

**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, 2013**

COMPREHENSIVE ANNUAL FINANCIAL REPORT

OF THE

MILLSTONE TOWNSHIP SCHOOL DISTRICT

MILLSTONE TOWNSHIP, NEW JERSEY

FOR THE FISCAL YEAR ENDED JUNE 30, 2013

Prepared by

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

OUTLINE OF CAFR - GASB #34

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INTRODUCTORY SECTION

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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

December 2, 2013

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, 2013 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 ("OMG") 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,

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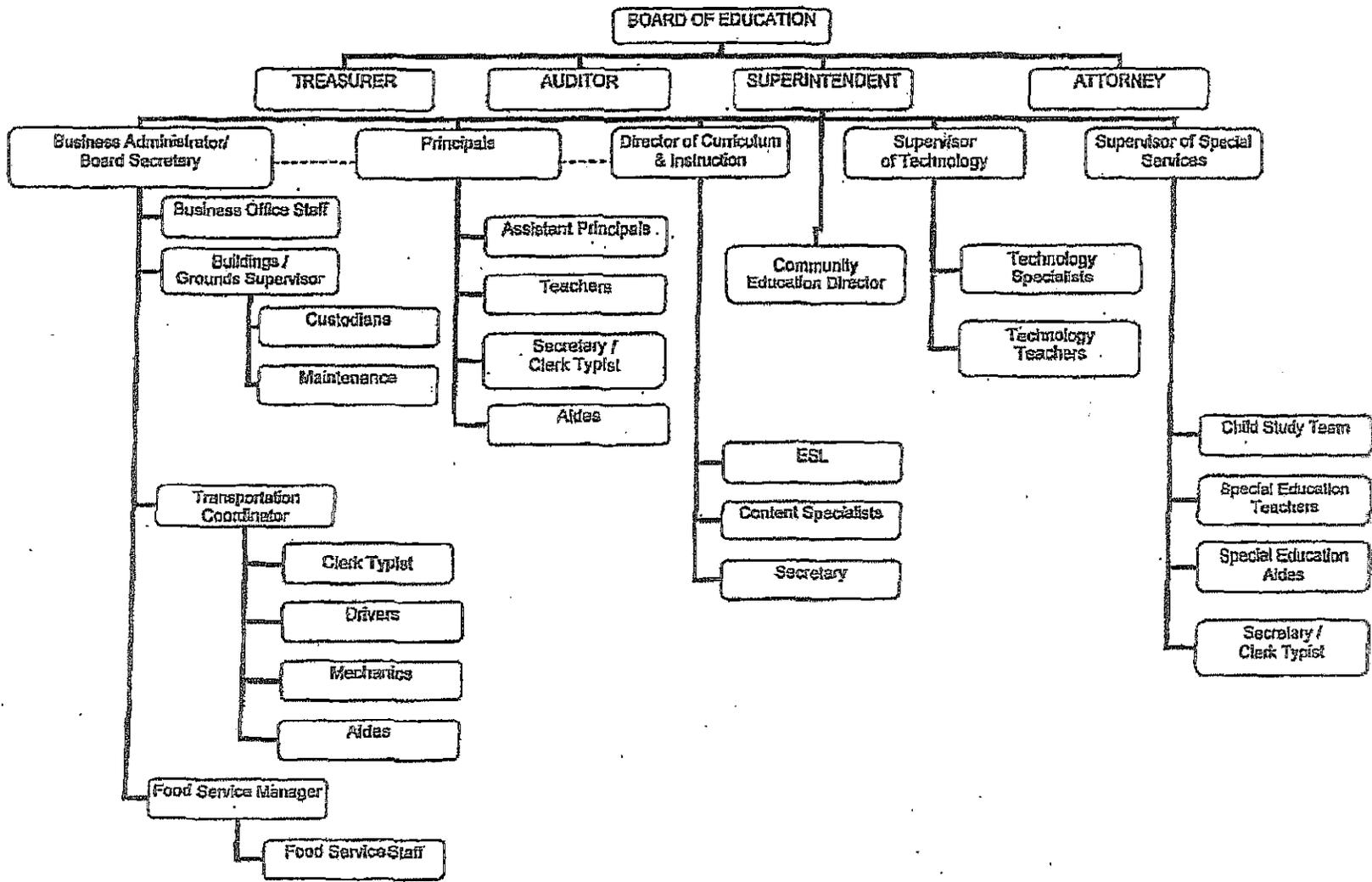
Scott T. Feder
Superintendent of Schools

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Bernard Biesiada
Business Administrator/Board Secretary

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MILLSTONE TOWNSHIP SCHOOL DISTRICT
ORGANIZATION CHART



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MILLSTONE TOWNSHIP SCHOOL DISTRICT
5 Dawson Court
Millstone Township, New Jersey 08535

ROSTER OF OFFICIALS

JUNE 30, 2013

MEMBERS OF THE BOARD OF EDUCATION	TERM EXPIRES
David Depinho, President	2013
Margaret Gordon, Vice President	2013
Salvatore Casale	2014
Kevin McGovern	2014
Neil Schloss	2015
Amy Jacobson	2015
John Saxton	2014
Patrick Whalen	2015

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

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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 Allison, 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

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FINANCIAL SECTION

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HOLMAN | FRENIA
ALLISON, P.C.
Certified Public Accountants & Consultants

10 Allen Street, Suite 2B, Toms River, NJ 08753 • Tel: 732.797.1333
618 Stokes Road, Medford, NJ 08055 • Tel: 609.953.0612
912 Highway 33, Suite 2, Freehold, NJ 07728 • Tel: 732.409.0800
795 Canton Street, Troy, PA 16947 • Tel: 570.297.5090
928 Main Street, Suite 103, Rome, PA 18837 • Tel: 570.297.5090
www.hfacpas.com

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

Report on the Financial Statements

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, 2013, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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 Office of School 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 14 through 17 and 70 through 84 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.

Other Information

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, comparative totals for June 30, 2012, and other supplementary information such as the combining and individual fund financial statements, long-term debt schedules and statistical information are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedule of expenditures of federal and state financial assistance are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and New Jersey OMB's Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid* respectively, and is also not a required part of the financial statements.

The combining and individual fund financial statements, long-term debt schedules and the accompanying schedule of expenditures of federal and state financial assistance is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements, long-term debt schedules and the accompanying schedule of expenditures of federal and state financial assistance are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The introductory section, comparative totals for June 30, 2012, 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 or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 27, 2013 on our consideration of the Board of Education of the Millstone Township School District's internal control over financial reporting and on 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Board of Education of the Millstone Township School District's internal control over financial reporting and compliance.

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

A handwritten signature in black ink, appearing to read 'R. Haines', with a stylized flourish extending to the right.

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

Medford, New Jersey
November 27, 2013

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REQUIRED SUPPLEMENTARY INFORMATION - PART I

Management's Discussion and Analysis

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MILLSTONE TOWNSHIP SCHOOL DISTRICT

Management's Discussion and Analysis For the year ended June 30, 2013

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, 2013. Please read it in conjunction with the letter of transmittal, beginning on page 1, and the financial statements, which begin on page 27.

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 one proprietary fund, an Enterprise Fund. The Enterprise Fund is used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the District is that the costs of providing 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:

	2013		
	Governmental Activities	Business-Type Activities	Total
Current & Other Assets	\$ 4,355,320	251,162	4,606,482
Capital Assets, net	<u>42,814,182</u>	<u>187,365</u>	<u>43,001,547</u>
Total Assets	<u>47,169,502</u>	<u>438,527</u>	<u>47,608,029</u>
Long-Term Liabilities Outstanding	35,239,838		35,239,838
Other Liabilities	<u>5,113,885</u>	<u>14,937</u>	<u>5,128,822</u>
Total Liabilities	<u>40,353,723</u>	<u>14,937</u>	<u>40,368,660</u>
Net Assets:			
Investment in Capital Assets, net	5,818,790	187,365	6,006,155
Restricted	1,455,764		1,455,764
Unrestricted	<u>(458,775)</u>	<u>236,225</u>	<u>(222,550)</u>
Total Net Assets	<u>\$ 6,815,779</u>	<u>423,590</u>	<u>7,239,369</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	37,254,407		37,254,407
Other Liabilities	<u>5,405,699</u>	<u>44,122</u>	<u>5,449,821</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>6,127,787</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, 2013 encumbrances, which 'roll-over' into the subsequent year's budget (2012-2013) and are added to the original budget appropriations.

Throughout the year, as necessary, budget transfers are effectuated between budget accounts to realign the 2012-2013 budget.

Capital Assets

At June 30, 2013 the District had capital assets of \$43,001,547 a decrease of \$1,284,551 due primarily to 2012-2013 depreciation. This capital asset cost is comprised of: buildings - \$49,550,165 land \$931,317, machinery and equipment - \$2,976,966, and construction in progress \$ 2,890,439. These capital assets are shown net of accumulated depreciation of \$13,534,705 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

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A. District-Wide Financial Statements

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MILLSTONE TOWNSHIP BOARD OF EDUCATION
STATEMENT OF NET POSITION
JUNE 30, 2013
(With Comparative Totals for June 30, 2012)

ASSETS	GOVERNMENTAL ACTIVITIES	BUSINESS- TYPE ACTIVITIES	TOTALS	
			JUNE 30, 2013	(MEMORANDUM ONLY) JUNE 30, 2012
Cash & Cash Equivalents	\$ 315,861	\$ 233,069	\$ 548,930	\$ 289,484
Receivables, Net	2,157,585	10,890	2,168,475	2,188,640
Interfund Receivables	29,784	-	29,784	-
Inventory	-	7,203	7,203	10,825
Deferred Bond Issuance Costs, Net	394,141	-	394,141	438,556
Deferred Losses on Bond Refunding	1,457,949	-	1,457,949	1,618,412
Capital Assets, Net (Note 6)	42,814,182	187,365	43,001,547	44,286,098
Total Assets	47,169,502	438,527	47,608,029	48,832,015
LIABILITIES				
Cash Overdraft	-	-	-	174,233
Accounts Payable	381,872	4,203	386,075	286,683
Interfunds Payable	-	-	-	50,306
Accrued Interest Expense	1,021,860	-	1,021,860	1,079,368
Payable to Other Governments	16,875	-	16,875	20,334
Unearned Revenue	75,833	10,734	86,567	150,626
Deferred Premiums on Bond Issuance	1,562,053	-	1,562,053	1,764,678
Long-term obligations (Note 7):				
Due Within One Year	2,055,392	-	2,055,392	1,923,593
Due Beyond One Year	35,239,838	-	35,239,838	37,254,407
Total Liabilities	40,353,723	14,937	40,368,660	42,704,228
NET POSITION				
Invested in Capital Assets, Net of Related	5,818,790	187,365	6,006,155	5,367,113
Restricted For:				
Debt Service	39,212	-	39,212	39,211
Capital Projects	480,012	-	480,012	324,794
Other Purposes	936,540	-	936,540	760,676
Unrestricted	(458,775)	236,225	(222,550)	(364,007)
Total Net Position	\$ 6,815,779	\$ 423,590	\$ 7,239,369	\$ 6,127,787

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, 2013
(With Comparative Totals for June 30, 2012)

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FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES		NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION		TOTALS	
		CHARGES FOR SERVICES	OPERATING GRANTS & CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	JUNE 30, 2013	JUNE 30, 2012 <small>(MEMORANDUM ONLY)</small>
Governmental Activities:							
Instruction:							
Regular	\$ 6,515,938	\$ -	\$ -	\$ (6,515,938)	\$ -	\$ (6,515,938)	\$ (5,814,291)
Special Education	2,453,150	-	380,367	(2,072,783)	-	(2,072,783)	(2,220,216)
Other Special Instruction	501,025	-	-	(501,025)	-	(501,025)	(527,632)
Other Instruction	127,655	-	-	(127,655)	-	(127,655)	(131,444)
Support Services & Undistributed Costs:							
Tuition	9,713,742	-	-	(9,713,742)	-	(9,713,742)	(10,126,312)
Student & Instruction Related Services	2,052,399	-	-	(2,052,399)	-	(2,052,399)	(1,658,189)
School Administrative Services	1,056,680	-	-	(1,056,680)	-	(1,056,680)	(891,827)
General & Business Administrative Services	537,759	-	-	(537,759)	-	(537,759)	(661,651)
Central Services	406,107	-	137,117	(268,990)	-	(268,990)	(244,098)
Administrative Information Technology	213,373	-	-	(213,373)	-	(213,373)	(313,186)
Plant Operations & Maintenance	1,830,540	-	-	(1,830,540)	-	(1,830,540)	(1,840,167)
Pupil Transportation	2,739,695	612,338	-	(2,127,357)	-	(2,127,357)	(2,812,534)
Unallocated Employee Benefits	6,339,178	-	-	(6,339,178)	-	(6,339,178)	(5,637,072)
Interest on Long-Term Debt	1,644,422	-	-	(1,644,422)	-	(1,644,422)	(2,060,481)
Unallocated Change in Compensated Absences	40,823	-	-	(40,823)	-	(40,823)	(37,932)
Unallocated Amortization of Bond Costs & Losses	2,253	-	-	(2,253)	-	(2,253)	54,842
Unallocated Depreciation & Adjustments	1,370,008	-	-	(1,370,008)	-	(1,370,008)	(1,221,419)
Total Governmental Activities	37,544,747	612,338	517,484	(36,414,925)	-	(36,414,925)	(36,143,609)

MILLSTONE TOWNSHIP BOARD OF EDUCATION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2013
(With Comparative Totals for June 30, 2012)

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES		NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION		TOTALS	
		CHARGES FOR SERVICES	OPERATING GRANTS & CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	JUNE 30, 2013	(MEMORANDUM ONLY) JUNE 30, 2012
Business-Type Activities:							
Community Education Program	73,725	73,090	-	-	(635)	(635)	15,031
Performing Arts Center	87,423	110,214	-	-	22,791	22,791	48,858
Food Service	530,597	366,906	88,816	-	(74,875)	(74,875)	(54,474)
Total Business-Type Activities	691,745	550,210	88,816	-	(52,719)	(52,719)	9,415
Total Primary Government	\$ 38,236,492	\$ 1,162,548	\$ 606,300	\$ (36,414,925)	\$ (52,719)	\$ (36,467,644)	\$ (36,134,194)
General Revenues:							
Taxes:							
Property Taxes, Levied for General Purposes, Including Debt Service				29,755,092	-	29,755,092	29,731,648
Federal & State Aid Not Restricted				7,242,214	-	7,242,214	6,387,057
Investment Earnings				-	267	267	143
Miscellaneous Income				581,653	-	581,653	898,029
Transfers				-	-	-	(40,000)
Total General Revenues				37,578,959	267	37,579,226	36,976,877
Change In Net Position				1,164,034	(52,452)	1,111,582	842,683
Net Position - Beginning (Unadjusted)				5,651,745	476,042	6,127,787	9,710,927
Prior Period Adjustment (See Note 19)				-	-	-	(4,425,823)
Net Position - Beginning (Adjusted)				5,651,745	476,042	6,127,787	5,285,104
Net Position - Ending				\$ 6,815,779	\$ 423,590	\$ 7,239,369	\$ 6,127,787

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

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B. Fund Financial Statements

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Governmental Funds

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MILLSTONE TOWNSHIP BOARD OF EDUCATION
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2013
(With Comparative Totals for June 30, 2012)

ASSETS	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTALS	
					JUNE 30, 2013	(MEMORANDUM ONLY) JUNE 30, 2012
Assets:						
Cash & Cash Equivalents	\$ 1,487,610	\$ -	\$ 48,338	\$ 39,212	\$ 1,575,160	\$ 879,815
Interfund Receivable	29,784	-	-	-	29,784	73,564
Intergovernmental Receivable:						
State	375,848	-	1,523,350	-	1,899,198	1,560,397
Federal	-	245,546	-	-	245,546	180,413
Other Receivables	10,525	2,316	-	-	12,841	361,398
Total Assets	\$ 1,903,767	\$ 247,862	\$ 1,571,688	\$ 39,212	\$ 3,762,529	\$ 3,055,587
LIABILITIES & FUND BALANCES						
Liabilities:						
Cash Overdraft	\$ -	\$ 167,623	\$ 1,091,676	\$ -	\$ 1,259,299	\$ 1,054,048
Accounts Payable	374,191	7,681	-	-	381,872	209,058
Intergovernmental Payable:						
State	-	123	-	-	123	3,582
Federal	-	16,752	-	-	16,752	16,752
Interfund Payables	-	-	-	-	-	97,691
Deferred Revenue	20,150	55,683	-	-	75,833	136,744
Total Liabilities	394,341	247,862	1,091,676	-	1,733,879	1,517,875
Fund Balances:						
Restricted for:						
Capital Reserve Account	307,444	-	-	-	307,444	307,128
Excess Surplus	471,876	-	-	-	471,876	134,779
Capital Projects Fund	-	-	480,012	-	480,012	324,794
Debt Service Fund	-	-	-	39,212	39,212	39,211
Excess Surplus Designated for Subsequent Year's Expenditures	134,779	-	-	-	134,779	-
Assigned to:						
Designated for Subsequent Year's Expenditures	22,441	-	-	-	22,441	318,769
Other Purposes	191,469	-	-	-	191,469	154,706
Unassigned:						
General Fund	381,417	-	-	-	381,417	258,325
Total Fund Balances	1,509,426	-	480,012	39,212	2,028,650	1,537,712
Total Liabilities & Fund Balances	\$ 1,903,767	\$ 247,862	\$ 1,571,688	\$ 39,212		

Amounts reported for *governmental activities* in the statement of net position (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 position.	290,037	292,290
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$56,348,887 and the accumulated depreciation is \$13,534,705.	42,814,182	44,079,111
Accrued interest payable is not recorded in the fund financial statements due to the fact that payable is not due in the period.	(1,021,860)	(1,079,368)
Long-term obligations, 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)	(37,295,230)	(39,178,000)
Net position of Governmental Activities	\$ 6,815,779	\$ 5,651,745

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, 2013
(With Comparative Totals for June 30, 2012)

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTALS	
					JUNE 30, 2013	(MEMORANDUM ONLY) JUNE 30, 2012
Revenues:						
Local Sources:						
Local Tax Levy	\$ 26,371,784	\$ -	\$ -	\$ 3,383,308	\$ 29,755,092	\$ 29,731,648
Tuition	612,338	-	-	-	612,338	49,815
Transportation	104,234	-	-	-	104,234	316,227
Miscellaneous	370,884	106,535	-	-	477,419	581,802
Total Local Sources	27,459,240	106,535	-	3,383,308	30,949,083	30,679,492
State Sources	7,037,178	6,214	155,412	156,159	7,354,963	6,286,911
Federal Sources	-	404,735	-	-	404,735	668,674
Total Revenues	34,496,418	517,484	155,412	3,539,467	38,708,781	37,635,077
Expenditures:						
Current Expense:						
Regular Instruction	6,515,938	-	-	-	6,515,938	5,814,291
Special Education Instruction	2,072,783	380,367	-	-	2,453,150	2,690,250
Other Special Instruction	501,025	-	-	-	501,025	527,632
Other Instruction	127,655	-	-	-	127,655	131,444
Support Services & Undistributed Costs:						
Tuition	9,713,742	-	-	-	9,713,742	10,126,312
Student & Instruction Related Services	2,052,399	-	-	-	2,052,399	1,658,189
School Administrative Services	919,563	137,117	-	-	1,056,680	891,827
General & Business Administrative Services	537,759	-	-	-	537,759	661,651
Central Services	406,107	-	-	-	406,107	342,592
Administrative Information Technology	213,373	-	-	-	213,373	313,186
Plant Operations & Maintenance	1,830,540	-	-	-	1,830,540	1,840,167
Pupil Transportation	2,783,288	-	-	-	2,783,288	2,944,530
Employee Benefits	6,339,178	-	-	-	6,339,178	5,637,072
Capital Outlay	147,349	-	194	-	147,543	40,422
Debt Service:						
Principal	-	-	-	1,880,000	1,880,000	1,765,000
Interest & Other Charges	-	-	-	1,659,466	1,659,466	1,763,248
Total Expenditures	34,160,699	517,484	194	3,539,466	38,217,843	37,147,813
Excess/(Deficiency) of Revenues						
Over/(Under) Expenditures	335,719	-	155,218	1	490,938	487,264
Other Financing Sources/(Uses):						
Transfers In	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	(40,000)
Total Other Financing Sources/(Uses)	-	-	-	-	-	(40,000)
Net Change in Fund Balance	335,719	-	155,218	1	490,938	447,264
Fund Balance - July 1	1,173,707	-	324,794	39,211	1,537,712	1,090,448
Fund Balance - June 30	\$ 1,509,426	\$ -	\$ 480,012	\$ 39,212	\$ 2,028,650	\$ 1,537,712

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, 2013**

Total Net Change in Fund Balances - Governmental Funds (From B-2) \$490,938

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	(\$1,350,605)	
Nondepreciable Expenditures in Capital Outlay	(61,673)	
Capital Outlays	147,349	(1,264,929)

Repayment of bond and capital lease principal is an expenditure in the governmental fund, but the repayment reduces long-term obligations in the statement of net position and is not reported in the statement of activities. 1,923,593

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	(160,463)	
Amortization of Deferred Issuance Costs	(44,415)	
Amortization of Original Issue Premium	202,625	(2,253)

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	259,015	
Current Year	(299,838)	(40,823)

In the Statement of Activities, interest on long-term obligations 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. 57,508

Change in net position of Governmental Activities \$1,164,034

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

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Proprietary Funds

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MILLSTONE TOWNSHIP BOARD OF EDUCATION
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2013
(With Comparative Totals for June 30, 2012)

ASSETS	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS			TOTALS (MEMORANDUM ONLY)	
	FOOD SERVICE	COMMUNITY EDUCATION	PERFORMING ARTS CENTER	JUNE 30, 2013	JUNE 30, 2012
Current Assets:					
Cash & Cash Equivalents	\$ 84,194	\$ 15,070	\$ 133,805	\$ 233,069	\$ 289,484
Interfund Receivables	-	-	-	-	7,986
Intergovernmental Receivables	5,705	-	-	5,705	7,835
Other Receivables	852	-	4,333	5,185	5,033
Inventories	6,805	-	398	7,203	10,825
Total Current Assets	97,556	15,070	138,536	251,162	321,163
Noncurrent Assets:					
Furniture, Machinery & Equipment	382,122	-	-	382,122	382,122
Less: Accumulated Depreciation	(194,757)	-	-	(194,757)	(175,135)
Total Noncurrent Assets	187,365	-	-	187,365	206,987
Total Assets	284,921	15,070	138,536	438,527	528,150
LIABILITIES					
Accounts Payable	728	-	3,475	4,203	4,061
Interfund Payable	-	-	-	-	34,165
Unearned Revenue	10,734	-	-	10,734	13,882
Total Liabilities	11,462	-	3,475	14,937	52,108
NET POSITION					
Investment in Capital Assets Net of Related Debt	187,365	-	-	187,365	206,987
Unrestricted	86,094	15,070	135,061	236,225	269,055
Total Net Position	\$ 273,459	\$ 15,070	\$ 135,061	\$ 423,590	\$ 476,042

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 POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(With Comparative Totals for June 30, 2012)**

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS			TOTALS	
	FOOD SERVICE	COMMUNITY EDUCATION	PERFORMING ARTS CENTER	JUNE 30, 2013	(MEMORANDUM ONLY) JUNE 30, 2012
Operating Revenues:					
Local Revenues:					
Daily Sales - Reimbursable Programs	\$ 187,351	\$ -	\$ -	\$ 187,351	\$ 217,369
Total - Daily Sales - Reimbursable Programs	187,351	-	-	187,351	217,369
Daily Sales - Nonreimbursable Programs	175,870	-	-	175,870	191,764
Special Functions	3,685	-	-	3,685	2,088
Interest Revenue	51	-	216	267	143
Community Service Activities	-	73,090	110,214	183,304	199,104
Total Operating Revenue	366,957	73,090	110,430	550,477	610,468
Operating Expenses:					
Cost of Sales	194,279	-	-	194,279	231,486
Salaries	229,747	28,995	38,319	297,061	263,385
Support Services - Employee Benefits	38,360	2,218	2,834	43,412	48,812
Management Fees	18,780	-	-	18,780	21,050
Purchased Professional/Technical Services	6,978	35,825	25,184	67,987	60,824
Supplies & Materials	10,224	5,113	18,813	34,150	27,888
Depreciation	19,621	-	-	19,621	19,621
General Insurance	8,148	-	-	8,148	8,545
Office Expense	2,028	-	-	2,028	2,058
Travel	2,173	-	-	2,173	2,278
Miscellaneous Expenditures	259	1,574	2,273	4,106	6,009
Total Operating Expenses	530,597	73,725	87,423	691,745	691,956
Operating Income/(Loss)	(163,640)	(635)	23,007	(141,268)	(81,488)
Nonoperating Revenues:					
State Sources:					
State School Lunch Program	4,078	-	-	4,078	4,376
Federal Sources:					
National School Lunch Program	54,496	-	-	54,496	54,213
National School Performance Based Program	5,116	-	-	5,116	-
Special Milk Program	1,465	-	-	1,465	1,336
Food Distribution Program	23,661	-	-	23,661	31,121
Contribution to the Board	-	-	-	-	-
Total Nonoperating Revenues/(Expenses)	88,816	-	-	88,816	91,046
Change in Net Position	(74,824)	(635)	23,007	(52,452)	9,558
Total Net Position - Beginning (Unadjusted)	348,283	15,705	112,054	476,042	374,652
Prior Period Adjustment (See Note 19)	-	-	-	-	91,832
Total Net Position - Beginning (Adjusted)	348,283	15,705	112,054	476,042	466,484
Total Net Position - Ending	\$ 273,459	\$ 15,070	\$ 135,061	\$ 423,590	\$ 476,042

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, 2013
(With Comparative Totals for June 30, 2012)

	BUSINESS-TYPE ACTIVITIES -			TOTALS	
	ENTERPRISE FUNDS			(MEMORANDUM ONLY)	
	FOOD SERVICE	COMMUNITY EDUCATION	PERFORMING ARTS CENTER	JUNE 30, 2013	JUNE 30, 2012
Cash Flows From Operating Activities:					
Receipts from Customers	\$ 367,925	\$ 81,276	\$ 110,714	\$ 559,915	\$ 598,200
Payments to Employees	(268,107)	(31,213)	(41,153)	(340,473)	(312,197)
Payments to Suppliers	(241,514)	(47,100)	(52,665)	(341,279)	(334,666)
Interest Earned	51	-	216	267	143
Net Cash Provided/(Used) by Operating Activities	(141,645)	2,963	17,112	(121,570)	(48,520)
Cash Flows From Noncapital Financing Activities:					
State Sources	4,078	-	-	4,078	4,376
Federal Sources	61,077	-	-	61,077	55,549
Cash Received/(Paid) for Interfund Transfers	-	-	-	-	357,811
Net Cash Provided by Noncapital Financing Activities	65,155	-	-	65,155	417,736
Net Increase/(Decrease) in Cash & Cash Equivalents	(76,490)	2,963	17,112	(56,415)	369,216
Cash & Cash Equivalents, July 1	160,684	12,107	116,693	289,484	(79,732)
Cash & Cash Equivalents, June 30	\$ 84,194	\$ 15,070	\$ 133,805	\$ 233,069	\$ 289,484

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

Operating Income/(Loss)	\$ (163,640)	\$ (635)	\$ 23,007	\$ (141,268)	\$ (81,488)
Adjustments to Reconcile Operating Income/(Loss) to Cash Provided/(Used) by Operating Activities:					
Depreciation Expense	19,621	-	-	19,621	19,621
Food Distribution Program	23,661	-	-	23,661	31,121
Change in Assets & Liabilities:					
Increase/(Decrease) in Receivables	1,279	8,186	500	9,965	(12,868)
Increase/(Decrease) in Inventory	4,020	-	(398)	3,622	(1,643)
(Decrease)/Increase in Accounts Payable	(26,326)	(1,700)		(28,026)	(5,993)
(Decrease)/Increase in Deferred Revenue	(260)	(2,888)	(5,997)	(9,145)	2,730
Net Cash Provided/(Used) by Operating Activities	\$ (141,645)	\$ 2,963	\$ 17,112	\$ (121,570)	\$ (48,520)

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

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Fiduciary Fund

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**MILLSTONE TOWNSHIP BOARD OF EDUCATION
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2013
(With Comparative Totals for June 30, 2012)**

ASSETS	PRIVATE PURPOSE TRUST				AGENCY		TOTALS					
	SCHOLARSHIP FUND		UNEMPLOYMENT COMPENSATION		STUDENT PAYROLL		(MEMORANDUM ONLY)					
							JUNE 30,	JUNE 30,				
							2013	2012				
Cash & Cash Equivalents	\$	7,260	\$	16,125	\$	27,996	\$	603,573	\$	654,954	\$	597,573
Interfund Receivable		-		-		-		-		-		50,306
Total Assets		7,260		16,125		27,996		603,573		654,954		647,879
LIABILITIES												
Interfunds Payable		-		7,407		-		22,377		29,784		-
Accounts Payable		-		4,950		-		2,484		7,434		31,345
Payable to Summer Teacher		-		-		-		578,712		578,712		558,299
Payable to Student Groups		-		-		27,996		-		27,996		37,790
Total Liabilities		-		12,357		27,996		603,573		643,926		627,434
NET POSITION												
Held in Trust for Unemployment												
Claims & Other Purposes		-		3,768		-		-		3,768		12,989
Reserved for Scholarships		7,260		-		-		-		7,260		7,456
Total Net Position	\$	7,260	\$	3,768	\$	-	\$	-	\$	11,028	\$	20,445

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 POSITION
FOR THE YEAR ENDED JUNE 30, 2013
(With Comparative Totals for June 30, 2012)**

ADDITIONS	PRIVATE PURPOSE		TOTALS	
	SCHOLARSHIP FUND	UNEMPLOYMENT COMPENSATION	JUNE 30, 2013	(MEMORANDUM ONLY) JUNE 30, 2012
Contributions:				
Plan Member	\$ -	\$ 31,730	\$ 31,730	\$ 67,648
Board Contribution	-	65,000	65,000	40,000
Total Contributions	-	96,730	96,730	107,648
Investment Earnings:				
Interest	4	6	10	22
Net Investment Earnings	4	6	10	22
Total Additions	4	96,736	96,740	107,670
DEDUCTIONS				
Quarterly Contribution Reports	-	9,346	9,346	8,969
Unemployment Claims	-	96,611	96,611	102,706
Total Deductions	200	105,957	106,157	111,675
Change in Net Position	(196)	(9,221)	(9,417)	(4,005)
Net Position - Beginning of the Year	7,456	12,989	20,445	24,450
Net Position - End of the Year	\$ 7,260	\$ 3,768	\$ 11,028	\$ 20,445

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

MILLSTONE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013

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MILLSTONE TOWNSHIP BOARD OF EDUCATION

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013**

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. The District has implemented the following GASB Statements in the current fiscal year: Statement 63 – *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*.

In March 2012, the GASB issued Statement No. 65, *Items Previously Reported as Assets and Liabilities*. GASB Statement No.65 reclassifies, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. This Statement also provides other financial reporting guidance related to the impact of the financial statement elements deferred outflows of resources and deferred inflows of resources, such as changes in the determination of the major fund calculations and limiting the use of the term deferred in financial statement presentations. The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2012. Management is currently evaluating the impact of the adoption of this Statement but it is expected to have a material impact on the financial statements for the year ended June 30, 2013.

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, 2013 and for the year then ended with comparative totals as of and for the year ended June 30, 2012 (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, 2013 of 1,355 students.

MILLSTONE TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED JUNE 30, 2013

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

A. Reporting Entity (continued)

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

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

MILLSTONE TOWNSHIP BOARD OF EDUCATION

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED JUNE 30, 2013**

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

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

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

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, 2013

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, 2013

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, 2013**

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, 2013

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	\$ 34,527,015	\$ 535,918
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes	418,505	-

MILLSTONE TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED JUNE 30, 2013

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

F. Budgets/Budgetary Control (continued):

	General Fund	Special Revenue Fund
State aid payment recognized for budgetary purposes, not recognized for GAAP Statements until the subsequent year	(449,102)	
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures and the related revenue is recognized	<u>-</u>	<u>(18,434)</u>
Total revenue as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds	<u>\$ 34,496,418</u>	<u>\$ 517,484</u>
Uses/Outflows of Resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	\$ 34,160,699	\$ 535,918
Encumbrances for supplies and equipment ordered But not received is reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes	<u>-</u>	<u>(18,434)</u>
Total expenditures as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds	<u>\$ 34,160,699</u>	<u>\$ 517,484</u>

G. Encumbrances

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

Open encumbrances in the special revenue fund for which the Millstone Township Board of Education has received advances are reflected in the balance sheet as deferred revenues at fiscal year-end.

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

MILLSTONE TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED JUNE 30, 2013

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, 2013, which have not been recorded, are not determinable.

The tuition rate adjustments for the 2010-2011 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, 2013

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, 2013 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. Unearned Revenue

Unearned 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, 2013

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

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

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

Q. Subsequent Events

The District has evaluated subsequent events occurring after June 30, 2013 through November 27, 2013, 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, 2013, and reported at fair value are as follows:

MILLSTONE TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED JUNE 30, 2013

Note 2. Cash and Cash Equivalents (continued):

Type	Carrying Value
Deposits:	
Demand Deposits	<u>\$ 1,203,884</u>
Total Deposits	<u>\$ 1,203,884</u>
Reconciliation of Statements of Net Position:	
Governmental-Type Activity	\$ 315,861
Business-Type Activity	233,069
Fiduciary Fund	<u>654,954</u>
Total Cash and Cash Equivalents	<u>\$ 1,203,884</u>

Custodial Credit Risk – Deposits in financial institutions, reported as components of cash, cash equivalents and investments had a bank balance of \$1,821,243 at June 30, 2013 and was insured, uninsured or collateralized as follows:

Insured	\$ 317,522
Uninsured	488,706
Collateralized in the District's Name Under GUDPA (See Note 3)	<u>1,015,015</u>
Total	<u>\$1,821,243</u>

Note 3. Governmental Unit Deposit Protection Act (GUDPA)

The District has deposited cash in 2013 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

MILLSTONE TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED JUNE 30, 2013

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

act as security for any deposit or deposits of any governmental unit to the extent such deposits are insured by F.D.I.C. or any other U.S. agency which insures public depository funds.

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

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

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

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

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.

MILLSTONE TOWNSHIP BOARD OF EDUCATION

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED JUNE 30, 2013**

Note 4. Capital Reserve Account (continued)

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, 2012 to June 30, 2013 fiscal year is as follows:

Beginning Balance, July 1, 2012	\$ 307,128
Deposits:	
Interest Earned	<u>316</u>
Ending Balance, June 30, 2013	<u>\$ 307,444</u>

Note 5. Transfers to Capital Outlay

During the year ending June 30, 2013, the District transferred \$ -0- to the capital outlay accounts.

Note 6. Capital Assets

Capital assets activity for the fiscal year ended June 30, 2013 was as follows:

Governmental Activities:	2012	Additions	Deletions/ Adjustments	2013
Capital Assets:				
Land	\$ 896,045	\$ 35,272	\$ -	\$ 931,317
Building & Building Improvements	49,547,241	2,924	-	49,550,165
Machinery & Equipment	2,929,486	47,480	-	2,976,966
Construction in Progress	<u>2,890,439</u>	<u>-</u>	<u>-</u>	<u>2,890,439</u>
Total Cost	56,263,211	85,676	-	56,348,887
Accumulated Depreciation	<u>(12,184,100)</u>	<u>(1,350,605)</u>	<u>-</u>	<u>(13,534,705)</u>
Governmental-type Activities				
Capital Assets, Net	<u>\$44,079,111</u>	<u>\$(1,264,929)</u>	<u>\$ -</u>	<u>\$42,814,182</u>

MILLSTONE TOWNSHIP BOARD OF EDUCATION

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED JUNE 30, 2013**

Note 6. Capital Assets (continued)

Business-Type Activities:

Capital Assets Being Depreciated:

Equipment	\$382,122	\$ -	\$ -	\$382,122
Less: Accumulated Depreciation	<u>(175,135)</u>	<u>\$(19,621)</u>	<u>-</u>	<u>(194,756)</u>

Business-Type Activities Capital

Assets, Net	<u>\$206,987</u>	<u>\$(19,621)</u>	<u>\$ -</u>	<u>\$187,366</u>
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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, 2013 the following changes occurred in noncurrent liabilities:

	Balance 6/30/12	Increase/ (Decrease)	Balance 6/30/13	Due Within One Year
Compensated Absences Payable	\$ 259,015	\$ 40,823	\$ 299,838	N/A
Bonds Payable	38,830,000	(1,880,000)	36,950,000	2,010,000
Capital Leases Payable	88,985	(43,593)	45,392	45,392
			<u> </u>	
Total	<u>\$39,178,000</u>	<u>\$(1,882,770)</u>	<u>\$ 37,295,230</u>	<u>\$ 2,055,392</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.

MILLSTONE TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED JUNE 30, 2013

Note 7. Long-Term Obligations (continued):

Government Activities:

	Issue Dates	Interest Rates	Dates of Maturity	Balance June 30, 2013
Bonds Payable	07/15/04	4.250-4.500%	07/15/12-13	\$ 900,000
	05/15/05	4.000-5.000%	03/15/13-18	2,320,000
	05/11/06	3.800-4.400%	07/15/12-30	9,515,000
	01/04/07	4.000%	07/15/11-26	9,790,000
	01/05/12	3.000-5.000%	07/15/12-21	<u>14,425,000</u>
Total Bonds				<u>\$ 36,950,000</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.

Fiscal Year Ending June 30,	Principal	Interest	Total
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	3,665,245
2016	2,370,000	1,302,823	3,672,823
2017	2,465,000	1,196,879	3,661,879
2018-2022	9,530,000	4,538,606	14,068,606
2023-2027	10,150,000	2,370,333	12,520,333
2027-2031	<u>6,000,000</u>	<u>394,679</u>	<u>6,394,679</u>
Total	<u>\$36,950,000</u>	<u>\$14,247,265</u>	<u>\$51,197,265</u>

C. Bonds Authorized but not Issued

As of June 30, 2013 the District had no authorized but not issued bonds.

MILLSTONE TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED JUNE 30, 2013

Note 7. Long-Term Obligations (continued):

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, 2013:

Year-ending June 30,	
2014	<u>\$ 47,265</u>
Total Minimum Lease Payments	45,392
Less: Amount Representing Interest	<u>(1,873)</u>
Present Value of Net Minimum Lease Payments	<u>\$ 47,265</u>

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,

MILLSTONE TOWNSHIP BOARD OF EDUCATION

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED JUNE 30, 2013**

Note 8. Pension Plans (continued):

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.

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

MILLSTONE TOWNSHIP BOARD OF EDUCATION

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED JUNE 30, 2013**

Note 8. Pension Plans (continued):

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
6/30/13	\$292,627	100%	\$ -0-
6/30/12	361,986	100%	-0-
6/30/11	346,566	100%	-0-

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

Year Funding	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/13	\$ 1,262,473	100%	\$ -0-
6/30/12	848,235	100%	-0-
6/30/11	633,325	100%	-0-

During the year ended June 30, 2013 the State of New Jersey contributed \$1,262,473 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 \$721,479 for the year ended June 30, 2013 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, 2012, there were 97,661 retirees eligible for post-retirement medical benefits. The cost of these benefits is funded through contributions by the State in

MILLSTONE TOWNSHIP BOARD OF EDUCATION

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED JUNE 30, 2013**

Note 9. Post-Retirement Benefits (continued)

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 \$146.6 million toward Chapter 126 benefits for 16,618 eligible retired members in Fiscal Year 2012.

The State will set the contribution rate based on the *annual required contribution of the employers* (ARC), an amount actuarially determined in accordance with parameters of GASB Statement 45. The ARC represents the level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The State's contributions to the State Health Benefits Program Fund for TPAF retirees' 2011 were \$945,166, \$812,671, and \$806,404, respectively, which equaled the required contributions for each year. The State's contributions to the State Health Benefits Program Fund for PERS retirees' post-retirement benefits on-behalf of the District was not determined or made available by the State of New Jersey.

Note 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.

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
2012-2013	\$ 6	\$ 96,730	\$ 105,957	\$ 3,768
2011-2012	18	107,648	111,675	12,989
2010-2011	28	367,230	348,173	16,998

MILLSTONE TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED JUNE 30, 2013

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, 2013 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.

Note 13. Fund Balance Disclosures

General Fund – Of the \$1,509,426 General Fund fund balance at June 30, 2013, \$307,444 has been restricted for the Capital Reserve Account; \$471,876 has been restricted for excess surplus; \$134,779 has been restricted for excess surplus designated for subsequent year's expenditures; \$22,441 has been assigned to be designated for subsequent year's expenditures; \$191,469 has been assigned for other purposes; and \$381,417 is unassigned.

Capital Projects Fund – The \$480,012 Capital Projects Fund fund balance at June 30, 2013 is unassigned.

Debt Service Fund – The \$39,212 Debt Service Fund fund balance at June 30, 2013 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, 2013:

MILLSTONE TOWNSHIP BOARD OF EDUCATION

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED JUNE 30, 2013**

Note 15. Interfund Receivables and Payables (continued)

Fund	Interfund Receivable	Interfund Payable
General Fund	\$ 29,784	\$ -
Fiduciary Fund	<u>-</u>	<u>29,784</u>
Total	<u>\$ 29,784</u>	<u>\$ 29,784</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 Travelers	Scudder 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.

The liability for vested compensated absences of the governmental fund types is recorded in the statement of net position 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, 2013 is \$299,838.

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, 2013 no liability existed for compensated absences in the proprietary fund types.

MILLSTONE TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED JUNE 30, 2013

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 \$471,876 at June 30, 2013.

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.

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REQUIRED SUPPLEMENTARY INFORMATION - PART II

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C. Budgetary Comparison Schedules

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MILLSTONE TOWNSHIP BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEARS ENDED JUNE 30, 2013 AND 2012

ACCOUNT NUMBER	JUNE 30, 2013				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	JUNE 30, 2012				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	\$ -
Tuition from Individuals	10-1300	412,000	(400,000)	12,000	1,460	(10,540)	36,000	-	36,000	18,042	(17,958)
Tuition from Other LEAs within the State	10-1320	-	400,000	400,000	610,878	210,878	-	-	-	31,773	31,773
Transportation Fees from Individuals	10-1410	-	-	-	28,730	28,730	10,000	-	10,000	21,216	11,216
Transportation Fees from Other LEA's	10-1420	-	-	-	12,502	12,502	69,004	-	69,004	295,011	226,007
Transportation Fees from Other Sources	10-1440	65,000	-	65,000	63,002	(1,998)	-	-	-	-	-
Interest Income	10-1510	-	-	-	-	-	60,000	-	60,000	3,996	(56,004)
Interest on Capital Reserve	10-1510	50	-	50	316	266	50	-	50	668	618
Unrestricted Miscellaneous	10-1990	655,000	-	655,000	370,568	(284,432)	630,000	-	630,000	468,457	(161,543)
Total Local Sources		27,503,834	-	27,503,834	27,459,240	(44,594)	27,176,838	-	27,176,838	27,210,947	34,109
State Sources:											
Extraordinary Aid	10-3131	150,000	-	150,000	296,125	146,125	188,766	-	188,766	141,852	(46,914)
Categorical Special Education Aid	10-3132	1,275,974	-	1,275,974	1,275,974	-	1,225,520	-	1,225,520	1,225,520	-
Equalization Aid	10-3176	2,674,958	-	2,674,958	2,674,958	-	2,611,482	-	2,611,482	2,611,482	-
Categorical Security Aid	10-3177	160,623	-	160,623	160,623	-	163,906	-	163,906	163,906	-
Categorical Transportation Aid	10-3121	635,284	-	635,284	635,284	-	128,238	-	128,238	447,007	318,769
Other State Aid	10-319X	-	-	-	-	-	-	-	-	2,538	2,538
Nonpublic Transportation Aid	10-3XXX	-	-	-	40,859	40,859	-	-	-	47,056	47,056
Nonbudgeted:											
On-Behalf TPAF Post Retirement Medical	10-3901	-	-	-	669,971	669,971	-	-	-	566,454	566,454
On-Behalf TPAF Pension Contribution	10-3901	-	-	-	592,502	592,502	-	-	-	281,781	281,781
Reimbursed TPAF Social Security	10-3902	-	-	-	721,479	721,479	-	-	-	710,132	710,132
Total State Sources		4,896,839	-	4,896,839	7,067,775	2,170,936	4,317,912	-	4,317,912	6,197,728	1,879,816
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		32,400,673	-	32,400,673	34,527,015	2,126,342	31,673,787	5,609	31,679,396	33,593,321	1,913,925

MILLSTONE TOWNSHIP BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEARS ENDED JUNE 30, 2013 AND 2012

ACCOUNT NUMBER	JUNE 30, 2013				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	JUNE 30, 2012				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		
Expenditures:											
Current Expense:											
Instruction - Regular Programs:											
Salaries of Teachers:											
Preschool	11-105-100-101	75,255	(11,370)	63,885	63,885	-	80,952	(21,717)	59,235	59,235	-
Kindergarten	11-110-100-101	303,683	(43,722)	259,961	259,961	-	312,175	(13,501)	298,674	298,674	-
Grades 1 - 5	11-120-100-101	2,647,380	329,444	2,976,824	2,976,824	-	2,750,128	(6,460)	2,743,668	2,742,944	724
Grades 6 - 8	11-130-100-101	2,252,856	70,820	2,323,676	2,323,180	496	2,243,215	4,402	2,247,617	2,247,617	-
Home Instruction - Regular Programs:											
Salaries of Teachers	11-150-100-101	6,000	496	6,496	6,496	-	5,950	14,227	20,177	20,177	-
Regular Programs - Undistributed Instruction:											
Other Salaries for Instruction	11-190-100-106	4,000	10,904	14,904	14,904	-	3,539	7,304	10,843	10,843	-
Purchased Professional Education Service	11-190-100-320	30,000	(15,972)	14,028	10,168	3,860	29,095	(27,104)	1,991	-	1,991
Purchased Technical Services	11-190-100-340	6,975	4,173	11,148	7,248	3,900	6,975	136	7,111	6,015	1,096
Other Purchased Services	11-190-100-500	53,045	5,951	58,996	52,378	6,618	29,095	26,311	55,406	55,406	-
Travel Expense	11-190-100-580	-	-	-	-	-	-	-	-	-	-
General Supplies	11-190-100-610	511,465	175,500	686,965	610,881	76,084	276,120	61,504	337,624	288,638	48,986
Textbooks	11-190-100-640	160,660	45,825	206,485	190,013	16,472	55,867	31,947	87,814	69,779	18,035
Other Objects	11-190-100-800	-	7,926	7,926	-	7,926	-	16,790	14,963	14,963	1,827
Total Regular Programs		6,051,319	579,975	6,631,294	6,515,938	115,356	5,793,111	93,839	5,886,950	5,814,291	72,659
Special Education:											
Learning and/or Language Disabilities:											
Salaries of Teachers	11-204-100-101	279,940	1,664	281,604	281,604	-	374,105	(94,169)	279,936	279,936	-
Other Salaries for Instruction	11-204-100-106	124,715	17,063	141,778	134,980	6,798	135,015	4,367	139,382	126,412	12,970
General Supplies	11-204-100-610	1,800	46	1,846	1,045	801	1,800	879	2,679	2,633	46
Textbooks	11-204-100-640	350	-	350	-	350	-	378	378	378	-
Total Learning &/or Language Disabilities		406,805	18,773	425,578	417,629	7,949	510,920	(88,545)	422,375	409,359	13,016
Multiple Disabilities:											
Salaries of Teachers	11-212-100-101	-	57,560	57,560	57,560	-	-	-	-	-	-
Other Salaries for Instruction	11-212-100-106	-	31,325	31,325	31,325	-	-	-	-	-	-
Total Multiple Disabilities		-	88,885	88,885	88,885	-	-	-	-	-	-
Resource Room / Resource Center:											
Salaries of Teachers	11-213-100-101	1,303,988	42,017	1,346,005	1,346,005	-	1,554,971	(100,983)	1,453,988	1,444,541	9,447
Other Salaries for Instruction	11-213-100-106	132,545	(50,000)	82,545	81,218	1,327	-	154,305	154,305	154,305	-
General Supplies	11-213-100-610	8,900	205	9,105	5,167	3,938	5,000	716	5,716	5,392	324
Total Resource Room/Resource Center		1,445,433	(7,778)	1,437,655	1,432,390	5,265	1,559,971	54,038	1,614,009	1,604,238	9,771
Autism:											
Salaries of Teachers	11-214-100-101	56,085	1,965	58,050	58,050	-	67,085	(11,119)	55,966	55,966	-
Other Salaries for Instruction	11-214-100-106	77,420	(43,000)	34,420	34,120	300	62,210	3,952	66,162	66,162	-
General Supplies	11-214-100-610	2,000	4,034	6,034	5,639	395	5,000	(1,788)	3,212	3,073	139
Total Autism		135,505	(37,001)	98,504	97,809	695	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, 2013 AND 2012

ACCOUNT NUMBER	JUNE 30, 2013				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	JUNE 30, 2012				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		
Preschool Disabilities - Part-Time:											
Salaries of Teachers	11-215-100-101	65,400	(47,918)	17,482	4,879	12,603	66,400	(1,413)	64,987	64,987	-
Other Salaries of Instruction	11-215-100-106	17,720	13,413	31,133	31,133	-	38,140	(20,420)	17,720	16,235	1,485
Purchased Technical Services	11-215-100-340	4,999	(4,568)	431	-	431	4,999	(4,803)	196	-	196
General Supplies	11-215-100-600	400	58	458	58	400	400	(145)	255	196	59
Total Preschool Disabilities - Part-Time		88,519	(39,015)	49,504	36,070	13,434	109,939	(26,781)	83,158	81,418	1,740
Total Special Education		2,076,262	23,864	2,100,126	2,072,783	27,343	2,315,125	(70,243)	2,244,882	2,220,216	24,666
Basic Skills/Remedial - Instruction:											
Salaries of Teachers	11-230-100-101	499,149	(37,367)	461,782	461,782	-	472,922	26,226	499,148	486,920	12,228
General Supplies	11-230-100-610	2,000	(900)	1,100	200	900	2,000	803	2,803	2,463	340
Total Basic Skills/Remedial - Instruction		501,149	(38,267)	462,882	461,982	900	474,922	27,029	501,951	489,383	12,568
Bilingual Education - Instruction:											
Salaries of Teachers	11-240-100-101	25,737	13,107	38,844	38,844	-	37,737	76	37,813	37,813	-
General Supplies	11-240-100-610	700	-	700	199	501	700	(264)	436	436	-
Total Bilingual Education - Instruction		26,437	13,107	39,544	39,043	501	38,437	(188)	38,249	38,249	-
School Sponsored Coextrricular Activities:											
Salaries	11-401-100-100	38,000	-	38,000	31,430	6,570	28,000	3,284	31,284	31,284	-
Other Objects	11-401-100-800	3,900	-	3,900	1,163	2,737	3,900	3,069	6,969	6,915	54
Total School Sponsored Coextrricular - Activities		41,900	-	41,900	32,593	9,307	31,900	6,353	38,253	38,199	54
School Sponsored Athletics - Instruction:											
Salaries	11-402-100-100	68,000	-	68,000	66,978	1,022	68,390	-	68,390	64,968	3,422
Other Purchased Services	11-402-100-500	13,320	-	13,320	8,400	4,920	13,320	-	13,320	10,294	3,026
Supplies and Materials	11-402-100-600	23,200	1,902	25,102	19,684	5,418	23,200	750	23,950	17,983	5,967
Total School Sponsored Athletics - Instruction		104,520	1,902	106,422	95,062	11,360	104,910	750	105,660	93,245	12,415
Total - Instruction		8,801,587	580,581	9,382,168	9,217,401	164,767	8,758,405	57,540	8,815,945	8,693,583	122,362

MILLSTONE TOWNSHIP BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEARS ENDED JUNE 30, 2013 AND 2012

	ACCOUNT NUMBER	JUNE 30, 2013				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	JUNE 30, 2012				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	7,849,586	38,667	7,888,253	7,877,161	11,092	8,012,680	16,500	8,029,180	8,029,180	-
Tuition to Other LEAs Within State Special	11-000-100-562	451,032	-	451,032	438,690	12,342	902,389	-	902,389	902,389	-
Tuition to County Vocational School District - Regular	11-000-100-563	231,650	(10,975)	220,675	219,070	1,605	245,000	(27,550)	217,450	217,450	-
Tuition to County Vocational School District - Special	11-000-100-564	45,000	(15,000)	30,000	28,200	1,800	45,000	(2,250)	42,750	42,750	-
Tuition to CSSD & Regional Day School	11-000-100-565	207,474	55,131	262,605	259,655	2,950	205,401	14,166	219,567	219,567	-
Tuition to Private Schools for Disabled Within the State	11-000-100-566	936,494	(117,729)	818,765	817,920	845	573,783	69,617	643,400	643,400	-
Tuition Other	11-000-100-569	75,810	13,667	89,477	73,046	16,431	75,768	-	75,768	71,576	4,192
Total Undistributed Expenditures - Instruction		9,797,046	(36,239)	9,760,807	9,713,742	47,065	10,060,021	70,483	10,130,504	10,126,312	4,192
Attendance & Social Work Services:											
Salaries	11-000-211-100	-	1,530	1,530	1,530	-	-	1,500	1,500	1,500	-
Total Attendance & Social Work Services		-	1,530	1,530	1,530	-	-	1,500	1,500	1,500	-
Health Services:											
Salaries	11-000-213-100	177,030	5,000	182,030	181,727	303	174,030	14,433	188,463	188,463	-
Purchased Professional & Technical Services	11-000-213-300	32,000	(1,488)	30,512	12,712	17,800	36,000	(12,293)	23,707	20,220	3,487
Other Purchased Services	11-000-213-500	505	-	505	145	360	505	-	505	314	191
Supplies and Materials	11-000-213-600	7,290	(433)	6,857	6,304	553	7,290	(75)	7,215	5,957	1,258
Other Objects	11-000-213-800	400	433	833	476	357	-	606	606	510	96
Total Health Services		217,225	3,512	220,737	201,364	19,373	217,825	2,671	220,496	215,464	5,032
Other Support Services - Students - Related Services:											
Salaries	11-000-216-100	302,747	12,520	315,267	315,267	-	306,247	(4,039)	302,208	301,957	251
Purchased Professional - Educational Services	11-000-216-320	105,291	25,163	130,454	130,454	-	134,200	17,545	151,745	151,745	-
Supplies and Materials	11-000-216-600	1,300	335	1,635	1,635	-	1,800	-	1,800	1,724	76

MILLSTONE TOWNSHIP BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEARS ENDED JUNE 30, 2013 AND 2012

ACCOUNT NUMBER	JUNE 30, 2013				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	JUNE 30, 2012				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	409,338	38,018	447,356	447,356	-	442,247	13,506	455,753	455,426	327	
Other Support Services - Students - Extraordinary Services:											
Purchased Professional & Educational Services	11-000-217-320	44,000	32,082	76,082	68,743	7,339	44,000	(7,029)	36,971	36,321	650
Supplies and Materials	11-000-217-600	-	3,762	3,762	3,637	125	-	-	-	-	-
Total Other Support Services - Students - Extraordinary Services		44,000	35,844	79,844	72,380	7,464	44,000	(7,029)	36,971	36,321	650
Other Support Services - Students - Regular:											
Salaries of Other Professional Staff	11-000-218-104	252,865	5,947	258,812	258,812	-	279,327	(25,656)	253,671	253,671	-
Supplies and Materials	11-000-218-600	2,510	(1,927)	583	583	583	2,510	(1,500)	1,010	48	962
Total Other Support Services - Students - Regular		255,375	4,020	259,395	258,812	583	281,837	(27,156)	254,681	253,719	962
Other Support Services - Students - Special Services:											
Salaries of Other Professional Staff	11-000-219-104	477,812	(115,082)	362,730	362,730	-	410,715	(62,400)	348,315	348,315	-
Salaries of Secretarial & Clerical Assistants	11-000-219-105	58,368	1,168	59,536	59,299	237	57,993	375	58,368	58,368	-
Other Salaries	11-000-219-110	1,500	163	1,663	1,663	-	-	1,495	1,495	1,495	-
Other Purchased Services	11-000-219-500	-	1,750	1,750	1,729	21	-	1,744	1,744	244	1,500
Miscellaneous Purchased Services	11-000-219-592	2,450	14,742	17,192	17,192	-	2,450	14,219	16,669	1,476	15,193
Supplies and Materials	11-000-219-600	18,000	(10,120)	7,880	7,880	-	3,000	1,054	4,054	4,055	(1)
Other Objects	11-000-219-800	-	900	900	900	-	-	-	-	-	-
Total Other Support Services - Students - Special Services		558,130	(106,479)	451,651	451,393	258	474,158	(43,513)	430,645	413,953	16,692
Improvement of Instruction Services:											
Salaries of Supervisors of Instruction	11-000-221-102	120,000	(120,000)	-	-	-	-	-	-	-	-
Salaries of Other Professional Staff	11-000-221-104	-	-	-	-	-	8,400	(7,157)	1,243	1,243	-
Salaries of Secretarial & Clerical Assistants	11-000-221-105	43,320	1,000	44,320	43,964	356	43,320	-	43,320	43,320	-
Other Purchased Professional and Technical Services	11-000-221-300	52,582	(4,582)	48,000	48,000	-	11,170	39,880	51,050	51,050	-
Other Purchased Services	11-000-221-500	17,970	(12,500)	5,470	4,800	670	-	8,200	8,200	8,200	-
Supplies and Materials	11-000-221-600	15,000	(13,543)	1,457	878	579	7,550	(4,572)	2,978	2,956	22
Other Objects	11-000-221-800	2,550	-	2,550	1,665	885	-	2,149	2,149	2,149	-

MILLSTONE TOWNSHIP BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEARS ENDED JUNE 30, 2013 AND 2012

ACCOUNT NUMBER	JUNE 30, 2013				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	JUNE 30, 2012				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		
Total Improvement of Instruction Services	251,422	(149,625)	101,797	99,307	2,490	70,440	38,500	108,940	108,918	22	
Educational Media Services/School Library:											
Salaries	11-000-222-100	127,073	2,540	129,613	129,025	588	122,884	3,450	126,334	126,334	-
Salaries of Technology Coordinators	11-000-222-177	-	96,210	96,210	96,210	-	-	-	-	-	-
Purchased Professional & Technical Services	11-000-222-300	450	-	450	-	450	-	450	-	450	450
Other Purchased Services	11-000-222-500	3,725	(2,000)	1,725	1,205	520	3,725	1,307	5,032	4,615	417
Supplies and Materials	11-000-222-600	20,234	(4,315)	15,919	15,710	209	20,235	(2,618)	17,617	15,350	2,267
Other Objects	11-000-222-800	7,882	(2,621)	5,261	-	5,261	7,882	(7,882)	-	-	-
Total Educational Media Services/School Library		159,364	89,814	249,178	242,150	7,028	155,176	(5,743)	149,433	146,299	3,134
Instructional Staff Training Services:											
Salaries of Supervisors of Instr.	11-000-223-102	138,000	244	138,244	138,244	-	-	-	-	-	-
Salaries of Other Professional Staff	11-000-223-104	76,021	(10,500)	65,521	65,430	91	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	41,200	-	41,200	34,801	6,399	3,500	7,977	11,477	11,477	-
Other Purchased Services	11-000-223-500	26,475	13,157	39,632	39,632	-	26,475	(10,622)	15,853	11,858	3,995
Total Instructional Staff Training Services		281,696	2,901	284,597	278,107	6,490	33,300	(2,666)	30,634	26,589	4,045
Support Services General Administration:											
Salaries	11-000-230-100	241,747	19,738	261,485	261,485	-	340,237	23,792	364,029	364,029	-
Legal Services	11-000-230-331	45,000	29,161	74,161	73,171	990	45,000	24,066	69,066	65,165	3,901
Other Purchased Professional Services	11-000-230-339	65,000	40,444	105,444	100,993	4,451	100,500	7,450	107,950	106,229	1,721
Communications/Telephone	11-000-230-530	55,500	7,293	62,793	61,597	1,196	55,500	(2,643)	52,857	52,857	-
Travel	11-000-230-585	4,000	(3,550)	450	-	450	4,000	-	4,000	-	4,000
Other Purchased Services (400-500)	11-000-230-590	15,000	4,589	19,589	10,642	8,947	15,000	(945)	14,055	14,055	-
Supplies and Materials	11-000-230-600	-	2,890	2,890	1,564	1,326	-	2,969	2,969	1,889	1,080
General Supplies	11-000-230-610	4,500	(1,470)	3,030	1,783	1,247	4,500	(1,500)	3,000	2,727	2,273
Judgements Against the School District	11-000-230-820	-	-	-	-	-	29,100	150	29,250	27,700	1,550
Miscellaneous Expenditures	11-000-230-890	29,500	(2,700)	26,900	26,524	376	-	31,100	29,000	29,000	2,100
Total Support Services General Administration		460,347	96,395	556,742	537,759	18,983	593,837	84,439	678,276	661,651	16,625

MILLSTONE TOWNSHIP BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEARS ENDED JUNE 30, 2013 AND 2012

ACCOUNT NUMBER	JUNE 30, 2013				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	JUNE 30, 2012				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		
Support Services School Administration:											
Salaries of Principals & Assistant Principals	11-000-240-103	472,765	65,000	537,765	537,765	-	474,373	(9,667)	464,706	464,706	-
Salaries of Other Professional Staff	11-000-240-104	65,000	64,258	129,258	128,527	731	63,589	17,911	81,500	81,500	-
Salaries of Secretarial & Clerical Assistants	11-000-240-105	206,338	4,704	211,042	211,042	-	210,727	(9,050)	201,677	201,677	-
Purchased Professional & Technical Services	11-000-240-300	410	-	410	-	410	410	-	410	-	410
Other Purchased Services	11-000-240-580	-	15,968	15,968	15,539	429	-	-	-	-	-
Travel	11-000-240-580	-	15,968	15,968	15,539	429	-	-	-	-	-
Other Purchased Services (400-500)	11-000-240-500	25,468	(25,468)	-	-	-	25,468	(8,533)	16,935	12,166	4,769
Supplies and Materials	11-000-240-600	24,100	(10,430)	13,670	13,224	446	23,600	529	24,129	20,822	3,307
Other Objects	11-000-240-800	14,400	-	14,400	13,466	934	14,400	463	14,863	12,462	2,401
Total Support Services School Administration		808,481	114,032	922,513	919,563	2,950	812,567	(8,347)	804,220	793,333	10,887
Central Services:											
Salaries	11-000-251-100	340,246	2,071	342,317	341,904	413	284,556	(1)	284,555	284,555	-
Purchased Professional Services	11-000-251-330	28,000	(2,031)	25,969	25,567	402	28,000	2,500	30,500	25,205	5,295
Other Purchased Services	11-000-251-500	-	12,000	12,000	6,921	5,079	-	8,397	8,397	7,544	853
Travel	11-000-251-580	-	-	-	-	-	-	-	-	-	-
Miscellaneous Purchased Services	11-000-251-592	43,000	(18,633)	24,367	24,367	-	43,000	(28,800)	14,200	10,653	3,547
Supplies and Materials	11-000-251-600	5,700	-	5,700	3,937	1,763	5,700	254	5,954	4,594	1,360
Miscellaneous Expenditures	11-000-251-890	10,000	-	10,000	3,411	6,589	10,000	41	10,041	10,041	-
Total Central Services		426,946	(6,593)	420,353	406,107	14,246	371,256	(17,609)	353,647	342,592	11,055
Administration Information Technology:											
Salaries	11-000-252-100	196,610	(92,326)	104,284	102,284	2,000	194,317	145	194,462	194,462	-
Purchased Technical Services	11-000-252-340	28,000	(2,231)	25,769	25,061	708	20,000	6,760	26,760	26,526	234
Other Purchased Services (400-500)	11-000-252-500	33,000	11,818	44,818	37,042	7,776	22,000	(4,206)	17,794	14,138	3,656
General Supplies	11-000-252-600	35,000	13,965	48,965	48,816	149	77,500	1,423	78,923	77,591	1,332
Other Objects	11-000-252-800	-	276	276	170	106	-	469	469	469	-
Total Administration Information Technology		292,610	(68,498)	224,112	213,373	10,739	313,817	4,591	318,408	313,186	5,222

MILLSTONE TOWNSHIP BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEARS ENDED JUNE 30, 2013 AND 2012

	ACCOUNT NUMBER	JUNE 30, 2013				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	JUNE 30, 2012				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	190,682	5,887	196,569	196,569	-	147,969	24,738	172,707	172,707	-
Cleaning, Repair & Maintenance Services	11-000-261-420	227,425	(47,275)	180,150	144,485	35,665	221,150	(126,170)	94,980	88,938	6,042
General Supplies	11-000-261-610	66,821	(13,477)	53,344	44,873	8,471	64,246	2,722	66,968	65,442	1,526
Total Required Maintenance for School Facilities		484,928	(54,865)	430,063	385,927	44,136	433,365	(98,710)	334,655	327,087	7,568
Other Operation & Maintenance of Plant:											
Salaries	11-000-262-100	631,398	13,231	644,629	644,629	-	581,105	36,935	618,040	618,040	-
Salaries of Non-Instructional Aides	11-000-262-107	-	219	219	-	219	47,702	-	47,702	46,590	1,112
Purchased Professional & Technical Services	11-000-262-300	189,000	(58,261)	130,739	116,311	14,428	269,000	(57,637)	211,363	194,507	16,856
Cleaning, Repair & Maintenance Services	11-000-262-420	-	3,470	3,470	3,374	96	-	-	-	-	-
Other Purchased Property Services	11-000-262-490	-	-	-	-	-	20,367	(20,367)	-	-	-
Insurance	11-000-262-520	100,000	8,000	108,000	107,073	927	130,000	(29,992)	100,008	100,008	-
General Supplies	11-000-262-610	117,600	(3,246)	114,354	99,114	15,240	101,900	(18,088)	83,812	67,340	16,472
Energy (Heat & Electricity)	11-000-262-620	-	459,718	459,718	458,381	1,337	-	-	478,063	472,571	5,492
Energy (Natural Gas)	11-000-262-621	137,600	(137,600)	-	-	-	153,000	(153,000)	-	-	-
Energy (Electricity)	11-000-262-622	461,300	(461,300)	-	-	-	468,700	(468,700)	-	-	-
Other Objects	11-000-262-800	16,500	282	16,782	15,731	1,051	16,500	(1,500)	15,000	14,024	976
Total Other Operation & Maintenance of Plant		1,653,398	(175,487)	1,477,911	1,444,613	33,298	1,788,274	(234,286)	1,553,988	1,513,080	40,908
Student Transportation Services:											
Salaries for Pupil Transportation (Between Home & School) - Regular	11-000-270-160	579,944	12,117	592,061	592,061	-	182,200	428,656	610,856	610,856	-
Salaries for Pupil Transportation (Between Home & School) - Special Ed.	11-000-270-161	31,581	15,528	47,109	47,109	-	-	31,791	31,791	31,791	-
Salaries for Pupil Transportation (Between Home & School) - Nonpublic School	11-000-270-163	2,000	-	2,000	1,420	580	-	2,446	2,446	2,446	-
Other Purchased Professional & Technical Services	11-000-270-390	3,000	-	3,000	1,053	1,947	3,000	(1,500)	1,500	-	1,500
Cleaning, Repair & Maintenance Services	11-000-270-420	20,500	-	20,500	5,189	15,311	20,500	(8,053)	12,447	12,447	-
Lease Purchase Payments - School Buses	11-000-270-443	47,265	-	47,265	37,812	9,453	120,000	(16,210)	103,790	103,790	-
Contracted Services (Regular Education Routes) - Vendors	11-000-270-511	1,347,000	(396,266)	950,734	942,577	8,157	1,307,500	(207,928)	1,099,572	1,099,572	-

MILLSTONE TOWNSHIP BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEARS ENDED JUNE 30, 2013 AND 2012

ACCOUNT NUMBER	JUNE 30, 2013				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	JUNE 30, 2012				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 Contracted Services (Special Education Students) - Vendors	11-000-270-514	696,000	69,174	765,174	764,896	278	780,000	(96,121)	683,879	683,879	-
Contracted Services (Special Education of Payments) - Nonpublic Sch.	11-000-270-503	52,000	10,086	62,086	62,086	-	52,000	1,482	53,482	53,482	-
Miscellaneous Purchased Services - Transportation	11-000-270-593	9,000	(1,515)	7,485	2,694	4,791	8,000	(2,162)	5,838	4,428	1,410
Supplies and Materials	11-000-270-600	232,325	96,173	328,498	324,277	4,221	292,300	57,945	350,245	339,991	10,254
Other Objects	11-000-270-800	4,800	-	4,800	2,114	2,686	4,800	(1,400)	3,400	1,848	1,552
Total Student Transportation Services		3,025,415	(194,703)	2,830,712	2,783,288	47,424	2,770,300	188,946	2,959,246	2,944,530	14,716
Unallocated Benefits - Employee Benefits:											
Social Security Contributions	11-000-291-220	360,000	(90,000)	270,000	267,937	2,063	360,000	-	360,000	268,259	91,741
Other Retirement Contributions - Regular	11-000-291-241	350,000	(50,553)	299,447	292,627	6,820	325,000	36,986	361,986	361,986	-
Unemployment Compensation	11-000-291-250	100,000	7,860	107,860	67,860	40,000	100,000	-	100,000	70,092	29,908
Workmen's Compensation	11-000-291-260	140,000	-	140,000	123,525	16,475	140,000	-	140,000	104,946	35,054
Health Benefits	11-000-291-270	3,716,620	35,168	3,751,788	3,557,480	194,308	3,101,768	141,526	3,243,294	3,237,685	5,609
Tuition Reimbursements	11-000-291-280	65,000	(26,810)	38,190	37,714	476	70,000	(47,699)	22,301	16,452	5,849
Other Employee Benefits	11-000-291-290	18,000	-	18,000	8,083	9,917	24,000	(4,715)	19,285	19,285	-
Total Unallocated Benefits		4,749,620	(124,335)	4,625,285	4,355,226	270,059	4,120,768	126,098	4,246,866	4,078,705	168,161
Nonbudgeted:											
On-Behalf Post Retirement Medical		-	-	-	669,971	(669,971)	-	-	-	566,454	(566,454)
On-Behalf TPAF Pension Contribution		-	-	-	592,502	(592,502)	-	-	-	281,781	(281,781)
Reimbursed TPAF Social Security		-	-	-	721,479	(721,479)	-	-	-	710,132	(710,132)
Total Undistributed Expenditures		23,875,341	(530,758)	23,344,583	24,795,949	(1,451,366)	22,983,188	85,675	23,068,863	24,317,032	(1,248,169)
Total Expenditures - Current Expense		32,676,928	49,823	32,726,751	34,013,350	(1,286,599)	31,741,593	143,215	31,884,808	33,010,615	(1,125,807)

MILLSTONE TOWNSHIP BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEARS ENDED JUNE 30, 2013 AND 2012

ACCOUNT NUMBER	JUNE 30, 2013				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	JUNE 30, 2012				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											
Equipment:											
Undistributed Expenditures:											
Operation & Maintenance of Plant Services	12-000-260-730	-	39,313	39,313	39,313	-	-	16,959	16,959	2,375	14,584
Non-Instructional Equipment	12-000-270-730	-	-	-	-	-	-	3,125	3,125	3,125	-
Total Equipment & Interest Deposit		-	39,313	39,313	39,313	-	-	20,084	20,084	5,500	14,584
Facilities Acquisition & Construction Services:											
Other Objects	12-000-400-800	-	65,572	65,572	65,572	-	30,941	-	30,941	30,941	-
Assessment for Debt Service	12-000-400-896	42,464	-	42,464	42,464	-	-	-	-	-	-
Total Facilities Acquisition & Construction Services		42,464	65,572	108,036	108,036	-	30,941	-	30,941	30,941	-
Total Capital Outlay		42,464	104,885	147,349	147,349	-	30,941	20,084	51,025	36,441	14,584
Total Expenditures		32,719,392	154,708	32,874,100	34,160,699	(1,286,599)	31,772,534	163,299	31,935,833	33,047,056	(1,111,223)
Other Financing Sources/(Uses):											
Interest Deposit to Capital Reserve		(50)	-	(50)	-	50	(50)	-	(50)	-	50
Contribution from Enterprise Fund	10-5200	-	-	-	-	-	-	-	-	-	-
Contribution to Unemployment Fund		-	-	-	-	-	-	-	-	(40,000)	(40,000)
Total Other Financing Sources/(Uses)		(50)	-	(50)	-	50	(50)	-	(50)	(40,000)	(39,950)
Total Expenditures & Other Financing Sources/(Uses)		32,719,442	154,708	32,874,150	34,160,699	(1,286,549)	31,772,584	163,299	31,935,883	33,087,056	(1,151,173)
Excess/(Deficiency) of Revenues & Other Financing Sources Over/(Under) Expenditures & Other Financing Uses											
Fund Balances, July 1		(318,769)	(154,708)	(473,477)	366,316	839,793	(98,797)	(157,690)	(256,487)	506,265	762,752
Fund Balances, June 30		1,592,212	-	1,592,212	1,592,212	-	1,085,947	-	1,085,947	1,085,947	-
Fund Balances, June 30		\$ 1,273,443	\$ (154,708)	\$ 1,118,735	\$ 1,958,528	\$ 839,793	\$ 987,150	\$ (157,690)	\$ 829,460	\$ 1,592,212	\$ 762,752

RECAPITULATION OF FUND BALANCE

Restricted Fund Balance:	
Capital Reserve	\$307,444
Excess Surplus	471,876
Excess Surplus Designated for Subsequent Year's Expenditures	134,779
Assigned Fund Balance:	
Year-end Encumbrances	191,469
Designated for Subsequent Year's Expenditures	22,441
Unassigned Fund Balance	830,519
Total - Budgetary Basis	1,958,528
Reconciliation to Governmental Fund Statements (GAAP):	
Last State Aid Payment Not Recognized on GAAP Basis	(449,102)
Total Fund Balance per Governmental Funds (GAAP)	\$1,509,426

**MILLSTONE TOWNSHIP BOARD OF EDUCATION
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR FISCAL YEARS ENDED JUNE 30, 2013 AND 2012**

	JUNE 30, 2013				VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	JUNE 30, 2012				VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
REVENUES										
Local Sources	\$ -	\$ 106,535	\$ 106,535	\$ 106,535	\$ -	\$ -	\$ 79,024	\$ 79,024	\$ 79,024	\$ -
State Sources	-	6,214	6,214	6,214	-	250	5,226	5,476	5,476	-
Federal Sources	354,206	68,963	423,169	423,169	-	373,036	109,656	482,692	482,692	-
Total Revenues	354,206	181,712	535,918	535,918	-	373,286	193,906	567,192	567,192	-
EXPENDITURES:										
Instruction:										
Salaries of Teachers	-	11,796	11,796	11,796	-	18,830	(7,755)	11,075	11,075	-
Salaries - Other Salaries of Instruction	-	-	-	-	-	-	-	-	-	-
Purchased Technical Services	-	-	-	-	-	-	5,213	5,213	5,213	-
Other Purchased Services (400-500 Series)	329,387	45,331	374,718	374,718	-	329,637	120,323	449,960	449,960	-
General Supplies	-	12,287	12,287	12,287	-	-	2,450	2,450	2,450	-
Total Instruction	329,387	69,414	398,801	398,801	-	348,467	120,231	468,698	468,698	-
Support Services:										
Salaries	-	-	-	-	-	-	-	-	-	-
Personal Services - Employee Benefits	-	699	699	699	-	-	847	847	847	-
Purchased Professional - Educational Services	24,819	(1,630)	23,189	23,189	-	24,819	(6,955)	17,864	17,864	-
Other Purchased Services	-	-	-	-	-	-	-	-	-	-
Supplies & Materials	-	113,229	113,229	113,229	-	-	79,783	79,783	79,783	-
Total Support Services	24,819	112,298	137,117	137,117	-	24,819	73,675	98,494	98,494	-
Facilities Acquisition & Construction Services:										
Instructional Equipment	-	-	-	-	-	-	-	-	-	-
Total Facilities Acquisition & Construction Services	-	-	-	-	-	-	-	-	-	-
Total Expenditures	354,206	181,712	535,918	535,918	-	373,286	193,906	567,192	567,192	-
Total Outflows	354,206	181,712	535,918	535,918	-	373,286	193,906	567,192	567,192	-
Excess/(Deficiency) of Revenues Over/(Under) Expenditures & Other Financing Sources/(Uses)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

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**MILLSTONE TOWNSHIP BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

**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)	\$ 34,527,015	\$ 535,918
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	-	(26,999)
Current	-	8,565
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.		
	418,505	-
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.		
	(449,102)	-
<hr/>		
Total Revenues as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds. (B-2)	<u>\$ 34,496,418</u>	<u>\$ 517,484</u>
Uses/outflows of resources:		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 34,160,699	\$ 535,918
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.		
	-	(18,434)
<hr/>		
Total Expenditures as Reported on the Statement of Revenues, Expenditures, & Changes in Fund Balances - Governmental Funds (B-2)	<u>\$ 34,160,699</u>	<u>\$ 517,484</u>

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

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OTHER SUPPLEMENTARY INFORMATION

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D. School Based Budget Schedules

Not Applicable

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E. Special Revenue Fund

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MILLSTONE TOWNSHIP BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(With Comparative Totals for June 30, 2012)

	I.D.E.A. PART B BASIC	I.D.E.A. PART B BASIC CARRYOVER	I.D.E.A. PRESCHOOL	TITLE I	TITLE II-A	TITLE II-A CARRYOVER
Revenues:						
Local Sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State Sources	-	-	-	-	-	-
Federal Source	351,981	22,737	-	28,266	19,413	772
Total Revenues	351,981	22,737	-	28,266	19,413	772
Expenditures:						
Instruction:						
Salaries of Teachers	-	-	-	5,000	-	-
Salaries of Aides	-	-	-	-	-	-
Purchased Technical Services	-	-	-	-	-	-
Other Purchased Services	-	-	-	-	-	-
Tuition	351,981	22,737	-	-	-	-
General Supplies	-	-	-	12,287	-	-
Total Instruction	351,981	22,737	-	17,287	-	-
Support Services:						
Personal Services - Employee Benefits	-	-	-	179	-	-
Purchased Professional Educational Services	-	-	-	10,800	3,500	-
Other Purchased Services	-	-	-	-	-	-
Supplies & Materials	-	-	-	-	15,913	772
Total Support Services	-	-	-	10,979	19,413	772
Facilities Acquisition & Construction Services:						
Instructional Equipment	-	-	-	-	-	-
Total Facilities Acquisition & Construction Services	-	-	-	-	-	-
Total Expenditures	\$ 351,981	\$ 22,737	\$ -	\$ 28,266	\$ 19,413	\$ 772

**MILLSTONE TOWNSHIP BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(With Comparative Totals for June 30, 2012)**

	NONPUBLIC				
	CORRECTIVE SPEECH	SUPPLEMENTAL INSTRUCTION	HANDICAPPED SERVICE	COMPENSATORY EDUCATION	E.S.L.
Revenues:					
Local Sources	\$ -	\$ -	\$ -	\$ -	\$ -
State Sources	1,562	694	1,433	1,672	853
Federal Source	-	-	-	-	-
Total Revenues	1,562	694	1,433	1,672	853
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	1,562	694	1,433	1,672	853
Other Purchased Services	-	-	-	-	-
Supplies & Materials	-	-	-	-	-
Total Support Services	1,562	694	1,433	1,672	853
Facilities Acquisition & Construction Services:					
Instructional Equipment	-	-	-	-	-
Total Facilities Acquisition & Construction Services	-	-	-	-	-
Total Expenditures	\$ 1,562	\$ 694	\$ 1,433	\$ 1,672	\$ 853

**MILLSTONE TOWNSHIP BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(With Comparative Totals for June 30, 2012)**

	LOCAL GRANTS	2013	2012
Revenues:			
Local Sources	\$ 106,535	\$ 106,535	\$ 79,024
State Sources	-	6,214	5,476
Federal Source	-	423,169	482,692
	<hr/>		
Total Revenues	106,535	535,918	567,192
<hr/>			
Expenditures:			
Instruction:			
Salaries of Teachers	6,796	11,796	11,075
Salaries of Aides	-	-	-
Purchased Technical Services	-	-	5,213
Other Purchased Services	-	-	2,857
Tuition	-	374,718	447,103
General Supplies	-	12,287	2,450
	<hr/>		
Total Instruction	6,796	398,801	468,698
<hr/>			
Support Services:			
Personal Services - Employee Benefits	520	699	847
Purchased Professional Education Services	2,675	23,189	17,864
Other Purchased Services	-	-	-
Supplies & Materials	96,544	113,229	79,783
	<hr/>		
Total Support Services	99,739	137,117	98,494
<hr/>			
Facilities Acquisition & Construction Services:			
Instructional Equipment	-	-	-
	<hr/>		
Total Facilities Acquisition & Construction Services	-	-	-
<hr/>			
Total Expenditures	\$ 106,535	\$ 535,918	\$ 567,192
<hr/>			

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F. Capital Projects Fund

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**MILLSTONE BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

PROJECT TITLE/ISSUE	ORIGINAL DATE	ORIGINAL APPROPRIATIONS	EXPENDITURES TO DATE		UNEXPENDED BALANCE JUNE 30, 2013
			PRIOR YEARS	CURRENT YEAR	
New Middle School	5/24/04	\$ 37,817,245	\$ 37,623,984	\$ 194	\$ 193,067
Construction of Various Renovations to the Old Middle School	5/24/04	1,296,981	1,095,046	-	201,935
Construction of Various Renovations to the Elementary School	5/24/04	1,813,525	1,727,942	-	85,583
Total		\$ 40,927,751	\$ 40,446,972	\$ 194	\$ 480,585
					Unexpended Balance 480,585
					Authorization not Funded (573)
					Fund Balance (Exhibit B-2) \$ 480,012

**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, 2013**

Revenues & Other Financing Sources:	
Adjustment to State Sources - SDA Grant	<u>\$ 155,412</u>
Total Revenues & Other Financing Sources	<u>155,412</u>
Expenditures & Other Financing Uses:	
Purchased Professional & Technical Services	<u>194</u>
Total Expenditures	<u>194</u>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	<u>155,218</u>
Fund Balance - Beginning	<u>324,794</u>
Fund Balance - Ending	<u><u>\$ 480,012</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, 2013**

	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	3,020,507	194	3,020,701	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	37,623,984	194	37,624,178	37,817,245
Excess/Deficiency) of Revenues Over/(Under) Expenditures	\$ 193,261	\$ (194)	\$ 193,067	\$ -

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, 2013**

	PRIOR PERIODS	CURRENT YEAR	TOTALS	REVISED AUTHORIZED COST
Revenues & Other Financing Sources:				
State Sources - SCC Grant	\$ 408,662	\$ 155,412	\$ 564,074	\$ 564,074
Bond Proceeds & Transfers	732,907	-	732,907	732,907
Total Reserve	1,141,569	155,412	1,296,981	1,296,981
Expenditures & Other Financing Uses:				
Purchased Professional & Technical Services	201,268	-	201,268	248,000
Construction Services	876,865	-	876,865	1,003,362
Equipment Purchases	-	-	-	29,500
Miscellaneous	16,913	-	16,913	16,119
Total Expenditures & Other Financing Uses	1,095,046	-	1,095,046	1,296,981
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	\$ 46,523	\$ 155,412	\$ 201,935	\$ -

ADDITIONAL PROJECT INFORMATION

Project Number	
Grant Date	7/22/2004
bond Authorization Date	6/29/2004
Bonds Authorized	\$732,907
Bonds Issued	\$732,907
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	84.43%
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, 2013**

	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

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G. Proprietary Funds

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Enterprise Funds

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MILLSTONE TOWNSHIP BOARD OF EDUCATION
ENTERPRISE FUND
COMBINING SCHEDULE OF NET POSITION
AS OF JUNE 30, 2013
(With Comparative Totals for June 30, 2012)

ASSETS	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS			2013	2012
	FOOD SERVICE	COMMUNITY EDUCATION	PERFORMING ARTS CENTER		
Current Assets:					
Cash & Cash Equivalents	\$ 84,194	\$ 15,070	\$ 133,805	\$ 233,069	\$ 289,484
Interfund Receivables	-	-	-	-	7,986
Intergovernmental Receivables	5,705	-	-	5,705	7,835
Other Receivables	852	-	4,333	5,185	5,033
Inventories	6,805	-	398	7,203	10,825
Total Current Assets	97,556	15,070	138,536	251,162	321,163
Noncurrent Assets:					
Furniture, Machinery & Equipment	382,122	-	-	382,122	382,122
Less: Accumulated Depreciation	(194,757)	-	-	(194,757)	(175,135)
Total Noncurrent Assets	187,365	-	-	187,365	206,987
Total Assets	284,921	15,070	138,536	438,527	528,150
LIABILITIES					
Accounts Payable	728	-	3,475	4,203	4,061
Interfund Payable	-	-	-	-	34,165
Unearned Revenue	10,734	-	-	10,734	13,882
Total Liabilities	11,462	-	3,475	14,937	52,108
NET POSITION					
Investment in Capital Assets Net of Related Debt	187,365	-	-	187,365	206,987
Unrestricted	86,094	15,070	135,061	236,225	269,055
Total Net Position	\$ 273,459	\$ 15,070	\$ 135,061	\$ 423,590	\$ 476,042

MILLSTONE TOWNSHIP BOARD OF EDUCATION
ENTERPRISE FUND
COMBINING SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
AS OF JUNE 30, 2013
(With Comparative Totals for June 30, 2012)

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS			2013	2012
	FOOD SERVICE	COMMUNITY EDUCATION	PERFORMING ARTS CENTER		
Operating Revenues:					
Local Revenues:					
Daily Sales - Reimbursable Programs	\$ 187,351	\$ -	\$ -	\$ 187,351	\$ 217,369
Total - Daily Sales - Reimbursable Programs	187,351	-	-	187,351	217,369
Daily Sales - Nonreimbursable Programs	175,870	-	-	175,870	191,764
Special Functions	3,685	-	-	3,685	2,088
Interest Revenue	51	-	216	267	143
Community Service Activities	-	73,090	110,214	183,304	199,104
Total Operating Revenue	366,957	73,090	110,430	550,477	610,468
Operating Expenses:					
Cost of Sales	194,279	-	-	194,279	231,486
Salaries	229,747	28,995	38,319	297,061	263,385
Support Services - Employee Benefits	38,360	2,218	2,834	43,412	48,812
Management Fees	18,780	-	-	18,780	21,050
Purchased Professional/Technical Services	6,978	35,825	25,184	67,987	60,824
Supplies & Materials	10,224	5,113	18,813	34,150	27,888
Depreciation	19,621	-	-	19,621	19,621
General Insurance	8,148	-	-	8,148	8,545
Office Expense	2,028	-	-	2,028	2,058
Travel	2,173	-	-	2,173	2,278
Miscellaneous Expenditures	259	1,574	2,273	4,106	6,009
Total Operating Expenses	530,597	73,725	87,423	691,745	691,956
Operating Income/(Loss)	(163,640)	(635)	23,007	(141,268)	(81,488)
Nonoperating Revenues/(Expenses):					
State Sources:					
State School Lunch Program	4,078	-	-	4,078	4,376
Federal Sources:					
National School Lunch Program	54,496	-	-	54,496	54,213
National School Performance Based Program	5,116	-	-	5,116	-
Special Milk Program	1,465	-	-	1,465	1,336
Food Distribution Program	23,661	-	-	23,661	31,121
Contribution to the Board	-	-	-	-	-
Total Nonoperating Revenues/(Expenses)	88,816	-	-	88,816	91,046
Change in Net Position	(74,824)	(635)	23,007	(52,452)	9,558
Total Net Position - Beginning (Unadjusted)	348,283	15,705	112,054	476,042	374,652
Prior Period Adjustment (See Note 19)	-	-	-	-	91,832
Total Net Position - Beginning (Adjusted)	348,283	15,705	112,054	476,042	466,484
Total Net Position - Ending	\$ 273,459	\$ 15,070	\$ 135,061	\$ 423,590	\$ 476,042

MILLSTONE TOWNSHIP BOARD OF EDUCATION
ENTERPRISE FUND
COMBINING SCHEDULE OF CASH FLOWS
AS OF JUNE 30, 2013
(With Comparative Totals for June 30, 2012)

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS			2013	2012
	FOOD SERVICE	COMMUNITY EDUCATION	PERFORMING ARTS CENTER		
Cash Flows From Operating Activities:					
Receipts from Customers	\$ 367,925	\$ 81,276	\$ 110,714	\$ 559,915	\$ 598,200
Payments to Employees	(268,107)	(31,213)	(41,153)	(340,473)	(312,197)
Payments to Suppliers	(241,514)	(47,100)	(52,665)	(341,279)	(334,666)
Interest Earned	51	-	216	267	143
Net Cash Provided/(Used) by Operating Activities	(141,645)	2,963	17,112	(121,570)	(48,520)
Cash Flows From Noncapital Financing Activities:					
State Sources	4,078	-	-	4,078	4,376
Federal Sources	61,077	-	-	61,077	55,549
Cash Received/(Paid) for Interfund Transfers	-	-	-	-	357,811
Net Cash Provided by Noncapital Financing Activities	65,155	-	-	65,155	417,736
Net Increase/(Decrease) in Cash & Cash Equivalents	(76,490)	2,963	17,112	(56,415)	369,216
Cash & Cash Equivalents, July 1	160,684	12,107	116,693	289,484	(79,732)
Cash & Cash Equivalents, June 30	\$ 84,194	\$ 15,070	\$ 133,805	\$ 233,069	\$ 289,484

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

Operating Income/(Loss)	\$ (163,640)	\$ (635)	\$ 23,007	\$ (141,268)	\$ (81,488)
Adjustments to Reconcile Operating Income/(Loss) to Cash Provided/(Used) by Operating Activities:					
Depreciation Expense	19,621	-	-	19,621	19,621
Food Distribution Program	23,661	-	-	23,661	31,121
Change in Assets & Liabilities:					
Increase/(Decrease) in Receivables	1,279	8,186	500	9,965	(12,868)
Increase/(Decrease) in Inventory	4,020	-	(398)	3,622	(1,643)
(Decrease)/Increase in Accounts Payable	(26,326)	(1,700)	(5,997)	(34,023)	(6,894)
(Decrease)/Increase in Unearned Revenue	(260)	(2,888)	-	(3,148)	3,631
Net Cash Provided/(Used) by Operating Activities	\$ (141,645)	\$ 2,963	\$ 17,112	\$ (121,570)	\$ (48,520)

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Internal Service Fund

Not Applicable

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H. Fiduciary Fund

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**MILLSTONE TOWNSHIP BOARD OF EDUCATION
FIDUCIARY FUNDS
COMBINING STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2013
(With Comparative Totals for June 30, 2012)**

ASSETS	PRIVATE PURPOSE TRUST		AGENCY		2013	2012
	SCHOLARSHIP FUND	UNEMPLOYMENT COMPENSATION	STUDENT ACTIVITIES	PAYROLL FUND		
Cash & Cash Equivalents	\$ 7,260	\$ 16,125	\$ 27,996	\$ 603,573	\$ 654,954	\$ 597,573
Interfund Receivable	-	-	-	-	-	50,306
Total Assets	7,260	16,125	27,996	603,573	654,954	647,879
LIABILITIES						
Interfund Payable	-	7,407	-	22,377	29,784	-
Accounts Payable	-	4,950	-	2,484	7,434	31,345
Payable to Summer Teachers	-	-	-	578,712	578,712	558,299
Due to Student Groups	-	-	27,996	-	27,996	37,790
Total Liabilities	-	12,357	27,996	603,573	643,926	627,434
NET POSITION						
Held in Trust for Unemployment Claims & Other Purposes	-	3,768	-	-	3,768	12,989
Reserved for Scholarships	7,260	-	-	-	7,260	7,456
Total Net Position	\$ 7,260	\$ 3,768	\$ -	\$ -	\$ 11,028	\$ 20,445

**MILLSTONE TOWNSHIP BOARD OF EDUCATION
FIDUCIARY FUNDS
COMPARATIVE COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(With Comparative Totals for June 30, 2012)**

	PRIVATE PURPOSE TRUST		2013	2012
	SCHOLARSHIP FUNDS	UNEMPLOYMENT COMPENSATION		
Additions:				
Contributions:				
Plan Member	\$ -	\$ 31,730	\$ 31,730	\$ 67,648
Board Contribution	-	65,000	65,000	40,000
Other - Interest	4	6	10	22
Total Additions	4	96,736	96,740	107,670
Deductions:				
Quarterly Contribution Reports	-	9,346	9,346	8,969
Unemployment Claims	-	96,611	96,611	102,706
Scholarships Awarded	200	-	200	-
Total Deductions	200	105,957	106,157	111,675
Change in Net Position	(196)	(9,221)	(9,417)	(4,005)
Net Position - Beginning of Year	7,456	12,989	20,445	24,450
Net Position - End of Year	\$ 7,260	\$ 3,768	\$ 11,028	\$ 20,445

**MILLSTONE TOWNSHIP BOARD OF EDUCATION
STUDENT ACTIVITY AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

ASSETS	BALANCE JULY 1, 2012	CASH RECEIPTS	CASH DISBURSEMENTS	BALANCE JUNE 30, 2013
Elementary School	\$ 1,757	\$ 17,327	\$ 17,104	\$ 1,980
Primary School	5,347	9,694	12,955	2,086
Middle School	30,686	78,909	85,665	23,930
Total Assets	\$ 37,790	\$ 105,930	\$ 115,724	\$ 27,996
LIABILITIES				
Payable to Student Groups	\$ 37,790	\$ 105,930	\$ 115,724	\$ 27,996
Total Liabilities	\$ 37,790	\$ 105,930	\$ 115,724	\$ 27,996

**PAYROLL AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

ASSETS	BALANCE JULY 1, 2012	ADDITIONS	DELETIONS	BALANCE JUNE 30, 2013
Cash & Cash Equivalents	\$ 545,702	\$ 15,798,432	\$ 15,740,561	\$ 603,573
Interfund Receivable	17,713	-	17,713	-
Total Assets	\$ 563,415	\$ 15,798,432	\$ 15,758,274	\$ 603,573
LIABILITIES				
Payroll Deductions & Withholdings	\$ 5,116	\$ 6,776,844	\$ 6,779,476	\$ 2,484
Interfund Payable	-	22,377	-	22,377
Payable to Summer Teachers	558,299	578,712	558,299	578,712
Total Liabilities	\$ 563,415	\$ 7,377,933	\$ 7,337,775	\$ 603,573

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I. Long-Term Debt

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**MILLSTONE TOWNSHIP BOARD OF EDUCATION
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS PAYABLE
JUNE 30, 2013**

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ISSUE	DATE OF ISSUE	AMOUNT OF ISSUE	ANNUAL MATURITIES		INTEREST RATE	BALANCE JULY 1, 2012	ISSUED	REFUNDED	RETIRED	BALANCE JUNE 30, 2013
			DATE	AMOUNT						
School District Revenue Bonds	07/15/04	\$34,517,000	07/15/13	\$900,000	4.500%	\$ 1,700,000	\$ -	\$ -	\$ 800,000	\$ 900,000
Refunding Bonds	05/15/05	4,565,000	3/15/2014	425,000	4.000%	2,725,000	-	-	405,000	2,320,000
			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	07/15/13	20,000	3.900%	9,535,000	-	-	20,000	9,515,000
			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, 2013**

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ISSUE	DATE OF ISSUE	AMOUNT OF ISSUE	ANNUAL MATURITIES		INTEREST RATE	BALANCE JULY 1, 2012	ISSUED	REFUNDED	RETIRED	BALANCE JUNE 30, 2013
			DATE	AMOUNT						
Refunding Bonds	01/04/07	9,960,000	07/15/13-14	\$35,000	4.000%	9,825,000	-	-	35,000	9,790,000
			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	07/15/13	630,000	3.000%	15,045,000	-	-	620,000	14,425,000
			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						\$ 38,830,000	\$ -	\$ -	\$ 1,880,000	\$ 36,950,000

**MILLSTONE TOWNSHIP BOARD OF EDUCATION
LONG-TERM DEBT
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES
JUNE 30, 2013**

SERIES	INTEREST RATE	AMOUNT OF ORIGINAL ISSUE	AMOUNT OUTSTANDING JUNE 30, 2012	ISSUED CURRENT YEAR	RETIRED CURRENT YEAR	AMOUNT OUTSTANDING JUNE 30, 2013
2011 Mini School Buses (5)	4.050%	\$220,375	\$ 88,985	\$ -	\$ 43,593	\$ 45,392
Total			\$ 88,985	\$ -	\$ 43,593	\$ 45,392

**MILLSTONE TOWNSHIP BOARD OF EDUCATION
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2013 AND 2012**

	JUNE 30, 2013				VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	JUNE 30, 2012				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	\$ 3,383,308	\$ -	\$ 3,383,308	\$ 3,383,308	\$ -	\$ 3,359,864	\$ -	\$ 3,359,864	\$ 3,359,864	\$ -
Miscellaneous	-	-	-	-	-	-	-	-	29,657	29,657
State Sources:										
Debt Service Aid Type II	156,159	-	156,159	156,159	-	156,021	-	156,021	156,021	-
Total Revenues	3,539,467	-	3,539,467	3,539,467	-	3,515,885	-	3,515,885	3,545,542	29,657
Expenditures										
Regular Debt Service:										
Interest on Bonds	1,624,467	-	1,624,467	1,659,466	(34,999)	1,772,792	-	1,772,792	1,763,248	9,544
Redemption of Principal	1,915,000	-	1,915,000	1,880,000	35,000	1,765,000	-	1,765,000	1,765,000	-
Total Expenditures	3,539,467	-	3,539,467	3,539,466	1	3,537,792	-	3,537,792	3,528,248	9,544
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	-	-	-	1	1	(21,907)	-	(21,907)	17,294	39,201
Other Financing Sources/(Uses):										
Interfund Transfers	-	-	-	-	-	-	-	-	-	-
Total Other Financing Sources/Uses	-	-	-	-	-	-	-	-	-	-
Excess/(Deficiency) of Revenues & Other Financing Sources Over/ (Under) Expenditures	-	-	-	1	1	(21,907)	-	(21,907)	17,294	39,201
Fund Balance, July 1	39,211	-	39,211	39,211	-	21,917	-	21,917	21,917	-
Fund Balance, June 30	\$ 39,211	\$ -	\$ 39,211	\$ 39,212	\$ 1	\$ 10	\$ -	\$ 10	\$ 39,211	\$ 39,201

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STATISTICAL SECTION (Unaudited)

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

	FISCAL YEAR ENDING JUNE 30,									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Governmental Activities:										
Invested in Capital Assets, Net of Related Debt	\$ 5,818,790	\$ 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
Restricted	1,455,764	1,124,681	913,639	572,793	564,227	1,826,817	5,639,682	20,847,345	35,836,022	1,946,315
Unrestricted	(458,775)	(633,062)	301,039	657,241	389,272	582,266	(469,600)	(1,334,904)	(1,821,912)	247,087
Total Governmental Activities										
Net Position	<u>\$ 6,815,779</u>	<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>
Business-Type Activities:										
Invested in Capital Assets, Net of Related Debt	\$ 187,365	\$ 206,987	\$ 134,776	\$ 176,988	\$ 58,296	\$ 74,014	\$ 89,732	\$ 105,450	\$ 121,630	\$ 139,069
Unrestricted	236,225	269,055	239,876	300,623	353,534	296,487	238,750	202,126	151,654	131,102
Total Business-Type Activities										
Net Position	<u>\$ 423,590</u>	<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>
District-Wide:										
Invested in Capital Assets, Net of Related Debt	\$ 6,006,155	\$ 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
Restricted	1,455,764	1,124,681	913,639	572,793	564,227	1,826,817	5,639,682	20,847,345	35,836,022	1,946,315
Unrestricted	(222,550)	(364,007)	540,915	957,864	742,806	878,753	(230,850)	(1,132,778)	(1,670,258)	378,189
Total District Net Position	<u>\$ 7,239,369</u>	<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>

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

	FISCAL YEAR ENDING JUNE 30,									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Expenses:										
Governmental Activities:										
Instruction:										
Regular	\$ (6,515,938)	\$ (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)
Special Education	(2,453,150)	(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)
Other Special Instruction	(501,025)	(527,632)	(445,707)	(354,077)	(359,587)	(380,523)	(336,806)	(438,962)	(387,869)	(153,804)
Other Instruction	(127,655)	(131,444)	(119,935)	(142,167)	(147,554)	(141,185)	(269,296)	(153,978)	(146,552)	(103,128)
Support Services & Undistributed Costs:										
Tuition	(9,713,742)	(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)
Student & Instruction										
Related Services	(2,052,399)	(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)
School Administrative Services	(1,056,680)	(891,827)	(861,779)	(949,893)	(999,501)	(986,592)	(837,919)	(862,242)	(866,919)	(883,759)
General Administrative Services	(537,759)	(661,651)	(456,079)	(497,075)	(467,948)	(416,945)	(490,816)	(1,050,945)	(1,091,357)	(1,026,429)
Central	(406,107)	(342,592)	(339,029)	(364,617)	(384,990)	(378,974)	(456,858)	-	-	-
Plant Operations & Maintenance	(1,830,540)	(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)
Administrative Information Technology	(213,373)	(313,186)	(255,765)	(294,576)	(244,183)	(229,763)	(220,306)	-	-	-
Pupil Transportation	(2,739,695)	(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)
Unallocated Employee Benefits	(6,339,178)	(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)
Interest on Long-Term Debt	(1,644,422)	(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)
Unallocated Change in Compensated Absences	(40,823)	(37,932)	(40,283)	2,925	41,590	(70,510)	-	-	-	-
Unallocated Amortization of Bond Costs & Losses	(2,253)	54,842	(79,870)	(79,871)	(79,870)	(36,138)	-	-	-	-
Unallocated Depreciation	(1,370,008)	(1,221,419)	(1,325,989)	(1,424,865)	(1,460,545)	(1,755,822)	(696,228)	(747)	(13,560)	(362,961)
Total Governmental Activities Expenses	(37,544,747)	(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)

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

FISCAL YEAR ENDING JUNE 30,

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Business-Type Activities:										
Food Service	(530,597)	(556,741)	(560,929)	(563,584)	(548,871)	(556,341)	(513,112)	(503,194)	(466,744)	(453,430)
Performing Arts Center	(87,423)	(56,976)	(74,568)	(78,238)	(51,963)	(11,351)	-	-	-	-
Mast Program	(73,725)	(78,239)	(78,177)	-	-	(10,338)	(30,490)	(32,511)	(28,280)	(31,127)
Total Business-Type Activities Expense	(691,745)	(691,956)	(713,674)	(641,822)	(600,834)	(578,030)	(543,602)	(535,705)	(495,024)	(484,557)
Total District Expenses	<u>\$(38,236,492)</u>	<u>\$(37,453,908)</u>	<u>\$(37,003,864)</u>	<u>\$(37,344,656)</u>	<u>\$(37,390,876)</u>	<u>\$(36,603,138)</u>	<u>\$(33,258,227)</u>	<u>\$(30,370,721)</u>	<u>\$(27,768,222)</u>	<u>\$(24,895,730)</u>
Governmental Activities:										
Charges for Services:										
Pupil Transportation	\$ 612,338	\$ 49,815	\$ 52,686	\$ 83,264	\$ 296,306	\$ -	\$ 65,752	\$ 56,508	\$ 49,317	\$ 70,275
Special Schools	-	-	-	38,381	33,200	37,026	68,624	62,936	67,645	64,655
Operating Grants & Contributions	517,484	568,528	729,732	640,918	563,567	509,692	1,179,606	1,185,409	1,053,242	1,140,948
Capital Grants & Contributions	-	-	-	-	-	-	-	5,226,251	865,814	-
Total Governmental Activities										
Program Revenues	<u>1,129,822</u>	<u>618,343</u>	<u>782,418</u>	<u>762,563</u>	<u>893,073</u>	<u>546,718</u>	<u>1,313,982</u>	<u>6,531,104</u>	<u>2,036,018</u>	<u>1,275,878</u>
Business-Type Activities:										
Charges for Services:										
Food Service	366,906	411,221	448,817	454,030	469,661	468,862	451,864	472,645	407,717	391,723
Performing Arts Center	110,214	105,834	99,905	130,037	100,624	57,795	-	-	-	-
Community Education Program	73,090	93,270	78,851	-	-	9,995	45,975	42,713	40,287	35,361
Operating Grants & Contributions	88,816	91,046	82,542	89,838	71,046	81,552	66,669	54,641	50,132	57,684
Total Business Type Activities Program										
Revenues	<u>639,026</u>	<u>701,371</u>	<u>710,115</u>	<u>673,905</u>	<u>641,331</u>	<u>618,204</u>	<u>564,508</u>	<u>569,999</u>	<u>498,136</u>	<u>484,768</u>
Total District Program Revenues	<u>\$ 1,768,848</u>	<u>\$ 1,319,714</u>	<u>\$ 1,492,533</u>	<u>\$ 1,436,468</u>	<u>\$ 1,534,404</u>	<u>\$ 1,164,922</u>	<u>\$ 1,878,490</u>	<u>\$ 7,101,103</u>	<u>\$ 2,534,154</u>	<u>\$ 1,760,646</u>

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

	FISCAL YEAR ENDING JUNE 30,									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Net/(Expense)/Revenue:										
Governmental Activities	\$(36,414,925)	\$ (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)
Business-Type Activities	(52,719)	9,415	(3,559)	32,083	40,497	40,174	20,906	34,294	3,112	211
Total District-Wide Net Expenses	\$(36,467,644)	\$ (36,134,194)	\$ (35,511,331)	\$ (35,908,188)	\$ (35,856,472)	\$ (35,438,216)	\$ (31,379,737)	\$ (23,269,618)	\$ (25,234,068)	\$ (23,135,084)
General Revenues & Other Changes in Net Assets:										
Governmental Activities:										
Property Taxes Levied for General Purposes,										
Net	\$ 26,371,784	\$ 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
Taxes Levied for Debt Service	3,383,308	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
Unrestricted Grants & Contributions	7,242,214	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
Investment Earnings	-	-	-	-	-	4,082	727,302	1,168,392	663,157	51,450
Miscellaneous Income	581,653	858,029	843,582	968,461	536,918	975,398	357,620	278,893	272,467	307,515
Total Governmental Activities	37,578,959	36,976,734	36,078,646	36,404,914	35,092,053	35,273,493	31,065,835	29,881,063	25,723,509	23,738,078
Business-Type Activities:										
Miscellaneous Income / (Transfers)	-	-	(100,000)	167,666	-	-	-	-	-	-
Interest Earnings	267	143	600	1,150	832	1,845	-	-	-	-
Total Business-Type Activities	267	143	(99,400)	168,816	832	1,845	-	-	-	-
Total District-Wide	\$ 37,579,226	\$ 36,976,877	\$ 35,979,246	\$ 36,573,730	\$ 35,092,885	\$ 35,275,338	\$ 31,065,835	\$ 29,881,063	\$ 25,723,509	\$ 23,738,078
Change in Net Position:										
Governmental Activities	\$ 1,164,034	\$ 833,125	\$ 570,874	\$ 464,643	\$ (804,916)	\$ (204,897)	\$ (334,808)	\$ 6,577,151	\$ 486,329	\$ 602,783
Business-Type Activities	(52,452)	9,558	(102,959)	200,899	41,329	42,019	20,906	34,294	3,112	211
Total District	\$ 1,111,582	\$ 842,683	\$ 467,915	\$ 665,542	\$ (763,587)	\$ (162,878)	\$ (313,902)	\$ 6,611,445	\$ 489,441	\$ 602,994

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

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	FISCAL YEAR ENDING JUNE 30,									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
General Fund:										
Restricted	\$ 779,320	\$ 441,907	\$ 306,460	\$ 364,712	\$ 43,886	\$ 229,320	\$ 174,451	\$ 1,406,927	\$ 1,862,868	\$ 1,162,531
Assigned	348,689	473,475	256,487							
Unassigned	381,417	258,325	176,809	206,747	94,744	272,146	(92,128)	(381,193)	80,778	618,495
Total General Fund	\$ 1,509,426	\$ 1,173,707	\$ 739,756	\$ 571,459	\$ 138,630	\$ 501,466	\$ 82,323	\$ 1,025,734	\$ 1,943,646	\$ 1,781,026
All Other Governmental Funds:										
Assigned	\$ -	\$ -	\$ -	\$ 100,455	\$ 74,215	\$ 659,059	\$ 2,766,472	\$ 13,928,737	\$ 33,514,163	\$ 2,759,500
Restricted, Reported in:										
Capital Projects Fund	480,012	324,794	328,775	318,113	424,053	409,209	1,945,802	4,090,593	(281,834)	(2,029,520)
Debt Service Fund	39,212	39,211	21,917	22,513	22,073	529,229	907,763	1,161,273	619,853	53,804
Total All Other Governmental Funds	\$ 519,224	\$ 364,005	\$ 350,692	\$ 441,081	\$ 520,341	\$ 1,597,497	\$ 5,620,037	\$ 19,180,603	\$ 33,852,182	\$ 783,784

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

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Revenues:										
Local Tax Levy	\$ 29,755,092	\$ 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
Interest Earnings						4,082	727,302	197,189		
Miscellaneous	1,193,991	947,844	796,268	1,068,213	866,424	1,012,424	491,996	398,336	467,944	493,895
State Sources	7,354,963	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
Federal Sources	404,735	668,674	639,901	1,036,981	471,480	435,023	480,289	458,395	357,186	368,207
Total Revenue	38,708,781	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
Expenditures:										
Instruction:										
Regular	6,515,938	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
Special	2,072,783	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
Other	501,025	527,632	445,707	354,077	359,587	380,523	336,806	319,703	272,824	114,077
School-Sponsored/Other										
Instructional	127,655	131,444	119,935	142,167	147,554	141,185	141,238	146,271	140,691	95,113
Undistributed:										
Instruction	9,713,742	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
Support Services - Students	2,052,399	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
Support Services -										
Instructional Staff	-	-	-	-	-	-	206,666	256,401	394,975	395,770
General Administration	537,759	661,651	456,079	497,075	467,948	416,945	418,444	-	490,956	569,743
School Administrative Service	919,563	793,333	720,514	768,121	865,345	766,393	680,409	717,289	698,915	687,673
Central Services	406,107	342,592	339,029	364,617	384,990	378,974	380,950	388,315	-	-
Administrative Information										
Technology	213,373	313,186	255,765	294,576	244,183	229,763	189,943	86,534	-	-
Plant Operations &										
Maintenance	1,830,540	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
Pupil Transportation	2,783,288	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
Business & Other Support Services:										
Employee Benefits	4,355,226	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
Other	-	-	-	-	-	-	-	135,449	426,473	338,425
On-Behalf TPAF Pension										
Contributions	1,262,473	848,235	633,325	604,315	582,477	879,647	868,763	320,685	227,482	230,767
Reimbursed TPAF FICA										
Contributions	721,479	710,132	660,573	663,962	656,984	651,662	612,398	592,924	565,422	554,647

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

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Expenditures (continued):										
Special Schools	-	-	-	107,846	103,760	102,739	102,997	86,353	75,784	53,617
Capital Outlay	147,543	40,422	148,498	309,358	607,657	4,081,727	13,946,759	377,932	370,858	960,068
Special Revenue	517,484	568,528	731,549	647,125	563,567	573,806	-	-	-	507,052
Debt Service:										
Principal	1,880,000	1,765,000	1,630,000	1,490,000	1,355,000	1,200,000	1,043,820	830,000	755,000	255,000
Interest & Other Charges	1,659,466	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
Total Expenditures	38,217,843	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
Excess (Deficiency) of Revenues Over/(Under) Expenditures	490,938	487,264	(22,092)	(23,817)	(1,439,992)	(3,796,311)	(14,598,187)	4,015,538	(91,797)	(120,572)
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	\$ 490,938	\$ 447,264	\$ 77,908	\$ 353,569	\$ (1,439,992)	\$ (3,603,398)	\$ (14,503,976)	\$ 5,279,241	\$ 742,722	\$ 71,163
Debt Service as a Percentage of Noncapital Expenditures	4.34%	4.75%	5.01%	5.13%	5.23%	5.09%	4.53%	9.51%	2.26%	2.70%

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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
2013	\$104,234	612,338								370,884	1,087,456
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

Source: District Records

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

145	YEAR ENDED JUNE 30,	VACANT LAND	RESIDENTIAL	FARM REG.	QFARM	COMMERCIAL	INDUSTRIAL	TOTAL ASSESSED VALUE	PUBLIC UTILITIES	NET VALUATION TAXABLE	TOTAL DIRECT SCHOOL TAX RATE	ESTIMATED ACTUAL (COUNTY EQUALIZED) VALUE
	2013	\$35,666,000	1,377,787,300	77,010,700	4,436,700	62,293,700	4,084,500	1,561,278,900	6,010,929	1,567,289,829	1.907	1,783,443,985
	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

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	
2013	1.678	0.229	1.907	0.225	0.353	2.485
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

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	
2013	\$29,755,092	29,755,092	100.00%	-
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%	-

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		
2013	\$36,950,000	45,392	36,995,392	6.95%	3,501.36
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

**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		
2013	\$36,950,000	-	36,950,000	2.36%	3,497.07
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

**RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2013**

GOVERNMENTAL UNIT	DEBT OUTSTANDING	ESTIMATED PERCENTAGE APPLICABLE	SHARE OF OVERLAPPING DEBT
Debt Repaid With Property Taxes:			
Millstone Township	\$20,056,708	100.000%	\$20,056,708
Monmouth County General Obligation Debt	459,980,960	1.583%	<u>7,281,499</u>
Subtotal, Overlapping Debt			27,338,207
Millstone Township Board of Education			<u>36,950,000</u>
Total Direct & Overlapping Debt			<u><u>\$64,288,207</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									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Debt Limit	\$56,328,667	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
Total Net Debt Applicable to Limit	<u>36,950,000</u>	<u>38,830,000</u>	<u>41,485,000</u>	<u>43,115,000</u>	<u>44,605,000</u>	<u>45,960,000</u>	<u>47,160,000</u>	<u>47,807,000</u>	<u>47,957,000</u>	<u>14,092,000</u>
Legal Debt Margin	<u>\$19,378,667</u>	<u>20,122,053</u>	<u>19,449,600</u>	<u>19,578,715</u>	<u>17,903,827</u>	<u>7,582,412</u>	<u>6,382,412</u>	<u>(962,069)</u>	<u>(7,238,786)</u>	<u>21,484,754</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	65.6%	65.9%	68.1%	68.8%	71.4%	85.8%	88.1%	102.1%	117.8%	39.6%

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Legal Debt Margin Calculation for Fiscal Year 2012

	Equalized Valuation Basis
	2012 \$1,771,986,583
	2011 1,902,994,721
	2010 <u>1,957,885,410</u>
	<u>\$5,632,866,714</u>
Average Equalized Valuation of Taxable Property	<u>\$1,877,622,238</u>
Debt Limit (3 % of Average Equalization Value)	\$56,328,667
Net Bonded School Debt	<u>36,950,000</u>
Legal Debt Margin	<u>\$19,378,667</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		
2013	10,566	532,420,740	50,390	3.80%	
2012	10,578	602,469,990	56,955	3.80%	
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%	

Source: NJ Dept of Labor and Workforce Development

* 2010 Census

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

	2013	2006
	EMPLOYEES	EMPLOYEES
Millstone Board of Education	208	256
Total	208	256

Source: Monmouth County Economic Development

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

Function/Program	2013	2012	2011	2010	2009	2008	2007	2006	2005
Instruction:									
Regular	81	92	81	103	108	110	110	105	104
Special Education	50	41	49	39	39	39	40	34	38
Other Special Education	4	2	4	4	4	4	9	9	8
Support Services:									
Student & Instruction Related									
Services	28	26	26	26	36	36	35	36	34
General Administration	3	3	3	5	5	5	3	3	3
School Administrative Services	11	16	11	14	15	15	14	10	10
Central Services	8	8	8	8	6	6	5	5	5
Plant Operations & Maintenance	19	22	29	29	21	23	15	15	13
Pupil Transportation	3	24	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	2	2	2
Total	208	232	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				
2013	1,355	\$34,530,834	25,484	9.89%	139	9/1	9/1	1,345.90	1,285.60	-7.23%	95.5%
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%

Sources: District records

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

DISTRICT BUILDINGS	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
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	645	597	597	597	597
Enrollment	381	401	440	452	468	480	890	890	903	918
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	592	407	407	407	407
Enrollment	448	480	510	521	560	551	841	841	808	785
Middle School:										
Millstone Middle (2007):										
Square Feet	167,536	167,536	167,536	167,536	167,536	167,536	N/A	N/A	N/A	N/A
Capacity (Students)	650	650	650	650	650	650	N/A	N/A	N/A	N/A
Enrollment	526	567	583	608	609	623	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, 2013:										
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 #	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Millstone Primary	N/A	\$104,200	91,585	70,455	91,080	97,283	107,821	244,896	122,069	108,363	84,753
Millstone Elementary	N/A	69,467	65,417	51,120	66,085	70,586	78,229	194,335	70,837	59,169	64,902
Millstone Middle	N/A	212,260	170,085	130,948	186,086	198,759	220,290	N/A	N/A	N/A	N/A
Total		\$385,927	327,087	252,523	343,251	366,628	406,340	439,231	192,906	167,532	149,655

* 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, 2013**

	COVERAGE	DEDUCTIBLE
School Package Policy (1):		
Building & Contents (All Locations)	\$69,550,167	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.

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SINGLE AUDIT SECTION

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HOLMAN | FRENIA
ALLISON, P.C.

Certified Public Accountants & Consultants

10 Allen Street, Suite 2B, Toms River, NJ 08753 • Tel: 732.797.1333
618 Stokes Road, Medford, NJ 08055 • Tel: 609.953.0612
912 Highway 33, Suite 2, Freehold, NJ 07728 • Tel: 732.409.0800
795 Canton Street, Troy, PA 16947 • Tel: 570.297.5090
926 Main Street, Suite 103, Rome, PA 18837 • Tel: 570.297.5090
www.hfacpas.com

EXHIBIT K-1

INDEPENDENT AUDITOR'S 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, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Millstone Township School District, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise Millstone Township School District's basic financial statements, and have issued our report thereon dated November 27, 2013.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Millstone Township School District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Millstone Township School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Millstone Township School District's internal control.

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. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Millstone Township School District's financial statements are free from 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 one instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

We noted certain matters that we reported to management of the Millstone Township School District, in a separate letter dated November 27, 2013.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

This report is intended solely for the information of the audit committee, management of the Millstone Township Board of Education, 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 ALLISON, P.C.

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

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

Medford, New Jersey
November 27, 2013



HOLMAN | FRENIA
ALLISON, P.C.
Certified Public Accountants & Consultants

10 Allen Street, Suite 2B, Toms River, NJ 08753 • Tel: 732.792.1333
618 Stokes Road, Medford, NJ 08055 • Tel: 609.953.0612
912 Highway 33, Suite 2, Freehold, NJ 07728 • Tel: 732.409.0800
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926 Main Street, Suite 103, Rome, PA 18837 • Tel: 570.297.5090
www.hfacpas.com

EXHIBIT K-2

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY 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

Report on Compliance for Each Major Federal and State Program

We have audited Millstone Township School District's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* and the *New Jersey Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the District's major federal and state programs for the year ended June 30, 2013. 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.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal and state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Millstone Township School District's major federal and state programs based on our audit of the types of compliance requirements referred to above. 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; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organization*; the *New Jersey State Aid/Grant Compliance Supplement*; the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey; and New Jersey OMB's Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards, OMB Circular A-133 and New Jersey OMB's Circular 04-04, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about 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 on compliance for each major federal or state program. However, our audit does not provide a legal determination of Millstone Township School District's compliance with those requirements.

Opinion on Each Major Federal or State Program

In our opinion, Millstone Township School District complied, in all material respects, with the types of 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, 2013.

Other Matters

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

Report on Internal Control Over Compliance

Management of Millstone Township School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Millstone Township School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal or state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal or state program and to test and report on internal control over compliance in accordance with OMB Circular A-133 or New Jersey OMB's Circular 04-04, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, 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. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133 and New Jersey OMB's Circular 04-04. Accordingly, this report is not suitable for any other purpose.

This report is intended 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 ALLISON, P.C.

A handwritten signature in black ink, appearing to read 'R. Haines', with a long horizontal stroke extending to the right.

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

Medford, New Jersey
November 27, 2013

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MILLSTONE TOWNSHIP BOARD OF EDUCATION
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

FEDERAL GRANTOR PASS-THROUGH GRANTOR PROGRAM TITLE	FEDERAL CFDA NUMBER	AWARD AMOUNT	GRANT PERIOD	BALANCE		CASH RECEIVED	BUDGETARY EXPENDITURES	PRIOR YEAR ENCUMBRANCE PAYABLE CANCELED	(ACCOUNTS RECEIVABLE) AT JUNE 30, 2013	DUE TO GRANTOR AT JUNE 30, 2013
				AT JUNE 30, 2012	CARRYOVER (WALKOVER) AMOUNT					
U.S. DEPARTMENT OF AGRICULTURE PASSED- THROUGH STATE DEPARTMENT OF EDUCATION:										
Food Distribution Program	10.550	\$23,661	7/1/12-6/30/13	\$ -	\$ -	\$ 23,661	\$ (23,661)	\$ -	\$ -	\$ -
National School Lunch Program	10.555	54,496	7/1/12-6/30/13	-	-	49,902	(54,496)	-	(4,594)	-
National School Lunch Program	10.555	54,213	7/1/11-6/30/12	(7,121)	-	7,121	-	-	-	-
National Performance Based Lunch	10.555	5,116	7/1/12-6/30/13	-	-	4,657	(5,116)	-	(459)	-
Special Milk Program	10.556	1,465	7/1/12-6/30/13	-	-	1,372	(1,465)	-	(93)	-
Special Milk Program	10.556	1,336	7/1/11-6/30/12	(158)	-	158	-	-	-	-
Total U.S. Department of Agriculture				(7,279)	-	86,871	(84,738)	-	(5,146)	-
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	29,087	9/1/12-8/30/13	-	-	-	(28,266)	-	(28,266)	-
Title II - Part A	84.367A	20,379	9/1/12-8/30/13	-	-	3,500	(19,413)	-	(15,913)	-
Title II - Part A	84.367A	25,841	9/1/11-8/30/12	(25,069)	-	25,389	(772)	-	(452)	-
I.D.E.A. - Part B - Basic	84.027	392,747	9/1/12-8/30/13	-	-	151,066	(351,981)	-	(200,915)	-
I.D.E.A. - Part B - Basic Nonpublic	84.027	4,155	9/1/12-8/30/13	-	-	-	-	-	-	-
I.D.E.A. - Part B - Basic	84.027	452,253	9/1/11-8/30/12	(145,589)	-	168,326	(22,737)	-	-	-
I.D.E.A. - Part B - ARRA	84.391	462,297	9/1/11-8/30/12	16,752	-	-	-	-	-	16,752
I.D.E.A. Preschool	84.173	26,582	9/1/12-8/30/13	-	-	-	-	-	-	-
I.D.E.A. Preschool Nonpublic	84.173	717	9/1/12-8/30/13	-	-	-	-	-	-	-
I.D.E.A. Preschool	84.173	24,459	9/1/11-8/30/12	(10,120)	-	10,120	-	-	-	-
Total U.S. Department of Education				(164,026)	-	358,401	(423,169)	-	(245,546)	16,752
Total Federal Financial Assistance				\$ (171,305)	\$ -	\$ 445,272	\$ (507,907)	\$ -	\$ (250,692)	\$ 16,752

MILLSTONE TOWNSHIP BOARD OF EDUCATION
SCHEDULE OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

STATE GRANTOR/PROGRAM TITLE	GRANT OR STATE PROJECT NUMBER	AWARD AMOUNT	GRANT PERIOD	BALANCE AT JUNE 30, 2012	CASH RECEIVED	BUDGETARY EXPENDITURES	PRIOR YEAR ENCUMBRANCE PAYABLE CANCELED	REPAYMENT OF PRIOR YEAR'S BALANCES	ADJUSTMENTS	(ACCOUNTS RECEIVABLE) AT JUNE 30, 2013	DEFERRED REVENUE AT JUNE 30, 2013	DUE TO GRANTOR JUNE 30, 2013	MEMO		
													BUDGETARY RECEIVABLE	CUMULATIVE TOTAL EXPENDITURES	
State Department of Education:															
General Fund:															
Equalization Aid	13-495-034-5120-078	\$2,674,958	7/1/12-6/30/13	\$ -	\$ 2,674,958	\$ (2,674,958)	\$ -	\$ -		\$ -	\$ -	\$ -	\$ 253,080	\$ 2,674,958	
Special Education Aid	13-495-034-5120-089	1,275,974	7/1/12-6/30/13	-	1,275,974	(1,275,974)	-	-		-	-	-	120,721	1,275,974	
Extraordinary Aid	13-495-034-5120-044	296,125	7/1/12-6/30/13	-	-	(296,125)	-	-		(296,125)	-	-	-	296,125	
Extraordinary Aid	12-495-034-5120-044	141,041	7/1/11-6/30/12	(141,852)	141,852	-	-	-		-	-	-	-	-	
Categorical Security Aid	13-495-034-5120-084	160,623	7/1/12-6/30/13	-	160,623	(160,623)	-	-		-	-	-	15,196	160,623	
Categorical Transportation Aid	13-495-034-5120-014	635,284	7/1/12-6/30/13	-	635,284	(635,284)	-	-		-	-	-	60,105	635,284	
Anti-Bullying Bill of Rights Ac	N/A	-	7/1/12-6/30/13	-	-	-	-	-		-	-	-	-	-	
Reimbursed Nonpublic Transportation Aid	13-100-034-5120-014	47,056	7/1/12-6/30/13	-	-	(40,859)	-	-		(40,859)	-	-	-	40,859	
Reimbursed Nonpublic Transportation Aid	12-100-034-5120-014	50,757	7/1/11-6/30/12	(47,056)	47,056	-	-	-		-	-	-	-	-	
TPAF Wage Freeze Grant	13-495-034-5095-002	761	7/1/12-6/30/13	-	-	-	-	-		-	-	-	-	-	
On-Behalf TPAF Pension Contributions (Nonbudgeted)	13-100-034-5095-116	592,502	7/1/12-6/30/13	-	592,502	(592,502)	-	-		-	-	-	-	592,502	
On-Behalf TPAF Post-Retirement Medical (Nonbudgeted)	13-100-034-5095-116	669,971	7/1/12-6/30/13	-	669,971	(669,971)	-	-		-	-	-	-	669,971	
Reimbursement TPAF Social Security Contributions	13-100-034-5095-002	721,479	7/1/12-6/30/13	-	685,617	(721,479)	-	-		(35,862)	-	-	-	721,479	
Reimbursement TPAF Social Security Contributions	12-100-034-5095-002	660,573	7/1/11-6/30/12	(3,551)	3,551	-	-	-		-	-	-	-	-	
Total General Fund				(192,459)	6,887,388	(7,067,775)	-	-		(372,846)	-	-	449,102	7,067,775	
Special Revenue Fund:															
Nonpublic Textbook	12-100-034-5120-064	49	7/1/11-6/30/12	49	-	-	-	(49)		-	-	-	-	-	
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	-	-	123	(12)		-	-	123	-	-	
Nonpublic Handicapped Services	12-100-034-5120-066	645	7/1/11-6/30/12	645	-	-	-	(645)		-	-	-	-	-	
Nonpublic Handicapped Services	13-100-034-5120-066	1,433	7/1/12-6/30/13	-	1,433	(1,433)	-	-		-	-	-	-	1,433	
Nonpublic Compensatory Education	13-100-034-5120-067	1,672	7/1/12-6/30/13	-	1,672	(1,672)	-	-		-	-	-	-	1,672	
Nonpublic Supplementary Instruction	12-100-034-5120-066	2,806	7/1/11-6/30/12	2,806	-	-	-	(2,806)		-	-	-	-	-	
Nonpublic Supplementary Instruction	13-100-034-5120-066	694	7/1/12-6/30/13	-	694	(694)	-	-		-	-	-	-	694	
Nonpublic Corrective Speech	13-100-034-5120-066	1,562	7/1/12-6/30/13	-	1,562	(1,562)	-	-		-	-	-	-	1,562	
Nonpublic Auxiliary Services	13-100-034-5120-067	853	7/1/12-6/30/13	-	853	(853)	-	-		-	-	-	-	853	
Total Special Revenue Fund				3,582	6,214	(6,214)	123	(3,582)		-	-	123	-	6,214	
Capital Projects Fund:															
NJSCC - Renovations Middle	SP#-40042000	780,917	4/1/04-	(328,766)	-	-	-	-	(155,412)	(484,178)	-	-	-	-	
NJSCC - New Middle School	SP#-ND1041000	5,329,038	4/1/04-	(1,039,172)	-	-	-	-	(155,412)	(1,039,172)	-	-	-	-	
Total Capital Projects Fund				(1,367,938)	-	-	-	-	(155,412)	(1,523,350)	-	-	-	-	
Debt Service Fund:															
Debt Service Aid Type II	12-100-034-5120-125	156,159	7/1/12-6/30/13	-	156,159	(156,159)	-	-		-	-	-	-	156,159	
Total Debt Service Fund				-	156,159	(156,159)	-	-		-	-	-	-	156,159	
State Department of Agriculture:															
Enterprise Fund:															
School Lunch Program (State Share)	13-100-010-3360-066	4,078	7/1/12-6/30/13	-	3,519	(4,078)	-	-		(559)	-	-	-	4,078	
School Lunch Program (State Share)	12-100-010-3360-066	4,376	7/1/11-6/30/12	(555)	555	-	-	-		-	-	-	-	-	
Total Enterprise Fund				(555)	4,074	(4,078)	-	-		(559)	-	-	-	4,078	
Total State Financial Assistance				\$ (1,557,370)	\$ 7,053,835	(7,234,226)	\$ 123	\$ (3,582)	\$ (155,412)	\$ (1,896,755)	\$ -	\$ 123	\$ 449,102	\$ 7,234,226	
Less: State Financial Assistance Not Subject to New Jersey OMB Circular 04-04															
On-Behalf TPAF Post-Retirement Medical (Nonbudgeted)	13-100-034-5095-116	669,971	7/1/12-6/30/13	-	-	669,971	-	-		-	-	-	-	-	
On-Behalf TPAF Pension Contributions (Nonbudgeted)	13-100-034-5095-116	592,502	7/1/12-6/30/13	-	-	592,502	-	-		-	-	-	-	-	
Total State Financial Assistance Subject to New Jersey OMB Circular 04-04				-	-	(5,971,753)	-	-		-	-	-	-	-	

**MILLSTONE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2013**

Note 1: General

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

Note 2: Basis of Accounting

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

Note 3: Relationship to Basic Financial Statements

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$(30,597) for the general fund and \$(18,434) for the special revenue fund. See Note 1 for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented as follows:

**MILLSTONE TOWNSHIP SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF FINANCIAL ASSISTANCE (continued)
FOR THE YEAR ENDED JUNE 30, 2013**

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

	State	Federal	Total
General Fund	\$ 7,037,178	\$ -	\$ 7,037,178
Special Revenue Fund	6,214	404,735	410,949
Debt Service Fund	156,159	-	156,159
Enterprise Fund	<u>4,078</u>	<u>84,738</u>	<u>88,816</u>
Total Financial Assistance	<u>\$ 7,203,629</u>	<u>\$ 489,473</u>	<u>\$ 7,693,102</u>

Note 4: Relationship to Federal and State Financial Reports

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

Note 5: Other

Revenues and expenditures reported under the Food Distribution Program 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, 2013. 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, 2013.

Note 6: Federal and State Loans Outstanding

The Millstone Township School District had no loan balances outstanding at June 30, 2013.

**MILLSTONE TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2013**

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued:	<u>Unmodified</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>Unmodified</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
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, 2013**

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>Unmodified</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
13-495-034-5120-078	Equalization Aid
13-495-034-5120-089	Categorical Special Education Aid
13-495-034-5120-084	Categorical Security Aid

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, 2013**

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

No Prior Year Findings

MILLSTONE TOWNSHIP SCHOOL DISTRICT

Millstone Township, New Jersey
County of Monmouth

**Auditor's Management Report on Administrative Findings -
Financial, Compliance and Performance
for The Year Ended June 30, 2013**

**MANAGEMENT REPORT ON ADMINISTRATIVE FINDINGS
FINANCIAL, COMPLIANCE AND PERFORMANCE**

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HOLMAN | FRENIA
ALLISON, P.C.
Certified Public Accountants & Consultants

10 Allen Street, Suite 2B, Toms River, NJ 08753 • Tel: 732.797.1333
618 Stokes Road, Medford, NJ 08055 • Tel: 609.953.0612
912 Highway 33, Suite 2, Freehold, NJ 07728 • Tel: 732.409.0800
795 Canton Street, Troy, PA 16947 • Tel: 570.297.5090
926 Main Street, Suite 103, Rome, PA 18837 • Tel: 570.297.5090
www.hfacpas.com

**REPORT OF INDEPENDENT AUDITORS
AUDITOR'S MANAGEMENT REPORT ON ADMINISTRATIVE
FINDINGS, FINANCIAL COMPLIANCE AND PERFORMANCE**

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

We have audited, in accordance with generally accepted audit standards and *Government Auditing Standards* issued by the Comptroller General of the United States, the basic financial statements of the Board of Education of the Millstone Township School District in the County of Monmouth for the year ended June 30, 2013, and have issued our report thereon dated November 27, 2013.

As part of our audit, we performed procedures required by the New Jersey Department of Education, and the findings and results thereof are disclosed on the following pages, as listed in the accompanying table of contents.

This report is intended for the information of the Millstone Township School District Board of Education's management and the New Jersey Department of Education. However, this report is a matter of public record and its distribution is not limited.

Respectfully submitted,

HOLMAN FRENIA ALLISON, P. C.

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

Medford, New Jersey
November 27, 2013

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

**ADMINISTRATIVE FINDINGS
FINANCIAL, COMPLIANCE AND PERFORMANCE**

Scope of Audit

The audit covered the financial transactions of the Board Secretary/School Business Administrator and Treasurer of School Moneys, the activities of the Board of Education and the records of the various funds under the auspices of the Board of Education.

Administrative Practices and Procedures

Insurance

Fire insurance coverage was carried in the amounts as detailed on Exhibit J-20, Insurance Schedule contained in the District's CAFR.

Official Bonds

Name	Position	Amount
Bernard Biesiada	Business Administrator/Board Secretary	\$ 10,000
Edward DeBevec	Treasurer	251,000

There is a Public Employee's Crime Coverage Blanket Position with UTICA covering all other employees with multiple coverage of \$100,000.00. Adequacy of insurance coverage is the responsibility of the District.

Tuition Charges

A comparison of tentative tuition charges and actual certified tuition charges was made. The District is in accordance with *N.J.A.C. 6:20-3.1(e)4*.

Financial Planning, Accounting and Reporting

Examination of Claims

An examination of claims paid during the period under review indicated that the vouchers were in satisfactory condition.

Payroll Account

The net salaries of all employees of the District were deposited in the Payroll Account. Employee's payroll deductions were deposited in the Payroll agency account. Employers share of fringe benefits were paid out of the general fund. Our audit procedures included a test of health benefit contributions from eligible employees of the District to ensure statutory amounts were withheld and properly recorded as an offset against employee health benefit expenditures.

All payrolls were approved by the Superintendent and were certified by the President of the Board and the School Business Administrator/Board Secretary. Salary withholdings were promptly remitted to the proper agencies.

Reserve for Encumbrances and Accounts Payable

A review of outstanding issued purchase orders was made as of June 30, for goods not yet received or services not yet rendered and it was determined that no blanket purchase orders were included in the balance of the reserves for encumbrances. Also, unpaid purchase orders included in the balance of accounts payable were reviewed for propriety and to determine that goods were received and services were rendered, as of June 30.

Classification of Expenditures

The coding of expenditures was tested for proper classification in accordance with *N.J.A.C.6A:23-1.2* as part of our test of transactions of randomly selected expenditure items. We also reviewed the coding of all expenditures included in our compliance and single audit testing procedures. As a result of the procedures performed, no transaction errors were noted and no additional procedures were deemed necessary to test the propriety of expenditure classification.

Board Secretary's Records

Our review of the financial and accounting records maintained by the board secretary were found to be in satisfactory condition, except for the Community Education proprietary fund.

The following was exception was noted:

Finding 2013-01:

During our testing of the community education proprietary fund, it was noted detailed records were not maintained to support the revenue collected. The District is not maintaining a list of classes provided. Additionally the District is not reconciling revenue earned to attendance records for the classes provided.

Board Secretary's Records (continued):

Recommendation:

The District should maintain a detailed list of all classes provided. Additionally a reconciliation process should be implemented to reconcile attendance to revenue earned by class.

Management's Response:

This finding will be corrected in the fiscal year ending June 30, 2014.

Treasurer's Records

The Treasurer's records were reviewed and were in agreement with the records of the Board Secretary.

Elementary and Secondary Education Act (E.S.E.A.)/Improving America's Schools Act (I.A.S.A.) as Reauthorized by the No Child Left Behind Act of 2001.

The E.S.E.A./N.C.L.B. financial exhibits are contained within the Special Revenue Section of the CAFR. This section of the CAFR documents the financial position pertaining to the projects under Titles I, II, IV and Title VI of the Elementary and Secondary Education Act as amended and reauthorized.

Other Special Federal and/or State Projects

The District's Special Projects were approved as listed on Schedule A and Schedule B located in the CAFR.

Our audit of the Federal and State funds on a test basis, indicated that obligations and expenditures were incurred during the fiscal year or project period for which the project was approved.

The financial exhibits are contained within the Special Revenue Section of the CAFR. This section of the CAFR documents the financial position pertaining to the aforementioned special projects.

T.P.A.F. Reimbursement

Our audit procedures included a test of the semi-monthly reimbursement forms filed with the Department of Education for district employees who are members of the Teachers Pension and Annuity Fund. No exceptions were noted.

School Purchasing Programs

Contracts and Agreements Requiring Advertisement for Bids

N.J.S.A.18A:18A-1 et seq. (Public School Contracts Law), the associated rules and related information on the statute, and school contracts in general is available on the website <http://www.state.nj.us/njded/pscl/index.html>.

School Purchasing Programs (continued):

N.J.S.A.18A:18A-3 states:

- a) "When the cost or price of any contract awarded by the purchasing agent in the aggregate, does not exceed in a contract year the total sum of \$17,500, the contract may be awarded by a purchasing agent when so authorized by resolution of the board of education without public advertising for bids and bidding therefore, except that the board of education may adopt a resolution to set a lower threshold for the receipts of public bids or the solicitation of competitive quotations. If the purchasing agent is qualified pursuant to subsection b. (pending before the Legislature as section 15 of this bill) of section 9 of P.L. 1971, c.198 (C.40A:119) the board of education may establish that the bid threshold may be up to \$25,000. Such authorization may be granted for each contract or by a general delegation of the power to negotiate and award such contracts pursuant to this section.

- b) Commencing in the fifth year after the year in which P.L. 1999, c.440 takes effect, and every five years thereafter, the Governor, in consultation with the Department of Treasury, shall adjust the threshold amount and the higher threshold amount which the board of education is permitted to establish as set forth in subsection a. of this section or the threshold amount resulting from any adjustment under this subsection, in direct proportion to the rise or fall of the index rate as that term is defined in *N.J.S.18A:18A-2* (pending before the Legislature as section 50 of this bill), and shall round the adjustment to the nearest \$1,000. The Governor shall notify all local school districts of the adjustment no later than June 1 of every fifth year. The adjustment shall become effective on July 1 of the year in which it is made."

N.J.S.A.18A:18A-4 states, "Every contract for the provision or performance of any goods or services, the cost of which in the aggregate exceeds the bid threshold, shall be awarded only by resolution of the board of education to the lowest responsible bidder after public advertising for bids and bidding therefore, except as is provided otherwise in this chapter or specifically by any other law. No work, materials or supplies shall be undertaken, acquired or furnished for a sum exceeding in the aggregate the amount set forth in, or calculated by the Governor pursuant to *N.J.S.A.18A:18A-3* except by contract or agreement."

Effective July 1, 2010 and thereafter the bid thresholds in accordance with *N.J.S.A.18A:18A-2* and *18A:18A-3(a)* are \$36,000 (with a Qualified Purchasing Agent) and \$26,000 (without a Qualified Purchasing Agent), respectively. The law regulating bidding for public school student transportation contracts under *N.J.S.A.18A:39-3* is currently \$17,200. The Berkeley Township Board of Education currently has a Qualified Purchasing Agent.

The Board of Education has the responsibility of determining whether the expenditures in any category will exceed the statutory thresholds within the fiscal year (contract year for July 1, 2010 and thereafter).

Where question arises as to whether any contract or agreement might result in violation of the statute, the Solicitor's opinion should be sought before a commitment is made.

Inasmuch as the system of records did not provide for an accumulation of payments for categories for the performance of any work or the furnishing or hiring of any materials or supplies, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear-cut violations existed.

The results of our examination indicated that no individual payments, contracts or agreements were made "for the performance of any work or the furnishing or hiring of any materials or supplies", in excess of the statutory thresholds where there had been no advertising for bids in accordance with the provision of *N.J.S.A.18A:18A-4*.

School Purchasing Programs (continued):

The system of records did not provide for an accumulation of purchases for which the school board used contracts entered into by the State Department of Purchase and Property pursuant to Ch. 114, P.L. 1977, therefore, the extent of such purchases could not reasonably be ascertained.

School Food Service

The financial transactions and statistical records of the School Food Services were maintained in satisfactory condition. The financial accounts, meal count records and eligibility applications were reviewed on a test-check basis.

The number of meals claimed for reimbursement was verified against sales and meal count records. As part of the claims review process the Edit Check Worksheet was completed.

Applications for free and reduced price meals were reviewed for completeness and accuracy. The number of free and reduced price meals claimed as served did not exceed the number of valid applications on file, times the number of operating days, on a school-by-school basis. The free and reduced price meal and free milk policy is uniformly administered throughout the School System. The required verification procedures for free and reduced price applications were completed and available for review.

Expenditures were separately recorded as food, labor and other costs. Vendor invoices were reviewed and costs verified. Inventory records on food supply items were currently maintained and properly applied in determining the cost of food and supplies used.

Time sheets were reviewed and labor costs verified. Payroll records were maintained on all School Food Services employees authorized by the board of education.

The cash disbursements records reflected expenditures for program related goods and services. The appropriate revenue and expenditure records were maintained in order to substantiate the nonprofit status of the school food service. Net cash resources did not exceed three months average expenditures.

Food Distribution Program commodities were received and a separate inventory was maintained on a first-in, first-out basis.

Exhibits reflecting Child Nutrition Program operations are included in the section entitled Enterprise Funds, Section G.

Student Body Activities

Our review of the financial and accounting records maintained for the Student Activity Funds were in satisfactory condition.

Application for State School Aid

Our audit procedures included a test of information reported in the October 15, 2012 Application for State School Aid (A.S.S.A.) for On-Roll, private schools for the handicapped and low-income. We also performed a review of the District procedures related to its completion. The information on the A.S.S.A. was compared to the District workpapers. The results of our procedures are presented in the Schedule of Audited Enrollments.

Application for State School Aid (continued):

The District maintained workpapers on the prescribed state forms or their equivalent.

The District has adequate written procedures for the recording of student enrollment data.

Pupil Transportation

Audit procedures included a test of On-Roll status reported in the 2012-2013 District Report of Transported Resident Students (DRTRS). The information that was included on the DRTRS as verified to the DRTRS Eligibility Summary Report without exception. The results of the procedures are presented in the Schedule of Audited Enrollments.

Our procedures also included a review of transportation contracts and purchases. Based on this review, the District complied with proper bidding procedures and award of contracts. The bid specifications for the purchase of buses were in compliance with applicable statutes. No exceptions were noted in our review of transportation related purchases of goods and services.

Follow-up on Prior Years' Findings

There were no prior year findings.

Acknowledgment

We received the complete cooperation of all the officials of the school district and we greatly appreciate the courtesies extended to the members of the audit team.

Should you have any questions concerning our comments or should you desire any assistance, please call me.

Respectfully submitted,

HOLMAN FRENIA ALLISON, P.C.



Rodney R. Haines
Certified Public Accountant
Public School Accountant
No. 2198

Medford, New Jersey
November 18, 2013

ADDITIONAL INFORMATION

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SCHEDULE OF AUDITED ENROLLMENTS (1)

MILLSTONE TOWNSHIP BOARD OF EDUCATION
 APPLICATION FOR STATE SCHOOL AID SUMMARY
 ENROLLMENT AS OF OCTOBER 15, 2012

	2013-2014 Application for State School Aid								Sample for Verification						Private Schools for Disabled				
	Reported on A.S.S.A. On Roll		Reported on Workpapers On Roll		Errors		Sample Selected from Workpapers		Verified per Registers On Roll		Errors per Registers On Roll		Reported on A.S.S.A. as Private Schools	Sample for Verifi- cation	Sample Verified	Sample Errors			
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared							
Half Day Preschool - 3 Yrs	7	-	7	-	-	-	1	-	1	-	-	-	-	-	-	-	-		
Half Day Preschool - 4 Yrs	18	-	18	-	-	-	4	-	4	-	-	-	-	-	-	-	-		
Half Day Kindergarten	89	-	89	-	-	-	18	-	18	-	-	-	-	-	-	-	-		
One	111	-	111	-	-	-	22	-	22	-	-	-	-	-	-	-	-		
Two	121	-	121	-	-	-	24	-	24	-	-	-	-	-	-	-	-		
Three	111	-	111	-	-	-	22	-	22	-	-	-	-	-	-	-	-		
Four	121	-	121	-	-	-	24	-	24	-	-	-	-	-	-	-	-		
Five	152	-	152	-	-	-	30	-	30	-	-	-	-	-	-	-	-		
Six	127	-	127	-	-	-	25	-	25	-	-	-	-	-	-	-	-		
Seven	155	-	155	-	-	-	31	-	31	-	-	-	-	-	-	-	-		
Eight	140	-	140	-	-	-	28	-	28	-	-	-	-	-	-	-	-		
Subtotal	1,152	-	1,152	-	-	-	229	-	229	-	-	-	-	-	-	-	-		
Special Ed - Elementary	88	-	88	-	-	-	17	-	17	-	-	-	5	5	5	-	-		
Special Ed - Middle School	91	-	91	-	-	-	18	-	18	-	-	-	2	2	2	-	-		
Special Ed - High School	-	-	-	-	-	-	-	-	-	-	-	-	8	6	6	-	-		
Subtotal	179	-	179	-	-	-	35	-	35	-	-	-	15	13	13	-	-		
Totals	1,331	-	1,331	-	-	-	264	-	264	-	-	-	15	13	13	-	-		
Percentage Error	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 33%; border-top: 1px solid black; border-bottom: 3px double black;"></td> <td style="width: 33%; border-top: 1px solid black; border-bottom: 3px double black;"></td> <td style="width: 33%; border-top: 1px solid black; border-bottom: 3px double black;"></td> </tr> </table>																		

SCHEDULE OF AUDITED ENROLLMENTS (2)

MILLSTONE TOWNSHIP BOARD OF EDUCATION
 APPLICATION FOR STATE SCHOOL AID SUMMARY
 ENROLLMENT AS OF OCTOBER 15, 2012

	Resident Low Income			Sample for Verification			Resident LEP Low Income			Sample for Verification		
	Reported on A.S.S.A. as Low Income	Reported on Workpapers as Low Income	Errors	Sample Selected from Application Workpapers	Verified to and Register	Sample Errors	Reported on A.S.S.A. as LEP low Income	Reported on Workpapers as LEP low Income	Errors	Sample Selected from Workpapers	Verified to Test Score and Register	Sample Errors
Half Day Preschool - 3 Yrs												
Half Day Preschool - 4 Yrs	2	2		1	1							
Half Day Kindergarten	4	4		3	3		1	1		1	1	
One	7	7		5	5							
Two	13	13		9	9		1	1		1	1	
Three	4	4		3	3							
Four	9	9		6	6							
Five	13	13		9	9							
Six	5	5		3	3							
Seven	8	8		5	5							
Eight	12	12		8	8							
Nine	6	6		4	4							
Ten	9	9		6	6							
Eleven	5.5	5.5		4	4							
Twelve	6.5	6.5		4	4							
Subtotal	104	104		70	70		2	2		2	2	
Special Ed - Elementary	15	15		10	10							
Special Ed - Middle	8	8		5	5							
Special Ed - High	4.5	4.5		3	3							
Subtotal	27.5	27.5		18	18							
Totals	131.5	131.5		88	88		2	2		2	2	

Percentage Error

	Transportation					
	Reported on DRTRS by DOE/county	Reported on DRTRS by District	Errors	Tested	Verified	Errors
Reg. - Public Schools, col. 1	1,572	1,572	-	223	223	-
Reg -SpEd, col. 4	118	118	-	17	17	-
Transported - Non-Public, col. 3	72	72	-	10	10	-
Aid-in-Lieu	99	99	-	14	14	-
Special Ed Spec, col. 6	138	138	-	20	20	-
Totals	1,999	1,999	-	284	264	-

Percentage Error

SCHEDULE OF AUDITED ENROLLMENTS (3)

MILLSTONE TOWNSHIP BOARD OF EDUCATION
 APPLICATION FOR STATE SCHOOL AID SUMMARY
 ENROLLMENT AS OF OCTOBER 15, 2012

	Resident LEP NOT Low Income			Sample for Verification		
	Reported on A.S.S.A. as NOT Low Income	Reported on Workpapers as NOT Low Income	Errors	Sample Selected from Workpapers	Verified to Application and Register	Sample Errors
Half Day Preschool - 3 Yrs	-	-	-	-	-	-
Half Day Preschool - 4 Yrs	-	-	-	-	-	-
Half Day Kindergarten	-	-	-	-	-	-
One	2	2	-	2	2	-
Two	1	1	-	1	1	-
Three	-	-	-	-	-	-
Four	-	-	-	-	-	-
Five	-	-	-	-	-	-
Six	-	-	-	-	-	-
Seven	-	-	-	-	-	-
Eight	-	-	-	-	-	-
Nine	-	-	-	-	-	-
Ten	-	-	-	-	-	-
Eleven	-	-	-	-	-	-
Twelve	-	-	-	-	-	-
Subtotal	3	3	-	3	3	-
Special Ed - Elementary	-	-	-	-	-	-
Special Ed - Middle	-	-	-	-	-	-
Special Ed - High	-	-	-	-	-	-
Subtotal	-	-	-	-	-	-
Totals	3	3	-	3	3	-
Percentage Error						

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EXCESS SURPLUS CALCULATION

REGULAR DISTRICT

SECTION 1

A. 2% Calculation of Excess Surplus

2012-2013 Total General Fund Expenditures per the CAFR, Ex. C-1	\$ <u>34,160,699</u> (B)
Increased by:	
Transfer from Capital Outlay to Capital Projects Fund	\$ _____ (B1a)
Transfer from Capital Reserve to Capital Projects Fund	\$ _____ (B1b)
Decrease by:	
On-Behalf TPAF Pension & Social Security	\$ <u>1,983,952</u> (B2a)
Assets Acquired Under Capital Leases	\$ _____ (B2b)
 Adjusted 2012-2013 General Fund Expenditures [(B)+(B1s)-(B2s)]	 \$ <u>32,176,747</u> (B3)
 2% of adjusted 2012-2013 General Fund Expenditures [(B3) times .02]	 \$ <u>643,535</u> (B4)
Enter Greater of (B4) or \$250,000	\$ <u>643,535</u> (B5)
Increased by: Allowable Adjustment *	\$ <u>186,984</u> (K)
 Maximum Unreserved/Undesignated Fund Balance [(B5)+(K)]	 \$ <u>830,519</u> (M)

SECTION 2

** This amount represents the June 30, 2012 Excess Surplus (C3 above) and must be included in the Total General Fund - Fund Balance @6-30-2013 (Per CAFR Budgetary Comparison Schedule C-1)

Comparison Schedule C-1)	\$ <u>1,958,528</u> (C)
Decreased by:	
Year-End Encumbrances	\$ <u>191,469</u> (C1)
Legally Restricted - Designated for Subsequent Year's Expenditures	\$ _____ (C2)
Legally Restricted - Excess Surplus - Designated for Subsequent Year's Expenditures**	\$ <u>134,779</u> (C3)
Other Restricted Fund Balances ****	\$ <u>307,444</u> (C4)
Assigned Fund Balance - Unreserved - Designated for Subsequent Year's Expenditures	\$ <u>22,441</u> (C5)
 Total Unassigned Fund Balance [(C)-(C1)-(C2)-(C3)-(C4)-(C5)]	 \$ <u>1,302,395</u> (U1)

REGULAR DISTRICT (continued):

SECTION 3

Restricted Fund Balance - Excess Surplus *** [(U1)-(M)] IF NEGATIVE ENTER -0- \$ 471,876 (E)

Recapitulation of excess surplus as of June 30, 2013

Reserved Excess Surplus - Designated for Subsequent Year's Expenditures ** \$ 134,779 (C3)
 Reserved Excess Surplus *** [(E)] \$ 471,876 (E)

Total [(C3)+(E)] \$ 606,655 (D)

Footnotes:

* This adjustment line (as detailed below) is to be utilized when applicable for: Impact Aid, Sale and Lease-back (Refer to the Audit Program Section II, Chapter 10), Extraordinary Aid, Additional Nonpublic School Transportation Aid and Unbudgeted TPAF Wage Freeze Grant Funding. Refer to the Audit Program Section II, Chapter 10 for restrictions on the inclusion of Extraordinary Aid and Additional Nonpublic School Transportation Aid.

Detail of Allowable Adjustments

Impact Aid \$ _____ (H)
 Sale & Lease-back \$ _____ (I)
 Extraordinary Aid \$ 146,125 (J1)
 Additional Nonpublic School Transportation Aid \$ 40,859 (J2)

Total Adjustments [(H)+(I)+(J1)+(J2)] \$ 186,984 (K)

** This amount represents the June 30, 2013 Excess Surplus (C3 above) and must be included in the Audit Summary Worksheet Line 90031.

*** Amounts must agree to the June 30, 2013 CAFR and must agree to Audit Summary Worksheet Line 90030.

**** Amount for Other Reserved Fund Balances must be detailed for each source. Use in the excess surplus calculation of any legal reserve that is not state mandated or that is not legally imposed by another type of government such as the judicial branch of government must have Departmental approval. District requests should be submitted to the Division of Finance and Regulatory Compliance prior to September 30.

Detail of Other Restricted Fund Balance

Statutory Restrictions:

Approved Unspent Separate Proposal \$ _____
 Capital Outlay for a District With a Capital Outlay Cap Waiver \$ _____
 Sale/Lease-Back Reserve \$ _____
 Capital Reserve \$ 307,444
 Maintenance Reserve \$ _____
 Emergency Reserve \$ _____
 Waiver Offset Reserve \$ _____
 Tuition Reserve \$ _____
 Other State/Government Mandated Reserve \$ _____
 [Other Restricted Fund Balance Not Noted Above] **** \$ _____
 Total Other Restricted Fund Balance \$ 307,444 (C4)