRES

Scott McGovern, President	2012
David Depinho, Vice-President	2013
Salvatore Casale	2014
Margaret Gordon	2013
Amy Jacobson	2012
Suzanne Marasco	2014
John Saxton	2014
Denise Touhey	2013
Patrick Whalen	2012

OTHER OFFICIALS

Scott Feder, Superintendent of Schools

Bernard S. Biesiada, Business Administrator/Board Secretary

Mr. Steve Cochrane, Assistant Superintendent of Curriculum and Instruction

Ms. Laura Vetere, Administrative Assistant to Superintendent

Edward DeBevec, Treasurer of School Monies

Michael Gross, Solicitor

MILLSTONE TOWNSHIP SCHOOL DISTRICT

5 Dawson Court
Millstone Township, New Jersey 08535

CONSULTANTS AND ADVISORS

ATTORNEY

Cleary, Giacobe, Alfieri, Jacobs LLC
5 Ravine Drive
P.O. Box 533
Matawan, New Jersey 07747

AUDIT FIRM

Rodney R. Haines, CPA, PSA
Holman & Frenia, P. C.
618 Stokes Road
Medford, New Jersey 08055

OFFICIAL DEPOSITORY

PNC Bank
591 Route 33 & Millstone Road
Englishtown, New Jersey 07726

Bank of America
210 Main Street
Hackensack, New Jersey 07601

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Education
Millstone Township School District
County of Monmouth
Millstone Township, New Jersey 08751

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated November 23, 2012, on our consideration of the Millstone Township Board of Education's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of our audit performed in accordance with *Governmental Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 7 through 10 and 45 through 57 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate

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

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

Respectfully submitted,

HOLMAN & FRENIA, P. C.



Rodney R. Haines
Certified Public Accountant
Public School Accountant
No. CS2198

November 23, 2012
Medford, New Jersey

REQUIRED SUPPLEMENTARY INFORMATION – PART I

Management's Discussion and Analysis

MILLSTONE TOWNSHIP SCHOOL DISTRICT

Management's Discussion and Analysis For the year ended June 30, 2012

UNAUDITED

The following discussion and analysis of the Board of Education of the Millstone Township School District's financial performance provides an overview of the District's financial activities for the year ended June 30, 2012. Please read it in conjunction with the letter of transmittal, beginning on page 1, and the financial statements, which begin on page .

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

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

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

Because the focus of governmental funds is narrower than that of the District-wide Financial Statements, it is useful to compare the information presented for governmental funds with similar statements. By so doing, readers may better understand the long-term impact of the District's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues,

expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains four individual government funds: the General Fund, Special Revenue Fund, Capital Projects Fund and Debt Service Fund. All are considered to be major funds. The basic governmental fund financial statements can be found as Exhibits B-1 through B-3 in this report.

Proprietary Funds - The District maintains two proprietary fund types, an Enterprise Fund and Internal Service Funds. The Enterprise Fund is used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the District is that the costs of providing the goods or services be financed through user charges. Included in the Enterprise Fund are the Food Services, Community Education and Performing Arts Center. The basic Proprietary Fund statements can be found as Exhibits B-4 through B-6.

Fiduciary Funds - are used to account for resources held for the benefit of parties outside the governmental entity. Fiduciary funds are not reflected in the District-wide Financial Statements because the resources of those funds are not available to support the District's own programs. The District uses trust and Agency Funds to account for resources held for student activities and groups and for payroll transactions. The basic Fiduciary Fund Statements can be found as Exhibit B-7.

Notes to the Financial Statements. The notes provide additional information that is essential for a full understanding of the data provided in the District-wide and Fund Financial Statements. The notes to the Financial Statements can be found after the Fund Statements in this report.

District-Wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of the District's financial position. The following table provides a summary of net assets at June 30:

	2011		
	Governmental Activities	Business-Type Activities	Total
Current & Other Assets	\$ 3,143,339	352,273	3,495,612
Capital Assets, net	<u>49,777,763</u>	<u>134,776</u>	<u>49,912,539</u>
Total Assets	<u>52,921,102</u>	<u>487,049</u>	<u>53,408,151</u>
Long-Term Liabilities Outstanding	40,030,068		40,030,068
Other Liabilities	<u>3,554,759</u>	<u>112,397</u>	<u>3,667,156</u>
Total Liabilities	<u>43,584,827</u>	<u>112,397</u>	<u>43,697,224</u>
Net Assets:			
Investment in Capital Assets, net	8,121,597	134,776	8,256,373
Restricted	913,639		913,639
Unrestricted	<u>301,039</u>	<u>239,876</u>	<u>540,915</u>
Total Net Assets	<u>\$ 9,336,275</u>	<u>374,652</u>	<u>9,710,927</u>

2012

	Governmental Activities	Business-Type Activities	Total
Current & Other Assets	\$ 4,232,740	313,177	4,545,917
Capital Assets, net	<u>44,079,111</u>	<u>206,987</u>	<u>44,286,098</u>
Total Assets	<u>48,311,851</u>	<u>520,164</u>	<u>48,832,015</u>
Long-Term Liabilities Outstanding	39,178,000		39,178,000
Other Liabilities	<u>3,482,106</u>	<u>44,122</u>	<u>3,526,228</u>
Total Liabilities	<u>42,660,106</u>	<u>44,122</u>	<u>42,704,228</u>
Net Assets:			
Investment in Capital Assets, net	5,160,126	206,987	5,367,113
Restricted	1,124,681		1,124,681
Unrestricted	<u>(633,062)</u>	<u>269,055</u>	<u>(364,007)</u>
Total Net Assets	<u>\$ 5,651,745</u>	<u>476,042</u>	<u>6,127,78</u>

The District's largest net asset is the restricted portion of the net assets shown above. Restricted assets represent resources that are subject to external restrictions on how they may be used. Within this category, the largest balance is in the Capital Project Fund. These funds are legally restricted to provide for the construction and renovations at the District's middle school and elementary schools.

The District's investment in capital assets is shown net of any related debt used to acquire those assets.

General Fund Budgetary Highlights

The difference between the original budget and the final amended budget is comprised solely of the June 30, 2011 encumbrances, which 'roll-over' into the subsequent year's budget (2011-2012) and are added to the original budget appropriations.

Throughout the year, as necessary, budget transfers are effectuated between budget accounts to realign the 2011-2012 budget.

Capital Assets

At June 30, 2012 the District had capital assets of \$44,286,098 a decrease of \$5,626,441 due primarily to 2011-2012 depreciation and a reconciling adjustment based on a recent appraisal of capital assets. This capital asset cost is comprised of: Buildings - \$49,547,241 land \$896,045, machinery and equipment - \$2,929,486, and construction in progress \$ 2,890,439. These capital assets are shown net of accumulated depreciation of \$12,359,235 on Schedule A-1.

Economic Factors and Next Year's Budget

Due to the economic condition in the State of New Jersey, funding from the State for the current year remained at or slightly above the previous year. Any future increases based on the enrollment formula, originally formulated to allocate State Education Aid amongst districts, will be minimal. Future decreases

in local revenue and State Education Aid will place additional burden on the taxpayers of Millstone Township.

Contacting the District's Financial Management

The District's Financial Report is designed to provide citizen groups, taxpayers, parents, students, other local officials, and investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. Questions regarding this report can be addressed to Mr. Bernard S. Biesiada, Business Administrator/Board Secretary, Millstone Township School District, 5 Dawson Court, Millstone, New Jersey 08535.

BASIC FINANCIAL STATEMENTS

A. District-Wide Financial Statements

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

ASSETS	GOVERNMENTAL ACTIVITIES	BUSINESS- TYPE ACTIVITIES	TOTALS	
			JUNE 30, 2012	(MEMORANDUM ONLY) JUNE 30, 2011
Cash & Cash Equivalents		289,484	289,484	
Receivables, Net	\$2,175,772	12,868	2,188,640	1,990,577
Interfund Receivables				339,618
Inventory		10,825	10,825	9,182
Deferred Bond Issuance Costs, Net	438,556		438,556	321,894
Deferred Losses on Bond Refunding	1,618,412		1,618,412	834,341
Capital Assets, Net (Note 6)	44,079,111	206,987	44,286,098	49,912,539
Total Assets	48,311,851	520,164	48,832,015	53,408,151
LIABILITIES				
Cash Overdraft	174,233		174,233	416,936
Accounts Payable	282,622	4,061	286,683	186,863
Interfunds Payable	24,127	26,179	50,306	331,632
Accrued Interest Expense	1,079,368		1,079,368	782,135
Payable to Other Governments	20,334		20,334	6,503
Deferred Revenue	136,744	13,882	150,626	67,119
Deferred Premiums on Bond Issuance	1,764,678		1,764,678	28,787
Noncurrent Liabilities (Note 7):				
Due Within One Year	1,923,593		1,923,593	1,847,181
Due Beyond One Year	37,254,407		37,254,407	40,030,068
Total Liabilities	42,660,106	44,122	42,704,228	43,697,224
NET ASSETS				
Invested in Capital Assets, Net of Related	5,160,126	206,987	5,367,113	8,256,373
Restricted For:				
Debt Service	39,211		39,211	21,917
Capital Projects	324,794		324,794	328,775
Other Purposes	760,676		760,676	562,947
Unrestricted	(633,062)	269,055	(364,007)	540,915
Total Net Assets	\$5,651,745	476,042	6,127,787	9,710,927

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

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

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES		NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS			
		CHARGES	OPERATING	GOVERNMENTAL	BUSINESS-	TOTALS	
		FOR	GRANTS &			ACTIVITIES	TYPE
		SERVICES	CONTRIBUTIONS			2012	2011
Governmental Activities:							
Instruction:							
Regular	\$5,814,291			(5,814,291)		(5,814,291)	(5,158,805)
Special Education	2,690,250		470,034	(2,220,216)		(2,220,216)	(1,954,035)
Other Special Instruction	527,632			(527,632)		(527,632)	(445,707)
Other Instruction	131,444			(131,444)		(131,444)	(119,935)
Support Services & Undistributed Costs:							
Tuition	10,126,312			(10,126,312)		(10,126,312)	(11,701,161)
Student & Instruction Related Services	1,658,189			(1,658,189)		(1,658,189)	(1,535,567)
School Administrative Services	891,827			(891,827)		(891,827)	(861,779)
General & Business Administrative Services	661,651			(661,651)		(661,651)	(456,079)
Central Services	342,592		98,494	(244,098)		(244,098)	(197,764)
Administrative Information Technology	313,186			(313,186)		(313,186)	(255,765)
Plant Operations & Maintenance	1,840,167			(1,840,167)		(1,840,167)	(1,886,643)
Pupil Transportation	2,862,349	49,815		(2,812,534)		(2,812,534)	(2,635,322)
Unallocated Employee Benefits	5,637,072			(5,637,072)		(5,637,072)	(5,035,314)
Interest on Long-Term Debt	2,060,481			(2,060,481)		(2,060,481)	(1,817,754)
Unallocated Change in Compensated Absences	37,932			(37,932)		(37,932)	(40,283)
Unallocated Amortization of Bond Costs & Losses	(54,842)			54,842		54,842	(79,870)
Unallocated Depreciation & Adjustments	1,221,419			(1,221,419)		(1,221,419)	(1,325,989)
Total Governmental Activities	36,761,952	49,815	568,528	(36,143,609)		(36,143,609)	(35,507,772)

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

FUNCTIONS/PROGRAMS	NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS						
	PROGRAM REVENUES			GOVERNMENTAL ACTIVITIES	BUSINESS- TYPE ACTIVITIES	TOTALS	
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS & CONTRIBUTIONS			JUNE 30, 2012	JUNE 30, 2011
						(MEMORANDUM ONLY)	
Business-Type Activities:							
Community Education Program	78,239	93,270			15,031	15,031	674
Performing Arts Center	56,976	105,834			48,858	48,858	25,337
Food Service	556,741	411,221	91,046		(54,474)	(54,474)	(29,570)
Total Business-Type Activities	691,956	610,325	91,046		9,415	9,415	(3,559)
Total Primary Government	\$37,453,908	660,140	659,574	(36,143,609)	9,415	(36,134,194)	(35,511,331)
General Revenues:							
Taxes:							
Property Taxes, Levied for General Purposes, Including Debt Service				29,731,648		29,731,648	29,688,950
Federal & State Aid Not Restricted				6,387,057		6,387,057	5,546,114
Investment Earnings					143	143	600
Miscellaneous Income				898,029		898,029	743,582
Transfers				(40,000)		(40,000)	
Total General Revenues				36,976,734	143	36,976,877	35,979,246
Change In Net Assets				833,125	9,558	842,683	467,915
Net Assets - Beginning (Unadjusted)				9,336,275	374,652	9,710,927	9,243,012
Prior Period Adjustment (See Note 19)				(4,517,655)	91,832	(4,425,823)	
Net Assets - Beginning (Adjusted)				4,818,620	466,484	5,285,104	9,243,012
Net Assets - Ending				\$5,651,745	476,042	6,127,787	9,710,927

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

B. Fund Financial Statements

Governmental Funds

**MILLSTONE TOWNSHIP BOARD OF EDUCATION
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2012**

(With Comparative Totals for June 30, 2011)

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTALS	
					JUNE 30, 2012	JUNE 30, 2011
(MEMORANDUM ONLY)						
ASSETS & OTHER DEBITS						
Assets:						
Cash & Cash Equivalents	\$868,370			11,445	879,815	920,229
Interfund Receivable	26,179	19,619		27,766	73,564	72,188
Intergovernmental Receivable:						
State	192,459		1,367,938		1,560,397	1,592,920
Federal		180,413			180,413	287,329
Other Receivables	357,828	3,570			361,398	82,162
Total Assets	\$1,444,836	203,602	1,367,938	39,211	3,055,587	2,954,828
LIABILITIES & FUND BALANCES						
Liabilities:						
Cash Overdraft		32,625	1,021,423		1,054,048	1,257,433
Accounts Payable	\$201,204	6,565	1,289		209,058	164,449
Intergovernmental Payable:						
State		3,582			3,582	6,503
Federal		16,752			16,752	
Interfund Payables	69,925	7,334	20,432		97,691	379,127
Deferred Revenue		136,744			136,744	56,868
Total Liabilities	271,129	203,602	1,043,144		1,517,875	1,864,380
Fund Balances:						
Restricted for:						
Capital Reserve Account	307,128				307,128	306,460
Excess Surplus	134,779				134,779	
Capital Projects Fund			324,794		324,794	328,775
Debt Service Fund				39,211	39,211	21,917
Assigned to:						
Designated for Subsequent Year's Expenditures	318,769				318,769	98,797
Other Purposes	154,706				154,706	157,690
Unassigned:						
General Fund	258,325				258,325	176,809
Total Fund Balances	1,173,707		324,794	39,211	1,537,712	1,090,448
Total Liabilities & Fund Balances	\$1,444,836	203,602	1,367,938	39,211		

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

The costs associated with the issues of the various bonds are expensed in the governmental funds in the year the bonds are issued but are capitalized on the statement of net assets.	292,290	1,127,448
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$56,263,211 and the accumulated depreciation is \$12,184,100.	44,079,111	49,777,763
Accrued interest payable is not recorded in the fund financial statements due to the fact that payable is not due in the period.	(1,079,368)	(782,135)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds (See Note 7)	(39,178,000)	(41,877,249)
Net assets of Governmental Activities	\$5,651,745	9,336,275

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

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

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTALS	
					(MEMORANDUM ONLY)	
					JUNE 30, 2012	JUNE 30, 2011
Revenues:						
Local Sources:						
Local Tax Levy	\$26,371,784			3,359,864	29,731,648	29,688,950
Other Governmental Units						
Tuition	49,815				49,815	52,686
Transportation	316,227				316,227	33,329
Student Athletic Fees	73,990				73,990	73,280
Miscellaneous	399,131	79,024		29,657	507,812	636,973
Total Local Sources	27,210,947	79,024		3,389,521	30,679,492	30,485,218
State Sources	6,125,414	5,476		156,021	6,286,911	5,635,945
Federal Sources	184,646	484,028			668,674	639,901
Total Revenues	33,521,007	568,528		3,545,542	37,635,077	36,761,064
Expenditures:						
Current Expense:						
Regular Instruction	5,814,291				5,814,291	5,158,805
Special Education Instruction	2,220,216	470,034			2,690,250	2,542,502
Other Special Instruction	527,632				527,632	445,707
Other Instruction	131,444				131,444	119,935
Support Services & Undistributed Costs:						
Tuition	10,126,312				10,126,312	11,701,161
Student & Instruction Related Services	1,658,189				1,658,189	1,535,567
School Administrative Services	793,333	98,494			891,827	861,779
General & Business Administrative Services	661,651				661,651	456,079
Central Services	342,592				342,592	339,029
Administrative Information Technology	313,186				313,186	255,765
Plant Operations & Maintenance	1,840,167				1,840,167	1,886,643
Pupil Transportation	2,944,530				2,944,530	2,819,912
Employee Benefits	5,637,072				5,637,072	5,035,314
Capital Outlay	36,441		3,981		40,422	150,315
Debt Service:						
Principal				1,765,000	1,765,000	1,630,000
Interest & Other Charges				1,763,248	1,763,248	1,844,643
Total Expenditures	33,047,056	568,528	3,981	3,528,248	37,147,813	36,783,156
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	473,951		(3,981)	17,294	487,264	(22,092)
Other Financing Sources/(Uses):						
Transfers In						100,007
Transfers Out	(40,000)				(40,000)	(7)
Total Other Financing Sources/(Uses)	(40,000)				(40,000)	100,000
Net Change in Fund Balance	433,951		(3,981)	17,294	447,264	77,908
Fund Balance - July 1	739,756		328,775	21,917	1,090,448	1,012,540
Fund Balance - June 30	\$1,173,707	-	324,794	39,211	1,537,712	1,090,448

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

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

Total Net Change in Fund Balances - Governmental Funds (From B-2) \$447,264

Amounts reported for governmental activities in the statement of activities (A-2) are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period:

Depreciation Expense	(\$1,190,478)	
Nondepreciable Expenditures in Capital Outlay	(30,941)	
Capital Outlays	40,422	(1,180,997)

Repayment of bond and capital lease principal is an expenditure in the governmental fund, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities. 17,782,181

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.

Loss on Refunding	798,935	
Deferred Issuance Costs	153,058	
Original Issue Premium	(1,841,993)	
Issuance of Refunding Bonds	(15,045,000)	(15,935,000)

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

Amortization of Loss on Refunding	(14,864)	
Amortization of Deferred Issuance Costs	(36,396)	
Amortization of Original Issue Premium	106,102	54,842

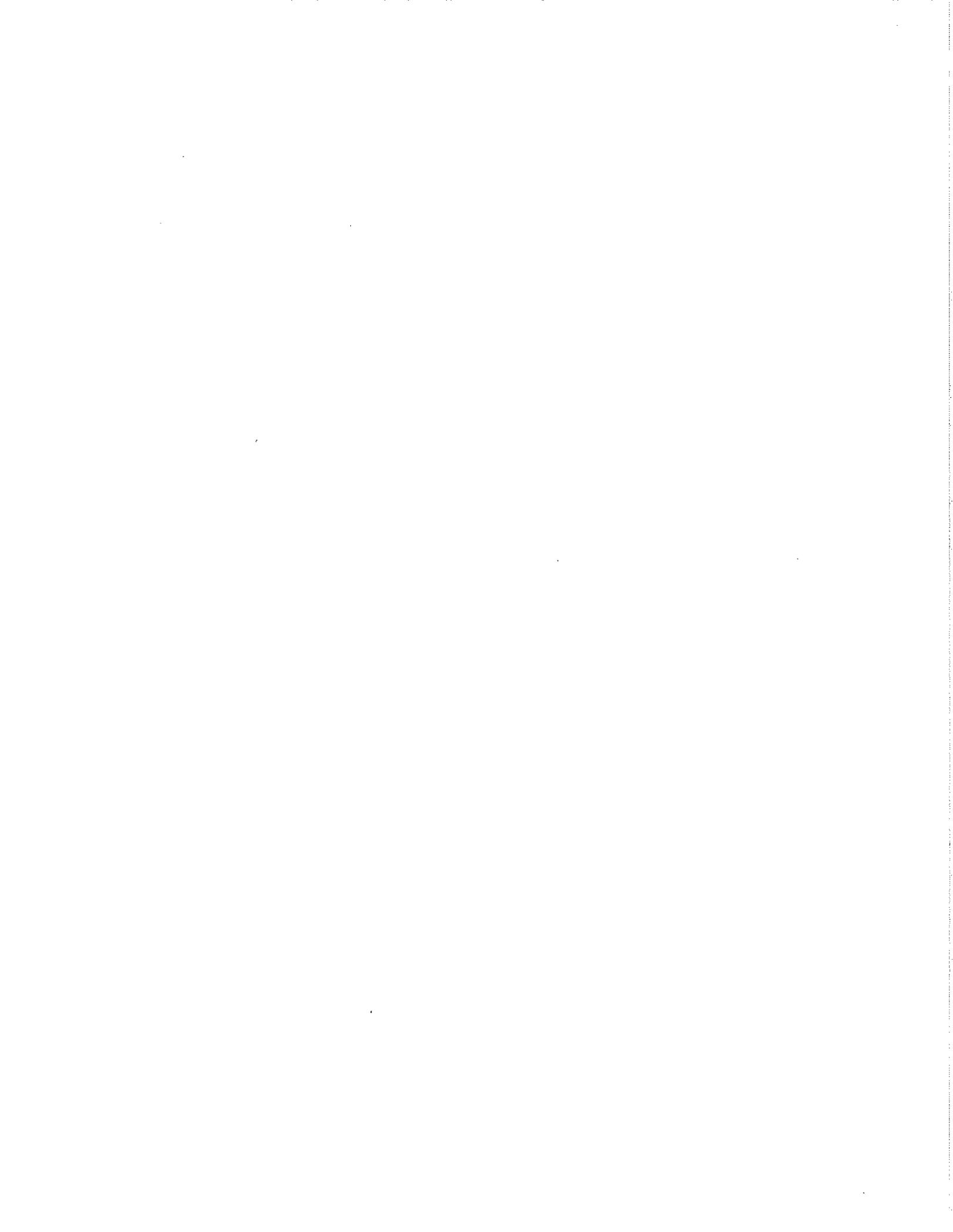
In the Statement of Activities, certain operating expenses, e.g., compensated absences (vacation and sick pay) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used/(paid). When the earned amount, exceeds the paid amount, the difference is a reduction in the reconciliation:

Prior Year	221,083	
Current Year	(259,015)	(37,932)

In the Statement of Activities, interest on long-term debt is accrued, regardless of when due. In the governmental funds, interest is reported when due. The decrease in accrued interest is an addition to the reconciliation. (297,233)

Change in Net Assets of Governmental Activities \$833,125

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



Proprietary Funds



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

ASSETS	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS			TOTALS	
	FOOD SERVICE	COMMUNITY EDUCATION	PERFORMING ARTS CENTER	JUNE 30, 2012	(MEMORANDUM ONLY) JUNE 30, 2011
Current Assets:					
Cash & Cash Equivalents	\$160,684	12,107	116,693	289,484	77,482
Interfund Receivables		7,986		7,986	339,618
Intergovernmental Receivables	7,835			7,835	3,473
Other Receivables		200	4,833	5,033	
Inventories	10,825			10,825	9,182
Total Current Assets	179,344	20,293	121,526	321,163	429,755
Noncurrent Assets:					
Furniture, Machinery & Equipment	382,122			382,122	482,829
Less: Accumulated Depreciation	(175,135)			(175,135)	(348,053)
Total Noncurrent Assets	206,987			206,987	134,776
Total Assets	386,331	20,293	121,526	528,150	564,531
LIABILITIES					
Cash Overdraft					157,214
Accounts Payable	875	1,700	1,486	4,061	14,428
Interfund Payable	26,179		7,986	34,165	7,986
Deferred Revenue	10,994	2,888		13,882	10,251
Total Liabilities	38,048	4,588	9,472	52,108	189,879
NET ASSETS					
Investment in Capital Assets Net of Related Debt	206,987			206,987	134,776
Unrestricted	141,296	15,705	112,054	269,055	239,876
Total Net Assets	\$348,283	15,705	112,054	476,042	374,652

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

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

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS			TOTALS (MEMORANDUM ONLY)	
	FOOD SERVICE	COMMUNITY EDUCATION	PERFORMING ARTS CENTER	JUNE 30, 2012	JUNE 30, 2011
Operating Revenues:					
Local Revenues:					
Daily Sales - Reimbursable Programs	\$217,369			217,369	234,071
Total - Daily Sales - Reimbursable Programs	217,369			217,369	234,071
Daily Sales - Nonreimbursable Programs	191,764			191,764	213,552
Special Functions	2,088			2,088	1,194
Interest Revenue	143			143	600
Community Service Activities		93,270	105,834	199,104	178,756
Total Operating Revenue	411,364	93,270	105,834	610,468	628,173
Operating Expenses:					
Cost of Sales	231,486			231,486	218,605
Salaries	196,609	31,694	35,082	263,385	274,564
Support Services - Employee Benefits	43,704	2,424	2,684	48,812	49,193
Management Fees	21,050			21,050	22,680
Purchased Professional/Technical Services	8,278	39,016	13,530	60,824	62,990
Supplies & Materials	19,352	3,256	5,280	27,888	28,593
Depreciation	19,621			19,621	42,212
General Insurance	8,545			8,545	8,507
Office Expense	2,058			2,058	2,130
Travel	2,278			2,278	2,510
Miscellaneous Expenditures	3,760	1,849	400	6,009	1,690
Total Operating Expenses	556,741	78,239	56,976	691,956	713,674
Operating Income/(Loss)	(145,377)	15,031	48,858	(81,488)	(85,501)
Nonoperating Revenues:					
State Sources:					
State School Lunch Program	4,376			4,376	5,002
Federal Sources:					
National School Lunch Program	54,213			54,213	52,438
Special Milk Program	1,336			1,336	1,995
Food Distribution Program	31,121			31,121	23,107
Contribution to the Board					(100,000)
Total Nonoperating Revenues/(Expenses)	91,046			91,046	(17,458)
Change in Net Assets	(54,331)	15,031	48,858	9,558	(102,959)
Total Net Assets - Beginning (Unadjusted)	310,782	674	63,196	374,652	477,611
Prior Period Adjustment (See Note 19)	91,832			91,832	
Total Net Assets - Beginning (Adjusted)	402,614	674	63,196	466,484	477,611
Total Net Assets - Ending	\$348,283	15,705	112,054	476,042	374,652

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

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

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS			TOTALS (MEMORANDUM ONLY)	
	FOOD SERVICE	COMMUNITY EDUCATION	PERFORMING ARTS CENTER	JUNE 30, 2012	JUNE 30, 2011
Cash Flows From Operating Activities:					
Receipts from Customers	\$404,129	93,070	101,001	598,200	627,573
Payments to Employees	(240,313)	(34,118)	(37,766)	(312,197)	(323,757)
Payments to Suppliers	(273,493)	(41,062)	(20,111)	(334,666)	(303,078)
Interest Earned	143			143	600
Net Cash Provided/(Used) by Operating Activities	(109,534)	17,890	43,124	(48,520)	1,338
Cash Flows From Noncapital Financing Activities:					
State Sources	4,376			4,376	5,002
Federal Sources	55,549			55,549	57,227
Cash Received/(Paid) for Interfund Transfers	132,811		225,000	357,811	(342,189)
Cash Paid for Board Contribution					(100,000)
Net Cash Provided by Noncapital Financing Activities	192,736		225,000	417,736	(379,960)
Net Increase/(Decrease) in Cash & Cash Equivalents	83,202	17,890	268,124	369,216	(378,622)
Cash & Cash Equivalents, July 1	77,482	(5,783)	(151,431)	(79,732)	298,890
Cash & Cash Equivalents, June 30	\$160,684	12,107	116,693	289,484	(79,732)

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

Operating Income/(Loss)	(\$145,377)	15,031	48,858	(81,488)	(85,501)
Adjustments to Reconcile Operating Income/(Loss) to Cash Provided/(Used) by Operating Activities:					
Depreciation Expense	19,621			19,621	42,212
Food Distribution Program	31,121			31,121	23,107
Change in Assets & Liabilities:					
Increase/(Decrease) in Receivables	(7,835)	(200)	(4,833)	(12,868)	
Increase/(Decrease) in Inventory	(1,643)			(1,643)	7,053
(Decrease)/Increase in Accounts Payable	(6,164)	171		(5,993)	11,885
(Decrease)/Increase in Deferred Revenue	743	2,888	(901)	2,730	2,582
Net Cash Provided/(Used) by Operating Activities	(109,534)	17,890	43,124	(48,520)	1,338

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

H. Fiduciary Funds

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

ASSETS	PRIVATE PURPOSE TRUST		AGENCY		TOTALS	
	SCHOLARSHIP FUND	UNEMPLOYMENT COMPENSATION	STUDENT ACTIVITIES	PAYROLL FUND	JUNE 30, 2012	JUNE 30, 2011
Cash & Cash Equivalents	\$7,456	6,625	37,790	545,702	597,573	608,290
Interfund Receivable		32,593		17,713	50,306	
Total Assets	7,456	39,218	37,790	563,415	647,879	608,290
LIABILITIES						
Interfunds Payable						24,693
Accounts Payable		26,229		5,116	31,345	16,484
Payable to Summer Teachers				558,299	558,299	512,816
Payable to Student Groups			37,790		37,790	29,847
Total Liabilities		26,229	37,790	563,415	627,434	583,840
NET ASSETS						
Held in Trust for Unemployment Claims & Other Purposes		12,989			12,989	16,998
Reserved for Scholarships	7,456				7,456	7,452
Total Net Assets	\$7,456	12,989	-	-	20,445	24,450

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

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

	PRIVATE PURPOSE		TOTALS	
	SCHOLARSHIP FUND	UNEMPLOYMENT COMPENSATION	JUNE 30, 2012	JUNE 30, 2011 <small>(MEMORANDUM ONLY)</small>
ADDITIONS				
Contributions:				
Plan Member		67,648	67,648	367,230
Board Contribution		40,000	40,000	
Total Contributions		107,648	107,648	367,230
Investment Earnings:				
Interest	\$4	18	22	34
Net Investment Earnings	4	18	22	34
Total Additions	4	107,666	107,670	367,264
DEDUCTIONS				
Quarterly Contribution Reports		8,969	8,969	8,615
Unemployment Claims		102,706	102,706	339,558
Total Deductions		111,675	111,675	348,173
Change in Net Assets	4	(4,009)	(4,005)	19,091
Net Assets - Beginning of the Year	7,452	16,998	24,450	5,359
Net Assets - End of the Year	\$7,456	12,989	20,445	24,450

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

**MILLSTONE TOWNSHIP
BOARD OF EDUCATION**

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012**

MILLSTONE TOWNSHIP BOARD OF EDUCATION

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

Note 1. Summary of Significant Accounting Policies

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

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

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

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

A. Reporting Entity

The Millstone Township Board of Education is a Type II district located in the County of Monmouth, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The Board is comprised of 9 members elected to three-year terms. These terms are staggered so that members’ terms expire each year. The District provides a full range of educational services appropriate to grade levels K through 8. These include regular, vocational, as well as, special education for handicapped youngsters. The District is comprised of one primary school, one elementary school and one middle school located in Millstone Township. The Millstone Township Board of Education has an approximate enrollment at June 30, 2012 of 1,448 students.

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

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

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

- ◆ the organization is legally separate (can sue or be sued in their own name)
- ◆ the District holds the corporate powers of the organization
- ◆ The District appoints a voting majority of the organization's board
- ◆ the District is able to impose its will on the organization
- ◆ the organization has the potential to impose a financial benefit/burden on the District
- ◆ there is a fiscal dependency by the organization on the District

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

B. District-Wide and Fund Financial Statements

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

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

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

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

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

District-Wide Financial Statements – The governmental fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related

MILLSTONE TOWNSHIP BOARD OF EDUCATION

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

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

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

cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

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

D. Fund Accounting

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

Governmental Funds

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

MILLSTONE TOWNSHIP BOARD OF EDUCATION

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

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

D. Fund Accounting (continued):

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

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

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

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

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

Proprietary Fund

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

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

The District's Enterprise Fund is comprised of the Food Service Fund, Community Education Program and Performing Arts Center.

MILLSTONE TOWNSHIP BOARD OF EDUCATION

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

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

D. Fund Accounting (continued):

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

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	5-7 Years
Light Trucks & Vehicle	7 Years
Heavy Trucks & Vehicle	7 Years

Fiduciary Fund

Fiduciary funds are used to account for assets held by a governmental entity for other parties (either as trustee or as an agent) and that cannot be used to finance the governmental entity's own operating programs which includes private purpose trust funds and agency funds

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

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

E. Basis of Accounting

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

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

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

E. Basis of Accounting (continued):

All proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Fund equity (i.e., net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund-type operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net total assets.

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

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

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

F. Budgets/Budgetary Control

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue and debt service funds. The budgets are submitted to the county office and are voted upon at the annual school election on or around the third Tuesday in April. Effective February 13, 2012, P.L.2011 c.202 eliminated the annual voter referendum on budgets which met the statutory tax levy cap limitations and the board of education members are elected at the November general election. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in *N.J.A.C.6A:23-1.2*. All budget amendments must be approved by School Board resolution.

MILLSTONE TOWNSHIP BOARD OF EDUCATION

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

Note 1. Summary of Significant Accounting Policies (continued)

F. Budgets/Budgetary Control (continued):

Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in *N.J.A.C.6A:23-1.2*. All budget amendments must be approved by School Board resolution.

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

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

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

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

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

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

	General Fund	Special Revenue Fund
Sources/Inflows of Resources		
Actual amounts (budgetary) "revenues" from the budgetary comparison schedules	\$33,593,321	\$567,192
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes	346,191	

MILLSTONE TOWNSHIP BOARD OF EDUCATION

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

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

H. Cash and Cash Equivalents

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

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

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

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

I. Short-Term Interfund Receivables/Payables

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

J. Tuition Receivable/Payable

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

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

The tuition rate adjustments for the 2009-2010 year have been established. According to the School District's records, these amounts of adjustments are immaterial to the financial statements.

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

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

K. Fixed Assets

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

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

Machinery and Equipment	3 – 20 Years
Building & Other Improvements	7 – 60 Years
Infrastructure	30 Years

L. Accrued Salaries and Wages

District employees, who provide services to the District over the ten-month academic year and extended eleven-month calendar, have the option to have their salaries disbursed during the entire twelve-month year. Therefore, there is an accrual as of June 30, 2012 for such salaries.

M. Compensated Absences

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

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

N. Deferred Revenue

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

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

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

O. Long-Term Obligations

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

P. Fund Equity

Reserves represent those portions of fund equity not appropriate for expenditure or legally segregated for a specific future use. Designated fund balances represent plans for future use of financial resources.

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

Q. Subsequent Events

The District has evaluated subsequent events occurring after June 30, 2012 through November 23, 2012, which is the date the financial statements were available to be issued.

Note 2. Cash and Cash Equivalents

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

Type	Carrying Value
Deposits:	
Demand Deposits	\$712,824
Total Deposits	<u>\$712,824</u>
Reconciliation of Statements of Net Assets:	
Governmental-Type Activity	\$(174,233)
Business-Type Activity	289,484
Fiduciary Fund	<u>597,573</u>
Total Cash and Cash Equivalents	<u>\$ 712,824</u>

Custodial Credit Risk – Deposits in financial institutions, reported as components of cash, cash equivalents and investments had a bank balance of \$2,301,174 at June 30, 2012. Of the bank balance \$317,522 was fully insured by the FDIC (Federal Depository Insurance Corporation) and \$1,983,652 was secured by a collateral pool held by the bank, but not in the District's name, as required by New Jersey statutes.

MILLSTONE TOWNSHIP BOARD OF EDUCATION

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

Note 2. Cash and Cash Equivalents (continued):

Insured	\$ 317,522
Collateralized in the District's Name Under GUDPA (See Note 3)	<u>1,983,652</u>
Total	<u>\$2,301,174</u>

Note 3. Governmental Unit Deposit Protection Act (GUDPA)

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

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

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

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

MILLSTONE TOWNSHIP BOARD OF EDUCATION

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

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

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

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

Upon review and approval of the Certification Statement that the public depository complies with statutory requirements, the Commissioner issues forms approving the bank as a municipal depository. The District should request copies of these approval forms semiannually to assure that all depositories are complying with requirements.

Note 4. Capital Reserve Account

The capital reserve account was established by the District by inclusion of \$100,000 on October 10, 2000 for the accumulation for funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

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

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

Beginning Balance, July 1, 2011	\$306,460
Deposits:	
Interest Earned	668
Ending Balance, June 30, 2012	<u>\$307,128</u>

MILLSTONE TOWNSHIP BOARD OF EDUCATION

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

Note 5. Transfers to Capital Outlay

During the year ending June 30, 2012, the District transferred \$ -0- to the capital outlay accounts.

Note 6. Capital Assets

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

Governmental Activities:	2011	Additions	Deletions/ Adjustments	2012
Capital Assets:				
Land	\$ 512,269		\$ 383,776	\$ 896,045
Site Improvements	1,801,794		(1,801,794)	
Building & Building Improvements	55,971,091		(6,423,850)	49,547,241
Machinery & Equipment	2,226,785	\$ 5,500	697,201	2,929,486
Construction in Progress	2,890,439			2,890,439
	<hr/>			<hr/>
Total Cost	63,402,378	5,500	(7,144,667)	56,263,211
Accumulated Depreciation	(13,624,615)	(1,190,478)	2,630,993	(12,184,100)
	<hr/>			<hr/>
Governmental-type Activities Capital Assets, Net	<u>\$ 49,777,763</u>	<u>\$ (1,184,978)</u>	<u>\$(4,513,674)</u>	<u>\$44,079,111</u>
Business-Type Activities:				
Capital Assets Being Depreciated:				
Equipment	\$ 482,829		\$ (100,707)	\$ 382,122
Less: Accumulated Depreciation	(348,053)	\$ (19,621)	192,539	(175,135)
	<hr/>			<hr/>
Business-Type Activities Capital Assets, Net	<u>\$ 134,776</u>	<u>\$ (19,621)</u>	<u>\$ 91,832</u>	<u>\$ 206,987</u>

Note 7. Long-Term Obligations

Bonds are authorized in accordance with State Law by the voters of the Municipality through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Board are general obligation bonds.

During the fiscal year ended June 30, 2012 the following changes occurred in noncurrent liabilities:

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

Note 7. Long-Term Obligations (continued):

	Balance 6/30/11	Increase/ (Decrease)	Balance 6/30/12	Due Within One Year
Compensated Absences Payable	\$ 221,083	\$ 37,932	\$ 259,015	
Bonds Payable	41,485,000	(2,655,000)	38,830,000	\$1,880,000
Capital Leases Payable	171,166	(82,181)	88,985	43,593
Total	<u>\$ 41,877,249</u>	<u>\$(2,699,249)</u>	<u>\$39,178,000</u>	<u>\$1,923,593</u>

A. Arbitrage Rebate

Earnings in excess of the yield on the debt issue are rebated to the Federal Government based on requirements in the Internal Revenue Code. Arbitrage rebate payable represents amounts due to the Internal Revenue Service for interest earned on unspent bond proceeds that exceeds legally allowable returns.

Rebatable arbitrage liabilities related to the District debt are not recorded in governmental funds. There is no recognition in the Balance sheet or Income Statement until rebatable amounts are due and payable to the Federal Government.

Government Activities:

	Issue Dates	Interest Rates	Dates of Maturity	Balance June 30, 2012
Bonds Payable	07/15/04	4.250-4.500%	07/15/12-13	\$ 1,700,000
	05/15/05	4.000-5.000%	03/15/13-18	2,725,000
	05/11/06	3.800-4.400%	07/15/12-30	9,535,000
	01/04/07	4.000%	07/15/11-26	9,825,000
	01/05/12	3.000-5.000%	07/15/12-21	<u>15,045,000</u>
Total Bonds				<u>\$ 38,830,000</u>

B. Debt Service Requirements

Bonds are authorized in accordance with State Law by the voters of the District through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Board are general obligation bonds.

MILLSTONE TOWNSHIP BOARD OF EDUCATION

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

Note 7. Long-Term Obligations (continued):

Fiscal Year Ending June 30,	Principal	Interest	Total
2012	\$ 1,880,000	\$ 1,659,466	\$ 3,539,466
2013	2,010,000	1,565,345	3,575,345
2014	2,155,000	1,483,355	3,638,355
2015	2,270,000	1,395,245	3,672,823
2016	2,370,000	1,302,823	3,672,823
2017-2021	9,925,000	5,014,288	14,939,288
2022-2026	10,200,000	2,784,100	12,984,100
2027-2031	<u>8,020,000</u>	<u>702,110</u>	<u>8,722,110</u>
Total	<u>\$38,830,000</u>	<u>\$15,906,731</u>	<u>\$54,736,731</u>

C. Bonds Authorized but not Issued

As of June 30, 2012 the District had no authorized but not issued bonds.

D. Leases

The District is obligated under certain leases accounted for as capital leases. The leased assets and related obligations are accounted for in the General Fixed Assets and the General Long-Term, respectively. Assets under capital leases total \$1,157,613. The following is a schedule of future minimum lease payments under capital leases as of June 30, 2012:

Year-ending June 30,	
2013	\$47,265
2014	<u>47,265</u>
Total Minimum Lease Payments	94,530
Less: Amount Representing Interest	<u>(5,545)</u>
Present Value of Net Minimum Lease Payments	<u>\$88,985</u>

MILLSTONE TOWNSHIP BOARD OF EDUCATION

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

Note 8. Pension Plans

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

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

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

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

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

MILLSTONE TOWNSHIP BOARD OF EDUCATION

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

Note 8. Pension Plans (continued):

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

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

Contribution Requirements – The contribution policy is set by *N.J.S.A.43:15A*, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 and *N.J.S.A.18:66*, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. TPAF and PERS provide for employee contributions of 5.5% of employees’ annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The actuarially determined contribution includes funding for both cost-of-living adjustments, noncontributory death benefits and post-retirement medical premiums. Under current statute the District is a noncontributing employer of the TPAF.

Three-Year Trend Information for PERS

Year Funding	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/12	\$361,986	100%	\$ -0-
6/30/11	346,566	100%	-0-
6/30/10	252,465	100%	-0-

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

Note 8. Pension Plans (continued):

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

Year Funding	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/12	\$848,235	100%	\$ -0-
6/30/11	633,325	100%	-0-
6/30/10	604,315	100%	-0-

During the year ended June 30, 2012 the State of New Jersey contributed \$848,235 to the TPAF for normal post-retirement benefits on behalf of the District. Also in accordance with *N.J.S.A. 18A:66-66* the State of New Jersey reimbursed the District \$710,132 for the year ended June 30, 2012 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. This amount has been included in the Basic financial statements, and the combining and individual fund and account group statements and schedules as a revenue and expenditure in accordance with GASB 27.

Note 9. Post-Retirement Benefits

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

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

Note 10. 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.

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

Note 10. Risk Management (continued):

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

New Jersey Unemployment Compensation Insurance – The District has elected to fund their 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 below is a summary of the 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:

Fiscal Year	Interest Earned	Contributions	Amount Reimbursed	Ending Balance
2011-2012	\$18	\$107,648	\$111,675	\$12,989
2010-2011	28	367,230	348,173	16,998
2009-2010	15	106,894	100,330	(2,087)

Note 11. Contingent Liabilities

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

Note 12. Economic Dependency

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

MILLSTONE TOWNSHIP BOARD OF EDUCATION

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

Note 13. GASB #54 Fund Balance Disclosures

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

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

General Fund – Of the \$1,173,707 General Fund fund balance at June 30, 2012, \$307,128 has been restricted for the Capital Reserve Account; \$134,779 has been restricted for excess surplus; \$318,769 has been assigned to be designated for subsequent year's expenditures; \$154,706 has been assigned for other purposes; and \$258,325 is unassigned.

Capital Projects Fund – The \$324,794 Capital Projects Fund fund balance at June 30, 2012 is unassigned.

Debt Service Fund – The \$39,211 Debt Service Fund fund balance at June 30, 2012 is unassigned.

Note 14. Litigation

There is no pending litigation involving any material monetary amount.

Note 15. Interfund Receivables and Payables

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

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

Note 15. Interfund Receivables and Payables (continued):

Fund	Interfund Receivable	Interfund Payable
General Fund	\$ 26,179	\$ 69,925
Special Revenue Fund	19,619	7,334
Capital Projects Fund		20,432
Debt Service Fund	27,766	
Proprietary Fund	7,986	34,165
Fiduciary Fund	<u>50,306</u>	<u> </u>
Total	<u>\$131,856</u>	<u>\$131,856</u>

The purpose of interfunds is for short-term borrowings.

Note 16. Deferred Compensation

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

Equitable	Scudder
Travelers	Valic

Note 17. Compensated Absences

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

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

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

Note 17. Compensated Absences (continued):

The liability for vested compensated absences of the governmental fund types is recorded in the statement of net assets under governmental activities. The current portion of the compensated absence balance is not considered material to the applicable funds total liabilities, and is therefore not shown separately from the long-term liability balance of compensated absences. The amount at June 30, 2012 is \$259,015.

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

Note 18. Calculation of Excess Surplus

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

The District had excess fund balance totaling \$134,779 at June 30, 2012.

Note 19. Prior Period Adjustment

The District had a fixed asset appraisal performed as of June 30, 2012. The fixed asset balances were adjusted to agree with the historical cost as determined by the appraisal. The cumulative effect of these adjustments has resulted in a prior period adjustment of \$(4,517,655) for Governmental Activities. The cumulative effect of these adjustments has resulted in a prior period adjustment of \$91,832 for Business-Type Activities.

REQUIRED SUPPLEMENTARY INFORMATION – PART II

C. Budgetary Comparison Schedules

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

ACCOUNT NUMBER	JUNE 30, 2012				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	JUNE 30, 2011				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
Revenues:										
Local Sources:										
Local Tax Levy	10-1210	\$26,371,784		26,371,784	26,371,784		26,371,784	26,371,784	26,371,784	
Other Governmental Units - Unrestricted	10-12XX					70,000		70,000		(70,000)
Other Governmental Units - Restricted	10-12XX					100,000		100,000		(100,000)
Tuition from Individuals	10-1300	36,000		36,000	18,042	(17,958)	48,000	48,000	36,540	(11,460)
Tuition from Other LEAs within the State	10-1320				31,773	31,773			16,146	16,146
Transportation Fees from Individuals	10-1410	10,000		10,000	21,216	11,216	25,000	25,000	14,675	(10,325)
Transportation Fees from Other LEA's	10-1420	69,004		69,004	295,011	226,007			18,654	18,654
Interest Income	10-1510	60,000		60,000	3,996	(56,004)				
Interest on Capital Reserve	10-1510	50		50	668	618	50	50		(50)
Student Athletic Fees	10-1730				73,990	73,990	140,000	140,000	73,280	(66,720)
Unrestricted Miscellaneous	10-1990	630,000		630,000	394,467	(235,533)	693,878	(140,000)	553,878	(2,999)
Total Local Sources		27,176,838		27,176,838	27,210,947	34,109	27,308,712	27,308,712	27,081,958	(226,754)
State Sources:										
Extraordinary Aid	10-3131	188,766		188,766	141,852	(46,914)	188,766	188,766	141,041	(47,725)
Categorical Special Education Aid	10-3132	1,225,520		1,225,520	1,225,520		1,198,895	26,625	1,225,520	1,225,520
Equalization Aid	10-3176	2,611,482		2,611,482	2,611,482		2,611,482	(26,625)	2,584,857	2,584,857
Categorical Security Aid	10-3177	163,906		163,906	163,906					
Categorical Transportation Aid	10-3121	128,238		128,238	447,007	318,769				
Other State Aid	10-319X				2,538	2,538			761	761
Nonpublic Transportation Aid	10-3XXX				47,056	47,056			50,757	50,757
Nonbudgeted:										
On-Behalf TPAF Post Retirement Medical	10-3901								28,477	28,477
On-Behalf TPAF Pension Contribution	10-3901				848,235	848,235			604,848	604,848
Reimbursed TPAF Social Security	10-3902				710,132	710,132			660,573	660,573
Total State Sources		4,317,912		4,317,912	6,197,728	1,879,816	3,999,143	3,999,143	5,296,834	1,297,691
Federal Sources:										
Education Jobs Fund	10-4522	179,037	5,609	184,646	184,646					
Total Federal Sources		179,037	5,609	184,646	184,646					
Total Revenues		31,673,787	5,609	31,679,396	33,593,321	1,913,925	31,307,855	31,307,855	32,378,792	1,070,937

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

	ACCOUNT NUMBER	JUNE 30, 2012				POSITIVE/ (NEGATIVE)	JUNE 30, 2011				POSITIVE/ (NEGATIVE)
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	FINAL TO ACTUAL	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	FINAL TO ACTUAL
Expenditures:											
Current Expense:											
Instruction - Regular Programs:											
Salaries of Teachers:											
Preschool	11-105-100-101	80,952	(21,717)	59,235	59,235		5,052	42,553	47,605	47,605	
Kindergarten	11-110-100-101	312,175	(13,501)	298,674	298,674		227,355	71,226	298,581	296,846	1,735
Grades 1 - 5	11-120-100-101	2,750,128	(6,460)	2,743,668	2,742,944	724	2,905,035	(423,939)	2,481,096	2,384,752	96,344
Grades 6 - 8	11-130-100-101	2,243,215	4,402	2,247,617	2,247,617		2,119,400	14,465	2,133,865	2,133,865	
Home Instruction - Regular Programs:											
Salaries of Teachers	11-150-100-101	5,950	14,227	20,177	20,177			10,853	10,853	10,853	
Regular Programs - Undistributed Instruction:											
Other Salaries for Instruction	11-190-100-106	3,539	7,304	10,843	10,843			14,467	14,467	14,467	
Purchased Professional Education Servi	11-190-100-320	29,095	(27,104)	1,991		1,991					
Purchased Technical Services	11-190-100-340	6,975	136	7,111	6,015	1,096	7,010		7,010	5,955	1,055
Other Purchased Services	11-190-100-500	29,095	26,311	55,406	55,406		56,790	881	57,671	54,241	3,430
Travel Expense	11-190-100-580							2,798	2,798	647	2,151
General Supplies	11-190-100-610	276,120	61,504	337,624	288,638	48,986	266,673	(7,334)	259,339	209,526	49,813
Textbooks	11-190-100-640	55,867	31,947	87,814	69,779	18,035		276	276	48	228
Other Objects	11-190-100-800		16,790	16,790	14,963	1,827					
Total Regular Programs		5,793,111	93,839	5,886,950	5,814,291	72,659	5,587,315	(273,754)	5,313,561	5,158,805	154,756
Special Education:											
Learning and/or Language Disabilities:											
Salaries of Teachers	11-204-100-101	374,105	(94,169)	279,936	279,936		275,655	44,984	320,639	320,639	
Other Salaries for Instruction	11-204-100-106	135,015	4,367	139,382	126,412	12,970	52,428	71,668	124,096	120,205	3,891
General Supplies	11-204-100-610	1,800	879	2,679	2,633	46	500	390	890	562	328
Textbooks	11-204-100-640		378	378	378						
Total Learning &/or Language Disabilities		510,920	(88,545)	422,375	409,359	13,016	328,583	117,042	445,625	441,406	4,219
Resource Room / Resource Center:											
Salaries of Teachers	11-213-100-101	1,554,971	(100,983)	1,453,988	1,444,541	9,447	1,082,290	219,866	1,302,156	1,225,162	76,994
Other Salaries for Instruction	11-213-100-106		154,305	154,305	154,305		234,986	(42,337)	192,649	192,649	
General Supplies	11-213-100-610	5,000	716	5,716	5,392	324					
Total Resource Room/Resource Center		1,559,971	54,038	1,614,009	1,604,238	9,771	1,317,276	177,529	1,494,805	1,417,811	76,994
Autism:											
Salaries of Teachers	11-214-100-101	67,085	(11,119)	55,966	55,966						
Other Salaries for Instruction	11-214-100-106	62,210	3,952	66,162	66,162						
General Supplies	11-214-100-610	5,000	(1,788)	3,212	3,073	139					
Total Autism		134,295	(8,955)	125,340	125,201	139					

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

	ACCOUNT NUMBER	JUNE 30, 2012				POSITIVE/ (NEGATIVE)	JUNE 30, 2011				POSITIVE/ (NEGATIVE)
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	FINAL TO ACTUAL	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	FINAL TO ACTUAL
Preschool Disabilities - Part-Time:											
Salaries of Teachers	11-215-100-101	66,400	(1,413)	64,987	64,987		59,575		59,575	59,575	
Other Salaries of Instruction	11-215-100-106	38,140	(20,420)	17,720	16,235	1,485		35,040	35,040	34,958	82
Purchased Technical Services	11-215-100-340	4,999	(4,803)	196		196					
General Supplies	11-215-100-600	400	(145)	255	196	59	375		375	285	90
Total Preschool Disabilities - Part-Time		109,939	(26,781)	83,158	81,418	1,740	59,950	35,040	94,990	94,818	172
Total Special Education		2,315,125	(70,243)	2,244,882	2,220,216	24,666	1,705,809	329,611	2,035,420	1,954,035	81,385
Basic Skills/Remedial - Instruction:											
Salaries of Teachers	11-230-100-101	472,922	26,226	499,148	486,920	12,228	340,565	68,449	409,014	409,014	
General Supplies	11-230-100-610	2,000	803	2,803	2,463	340					
Total Basic Skills/Remedial - Instruction		474,922	27,029	501,951	489,383	12,568	340,565	68,449	409,014	409,014	
Bilingual Education - Instruction:											
Salaries of Teachers	11-240-100-101	37,737	76	37,813	37,813		36,156		36,156	36,016	140
General Supplies	11-240-100-610	700	(264)	436	436		700		700	677	23
Total Bilingual Education - Instruction		38,437	(188)	38,249	38,249		36,856		36,856	36,693	163
School Sponsored Cocurricular Activities:											
Salaries	11-401-100-100	28,000	3,284	31,284	31,284		28,000		28,000	27,302	698
Other Objects	11-401-100-800	3,900	3,069	6,969	6,915	54	3,900		3,900	1,044	2,856
Total School Sponsored Cocurricular - Activities		31,900	6,353	38,253	38,199	54	31,900		31,900	28,346	3,554
School Sponsored Athletics - Instruction:											
Salaries	11-402-100-100	68,390		68,390	64,968	3,422	68,390		68,390	63,657	4,733
Other Purchased Services	11-402-100-500	13,320		13,320	10,294	3,026	13,320		13,320	8,804	4,516
Supplies and Materials	11-402-100-600	23,200	750	23,950	17,983	5,967	23,200	770	23,970	19,128	4,842
Total School Sponsored Athletics - Instruction		104,910	750	105,660	93,245	12,415	104,910	770	105,680	91,589	14,091
Community Services Programs/Operations:											
Salaries	11-800-330-100						4,184		4,184		4,184
Total Community Services Programs/Operations							4,184		4,184		4,184
Total - Instruction		8,758,405	57,540	8,815,945	8,693,583	122,362	7,811,539	125,076	7,936,615	7,678,482	258,133

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

	ACCOUNT NUMBER	JUNE 30, 2012				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	JUNE 30, 2011				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
Undistributed Expenditures:											
Instruction:											
Tuition to Other LEAs Within State Regular	11-000-100-561	8,012,680	16,500	8,029,180	8,029,180		9,216,779	50,755	9,267,534	9,267,534	
Tuition to Other LEAs Within State Special	11-000-100-562	902,389		902,389	902,389		966,375		966,375	966,375	
Tuition to County Vocational School District - Regular	11-000-100-563	245,000	(27,550)	217,450	217,450		240,000		240,000	240,000	
Tuition to County Vocational School District - Special	11-000-100-564	45,000	(2,250)	42,750	42,750		45,000	18,000	63,000	63,000	
Tuition to CSSD & Regional Day School	11-000-100-565	205,401	14,166	219,567	219,567		328,690	(114,966)	213,724	206,807	6,917
Tuition to Private Schools for Disabled Within the State	11-000-100-566	573,783	69,617	643,400	643,400		933,837	(46,558)	887,279	887,279	
Tuition - State Facilities	11-000-100-568										
Tuition Other	11-000-100-569	75,768		75,768	71,576	4,192	68,880	7,044	75,924	70,166	5,758
Total Undistributed Expenditures - Instruction		10,060,021	70,483	10,130,504	10,126,312	4,192	11,799,561	(85,725)	11,713,836	11,701,161	12,675
Attendance & Social Work Services:											
Salaries	11-000-211-100		1,500	1,500	1,500						
Total Attendance & Social Work Services			1,500	1,500	1,500						
Health Services:											
Salaries	11-000-213-100	174,030	14,433	188,463	188,463		165,050	5,233	170,283	170,283	
Purchased Professional & Technical Services	11-000-213-300	36,000	(12,293)	23,707	20,220	3,487	36,000	(17,525)	18,475	14,303	4,172
Other Purchased Services	11-000-213-500	505		505	314	191	505	(235)	270	128	142
Supplies and Materials	11-000-213-600	7,290	(75)	7,215	5,957	1,258	7,150	(1,544)	5,606	4,911	695
Other Objects	11-000-213-800		606	606	510	96	870		870	260	610
Total Health Services		217,825	2,671	220,496	215,464	5,032	209,575	(14,071)	195,504	189,885	5,619
Other Support Services - Students - Related Services:											
Salaries	11-000-216-100	306,247	(4,039)	302,208	301,957	251	285,803	7,234	293,037	293,037	
Purchased Professional - Educational Services	11-000-216-320	134,200	17,545	151,745	151,745		118,415	(13,740)	104,675	104,675	
Supplies and Materials	11-000-216-600	1,800		1,800	1,724	76	1,800	(1,679)	121	121	

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

ACCOUNT NUMBER	JUNE 30, 2012				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	JUNE 30, 2011				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		
Total Other Support Services - Students - Related Services	442,247	13,506	455,753	455,426	327	406,018	(8,185)	397,833	397,833		
Other Support Services - Students - Extraordinary Services:											
Purchased Professional & Educational Services	11-000-217-320	44,000	(7,029)	36,971	36,321	650	40,000	(27,424)	12,576	12,576	
Total Other Support Services - Students - Extraordinary Services		44,000	(7,029)	36,971	36,321	650	40,000	(27,424)	12,576	12,576	
Other Support Services - Students - Regular:											
Salaries of Other Professional Staff	11-000-218-104	279,327	(25,656)	253,671	253,671		245,460	(62,437)	183,023	182,674	349
Supplies and Materials	11-000-218-600	2,510	(1,500)	1,010	48	962	1,510	(752)	758	378	380
Total Other Support Services - Students - Regular		281,837	(27,156)	254,681	253,719	962	246,970	(63,189)	183,781	183,052	729
Other Support Services - Students - Special Services:											
Salaries of Other Professional Staff	11-000-219-104	410,715	(62,400)	348,315	348,315		422,743	(63,669)	359,074	359,074	
Salaries of Secretarial & Clerical Assistants	11-000-219-105	57,993	375	58,368	58,368		53,504	2,454	55,958	55,958	
Other Salaries	11-000-219-110		1,495	1,495	1,495			983	983	983	
Other Purchased Services	11-000-219-500		1,744	1,744	244	1,500					
Travel Expenditures	11-000-219-580							67	67	17	50
Miscellaneous Purchased Services	11-000-219-592	2,450	14,219	16,669	1,476	15,193	2,450	(2,450)			
Supplies and Materials	11-000-219-600	3,000	1,054	4,054	4,055	(1)	3,000	(200)	2,800	2,450	350
Total Other Support Services - Students - Special Services		474,158	(43,513)	430,645	413,953	16,692	481,697	(62,815)	418,882	418,482	400
Improvement of Instruction Services:											
Salaries of Supervisors of Instruction	11-000-221-102						143,008		143,008	143,008	
Salaries of Other Professional Staff	11-000-221-104	8,400	(7,157)	1,243	1,243		8,400	(8,400)			
Salaries of Secretarial & Clerical Assistants	11-000-221-105	43,320		43,320	43,320		42,105		42,105	42,105	
Other Purchased Professional and Technical Services	11-000-221-300	11,170	39,880	51,050	51,050						
Other Purchased Services	11-000-221-500		8,200	8,200	8,200		500	(280)	220		220
Supplies and Materials	11-000-221-600	7,550	(4,572)	2,978	2,956	22	3,000	77	3,077	2,935	142
Other Objects	11-000-221-800		2,149	2,149	2,149			1,654	1,654	1,654	

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

ACCOUNT NUMBER	JUNE 30, 2012				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	JUNE 30, 2011				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
Total Improvement of Instruction Services	70,440	38,500	108,940	108,918	22	197,013	(6,949)	190,064	189,702	362
Educational Media Services/School Library:										
Salaries 11-000-222-100	122,884	3,450	126,334	126,334		189,628	(81,683)	107,945	107,935	10
Purchased Professional & Technical Services 11-000-222-300	450		450		450	450		450		450
Other Purchased Services 11-000-222-500	3,725	1,307	5,032	4,615	417	3,725	(872)	2,853	2,203	650
Supplies and Materials 11-000-222-600	20,235	(2,618)	17,617	15,350	2,267	21,528	(6,382)	15,146	13,662	1,484
Other Objects 11-000-222-800	7,882	(7,882)				7,951	(580)	7,371	7,035	336
Total Educational Media Services/School Library	155,176	(5,743)	149,433	146,299	3,134	223,282	(89,517)	133,765	130,835	2,930
Instructional Staff Training Services:										
Salaries of Other Professional Staff 11-000-223-104	2,275	979	3,254	3,254						
Other Salaries 11-000-223-110	1,050	(1,000)	50		50					
Purchased Professional & Educational Services 11-000-223-320	3,500	7,977	11,477	11,477		3,500	(1,000)	2,500	2,500	
Other Purchased Services 11-000-223-500	26,475	(10,622)	15,853	11,858	3,995	15,475	(4,041)	11,434	10,702	732
Total Instructional Staff Training Services	33,300	(2,666)	30,634	26,589	4,045	18,975	(5,041)	13,934	13,202	732
Support Services General Administration:										
Salaries 11-000-230-100	340,237	23,792	364,029	364,029		218,437	(923)	217,514	217,514	
Legal Services 11-000-230-331	45,000	24,066	69,066	65,165	3,901	45,000	15,107	60,107	51,703	8,404
Other Purchased Professional Services 11-000-230-339	100,500	7,450	107,950	106,229	1,721	108,560	(41,005)	67,555	67,555	
Communications/Telephone 11-000-230-530	55,500	(2,643)	52,857	52,857		50,000	23,592	73,592	73,592	
Travel 11-000-230-585	4,000		4,000		4,000	4,000	(4,000)			
Other Purchased Services (400-500) 11-000-230-590	15,000	(945)	14,055	14,055		13,400	(2,378)	11,022	11,022	
Supplies and Materials 11-000-230-600		2,969	2,969	1,889	1,080		2,470	2,470	896	1,574
General Supplies 11-000-230-610	4,500	(1,500)	3,000	727	2,273	4,600	(4,147)	453	453	
Judgements Against the School District 11-000-230-820	29,100	150	29,250	27,700	1,550		26,150	26,150		26,150
Miscellaneous Expenditures 11-000-230-890		31,100	31,100	29,000	2,100	25,536	7,808	33,344	33,344	
Total Support Services General Administration	593,837	84,439	678,276	661,651	16,625	469,533	22,674	492,207	456,079	36,128

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

	ACCOUNT NUMBER	JUNE 30, 2012				POSITIVE/ (NEGATIVE)	JUNE 30, 2011				POSITIVE/ (NEGATIVE)
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	FINAL TO ACTUAL	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	FINAL TO ACTUAL
Support Services School Administration:											
Salaries of Principals & Assistant Principals											
	11-000-240-103	474,373	(9,667)	464,706	464,706		436,255	(7,816)	428,439	428,439	
Salaries of Other Professional Staff											
	11-000-240-104	63,589	17,911	81,500	81,500			62,342	62,342	62,342	
Salaries of Secretarial & Clerical Assistants											
	11-000-240-105	210,727	(9,050)	201,677	201,677		213,396	(15,285)	198,111	198,111	
Purchased Professional & Technical Services											
	11-000-240-300	410		410		410	410		410		410
Other Purchased Services											
	11-000-240-580							1,112	1,112		1,112
Other Purchased Services (400-500)											
	11-000-240-500	25,468	(8,533)	16,935	12,166	4,769	25,021	(12,800)	12,221	8,163	4,058
Supplies and Materials											
	11-000-240-600	23,600	529	24,129	20,822	3,307	23,600	(5,576)	18,024	16,795	1,229
Other Objects											
	11-000-240-800	14,400	463	14,863	12,462	2,401	7,740	(76)	7,664	6,664	1,000
Total Support Services School Administration		812,567	(8,347)	804,220	793,333	10,887	706,422	21,901	728,323	720,514	7,809
Central Services:											
Salaries											
	11-000-251-100	284,556	(1)	284,555	284,555		278,976	644	279,620	279,620	
Purchased Professional Services											
	11-000-251-330	28,000	2,500	30,500	25,205	5,295	35,000	(4,543)	30,457	30,457	
Other Purchased Services											
	11-000-251-500		8,397	8,397	7,544	853		10,914	10,914	5,514	5,400
Travel											
	11-000-251-580							414	414	414	
Miscellaneous Purchased Services											
	11-000-251-592	43,000	(28,800)	14,200	10,653	3,547	43,091	(34,666)	8,425	8,425	
Supplies and Materials											
	11-000-251-600	5,700	254	5,954	4,594	1,360	5,517	456	5,973	5,719	254
Miscellaneous Expenditures											
	11-000-251-890	10,000	41	10,041	10,041		9,800	(920)	8,880	8,880	
Total Central Services		371,256	(17,609)	353,647	342,592	11,055	372,384	(27,701)	344,683	339,029	5,654
Administration Information Technology:											
Salaries											
	11-000-252-100	194,317	145	194,462	194,462		188,510	(565)	187,945	187,945	
Purchased Technical Services											
	11-000-252-340	20,000	6,760	26,760	26,526	234	18,000	6,229	24,229	24,229	
Other Purchased Services (400-500)											
	11-000-252-500	22,000	(4,206)	17,794	14,138	3,656	22,000	(13,153)	8,847	7,082	1,765
General Supplies											
	11-000-252-600	77,500	1,423	78,923	77,591	1,332	37,000	1,926	38,926	36,509	2,417
Other Objects											
	11-000-252-800		469	469	469						
Total Administration Information Technology		313,817	4,591	318,408	313,186	5,222	265,510	(5,563)	259,947	255,765	4,182

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

	ACCOUNT NUMBER	JUNE 30, 2012				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	JUNE 30, 2011				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
Required Maintenance for School Facilities:											
Salaries	11-000-261-100	147,969	24,738	172,707	172,707		183,760	(39,940)	143,820	143,820	
Cleaning, Repair & Maintenance Services	11-000-261-420	221,150	(126,170)	94,980	88,938	6,042	221,150	(118,778)	102,372	91,981	10,391
General Supplies	11-000-261-610	64,246	2,722	66,968	65,442	1,526	64,246	(44,918)	19,328	16,722	2,606
Total Required Maintenance for School Facilities		433,365	(98,710)	334,655	327,087	7,568	469,156	(203,636)	265,520	252,523	12,997
Other Operation & Maintenance of Plant:											
Salaries	11-000-262-100	581,105	36,935	618,040	618,040		583,890	(58,369)	525,521	525,521	
Salaries of Non-Instructional Aides	11-000-262-107	47,702		47,702	46,590	1,112	47,145	(3,429)	43,716	43,716	
Purchased Professional & Technical Services	11-000-262-300	269,000	(57,637)	211,363	194,507	16,856	118,200	110,922	229,122	219,122	10,000
Cleaning, Repair & Maintenance Services	11-000-262-420							998	998	998	
Other Purchased Property Services	11-000-262-490	20,367	(20,367)				22,554	(2,187)	20,367	20,367	
Insurance	11-000-262-520	130,000	(29,992)	100,008	100,008		124,000	(16,425)	107,575	107,575	
General Supplies	11-000-262-610	101,900	(18,088)	83,812	67,340	16,472	101,900	(16,731)	85,169	69,256	15,913
Energy (Heat & Electricity)	11-000-262-620		478,063	478,063	472,571	5,492		630,792	630,792	630,792	
Energy (Natural Gas)	11-000-262-621	153,000	(153,000)				190,750	(190,750)			
Energy (Electricity)	11-000-262-622	468,700	(468,700)				398,650	(398,650)			
Energy (Oil)	11-000-262-624						15,700	(15,700)			
Other Objects	11-000-262-800	16,500	(1,500)	15,000	14,024	976		16,773	16,773	16,773	
Total Other Operation & Maintenance of Plant		1,788,274	(234,286)	1,553,988	1,513,080	40,908	1,602,789	57,244	1,660,033	1,634,120	25,913
Student Transportation Services:											
Salaries for Pupil Transportation (Between Home & School) - Regular	11-000-270-160	182,200	428,656	610,856	610,856		1,035,793	(811,853)	223,940	223,940	
Salaries for Pupil Transportation (Between Home & School) - Special Ed.	11-000-270-161		31,791	31,791	31,791		51,580	(48,812)	2,768	2,768	
Salaries for Pupil Transportation (Between Home & School) - Nonpublic School	11-000-270-163		2,446	2,446	2,446		11,786	(11,786)			
Other Purchased Professional & Technical Services	11-000-270-390	3,000	(1,500)	1,500		1,500	3,000	(3,000)			
Cleaning, Repair & Maintenance Services	11-000-270-420	20,500	(8,053)	12,447	12,447		20,500	(15,926)	4,574	4,574	
Lease Purchase Payments - School Buses	11-000-270-443	120,000	(16,210)	103,790	103,790		166,247	(46,850)	119,397	119,397	
Contracted Services (Regular Education-Routes) - Vendors	11-000-270-511	1,307,500	(207,928)	1,099,572	1,099,572		320,000	1,056,286	1,376,286	1,376,286	

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

	ACCOUNT NUMBER	JUNE 30, 2012				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	JUNE 30, 2011				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
Student Transportation Services (continued):											
Contracted Services (Between Home & School) - Joint Agreements	11-000-270-512							1,080	1,080	1,080	
Contracted Services (Special Education Students) - Vendors	11-000-270-514	780,000	(96,121)	683,879	683,879		243,000	485,355	728,355	717,816	10,539
Contracted Services (Special Education Students) - Joint Agreements	11-000-270-515						55,000	(55,000)			
Contracted Services (Aid in Lieu of Payments) - Nonpublic Sch.	11-000-270-503	52,000	1,482	53,482	53,482		37,000	22,620	59,620	59,620	
Miscellaneous Purchased Services - Transportation	11-000-270-593	8,000	(2,162)	5,838	4,428	1,410	7,000	658	7,658	6,530	1,128
Supplies and Materials	11-000-270-600	292,300	57,945	350,245	339,991	10,254	292,300	16,754	309,054	304,492	4,562
Other Objects	11-000-270-800	4,800	(1,400)	3,400	1,848	1,552	4,800	(1,391)	3,409	3,409	
Total Student Transportation Services		2,770,300	188,946	2,959,246	2,944,530	14,716	2,248,006	588,135	2,836,141	2,819,912	16,229
Unallocated Benefits - Employee Benefits:											
Social Security Contributions	11-000-291-220	360,000		360,000	268,259	91,741	345,000	(146,300)	198,700	198,700	
Other Retirement Contributions - Regular	11-000-291-241	325,000	36,986	361,986	361,986		275,000	71,566	346,566	346,566	
Unemployment Compensation	11-000-291-250	100,000		100,000	70,092	29,908	80,000	260,000	340,000	340,000	
Workmen's Compensation	11-000-291-260	140,000		140,000	104,946	35,054	140,000		140,000	140,000	
Health Benefits	11-000-291-270	3,101,768	141,526	3,243,294	3,237,685	5,609	3,015,170	(303,383)	2,711,787	2,662,969	48,818
Tuition Reimbursements	11-000-291-280	70,000	(47,699)	22,301	16,452	5,849	50,000	5,505	55,505	21,981	33,524
Other Employee Benefits	11-000-291-290	24,000	(4,715)	19,285	19,285		14,000	17,200	31,200	31,200	
Total Unallocated Benefits		4,120,768	126,098	4,246,866	4,078,705	168,161	3,919,170	(95,412)	3,823,758	3,741,416	82,342
Nonbudgeted:											
On-Behalf Post Retirement Medical										28,477	(28,477)
On-Behalf TPAF Pension Contribution					848,235	(848,235)				604,848	(604,848)
Reimbursed TPAF Social Security					710,132	(710,132)				660,573	(660,573)
Total Undistributed Expenditures		22,983,188	85,675	23,068,863	24,317,032	(1,248,169)	23,676,061	(5,274)	23,670,787	24,749,984	(1,079,197)
Total Expenditures - Current Expense		31,741,593	143,215	31,884,808	33,010,615	(1,125,807)	31,487,600	119,802	31,607,402	32,428,466	(821,064)

53

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

ACCOUNT NUMBER	JUNE 30, 2012				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	JUNE 30, 2011				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		
Capital Outlay:											
Interest Deposit to Capital Reserve						50		50		50	
Equipment:											
Undistributed Expenditures:											
Operation & Maintenance of Plant Services	12-000-260-730	16,959	16,959	2,375	14,584	5,500		5,500	5,500		
Non-Instructional Equipment	12-000-270-730	3,125	3,125	3,125							
Total Equipment & Interest Deposit		20,084	20,084	5,500	14,584	50	5,500	5,550	5,500	50	
Facilities Acquisition & Construction Services:											
Other Objects	12-000-400-800	30,941	30,941	30,941		53,205		53,205	53,205		
Total Facilities Acquisition & Construction Services		30,941	30,941	30,941		53,205		53,205	53,205		
Total Capital Outlay		30,941	20,084	51,025	36,441	14,584	53,255	5,500	58,755	58,705	50

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

ACCOUNT NUMBER	JUNE 30, 2012				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	JUNE 30, 2011				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
Total Expenditures	31,772,534	163,299	31,935,833	33,047,056	(1,111,223)	31,540,855	125,302	31,666,157	32,487,171	(821,014)
Other Financing Sources/(Uses):										
Interest Deposit to Capital Reserve	(50)		(50)		50					
Contribution from Enterprise Fund									100,000	100,000
Contribution to Unemployment Fund				(40,000)	(40,000)					
Total Other Financing Sources /(Uses)	(50)		(50)	(40,000)	(39,950)				100,000	100,000
Total Expenditures & Other Financing Sources/(Uses)	31,772,584	163,299	31,935,883	33,087,056	(1,151,173)	31,540,855	125,302	31,666,157	32,387,171	(721,014)
Excess/(Deficiency) of Revenues & Other Financing Sources Over/(Under) Expenditures & Other Financing Uses	(98,797)	(157,690)	(256,487)	506,265	762,752	(233,000)	(125,302)	(358,302)	(8,379)	349,923
Fund Balances, July 1	1,085,947		1,085,947	1,085,947		1,094,326		1,094,326	1,094,326	
Fund Balances, June 30	\$987,150	(157,690)	829,460	1,592,212	762,752	861,326	(125,302)	736,024	1,085,947	349,923

RECAPITULATION OF FUND BALANCE

Restricted Fund Balance:	
Capital Reserve	\$307,128
Excess Surplus	134,779
Assigned Fund Balance:	
Year-end Encumbrances	154,706
Designated for Subsequent Year's Expenditures	318,769
Unassigned Fund Balance	<u>676,830</u>
Total - Budgetary Basis	1,592,212
Reconciliation to Governmental Fund Statements (GAAP):	
Last State Aid Payment Not Recognized on GAAP Basis	<u>(418,505)</u>
Total Fund Balance per Governmental Funds (GAAP)	<u>\$1,173,707</u>

**MILLSTONE TOWNSHIP BOARD OF EDUCATION
EDUCATION JOBS FUND PROGRAM -
BUDGET AND ACTUAL
FOR FISCAL YEAR ENDED JUNE 30, 2012**

REVENUES	ACCOUNT NUMBERS	JUNE 30, 2012				VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
Revenues:						
Federal Sources:						
Education Jobs Fund Program	18-4522	\$179,037	5,609	184,646	184,646	
Total Revenues		179,037	5,609	184,646	184,646	
Expenditures:						
Education Jobs Fund Program:						
Health Benefits	18-000-291-270	179,037	5,609	184,646	184,646	
Total Education Jobs Fund Expenditures		179,037	5,609	184,646	184,646	
Total Expenditures		179,037	5,609	184,646	184,646	
Total Outflows		179,037	5,609	184,646	184,646	
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures & Other Financing Sources/(Uses)						
		\$ -	-	-	-	-

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

	JUNE 30, 2012				VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	JUNE 30, 2011				VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
REVENUES										
Local Sources		79,024	79,024	79,024			86,084	86,084	86,084	
State Sources	\$250	5,226	5,476	5,476			5,564	5,564	5,564	
Federal Sources	373,036	109,656	482,692	482,692		675,205	(23,858)	651,347	651,347	
Total Revenues	373,286	193,906	567,192	567,192		675,205	67,790	742,995	742,995	
EXPENDITURES:										
Instruction:										
Salaries of Teachers	18,830	(7,755)	11,075	11,075		297,654	(53,269)	244,385	244,385	
Salaries - Other Salaries of Instruction							14,510	14,510	14,510	
Purchased Technical Services		5,213	5,213	5,213		52,000	16,143	68,143	68,143	
Other Purchased Services (400-500 Series)	329,637	120,323	449,960	449,960		145,000	96,128	241,128	241,128	
General Supplies		2,450	2,450	2,450		63,584	(31,837)	31,747	31,747	
Total Instruction	348,467	120,231	468,698	468,698		558,238	41,675	599,913	599,913	
Support Services:										
Salaries										
Personal Services - Employee Benefits		847	847	847		59,541	(37,946)	21,595	21,595	
Purchased Professional - Educational Services	24,819	(6,955)	17,864	17,864		22,040	488	22,528	22,528	
Other Purchased Services						11,000	(3,668)	7,332	7,332	
Supplies & Materials		79,783	79,783	79,783		24,386	65,424	89,810	89,810	
Total Support Services	24,819	73,675	98,494	98,494		116,967	24,298	141,265	141,265	
Facilities Acquisition & Construction Services:										
Instructional Equipment							1,817	1,817	1,817	
Total Facilities Acquisition & Construction Services							1,817	1,817	1,817	
Total Expenditures	373,286	193,906	567,192	567,192		675,205	67,790	742,995	742,995	
Total Outflows	373,286	193,906	567,192	567,192		675,205	67,790	742,995	742,995	
Excess/(Deficiency) of Revenues Over/(Under) Expenditures & Other Financing Sources/(Uses)	\$ -	-	-	-		-	-	-	-	

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

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

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

	GENERAL FUND N-1	SPECIAL REVENUE FUND
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue"		
From the Budgetary Comparison Schedule (C-Series)	\$33,593,321	567,192
Difference - Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Prior		(25,663)
Current		26,999
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	346,191	
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	(418,505)	
	\$33,521,007	568,528
Total Revenues as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds. (B-2)		
Uses/outflows of resources:		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$33,047,056	567,192
Differences - budget to GAAP		
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for <i>financial reporting</i> purposes.		1,336
	\$33,047,056	568,528
Total Expenditures as Reported on the Statement of Revenues, Expenditures, & Changes in Fund Balances - Governmental Funds (B-2)		

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

OTHER SUPPLEMENTARY INFORMATION

D. School Based Budget Schedules

Not Applicable



E. Special Revenue Fund



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

	I.D.E.A. PART B BASIC	I.D.E.A. PRESCHOOL	I.D.E.A. PART B BASIC ARRA	TITLE II-A
Revenues:				
Local Sources				
State Sources				
Federal Source	\$447,183	10,020	100	25,389
Total Revenues	\$447,183	10,020	100	25,389
Expenditures:				
Instruction:				
Salaries of Teachers				5,462
Salaries of Aides				
Purchased Technical Services		5,213		
Other Purchased Services		2,437		
Tuition	\$447,103			
General Supplies	80	2,370		
Total Instruction	447,183	10,020		5,462
Support Services:				
Personal Services - Employee				
Benefits				418
Purchased Professional				
Educational Services				8,338
Other Purchased Services				
Supplies & Materials			100	11,171
Total Support Services			100	19,927
Facilities Acquisition & Construction Services:				
Instructional Equipment				
Total Facilities Acquisition & Construction Services				
Total Expenditures	\$447,183	10,020	100	25,389

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

	NONPUBLIC		
	CORRECTIVE SPEECH	COMPENSATORY EDUCATION	E.S.L.
Revenues:			
Local Sources			
State Sources	\$2,923	1,691	862
Federal Source			
Total Revenues	\$2,923	1,691	862
Expenditures:			
Instruction:			
Salaries of Teachers			
Salaries of Aides			
Purchased Technical Services			
Other Purchased Services			
Tuition			
General Supplies			
Total Instruction			
Support Services:			
Personal Services - Employee Benefits			
Purchased Professional Education Services	\$2,923	1,691	862
Other Purchased Services			
Supplies & Materials			
Total Support Services	2,923	1,691	862
Facilities Acquisition & Construction Services:			
Instructional Equipment			
Total Facilities Acquisition & Construction Services			
Total Expenditures	\$2,923	1,691	862

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

	LOCAL GRANTS	2012	2011
Revenues:			
Local Sources	\$79,024	79,024	86,084
State Sources		5,476	5,564
Federal Source		482,692	651,347
		<hr/>	<hr/>
Total Revenues	\$79,024	567,192	742,995
		<hr/> <hr/>	<hr/> <hr/>
Expenditures:			
Instruction:			
Salaries of Teachers	\$5,613	11,075	244,385
Salaries of Aides			14,510
Purchased Technical Services		5,213	68,143
Other Purchased Services	420	2,857	239,778
Tuition		447,103	1,350
General Supplies		2,450	31,747
		<hr/>	<hr/>
Total Instruction	6,033	468,698	599,913
		<hr/>	<hr/>
Support Services:			
Personal Services - Employee Benefits	429	847	21,595
Purchased Professional Education Services	4,050	17,864	22,528
Other Purchased Services			7,332
Supplies & Materials	68,512	79,783	89,810
		<hr/>	<hr/>
Total Support Services	72,991	98,494	141,265
		<hr/>	<hr/>
Facilities Acquisition & Construction Services:			
Instructional Equipment			1,817
			<hr/>
Total Facilities Acquisition & Construction Services			1,817
			<hr/>
Total Expenditures	\$79,024	567,192	742,995
		<hr/> <hr/>	<hr/> <hr/>

F. Capital Projects Fund

**MILLSTONE BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

PROJECT TITLE/ISSUE	ORIGINAL DATE	ORIGINAL APPROPRIATIONS	EXPENDITURES TO DATE		UNEXPENDED BALANCE JUNE 30, 2012
			PRIOR YEARS	CURRENT YEAR	
New Middle School	5/24/04	\$37,817,245	37,620,003	3,981	193,261
Construction of Various Renovations to the Old Middle School	5/24/04	1,141,569	1,095,046		46,523
Construction of Various Renovations to the Elementary School	5/24/04	1,813,525	1,727,942		85,583
Total		\$40,772,339	40,442,991	3,981	325,367
					Unexpended Balance \$325,367
					Authorization not Funded (573)
					Fund Balance (Exhibit B-2) \$324,794

**MILLSTONE BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE-BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

Expenditures & Other Financing Uses:	
Equipment Purchases	<u>\$3,981</u>
Total Expenditures	<u>3,981</u>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	<u>(3,981)</u>
Fund Balance - Beginning	<u>328,775</u>
Fund Balance - Ending	<u><u>\$324,794</u></u>

**MILLSTONE TOWNSHIP BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND
PROJECT STATUS--BUDGETARY BASIS
NEW MIDDLE SCHOOL BUILDING
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2012**

	PRIOR PERIODS	CURRENT YEAR	TOTALS	REVISED AUTHORIZED COST
Revenues & Other Financing Sources:				
State Sources - SCC Grant	\$5,329,038		5,329,038	5,329,038
Bond Proceeds & Transfers	32,488,207		32,488,207	32,488,207
Total Reserve	37,817,245		37,817,245	37,817,245
Expenditures & Other Financing Uses:				
Purchased Professional & Technical Services	3,016,526	3,981	3,020,507	2,678,708
Construction Services	32,481,856		32,481,856	31,867,509
Equipment Purchases	1,702,704		1,702,704	2,878,000
Miscellaneous	418,917		418,917	393,028
Total Expenditures & Other Financing Uses	37,620,003	3,981	37,623,984	37,817,245
Excess/Deficiency) of Revenues Over/(Under) Expenditures	\$197,242	(3,981)	193,261	-

ADDITIONAL PROJECT INFORMATION

Project Number	
Grant Date	7/22/2004
Bond Authorization Date	6/29/2004
Bonds Authorized	\$32,416,902
Bonds Issued	\$32,416,902
Original Authorized Cost	\$37,745,940
Additional Authorized Cost	\$71,305
Revised Authorized Cost	\$37,817,245
Percentage Increase Over Original Authorized Cost	0.19%
Percentage Completion	99.49%
Original Target Completion Date	09/01/07
Revised Target Completion Date	09/01/07

**MILLSTONE TOWNSHIP BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND
PROJECT STATUS--BUDGETARY BASIS
RENOVATIONS AND REPAIRS TO OLD MILLSTONE MIDDLE SCHOOL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2012**

	PRIOR PERIODS	CURRENT YEAR	TOTALS	REVISED AUTHORIZED COST
Revenues & Other Financing Sources:				
State Sources - SCC Grant	\$408,662		408,662	408,662
Bond Proceeds & Transfers	732,907		732,907	732,907
Total Reserve	1,141,569		1,141,569	1,141,569
Expenditures & Other Financing Uses:				
Purchased Professional & Technical Services	201,268		201,268	248,000
Construction Services	876,865		876,865	847,950
Equipment Purchases				29,500
Miscellaneous	16,913		16,913	16,119
Total Expenditures & Other Financing Uses	1,095,046		1,095,046	1,141,569
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	\$46,523	-	46,523	-

ADDITIONAL PROJECT INFORMATION

Project Number	
Grant Date	7/22/2004
bond Authorization Date	6/29/2004
Bonds Authorized	\$1,141,376
Bonds Issued	\$1,141,376
Original Authorized Cost	\$1,902,293
Additional Authorized Cost	(\$760,724)
Revised Authorized Cost	\$1,141,569
Percentage Increase Over Original Authorized Cost	-39.99%
Percentage Completion	95.92%
Original Target Completion Date	09/01/07
Revised Target Completion Date	09/01/07

**MILLSTONE TOWNSHIP BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND
PROJECT STATUS--BUDGETARY BASIS
CONSTRUCTION OF VARIOUS RENOVATIONS TO THE ELEMENTARY SCHOOL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2012**

	PRIOR PERIODS	CURRENT YEAR	TOTALS	REVISED AUTHORIZED COST
Revenues & Other Financing Sources:				
State Sources - SCC Grant	\$517,066		517,066	517,066
Bond Proceeds & Transfers	1,295,886		1,295,886	1,296,459
Total Reserve	1,812,952		1,812,952	1,813,525
Expenditures & Other Financing Uses:				
Purchased Professional & Technical Services	210,702		210,702	257,000
Construction Services	1,446,161		1,446,161	1,452,940
Equipment Purchases	56,278		56,278	25,000
Miscellaneous	14,801		14,801	78,585
Total Expenditures & Other Financing Uses	1,727,942		1,727,942	1,813,525
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	\$85,010	-	85,010	-

ADDITIONAL PROJECT INFORMATION

Project Number	
Grant Date	7/22/2004
Bond Authorization Date	6/29/2004
Bonds Authorized	\$959,295
Bonds Issued	\$959,295
Original Authorized Cost	\$1,476,361
Additional Authorized Cost	\$337,164
Revised Authorized Cost	\$1,813,525
Percentage Increase Over Original Authorized Cost	22.84%
Percentage Completion	95.28%
Original Target Completion Date	10/31/05
Revised Target Completion Date	06/30/06

G. Proprietary Funds

Enterprise Funds

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

ASSETS	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS			2012	2011
	FOOD SERVICE	COMMUNITY EDUCATION	PERFORMING ARTS CENTER		
Current Assets:					
Cash & Cash Equivalents	\$160,684	12,107	116,693	289,484	77,482
Interfund Receivables		7,986		7,986	339,618
Intergovernmental Receivables	7,835			7,835	3,473
Other Receivables		200	4,833	5,033	
Inventories	10,825			10,825	9,182
Total Current Assets	179,344	20,293	121,526	321,163	429,755
Noncurrent Assets:					
Furniture, Machinery & Equipment	382,122			382,122	482,829
Less: Accumulated Depreciation	(175,135)			(175,135)	(348,053)
Total Noncurrent Assets	206,987			206,987	134,776
Total Assets	386,331	20,293	121,526	528,150	564,531
LIABILITIES					
Cash Overdraft					157,214
Accounts Payable	875	1,700	1,486	4,061	14,428
Interfund Payable	26,179		7,986	34,165	7,986
Deferred Revenue	10,994	2,888		13,882	10,251
Total Liabilities	38,048	4,588	9,472	52,108	189,879
NET ASSETS					
Investment in Capital Assets Net of Related Debt	206,987			206,987	176,988
Unrestricted	141,296	15,705	112,054	269,055	300,623
Total Net Assets	\$348,283	15,705	112,054	476,042	374,652

MILLSTONE TOWNSHIP BOARD OF EDUCATION
ENTERPRISE FUND
COMBINING SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN FUND NET ASSETS
AS OF JUNE 30, 2012
(With Comparative Totals for June 30, 2011)

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS			2012	2011
	FOOD SERVICE	COMMUNITY EDUCATION	PERFORMING ARTS CENTER		
Operating Revenues:					
Local Revenues:					
Daily Sales - Reimbursable Programs	\$217,369			217,369	234,071
Total - Daily Sales - Reimbursable Programs	217,369			217,369	234,071
Daily Sales - Nonreimbursable Programs	191,764			191,764	213,552
Special Functions	2,088			2,088	1,194
Interest Revenue	143			143	600
Community Service Activities		93,270	105,834	199,104	178,756
Total Operating Revenue	411,364	93,270	105,834	610,468	628,173
Operating Expenses:					
Cost of Sales	231,486			231,486	218,605
Salaries	196,609	31,694	35,082	263,385	274,564
Support Services - Employee Benefits	43,704	2,424	2,684	48,812	49,193
Management Fees	21,050			21,050	22,680
Purchased Professional/Technical Services	8,278	39,016	13,530	60,824	62,990
Supplies & Materials	19,352	3,256	5,280	27,888	28,593
Depreciation	19,621			19,621	42,212
General Insurance	8,545			8,545	8,507
Office Expense	2,058			2,058	2,130
Travel	2,278			2,278	2,510
Miscellaneous Expenditures	3,760	1,849	400	6,009	1,690
Total Operating Expenses	556,741	78,239	56,976	691,956	713,674
Operating Income/(Loss)	(145,377)	15,031	48,858	(81,488)	(85,501)
Nonoperating Revenues/(Expenses):					
State Sources:					
State School Lunch Program	4,376			4,376	5,002
Federal Sources:					
National School Lunch Program	54,213			54,213	52,438
Special Milk Program	1,336			1,336	1,995
Food Distribution Program	31,121			31,121	23,107
Contribution to the Board					(100,000)
Total Nonoperating Revenues/(Expenses)	91,046			91,046	(17,458)
Change in Net Assets	(54,331)	15,031	48,858	9,558	(102,959)
Total Net Assets - Beginning (Unadjusted)	310,782	674	63,196	374,652	477,611
Prior Period Adjustment (See Note 19)	91,832			91,832	
Total Net Assets - Beginning (Adjusted)	402,614	674	63,196	466,484	477,611
Total Net Assets - Ending	\$348,283	15,705	112,054	476,042	374,652

MILLSTONE TOWNSHIP BOARD OF EDUCATION
ENTERPRISE FUND
COMBINING SCHEDULE OF CASH FLOWS
AS OF JUNE 30, 2012
(With Comparative Totals for June 30, 2011)

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS			2012	2011
	FOOD SERVICE	COMMUNITY EDUCATION	PERFORMING ARTS CENTER		
Cash Flows From Operating Activities:					
Receipts from Customers	\$404,129	93,070	101,001	598,200	627,573
Payments to Employees	(240,313)	(34,118)	(37,766)	(312,197)	(323,757)
Payments to Suppliers	(273,493)	(41,062)	(20,111)	(334,666)	(303,078)
Interest Earned	143			143	600
Net Cash Provided/(Used) by Operating Activities	(109,534)	17,890	43,124	(48,520)	1,338
Cash Flows From Noncapital Financing Activities:					
State Sources	4,376			4,376	5,002
Federal Sources	55,549			55,549	57,227
Cash Received/(Paid) for Interfund Transfers	132,811		225,000	357,811	(342,189)
Cash Paid for Board Contribution					(100,000)
Net Cash Provided by Noncapital Financing Activities	192,736		225,000	417,736	(379,960)
Net Increase/(Decrease) in Cash & Cash Equivalents	83,202	17,890	268,124	369,216	(378,622)
Cash & Cash Equivalents, July 1	77,482	(5,783)	(151,431)	(79,732)	298,890
Cash & Cash Equivalents, June 30	\$160,684	12,107	116,693	289,484	(79,732)

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

Operating Income/(Loss)	(\$145,377)	15,031	48,858	(81,488)	(85,501)
Adjustments to Reconcile Operating Income/(Loss) to Cash Provided/(Used) by Operating Activities:					
Depreciation Expense	19,621			19,621	42,212
Food Distribution Program	31,121			31,121	23,107
Change in Assets & Liabilities:					
Increase/(Decrease) in Receivables	(7,835)	(200)	(4,833)	(12,868)	
Increase/(Decrease) in Inventory	(1,643)			(1,643)	7,053
(Decrease)/Increase in Accounts Payable	(6,164)	171	(901)	(6,894)	10,548
(Decrease)/Increase in Deferred Revenue	743	2,888		3,631	3,919
Net Cash Provided/(Used) by Operating Activities	(109,534)	17,890	43,124	(48,520)	1,338

Internal Service Fund

Not Applicable

H. Fiduciary Fund



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

ASSETS	PRIVATE PURPOSE TRUST		AGENCY		2012	2011
	SCHOLARSHIP FUND	UNEMPLOYMENT COMPENSATION	STUDENT ACTIVITIES	PAYROLL FUND		
Cash & Cash Equivalents	\$7,456	6,625	37,790	545,702	597,573	608,290
Interfund Receivable		32,593		17,713	50,306	
Total Assets	7,456	39,218	37,790	563,415	647,879	608,290
LIABILITIES						
Interfund Payable						24,693
Accounts Payable		26,229		5,116	31,345	16,484
Payable to Summer Teachers				558,299	558,299	512,816
Due to Student Groups			37,790		37,790	29,847
Total Liabilities		26,229	37,790	563,415	627,434	583,840
NET ASSETS						
Held in Trust for Unemployment Claims & Other Purposes		12,989			12,989	16,998
Reserved for Scholarships	7,456				7,456	7,452
Total Net Assets	\$7,456	12,989	-	-	20,445	24,450

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

	<u>PRIVATE PURPOSE TRUST</u>		2012	2011
	<u>SCHOLARSHIP FUNDS</u>	<u>UNEMPLOYMENT COMPENSATION</u>		
Additions:				
Contributions:				
Plan Member		67,648	67,648	367,230
Board Contribution		40,000	40,000	
Other - Interest	\$4	18	22	34
Total Additions	4	107,666	107,670	367,264
Deductions:				
Quarterly Contribution Reports		8,969	8,969	8,615
Unemployment Claims		102,706	102,706	339,558
Total Deductions		111,675	111,675	348,173
Change in Net Assets	4	(4,009)	(4,005)	19,091
Net Assets - Beginning of Year	7,452	16,998	24,450	5,359
New Assets - End of Year	\$7,456	12,989	20,445	24,450

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

	BALANCE JULY 1, 2011	CASH RECEIPTS	CASH DISBURSEMENTS	BALANCE JUNE 30, 2012
Elementary School	\$3,226	11,159	8,987	5,398
Primary School	3,220	13,054	14,568	1,706
Middle School	23,401	89,688	82,403	30,686
Total	\$29,847	113,901	105,958	37,790

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

ASSETS	BALANCE JULY 1, 2011	ADDITIONS	DELETIONS	BALANCE JUNE 30, 2012
Cash & Cash Equivalents	\$534,218	15,392,994	15,381,510	545,702
Interfund Receivable		17,713		17,713
Total Assets	\$534,218	15,410,707	15,381,510	563,415
LIABILITIES				
Net Payroll		14,847,292	14,847,292	
Payroll Deductions & Withholdings	\$4,116	5,116	4,116	5,116
Interfund Payable	17,286		17,286	
Payable to Summer Teachers	512,816	558,299	512,816	558,299
Total Liabilities	\$534,218	15,410,707	15,381,510	563,415



I. Long-Term Debt

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

ISSUE	DATE OF ISSUE	AMOUNT OF ISSUE	ANNUAL MATURITIES		INTEREST RATE	BALANCE JULY 1, 2011	ISSUED	REFUNDED	RETIRED	BALANCE JUNE 30, 2012	
			DATE	AMOUNT							
Refunding Bonds	01/08/03	\$8,780,000				\$4,970,000		4,340,000	630,000		
School District Revenue Bonds	07/15/04	34,517,000	07/15/12	800,000	4.250%	13,995,000		11,595,000	700,000	1,700,000	
			07/15/13	900,000	4.500%						
Refunding Bonds	05/15/05	4,565,000	3/15/2013	405,000	4.000%	3,110,000				385,000	2,725,000
			3/15/2014	425,000	4.000%						
			3/15/2015	445,000	4.000%						
			3/15/2016	465,000	4.000%						
			3/15/2017	485,000	4.000%						
			3/15/2018	500,000	4.000%						
Refunding Bonds	05/11/06	9,800,000	07/15/12	20,000	3.800%	9,555,000				20,000	9,535,000
			07/15/13	20,000	3.900%						
			07/15/14	20,000	4.000%						
			07/15/15	20,000	4.100%						
			07/15/16	25,000	4.100%						
			07/15/17-20	25,000	4.250%						
			07/15/21-23	30,000	4.250%						
			07/15/24-25	35,000	4.250%						
			07/15/26	1,150,000	4.300%						
			07/15/27	2,020,000	4.300%						
			07/15/28	2,015,000	4.400%						
			07/15/29	2,000,000	4.400%						
			07/15/30	1,985,000	4.400%						

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

ISSUE	DATE OF ISSUE	AMOUNT OF ISSUE	ANNUAL MATURITIES		INTEREST RATE	BALANCE JULY 1, 2011	ISSUED	REFUNDED	RETIRED	BALANCE JUNE 30, 2012
			DATE	AMOUNT						
Refunding Bonds	01/04/07	9,960,000	07/15/12-14	35,000	4.000%	9,855,000			30,000	9,825,000
			07/15/15-18	40,000	4.000%					
			07/15/19-20	45,000	4.000%					
			07/15/21	550,000	4.000%					
			07/15/22	2,040,000	4.000%					
			07/15/23	2,025,000	4.000%					
			07/15/24	2,011,000	4.000%					
			07/15/25	1,990,000	4.000%					
			07/15/26	855,000	4.000%					
Refunding Bonds	01/05/12	15,045,000	07/15/12	620,000	3.000%		15,045,000			15,045,000
			07/15/13	630,000	3.000%					
			07/15/14	1,655,000	4.000%					
			07/15/15	1,745,000	4.000%					
			07/15/16	1,820,000	4.000%					
			07/15/17	1,900,000	5.000%					
			07/15/18	1,445,000	5.000%					
			07/15/19	1,825,000	5.000%					
			07/15/20	1,925,000	5.000%					
			07/15/21	1,480,000	5.000%					
			Total							

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

SERIES	INTEREST RATE	AMOUNT OF ORIGINAL ISSUE	AMOUNT OUTSTANDING JUNE 30, 2011	ISSUED CURRENT YEAR	RETIRED CURRENT YEAR	AMOUNT OUTSTANDING JUNE 30, 2012
Musical Instruments	6.000%	44,153	\$9,328		9,328	
2008 School Buses (2)	4.340%	148,760	30,987		30,987	
2011 Mini School Buses (5)	4.050%	220,375	130,851		41,866	88,985
Total			\$171,166	-	82,181	88,985

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

	JUNE 30, 2012				VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	JUNE 30, 2011				VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
Revenues:										
Local Sources:										
Local Tax Levy	\$3,359,864		3,359,864	3,359,864		3,317,166		3,317,166	3,317,166	
Miscellaneous				29,657	29,657				3	3
State Sources:										
Debt Service Aid Type II	156,021		156,021	156,021		156,871		156,871	156,871	
Total Revenues	3,515,885		3,515,885	3,545,542	29,657	3,474,037		3,474,037	3,474,040	3
Expenditures										
Regular Debt Service:										
Interest on Bonds	1,772,792		1,772,792	1,763,248	9,544	1,844,643		1,844,643	1,844,643	
Redemption of Principal	1,765,000		1,765,000	1,765,000		1,630,000		1,630,000	1,630,000	
Total Expenditures	3,537,792		3,537,792	3,528,248	9,544	3,474,643		3,474,643	3,474,643	
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	(21,907)		(21,907)	17,294	39,201	(606)		(606)	(603)	3
Other Financing Sources/(Uses):										
Interfund Transfers									7	7
Total Other Financing Sources/Uses									7	7
Excess/(Deficiency) of Revenues & Other Financing Sources Over/ (Under) Expenditures	(21,907)		(21,907)	17,294	39,201	(606)		(606)	(596)	10
Fund Balance, July 1	21,917		21,917	21,917		22,513		22,513	22,513	
Fund Balance, June 30	\$10		10	39,211	39,201	21,907		21,907	21,917	10

STATISTICAL SECTION (Unaudited)



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

	FISCAL YEAR ENDING JUNE 30,									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Governmental Activities:										
Invested in Capital Assets,										
Net of Related Debt	\$5,160,126	8,121,597	7,535,367	7,212,141	6,561,473	4,005,370	(9,526,496)	(30,605,316)	1,419,410	17,755,791
Restricted	1,124,681	913,639	572,793	564,227	1,826,817	5,639,682	20,847,345	35,836,022	1,946,315	1,525,158
Unrestricted	(633,062)	301,039	657,241	389,272	582,266	(469,600)	(1,334,904)	(1,821,912)	247,087	6,178
Total Governmental Activities										
Net Assets	<u>\$5,651,745</u>	<u>9,336,275</u>	<u>8,765,401</u>	<u>8,165,640</u>	<u>8,970,556</u>	<u>9,175,452</u>	<u>9,985,945</u>	<u>3,408,794</u>	<u>3,612,812</u>	<u>19,287,127</u>
Business-Type Activities:										
Invested in Capital Assets,										
Net of Related Debt	\$206,987	134,776	176,988	58,296	74,014	89,732	105,450	121,630	139,069	108,782
Unrestricted	269,055	239,876	300,623	353,534	296,487	238,750	202,126	151,654	131,102	115,000
Total Business-Type Activities										
Net Assets	<u>\$476,042</u>	<u>374,652</u>	<u>477,611</u>	<u>411,830</u>	<u>370,501</u>	<u>328,482</u>	<u>307,576</u>	<u>273,284</u>	<u>270,171</u>	<u>223,782</u>
District-Wide:										
Invested in Capital Assets,										
Net of Related Debt	\$5,367,113	8,256,373	7,712,355	7,270,437	6,635,487	4,095,102	(9,421,046)	(30,483,686)	1,558,479	17,864,573
Restricted	1,124,681	913,639	572,793	564,227	1,826,817	5,639,682	20,847,345	35,836,022	1,946,315	1,525,158
Unrestricted	(364,007)	540,915	957,864	742,806	878,753	(230,850)	(1,132,778)	(1,670,258)	378,189	121,178
Total District Net Assets	<u>\$6,127,787</u>	<u>9,710,927</u>	<u>9,243,012</u>	<u>8,577,470</u>	<u>9,341,057</u>	<u>9,503,934</u>	<u>10,293,521</u>	<u>3,682,078</u>	<u>3,882,983</u>	<u>19,510,909</u>

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

	FISCAL YEAR ENDING JUNE 30,									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Expenses:										
Governmental Activities:										
Instruction:										
Regular	(\$5,814,291)	(5,158,805)	(6,153,797)	(6,537,407)	(6,335,433)	(8,494,466)	(7,871,403)	(7,580,520)	(7,060,480)	(6,002,730)
Special Education	(2,690,250)	(2,542,502)	(2,123,308)	(1,990,464)	(1,797,193)	(2,242,177)	(1,976,998)	(1,789,206)	(1,683,537)	(1,454,960)
Other Special Instruction	(527,632)	(445,707)	(354,077)	(359,587)	(380,523)	(336,806)	(438,962)	(387,869)	(153,804)	(156,887)
Other Instruction	(131,444)	(119,935)	(142,167)	(147,554)	(141,185)	(269,296)	(153,978)	(146,552)	(105,128)	(20,660)
Support Services & Undistributed Costs:										
Tuition	(10,126,312)	(11,701,161)	(10,880,256)	(10,319,542)	(9,570,884)	(8,948,790)	(8,562,012)	(6,991,483)	(6,885,773)	(6,070,812)
Student & Instruction										
Related Services	(1,658,189)	(1,535,567)	(1,630,808)	(1,795,462)	(1,636,439)	(2,375,568)	(2,284,057)	(1,979,650)	(2,002,053)	(1,557,604)
School Administrative Services	(891,827)	(861,779)	(949,893)	(999,501)	(986,592)	(837,919)	(862,242)	(866,919)	(883,759)	(583,418)
General Administrative Services	(661,651)	(456,079)	(497,075)	(467,948)	(416,945)	(490,816)	(1,050,945)	(1,091,357)	(1,026,429)	(1,684,937)
Central	(342,592)	(339,029)	(364,617)	(384,990)	(378,974)	(456,858)				
Plant Operations & Maintenance	(1,840,167)	(1,886,643)	(2,021,320)	(2,102,121)	(2,258,458)	(1,918,213)	(2,185,356)	(1,933,749)	(1,338,798)	(1,236,553)
Administrative Information Technology	(313,186)	(255,765)	(294,576)	(244,183)	(229,763)	(220,306)				
Pupil Transportation	(2,862,349)	(2,688,008)	(2,462,358)	(2,712,275)	(2,572,966)	(3,577,126)	(2,902,349)	(2,358,584)	(2,204,923)	(2,084,961)
Unallocated Employee Benefits	(5,637,072)	(5,035,314)	(5,313,796)	(5,190,250)	(5,255,428)					
Special Schools			(107,846)	(103,760)	(102,739)	(102,997)	(102,340)	(81,956)	(59,010)	(48,342)
Interest on Long-Term Debt	(2,060,481)	(1,817,754)	(1,905,129)	(1,936,173)	(2,099,116)	(1,747,059)	(1,443,627)	(2,051,793)	(644,518)	(523,570)
Unallocated Change in Compensated Absences	(37,932)	(40,283)	2,925	41,590	(70,510)					
Unallocated Amortization of Bond Costs & Losses	\$54,842	(79,870)	(79,871)	(79,870)	(36,138)					
Unallocated Depreciation	(1,221,419)	(1,325,989)	(1,424,865)	(1,460,545)	(1,755,822)	(696,228)	(747)	(13,560)	(362,961)	(351,999)
Total Governmental Activities Expenses	(36,761,952)	(36,290,190)	(36,702,834)	(36,790,042)	(36,025,108)	(32,714,625)	(29,835,016)	(27,273,198)	(24,411,173)	(21,777,433)

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

	FISCAL YEAR ENDING JUNE 30,									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Business-Type Activities:										
Food Service	(556,741)	(560,929)	(563,584)	(548,871)	(556,341)	(513,112)	(503,194)	(466,744)	(453,430)	(428,672)
Performing Arts Center	(56,976)	(74,568)	(78,238)	(51,963)	(11,351)					
Mast Program	(78,239)	(78,177)			(10,338)	(30,490)	(32,511)	(28,280)	(31,127)	(28,620)
Total Business-Type Activities Expense	(691,956)	(713,674)	(641,822)	(600,834)	(578,030)	(543,602)	(535,705)	(495,024)	(484,557)	(457,292)
Total District Expenses	(\$37,453,908)	(37,003,864)	(37,344,656)	(37,390,876)	(36,603,138)	(33,258,227)	(30,370,721)	(27,768,222)	(24,895,730)	(22,234,725)
Governmental Activities:										
Charges for Services:										
Pupil Transportation	49,815	52,686	83,264	296,306		65,752	56,508	49,317	70,275	36,935
Special Schools			38,381	33,200	37,026	68,624	62,936	67,645	64,655	40,604
Operating Grants & Contributions	568,528	729,732	640,918	563,567	509,692	1,179,606	1,185,409	1,053,242	1,140,948	1,012,135
Capital Grants & Contributions							5,226,251	865,814		20,748
Total Governmental Activities										
Program Revenues	618,343	782,418	762,563	893,073	546,718	1,313,982	6,531,104	2,036,018	1,275,878	1,110,422
Business-Type Activities:										
Charges for Services:										
Food Service	411,221	448,817	454,030	469,661	468,862	451,864	472,645	407,717	391,723	371,745
Performing Arts Center	105,834	99,905	130,037	100,624	57,795					
Community Education Program	93,270	78,851			9,995	45,975	42,713	40,287	35,361	41,366
Operating Grants & Contributions	91,046	82,542	89,838	71,046	81,552	66,669	54,641	50,132	57,684	49,797
Total Business Type Activities Program										
Revenues	701,371	710,115	673,905	641,331	618,204	564,508	569,999	498,136	484,768	462,908
Total District Program Revenues	\$1,319,714	1,492,533	1,436,468	1,534,404	1,164,922	1,878,490	7,101,103	2,534,154	1,760,646	1,573,330

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

	FISCAL YEAR ENDING JUNE 30,									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Net/(Expense)/Revenue:										
Governmental Activities	(\$36,143,609)	(35,507,772)	(35,940,271)	(35,896,969)	(35,478,390)	(31,400,643)	(23,303,912)	(25,237,180)	(23,135,295)	(20,667,011)
Business-Type Activities	9,415	(3,559)	32,083	40,497	40,174	20,906	34,294	3,112	211	5,616
Total District-Wide Net Expenses	<u>(\$36,134,194)</u>	<u>(35,511,331)</u>	<u>(35,908,188)</u>	<u>(35,856,472)</u>	<u>(35,438,216)</u>	<u>(31,379,737)</u>	<u>(23,269,618)</u>	<u>(25,234,068)</u>	<u>(23,135,084)</u>	<u>(20,661,395)</u>
General Revenues & Other Changes in Net Assets:										
Governmental Activities:										
Property Taxes Levied for General Purposes,										
Net	\$26,371,784	26,371,784	25,313,031	25,228,280	24,916,217	21,988,746	20,068,800	18,604,685	17,977,040	15,806,772
Taxes Levied for Debt Service	3,359,864	3,317,166	3,189,693	2,621,792	2,614,471	2,196,773	3,176,100	1,166,219	531,324	1,154,492
Unrestricted Grants & Contributions	6,387,057	5,546,114	6,933,729	6,705,063	6,763,325	5,795,394	5,188,878	5,016,981	4,870,749	4,424,724
Investment Earnings					4,082	727,302	1,168,392	663,157	51,450	59,660
Miscellaneous Income	858,029	843,582	968,461	536,918	975,398	357,620	278,893	272,467	307,515	403,107
Total Governmental Activities	<u>36,976,734</u>	<u>36,078,646</u>	<u>36,404,914</u>	<u>35,092,053</u>	<u>35,273,493</u>	<u>31,065,835</u>	<u>29,881,063</u>	<u>25,723,509</u>	<u>23,738,078</u>	<u>21,848,755</u>
Business-Type Activities:										
Miscellaneous Income / (Transfers)		(100,000)	167,666							
Interest Earnings	143	600	1,150	832	1,845					
Total Business-Type Activities	<u>143</u>	<u>(99,400)</u>	<u>168,816</u>	<u>832</u>	<u>1,845</u>					
Total District-Wide	<u>\$36,976,877</u>	<u>35,979,246</u>	<u>36,573,730</u>	<u>35,092,885</u>	<u>35,275,338</u>	<u>31,065,835</u>	<u>29,881,063</u>	<u>25,723,509</u>	<u>23,738,078</u>	<u>21,848,755</u>
Change in Net Assets:										
Governmental Activities	\$833,125	570,874	464,643	(804,916)	(204,897)	(334,808)	6,577,151	486,329	602,783	1,181,744
Business-Type Activities	9,558	(102,959)	200,899	41,329	42,019	20,906	34,294	3,112	211	5,616
Total District	<u>\$842,683</u>	<u>467,915</u>	<u>665,542</u>	<u>(763,587)</u>	<u>(162,878)</u>	<u>(313,902)</u>	<u>6,611,445</u>	<u>489,441</u>	<u>602,994</u>	<u>1,187,360</u>

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

	FISCAL YEAR ENDING JUNE 30,									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
General Fund:										
Restricted	\$441,907	306,460	364,712	43,886	229,320	174,451	1,406,927	1,862,868	1,162,531	1,100,002
Assigned	473,475	256,487								
Unassigned	258,325	176,809	206,747	94,744	272,146	(92,128)	(381,193)	80,778	618,495	401,162
Total General Fund	\$1,173,707	739,756	571,459	138,630	501,466	82,323	1,025,734	1,943,646	1,781,026	1,501,164
All Other Governmental Funds:										
Assigned			100,455	74,215	659,059	2,766,472	13,928,737	33,514,163	2,759,500	118,249
Restricted, Reported in:										
Capital Projects Fund	324,794	328,775	318,113	424,053	409,209	1,945,802	4,090,593	(281,834)	(2,029,520)	39,640
Debt Service Fund	39,211	21,917	22,513	22,073	529,229	907,763	1,161,273	619,853	53,804	267,266
Total All Other Governmental Funds	\$364,005	350,692	441,081	520,341	1,597,497	5,620,037	19,180,603	33,852,182	783,784	425,155

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

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Revenues:										
Local Tax Levy	\$29,731,648	29,688,950	28,502,724	27,850,072	27,530,688	24,185,519	23,244,900	19,770,895	18,508,364	16,961,264
Interest Earnings					4,082	727,302	197,189			
Miscellaneous	947,844	796,268	1,068,213	866,424	1,012,424	491,996	398,336	467,944	493,895	408,385
State Sources	6,286,911	5,635,945	6,537,666	6,797,150	6,837,994	6,494,711	11,142,143	5,713,037	5,643,490	5,135,964
Federal Sources	668,674	639,901	1,036,981	471,480	435,023	480,289	458,395	357,186	368,207	300,894
Total Revenue	37,635,077	36,761,064	37,145,584	35,985,126	35,820,211	32,379,817	35,440,963	26,309,062	25,013,956	22,806,507
Expenditures:										
Instruction:										
Regular	5,814,291	5,158,805	6,153,797	6,537,407	6,335,433	6,327,714	6,107,550	5,642,575	5,273,095	4,530,850
Special	2,220,216	1,954,035	1,664,162	1,561,053	1,507,700	1,516,514	1,352,097	1,367,501	1,262,540	1,108,505
Other	527,632	445,707	354,077	359,587	380,523	336,806	319,703	272,824	114,077	128,053
School-Sponsored/Other										
Instructional	131,444	119,935	142,167	147,554	141,185	141,238	146,271	140,691	95,113	11,700
Undistributed:										
Instruction	10,126,312	11,701,161	10,880,256	10,319,542	9,570,884	8,948,790	8,562,012	7,269,435	6,885,773	6,070,812
Support Services - Students	1,658,189	1,535,567	1,630,808	1,795,462	1,636,439	1,597,337	1,468,018	1,133,465	1,023,827	983,049
Support Services - Instructional Staff						206,666	256,401	394,975	395,770	439,017
General Administration	661,651	456,079	497,075	467,948	416,945	418,444		490,956	569,743	649,845
School Administrative Service:	793,333	720,514	768,121	865,345	766,393	680,409	717,289	698,915	687,673	619,645
Central Services	342,592	339,029	364,617	384,990	378,974	380,950	388,315			
Administrative Information										
Technology	313,186	255,765	294,576	244,183	229,763	189,943	86,534			
Plant Operations & Maintenance	1,840,167	1,886,643	2,020,459	2,102,121	2,258,458	1,651,297	1,508,809	1,288,730	1,141,932	1,055,851
Pupil Transportation	2,944,530	2,819,912	2,626,120	2,860,831	2,763,488	2,353,444	1,985,793	1,797,451	1,655,350	1,643,386
Business & Other Support Services:										
Employee Benefits	4,078,705	3,741,416	4,045,519	3,950,789	3,724,119	3,526,281	3,193,473	2,885,099	2,450,308	2,083,621
Other							135,449	426,473	338,425	297,055
On-Behalf TPAF Pension										
Contributions	848,235	633,325	604,315	582,477	879,647	868,763	320,685	227,482	230,767	157,862
Reimbursed TPAF FICA										
Contributions	710,132	660,573	663,962	656,984	651,662	612,398	592,924	565,422	554,647	481,898

83

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

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Expenditures (continued):										
Special Schools			107,846	103,760	102,739	102,997	86,353	75,784	53,617	44,302
Capital Outlay	40,422	148,498	309,358	607,657	4,081,727	13,946,759	377,932	370,858	960,068	212,961
Special Revenue	568,528	731,549	647,125	563,567	573,806				507,052	411,365
Debt Service:										
Principal	1,765,000	1,630,000	1,490,000	1,355,000	1,200,000	1,043,820	830,000	755,000	255,000	600,000
Interest & Other Charges	1,763,248	1,844,643	1,905,041	1,958,861	2,016,637	2,127,434	2,989,817	597,223	679,751	522,328
Total Expenditures	37,147,813	36,783,156	37,169,401	37,425,118	39,616,522	46,978,004	31,425,425	26,400,859	25,134,528	22,052,105
Excess (Deficiency) of Revenues Over/(Under) Expenditures	487,264	(22,092)	(23,817)	(1,439,992)	(3,796,311)	(14,598,187)	4,015,538	(91,797)	(120,572)	754,402
Other Financing Sources/(Uses):										
Capital Leases			220,375		192,913	94,211	292,500	170,645	186,969	
Bonds Proceeds						9,960,000	9,800,000	4,694,286		
Repayment of Bond Escrow						(9,827,440)	(9,651,851)	(4,593,542)		
Cost of Issuance						(132,560)	(148,149)	(61,152)		
Cancelled Prior Year Liabilities			21,893							
Transfers In		100,007	135,128		18,281	476,653	971,203	624,282	4,766	
Transfers Out	(40,000)	(7)	(10)		(18,281)	(476,653)				
Total Other Financing Sources/ (Uses)	(40,000)	100,000	377,386		192,913	94,211	1,263,703	834,519	191,735	
Net Change in Fund Balances	\$447,264	77,908	353,569	(1,439,992)	(3,603,398)	(14,503,976)	5,279,241	742,722	71,163	754,402
Debt Service as a Percentage of Noncapital Expenditures	4.75%	5.01%	5.13%	5.23%	5.09%	4.53%	9.51%	2.26%	2.70%	2.37%

Source: District records

Note: Noncapital expenditures are total expenditures less capital outlay.

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

FISCAL YEAR ENDED JUNE 30,	TRANSPORTATION	TUITION	INTEREST ON INVESTMENTS	RECREATION FEES	MILLSTONE TOWNSHIP	EMPLOYEE HEALTH BENEFITS	PRIOR YEAR REFUNDS	ENRICHMENT PROGRAM FEES	COMMUNITY SCHOOL FEES	MISCELLANEOUS	TOTAL
2012	316,227	49,815		73,990		60,462	94,835	219,120		24,714	839,163
2011	33,329	541,225	6,335	73,280		17,028	23,113			15,864	710,174
2010	1,768	356,184	17,128	68,500		138,244	28,623		69,867	278,427	958,741
2009		296,306	82,166	39,775		127,834	2,625		65,680	183,482	797,868
2008		37,026	202,452	40,375		112,622	17,995		67,009	368,076	845,555
2007	65,752		208,592			95,619	6,382		68,624	140,135	585,104
2006	51,690		182,518			70,311	21,058		62,936	75,114	463,627
2005	49,317		73,536			133,949	11,229		67,645	85,902	421,578
2004	70,275		51,238			125,704	71,805		64,655	43,549	427,226
2003	36,935		58,055		16,886	170,567	750		40,604	72,015	395,812

Source: District Records

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

YEAR ENDED JUNE 30,	VACANT LAND	RESIDENTIAL	FARM REG.	QFARM	COMMERCIAL	INDUSTRIAL	APARTMENT	TOTAL ASSESSED VALUE	PUBLIC UTILITIES	NET VALUATION TAXABLE	TOTAL DIRECT SCHOOL TAX RATE	ESTIMATED ACTUAL (COUNTY EQUALIZED) VALUE
2012	\$35,426,700	1,375,803,700	77,261,100	4,714,400	61,171,800	4,084,500		1,558,462,200	7,633,606	1,566,095,806	1.900	1,921,678,627
2011	43,822,300	1,556,812,100	88,872,900	4,583,600	67,627,300	4,641,500		1,766,359,700	7,170,368	1,773,530,068	1.731	1,971,022,893
2010	46,220,600	1,552,680,700	87,965,200	4,476,800	67,269,200	4,659,100		1,763,271,600	11,089,083	1,774,360,683	1.619	2,064,305,736
2009	38,030,500	1,233,242,800	72,632,400	4,031,600	52,893,500	3,870,700		1,404,701,500	4,679,322	1,409,380,822	2.022	2,122,635,950
2008	39,196,900	1,226,606,600	71,547,300	4,201,200	49,961,900	3,925,900		1,395,439,800	3,968,458	1,399,408,258	1.990	2,162,741,595
2007	41,914,200	1,210,892,100	70,671,100	4,262,400	49,327,600	3,925,900		1,380,993,300	2,078,739	1,383,072,039	1.991	2,057,340,295
2006	45,338,200	1,186,809,300	69,915,400	4,277,900	45,988,000	3,925,900		1,356,254,700	2,157,058	1,358,411,758	1.780	1,848,549,781
2005	48,970,300	1,149,034,100	68,948,200	4,438,400	44,217,200	3,925,900		1,319,534,100	2,490,053	1,322,024,153	1.759	1,616,218,439
2004	56,366,400	1,088,924,300	68,599,200	4,558,900	42,286,000	3,925,900		1,264,660,700	2,580,140	1,267,240,840	1.560	1,389,855,956
2003	59,068,600	1,052,865,400	67,538,300	4,790,900	40,924,100	3,925,900		1,229,113,200	2,949,647	1,232,062,847	1.502	1,228,560,135

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

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

FISCAL YEAR ENDED JUNE 30,	SCHOOL DISTRICT DIRECT RATE			OVERLAPPING RATES		TOTAL DIRECT AND OVERLAPPING TAX RATE
	BASIC RATE	GENERAL OBLIGATION DEBT SERVICE	TOTAL DIRECT SCHOOL TAX RATE	MILLSTONE	MONMOUTH	
				TOWNSHIP	COUNTY	
2012	1.680	0.220	1.900	0.225	0.364	2.489
2011	1.530	0.201	1.731	0.158	0.301	2.190
2010	1.439	0.180	1.619	0.146	0.321	2.086
2009	1.832	0.190	2.022	0.158	0.395	2.575
2008	1.803	0.187	1.990	0.158	0.400	2.548
2007	1.749	0.242	1.991	0.140	0.411	2.542
2006	1.518	0.240	1.758	0.140	0.415	2.313
2005	1.468	0.092	1.560	0.120	0.416	2.096
2004	1.459	0.043	1.502	0.085	0.421	2.008
2003	1.329	0.097	1.426	0.100	0.402	1.928

Source: Municipal Tax Collector

EXHIBIT J-8 NOT AVAILABLE

EXHIBIT J-9

**MILLSTONE TOWNSHIP BOARD OF EDUCATION
SCHOOL PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**

FISCAL YEAR ENDED JUNE 30,	TAXES LEVIED FOR THE FISCAL YEAR	COLLECTED WITHIN THE FISCAL YEAR OF THE LEVY		COLLECTIONS IN SUBSEQUENT YEARS
		AMOUNT	PERCENTAGE OF LEVY	
2012	\$29,731,648	29,731,648	100.00%	
2011	29,688,950	29,688,950	100.00%	-
2010	28,502,724	28,502,724	100.00%	-
2009	27,850,072	27,850,072	100.00%	-
2008	27,530,688	27,530,688	100.00%	-
2007	24,185,519	24,185,519	100.00%	-
2006	23,244,900	23,244,900	100.00%	-
2005	19,770,895	19,770,895	100.00%	-
2004	18,508,364	18,508,364	100.00%	-
2003	16,961,264	16,961,264	100.00%	-

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

EXHIBIT J-10

**RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS**

FISCAL YEAR ENDED JUNE 30,	GOVERNMENTAL ACTIVITIES			PERCENTAGE OF PERSONAL INCOME	PER CAPITA
	GENERAL OBLIGATION BONDS	CAPITAL LEASES	TOTAL DISTRICT		
2012	\$38,830,000	88,985	38,918,985	6.46%	3,679.24
2011	41,485,000	171,166	41,656,166	7.06%	3,938.37
2010	43,115,000	303,070	43,418,070	7.16%	4,247.10
2009	44,605,000	246,457	44,851,457	7.63%	4,400.22
2008	45,960,000	395,013	46,355,013	8.46%	4,545.50
2007	47,160,000	392,623	47,552,623	9.51%	4,674.85
2006	47,807,000	461,040	48,268,040	10.05%	4,762.98
2005	47,957,000	278,583	48,235,583	10.99%	4,859.52
2004	14,092,000	299,181	14,391,181	3.40%	1,489.15
2003	14,347,000	262,736	14,609,736	3.49%	1,548.79

**MILLSTONE TOWNSHIP BOARD OF EDUCATION
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS**

FISCAL YEAR ENDED JUNE 30,	GENERAL BONDED DEBT OUTSTANDING			PERCENTAGE OF ACTUAL TAXABLE VALUE OF PROPERTY	PER CAPITA
	GENERAL OBLIGATION BONDS	DEDUCTIONS	NET GENERAL BONDED DEBT OUTSTANDING		
2012	\$38,830,000	-	38,830,000	2.48%	3,670.83
2011	41,485,000	-	41,485,000	2.34%	3,922.19
2010	43,115,000	-	43,115,000	2.43%	4,217.45
2009	44,605,000	-	44,605,000	3.16%	4,376.04
2008	45,960,000	-	45,960,000	3.28%	4,506.77
2007	47,160,000	-	47,160,000	3.41%	4,636.26
2006	47,807,000	-	47,807,000	3.52%	4,717.49
2005	47,957,000	-	47,957,000	3.63%	4,831.45
2004	14,092,000	-	14,092,000	1.11%	1,458.20
2003	14,347,000	-	14,347,000	1.16%	1,520.94

**RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2012**

GOVERNMENTAL UNIT	DEBT OUTSTANDING	ESTIMATED PERCENTAGE APPLICABLE	SHARE OF OVERLAPPING DEBT
Debt Repaid With Property Taxes:			
Millstone Township	\$20,596,611	100.000%	\$20,596,611
Monmouth County General Obligation Debt	478,680,405	1.634%	<u>7,821,638</u>
Subtotal, Overlapping Debt			28,418,249
Millstone Township Board of Education			<u>38,830,000</u>
Total Direct & Overlapping Debt			<u><u>\$67,248,249</u></u>

Sources: Assessed value data used to estimate applicable percentages provided by the Monmouth County Board of Taxation.

Debt outstanding data provided by each governmental unit.

**MILLSTONE TOWNSHIP BOARD OF EDUCATION
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
(Dollars in Thousands)**

	FISCAL YEAR									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Debt Limit	\$58,952,053	60,934,600	62,693,715	62,508,827	53,542,412	53,542,412	46,844,931	40,718,214	35,576,754	31,138,912
Total Net Debt Applicable to Limit	38,830,000	41,485,000	43,115,000	44,605,000	45,960,000	47,160,000	47,807,000	47,957,000	14,092,000	14,347,000
Legal Debt Margin	\$20,122,053	19,449,600	19,578,715	17,903,827	7,582,412	6,382,412	(962,069)	(7,238,786)	21,484,754	16,791,912
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	65.9%	68.1%	68.8%	71.4%	85.8%	88.1%	102.1%	117.8%	39.6%	46.1%

Legal Debt Margin Calculation for Fiscal Year 2011

Equalized Valuation Basis	
2011	\$1,902,994,721
2010	1,957,885,410
2009	<u>2,034,325,127</u>
	<u>\$5,895,205,258</u>

Average Equalized Valuation of Taxable Property	<u>\$1,965,068,419</u>
Debt Limit (3 % of Average Equalization Value)	\$58,952,053
Net Bonded School Debt	<u>38,830,000</u>
Legal Debt Margin	<u>\$20,122,053</u>

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

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

YEAR	POPULATION	PERSONAL INCOME	MONMOUTH COUNTY	UNEMPLOYMENT RATE
			PER CAPITA INCOME	
2012	10,578	602,469,990	56,955	N/A
2011	10,577	589,815,828	55,764	3.80%
2010	* 10,223	606,571,482	59,334	3.70%
2009	10,193	588,034,170	57,690	3.70%
2008	10,198	547,795,768	53,716	2.20%
2007	10,172	500,147,068	49,169	1.70%
2006	10,134	480,088,116	47,374	1.90%
2005	9,926	438,997,202	44,227	1.80%
2004	9,664	423,331,520	43,805	2.00%
2003	9,433	416,051,898	44,106	2.40%

Source: NJ Dept of Labor and Workforce Development

* 2010 Census

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

	2012	2003
	EMPLOYEES	EMPLOYEES
Millstone Board of Education	216	256
Total	216	256

Source: Monmouth County Economic Development

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

Function/Program	2012	2011	2010	2009	2008	2007	2006	2005
Instruction:								
Regular	81	81	103	108	110	110	105	104
Special Education	49	49	39	39	39	40	34	38
Other Special Education	4	4	4	4	4	9	9	8
Support Services:								
Student & Instruction Related Services	26	26	26	36	36	35	36	34
General Administration	3	3	5	5	5	3	3	3
School Administrative Services	11	11	14	15	15	14	10	10
Central Services	8	8	8	6	6	5	5	5
Plant Operations & Maintenance	29	29	29	21	23	15	15	13
Pupil Transportation	3	3	36	43	44	43	44	44
Other Support Services VA					2	1	1	1
Special School	1	1	1	1	1	1	1	1
Food Service	1	1	1	1	1	2	2	2
Total	216	216	266	279	286	278	265	263

Source: District Personnel Records

**MILLSTONE TOWNSHIP BOARD OF EDUCATION
OPERATING STATISTICS
LAST TEN FISCAL YEARS**

FISCAL YEAR	ENROLLMENT	OPERATING EXPENDITURES (a)	COST PER PUPIL	PERCENTAGE CHANGE	TEACHING STAFF (b)	PUPIL/TEACHER RATIO		AVERAGE DAILY ENROLLMENT (ADE) (c)	AVERAGE DAILY ATTENDANCE (ADA) (c)	% CHANGE IN AVERAGE DAILY ENROLLMENT	STUDENT ATTENDANCE PERCENTAGE
						ELEMENTARY	MIDDLE SCHOOL				
2012	1,448	\$33,579,143	23,190	7.21%	129	11/1	11/1	1,450.80	1,395.60	-5.29%	96.2%
2011	1,533	33,160,015	21,631	2.46%	136	12/1	12/1	1,531.90	1,459.80	-2.70%	95.3%
2010	1,580	33,357,156	21,112	3.48%	144	13/1	13/1	1,574.38	1,524.04	-2.94%	96.8%
2009	1,637	33,399,840	20,403	4.75%	148	13/1	12/1	1,622.10	1,545.20	-2.34%	95.3%
2008	1,654	32,215,419	19,477	9.45%	135	13/1	12/1	1,660.90	1,595.59	-1.55%	96.1%
2007	1,678	29,859,993	17,795	9.82%	135	13/1	12/1	1,687.00	1,606.00	-3.10%	95.2%
2006	1,731	28,049,140	16,204	10.68%	134	13/1	13/1	1,741.00	1,670.73	1.27%	96.0%
2005	1,711	25,048,637	14,640	3.02%	124	14/1	14/1	1,719.20	1,635.30	2.00%	95.1%
2004	1,703	24,199,775	14,210	12.03%	118	14/1	14/1	1,685.50	1,607.30	1.13%	95.4%
2003	1,650	20,929,776	12,685	5.01%	107	15/1	15/1	1,666.70	1,594.40	5.40%	95.7%

Sources: District records

**MILLSTONE TOWNSHIP BOARD OF EDUCATION
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEAR**

DISTRICT BUILDINGS	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Primary Schools:										
Millstone Primary (1995):										
Square Feet	82,000	82,000	82,000	82,000	82,000	82,000	82,000	82,000	82,000	82,000
Capacity (Students)	645	645	645	645	645	597	597	597	597	597
Enrollment	401	440	452	468	480	890	890	903	918	888
Elementary School:										
Millstone Elementary (1958/1987/1999):										
Square Feet	59,495	59,495	59,495	59,495	59,495	59,495	59,495	59,495	59,495	59,495
Capacity (Students)	592	592	592	592	592	407	407	407	407	407
Enrollment	480	510	521	560	551	841	841	808	785	762
Middle School:										
Millstone Middle (2007):										
Square Feet	167,536	167,536	167,536	167,536	167,536	N/A	N/A	N/A	N/A	N/A
Capacity (Students)	650	650	650	650	650	N/A	N/A	N/A	N/A	N/A
Enrollment	567	583	608	609	623	N/A	N/A	N/A	N/A	N/A
Central Administration (1989)										
Square Feet	1,120	1,120	1,120	1,120	1,120	1,120	1,120	1,120	1,120	1,120
Number of Schools at June 30, 2012:										
Primary = 1										
Elementary = 1										
Middle School = 1										
Other = 1										

Source: District Facilities Office

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.

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

SCHOOL FACILITIES	PROJECT #	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Millstone Primary	N/A	\$91,585	70,455	91,080	97,283	107,821	244,896	122,069	108,363	84,753	49,827
Millstone Elementary	N/A	65,417	51,120	66,085	70,586	78,229	194,335	70,837	59,169	64,902	37,083
Millstone Middle	N/A	170,085	130,948	186,086	198,759	220,290	N/A	N/A	N/A	N/A	N/A
Total		\$327,087	252,523	343,251	366,628	406,340	439,231	192,906	167,532	149,655	86,910

* 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

**MILLSTONE TOWNSHIP BOARD OF EDUCATION
INSURANCE SCHEDULE
JUNE 30, 2012**

	COVERAGE	DEDUCTIBLE
School Package Policy (1):		
Building & Contents (All Locations)	\$67,232,288	1,000
General Automobile Liability	1,000,000	
School Board Legal Liability (3)	10,000,000	5,000
Employers Liability	1,000,000	
Garage	5,000,000	
Umbrella Liability:		
Umbrella (1)	10,000,000	
Umbrella "CAP" (2)	50,000,000	
Workers' Compensation (3)	2,000,000	
Supplementary Workers' Compensation (6)	1,750 Per Week	
Student Accident Insurance (4)	1,000,000	
Surety Bonds:		
Treasurer (5)	251,000	
Board Secretary/Business Administrator (5)	10,000	
(1) Utica Mutual		
(2) Firemen's Fund		
(3) New Jersey School Boards Insurance Group		
(4) Groseclose		
(5) Selective		
(6) Chugg		

Source: District records.

SINGLE AUDIT SECTION

EXHIBIT K-1

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

Honorable President and Members
of the Board of Education
Millstone Township School District
County of Monmouth
Millstone Township, New Jersey 08751

We have audited the basic financial statements of the Millstone Township School District, County of Monmouth, State of New Jersey, as of and for the fiscal year ended June 30, 2012, and have issued our report thereon dated November 23, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Millstone Township Board of Education's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a

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

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

Respectfully submitted,

HOLMAN & FRENIA, P. C.

A handwritten signature in black ink, appearing to read 'RRH', with a long horizontal line extending to the right.

Rodney R. Haines
Certified Public Accountant
Public School Accountant
No. CS2198

November 23, 2012
Medford, New Jersey

EXHIBIT K-2

**REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A
DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON
INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH
OMB CIRCULAR A-133 AND NEW JERSEY OMB CIRCULAR 04-04**

Honorable President and Members
of the Board of Education
Millstone Township School District
County of Monmouth
Millstone Township, New Jersey 08751

Compliance

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

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

In our opinion, the Board of Education of the Millstone Township School District, County of Monmouth, State of New Jersey, complied, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal or state programs for the year ended June 30, 2012.

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

Internal Control Over Compliance

The management of the Millstone Township School District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to major federal and state programs. In planning and performing our audit, we considered Millstone Township School District's internal control over compliance with requirements that could have a direct and material effect on a major federal and state programs in order to determine 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 Millstone Township School District's internal control over compliance.

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

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

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

Respectfully submitted,

HOLMAN & FRENIA, P. C.



Rodney R. Haines
Certified Public Accountant
Public School Accountant
No. CS2198

November 23, 2012
Medford, New Jersey

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

FEDERAL GRANTOR PASS-THROUGH GRANTOR PROGRAM TITLE	FEDERAL CFDA NUMBER	AWARD AMOUNT	GRANT PERIOD	BALANCE AT JUNE 30, 2011	CARRYOVER (WALKOVER) AMOUNT	CASH RECEIVED	BUDGETARY EXPENDITURES	PRIOR YEAR ENCUMBRANCE PAYABLE CANCELED	(ACCOUNTS RECEIVABLE) AT JUNE 30, 2012	DUE TO GRANTOR AT JUNE 30, 2012
U.S. DEPARTMENT OF AGRICULTURE PASSED- THROUGH STATE DEPARTMENT OF EDUCATION:										
Food Distribution Program	10.550	\$31,121	7/1/11-6/30/12			31,121	(31,121)			
National School Lunch Program	10.555	54,213	7/1/11-6/30/12			47,092	(54,213)		(7,121)	
National School Lunch Program	10.555	52,438	7/1/10-6/30/11	(\$2,871)		2,871				
Special Milk Program	10.556	1,336	7/1/11-6/30/12			1,178	(1,336)		(158)	
Special Milk Program	10.556	1,995	7/1/10-6/30/11	(64)		64				
Total U.S. Department of Agriculture				(2,935)		82,326	(86,670)		(7,279)	
U.S. DEPARTMENT OF EDUCATION PASSED- THROUGH STATE DEPARTMENT OF EDUCATION:										
General Fund:										
Education Jobs Fund	84.410	179,037	9/1/11-8/31/12			184,646	(184,646)			
						184,646	(184,646)			
U.S. DEPARTMENT OF EDUCATION PASSED- THROUGH STATE DEPARTMENT OF EDUCATION:										
Improving America's School Act Amended by No Child Left Behind:										
Title I	84.010	23,537	9/1/10-8/30/11	(23,005)		23,005				
Title II - Part A	84.367A	26,161	9/1/11-8/30/12			320	(25,389)		(25,069)	
Title II - Part A	84.367A	45,452	9/1/10-8/30/11	(49,374)		49,374				
Title IV	84.186A	2,296	9/1/09-8/30/10	(41)		41				
I.D.E.A. - Part B - Basic	84.027	452,253	9/1/11-8/30/12		455	301,139	(447,183)		(145,589)	
I.D.E.A. - Part B - Basic	84.027	397,873	9/1/10-8/30/11	(168,085)	(455)	168,085		455		
I.D.E.A. - Part B - ARRA	84.391	462,297	9/1/09-8/31/12	(54,561)		71,413	(100)			16,752
I.D.E.A. Preschool	84.173	24,459	9/1/11-8/30/12				(10,020)		(10,020)	
I.D.E.A. Preschool	84.173	13,861	9/1/10-8/31/11	(7,000)		7,000				
Total U.S. Department of Education				(302,066)		620,377	(482,692)	455	(180,678)	16,752
Total Federal Financial Assistance				(305,001)	-	887,349	(754,008)	455	(187,957)	16,752

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

STATE GRANTOR/PROGRAM TITLE	GRANT OR STATE PROJECT NUMBER	AWARD AMOUNT	GRANT PERIOD	BALANCE AT JUNE 30, 2011	CASH RECEIVED	BUDGETARY EXPENDITURES	REPAYMENT OF PRIOR YEAR'S BALANCES	(ACCOUNTS RECEIVABLE) AT JUNE 30, 2012	DUE TO GRANTOR JUNE 30, 2012	MEMO	
										BUDGETARY RECEIVABLE	CUMULATIVE TOTAL EXPENDITURES
State Department of Education:											
Equalization Aid	12-495-034-5120-078	\$2,611,482	7/1/11-6/30/12		2,611,482	(2,611,482)				245,715	2,611,482
Special Education Aid	12-495-034-5120-089	1,225,520	7/1/11-6/30/12		1,225,520	(1,225,520)				115,309	1,225,520
Extraordinary Aid	12-495-034-5120-044	141,852	7/1/11-6/30/12			(141,852)		(141,852)			141,852
Extraordinary Aid	11-495-034-5120-044	141,041	7/1/10-6/30/11	(\$141,041)	141,041						
Categorical Security Aid	12-495-034-5120-084	163,906	7/1/11-6/30/12		163,906	(163,906)				15,422	163,906
Categorical Transportation Aid	12-495-034-5120-014	447,007	7/1/11-6/30/12		447,007	(447,007)				42,059	447,007
Anti-Bullying Bill of Rights Act	N/A	2,538	7/1/11-6/30/12		2,538	(2,538)					2,538
Reimbursed Nonpublic Transportation Aid	12-100-034-5120-014	47,056	7/1/11-6/30/12			(47,056)		(47,056)			47,056
Reimbursed Nonpublic Transportation Aid	11-100-034-5120-014	50,757	7/1/10-6/30/11	(50,757)	50,757						
TPAF Wage Freeze Grant	12-495-034-5095-002	761	7/1/11-6/30/12	(380)	380						
On-Behalf TPAF Pension Contribution	12-100-034-5095-116	848,235	7/1/11-6/30/12		848,235	(848,235)					848,235
Reimbursement TPAF Social Security Contributions	12-100-034-5095-051	710,132	7/1/11-6/30/12		706,581	(710,132)		(3,551)			710,132
Reimbursement TPAF Social Security Contributions	11-100-034-5095-002	660,573	7/1/10-6/30/11	(32,804)	32,804						
Total General Fund				(224,982)	6,230,251	(6,197,728)		(192,459)		418,505	6,197,728
Special Revenue Fund:											
Nonpublic Textbook	12-100-034-5120-064	49	7/1/11-6/30/12		49					49	
Nonpublic Textbook	11-100-034-5120-064	114	7/1/10-6/30/11	114			(114)				
Nonpublic Nursing Services	12-100-034-5120-070	70	7/1/11-6/30/12		70					70	
Nonpublic Nursing Services	11-100-034-5120-070	135	7/1/10-6/30/11	12						12	
Nonpublic Handicapped Services	12-100-034-5120-066	645	7/1/11-6/30/12		645					645	
Nonpublic Handicapped Services	11-100-034-5120-066	4,945	7/1/10-6/30/11	3,510			(3,510)				
Nonpublic Compensatory Education	12-100-034-5120-067	1,691	7/1/11-6/30/12		1,691	(1,691)					1,691
Nonpublic Supplementary Instruction	12-100-034-5120-066	2,806	7/1/11-6/30/12		2,806				2,806		
Nonpublic Supplementary Instruction	11-100-034-5120-066	2,779	7/1/10-6/30/11	2,084			(2,084)				
Nonpublic Corrective Speech	12-100-034-5120-066	2,923	7/1/11-6/30/12		2,923	(2,923)					2,923
Nonpublic Corrective Speech	11-100-034-5120-066	1,565	7/1/10-6/30/11	783			(783)				
Nonpublic Auxiliary Services	12-100-034-5120-067	862	7/1/11-6/30/12		862	(862)					862
Total Special Revenue Fund				6,503	9,046	(5,476)		(6,491)		3,582	5,476
Capital Projects Fund:											
NJSCC - Renovations Middle	SP#-40042000	780,917	4/1/04-	(328,766)				(328,766)			
NJSCC - New Middle School	SP#-ND1041000	5,329,038	4/1/04-	(1,039,172)				(1,039,172)			
Total Capital Projects Fund				(1,367,938)				(1,367,938)			
Debt Service Fund:											
Debt Service Aid Type II	12-100-034-5120-125	156,021	7/1/11-6/30/12		156,021	(156,021)					156,021
State Department of Agriculture:											
Enterprise Fund:											
School Lunch Program (State Share)	12-100-010-3360-066	4,376	7/1/11-6/30/12		3,821	(4,376)		(555)			4,376
School Lunch Program (State Share)	11-100-010-3360-066	5,002	7/1/10-6/30/11	(538)	538						
Total Enterprise Fund				(538)	4,359	(4,376)		(555)			4,376
Total State Financial Assistance				(\$1,586,955)	6,399,677	(6,363,601)		(6,491)	(1,560,952)	3,582	6,363,601

101

**MILLSTONE TOWNSHIP BOARD OF EDUCATION
NOTES TO THE SCHEDULES OF FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2012**

1. General

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

2. Basis of Accounting

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

3. Relationship to Basic Financial Statements

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$(72,314) for the general fund and \$1,336 for the special revenue fund. See Note 1 for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the District's basic financial statements on a GAAP basis as presented as follows:

**MILLSTONE TOWNSHIP BOARD OF EDUCATION
NOTES TO THE SCHEDULES OF FINANCIAL ASSISTANCE (continued)
FOR THE YEAR ENDED JUNE 30, 2012**

3. Relationship to Basic Financial Statements (continued):

	State	Federal	Total
General Fund	\$ 6,125,414	\$184,646	\$6,310,060
Special Revenue Fund	5,476	484,028	489,504
Debt Service Fund	156,021		156,021
Enterprise Fund	4,376	86,670	91,046
	<hr/>	<hr/>	<hr/>
Total Financial Assistance	\$ 6,291,287	\$755,344	\$7,046,631

4. Relationship to Federal and State Financial Reports

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

5. Other

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

Note 6. Federal and State Loans Outstanding

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

**MILLSTONE TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2012**

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued:	<u>Unqualified</u>
Internal control over financial reporting:	
1) Material weakness(es) identified?	None Reported
2) Significant deficiencies identified that are not considered to be material weaknesses?	None Reported
Noncompliance material to basic financial Statements noted?	None Reported

Federal Awards

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

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
84.027	I.D.E.A. – Part B
84.391	ARRA - I.D.E.A., Part B
84.410	Education Jobs Fund

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

**MILLSTONE TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2012**

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

State Awards

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

Identification of major programs:

GMIS Number(s)	Name of State Program
12-495-034-5120-078	Equalization Aid
12-495-034-5120-089	Categorical Special Education Aid
12-495-034-5120-084	Categorical Security Aid
12-495-0314-5120-014	Categorical Transportation Aid
12-100-034-5120-125	Debt Service Aid Type II

Section II – Financial Statement Findings

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

No Current Year Findings

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

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

No Current Year Findings

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

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

Finding 2010-02:

Condition:

During our testing of capital assets, it was noted that the District did not update and reconcile the capital asset ledger maintained by the District.

Current Status:

This condition has been corrected.

Finding 2011-01:

Condition:

The District's food service enterprise general ledger was not maintained on a complete accrual basis.

Current Status:

This condition has been corrected.

