

PINELANDS REGIONAL SCHOOL DISTRICT

Little Egg Harbor, New Jersey
County of Ocean

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

COMPREHENSIVE ANNUAL FINANCIAL REPORT

OF THE

PINELANDS REGIONAL SCHOOL DISTRICT

LITTLE EGG HARBOR, NEW JERSEY

FOR THE FISCAL YEAR ENDED JUNE 30, 2012

Prepared by

**Pinelands Regional School District
Finance Department**

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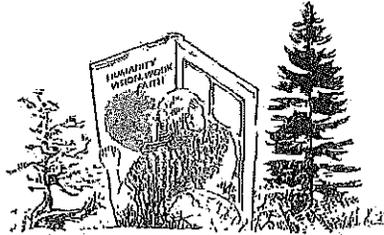
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INTRODUCTORY SECTION

PINELANDS REGIONAL SCHOOL DISTRICT

520 Nugentown Road
P.O. Box 248
Little Egg Harbor, NJ
08087-0248

Telephone (609) 296-3106
FAX (609) 294-9519



Dr. ROBERT BLAKE
Superintendent

STEPHEN J. BRENNAN, M.B.A.,
C.P.A.
*Business Administrator/
Board Secretary*

October 31, 2012

Members of the Board of Education
Pinelands Regional School District
County of Ocean
Little Egg Harbor, New Jersey 08087

Dear Board Members:

The Comprehensive Annual Financial Report (CAFR) for the Pinelands Regional School District for the fiscal year ending June 30, 2012 is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education. To the best of our knowledge and belief, the data presented in this report is accurate in all material results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the district's financial activities have been included.

The Comprehensive Annual Financial Report is presented in four sections: introductory, financial, statistical, and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the general purpose financial statements and schedules, as well as, the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The district is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984 and the 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 98-07, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations are included in the single audit section of this report.

1) REPORTING ENTITY AND ITS SERVICES: The Pinelands Regional School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board (GASB) as established by GASB Statement 14. All funds and account groups of the District are included in this report. The Pinelands Regional Board of Education and all its schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels 7 through 12. These include regular, vocational as well as special education for handicapped students, Adult Education Programs and School Based Youth Services.

2) ECONOMIC CONDITION AND OUTLOOK: Pinelands Regional School District encompasses 147.7 square miles and is bordered by the municipalities of Washington Township and Woodland Township (Burlington County), Port Republic and Galloway Township (Atlantic County), and Stafford Township (Ocean County). The regional district is part of Burlington and Ocean Counties and is served by major transportation routes included the Garden State Parkway, Routes 9, 72, and 539. Governed by a nine-member Board of Education elected to serve alternating three year terms, the District is administered by a Superintendent of Schools, two Principals, a Board Secretary/School Business Administrator, four Assistant Principals, Directors and Supervisors.

The District currently operates a 10/12 High School and a 7/9 Junior High School. A major construction project which commenced in Summer 2007 enabled the District to expand its offering by adding an alternative school and upgrading existing facilities in both its Junior High School design and High School.

The District has recently experienced a relatively stable enrollment after several years of rapid growth. However, lack of adequate state funding, burdensome regulation, state mandates and a large special education population continue to strain the resources of the District. However, due to prudent budgetary management, the District has been able to channel limited resources into programs for students from special education, to gifted and talented and advanced placement.

The economic outlook for the District financing continued to depend primarily on the ability and willingness of the Governor and State Legislature to provide funding for education, and the support of the local community in passing the District's budget to provide tax revenues.

Funding from the State and revenues from all other sources cannot be predicted with any degree of certainty and potential shortfalls can be attributed to a variety of factors such as:

- o Reduction of State Aid
- o Lack of additional State Aid
- o The cost of administering increasing state mandates and regulations, and
- o The cost of meeting NCLB requirements.

In an effort to minimize property tax increases, the District continues to operate efficiently and aggressively seek cost savings in areas that don't impact the quality of programs.

3) MAJOR INITIATIVES: Despite the unrelenting pressure caused by inadequate financial support, the District continues its commitment to its primary goal of a free public education in the maximum development of each youngster's habits of acquiring, using and enjoying knowledge, so that he/she may develop a well-rounded, contributing member of our diverse world. To reinforce this commitment, the District is directing its efforts and resources toward the following:

- (a) Asset adjustments to provide academic services to a changing student body.
- (b) An aggressive campaign to achieve cost reduction where possible.
- (c) A coordinated effort to provide for the taxpayers and students of the affected communities.

4) INTERNAL ACCOUNTING CONTROLS: Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the

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

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

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

5) BUDGETARY CONTROLS: In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions, embodied in the annual appropriated budget approved by the voters, or the representatives of each municipality or the State of New Jersey. Annual appropriated budgets are adopted for the general fund, the special revenue fund, and the debt service fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

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

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

7) DEBT SERVICE: At June 30, 2012 the District's outstanding debt issues included \$11,358,000 of general obligation bonds.

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

9) RISK MANAGEMENT: The Board carries various forms of insurance, including but not limited to general liability, automotive liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds.

10) OTHER INFORMATION:

INDEPENDENT AUDIT - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The firm of Holman & Frenia, P.C., was appointed by the Board of Education to perform this audit. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act of 1996 and the related OMB circular A-133 and state Treasury Circular Letter 04-04 OMB. The auditor's report on the general purpose financial statements and combining and individual fund statements and schedules is included in the financial section of this report.

11) ACKNOWLEDGEMENTS

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

Respectfully submitted,



Dr. Robert Blake, Ed.D.
Superintendent of Schools



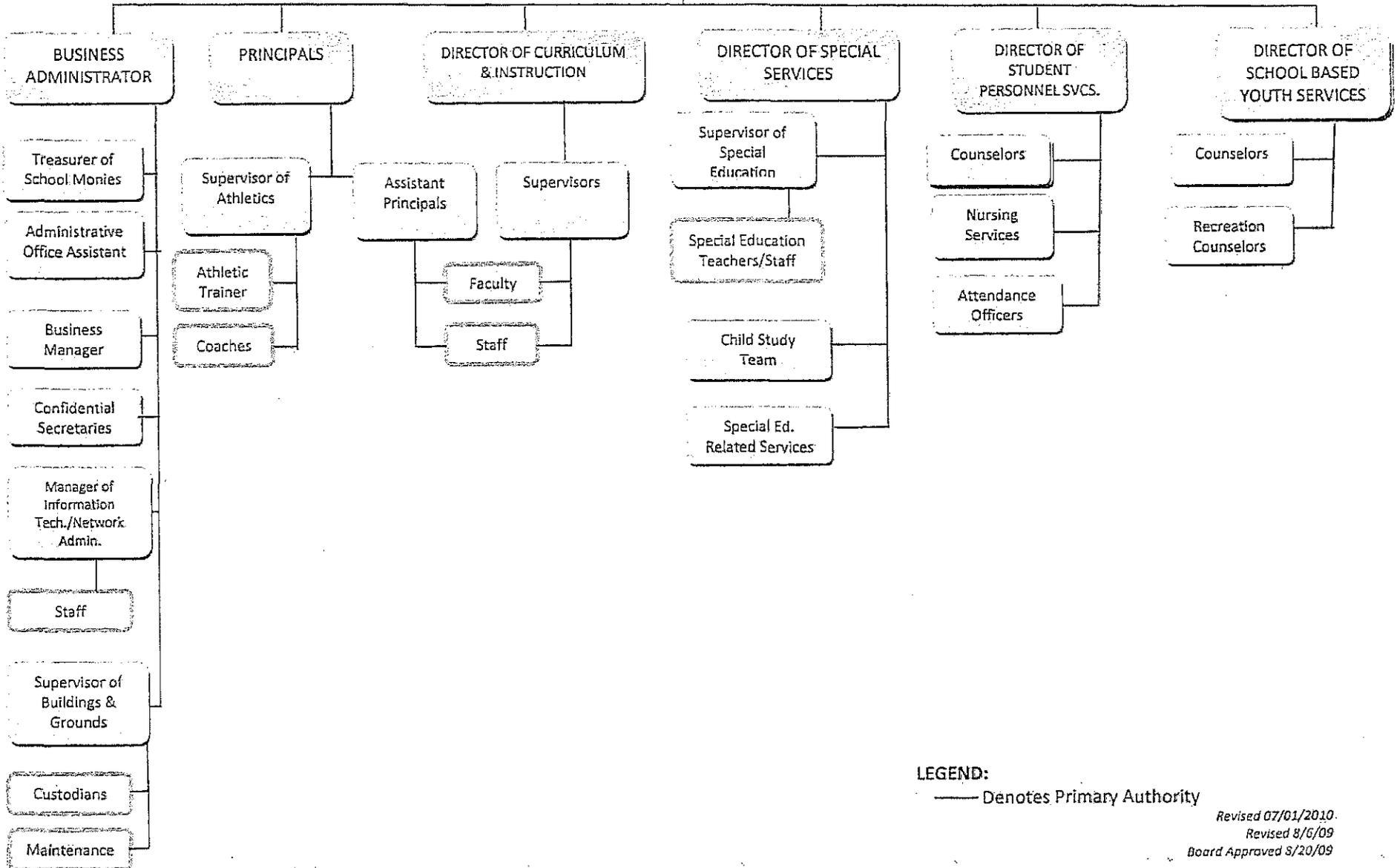
Stephen J. Brennan, M.B.A., C.P.A.
Business Administrator/Board Secretary

PINELANDS REGIONAL BOARD OF EDUCATION

BOARD ATTORNEY

SUPERINTENDENT OF SCHOOLS

Administrative Assistant



LEGEND:

— Denotes Primary Authority

Revised 07/01/2010.

Revised 8/6/09

Board Approved 5/20/09

5

PINELANDS REGIONAL SCHOOL DISTRICT
Little Egg Harbor, New Jersey 08087

ROSTER OF OFFICIALS
JUNE 30, 2012

MEMBERS OF THE BOARD OF EDUCATION	TERM EXPIRES
Jeffrey R. Bonicky, President	2014
Betti Anne McVey, Vice President	2013
Linda D. Blum	2012
George Garbaravage	2013
Stephen Hartman, Sr.	2013
Ann McDonald	2014
Joel Mott, III	2014
Richard J. Tullo	2012
Thomas Williams	2012

OTHER OFFICIALS

Dr. Robert Blake, Superintendent

Stephen J. Brennan, MBA, CPA, School Business Administrator/Board Secretary

James Edwards, Treasurer of School Monies

**PINELANDS REGIONAL SCHOOL DISTRICT
BOARD OF EDUCATION
Little Egg Harbor, New Jersey 08087**

CONSULTANTS AND ADVISORS

AUDIT FIRM

Holman & Frenia, P. C.
Certified Public Accountants & Consultants
618 Stokes Road
Medford, New Jersey 08055

ATTORNEY

Paul C. Kalac, Esq.
Kalac, Barger, LLC
555 Route 1 South, Suite 100
Iselin, New Jersey 08830

OFFICIAL DEPOSITORIES

TD Bank
1101 Hooper Avenue
Toms River, New Jersey 08754

New Jersey Asset & Rebate Manage Program
224 Strawbridge Drive, Suite 104
Moorestown, New Jersey 08057

FINANCIAL SECTION



Certified Public Accountants & Consultants

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

INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Education
Pinelands Regional School District
County of Ocean
Little Egg Harbor, New Jersey 08087

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 Board of Education of the Pinelands Regional School District, County of Ocean, State of New Jersey, as of and for the fiscal year ended June 30, 2012, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Board's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated October 31, 2012, on our consideration of the Board of Education of the Pinelands Regional School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of our audit performed in accordance with *Governmental Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 10 through 18 and 54 through 68 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers

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

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

Respectfully submitted,

HOLMAN & FRENIA, P. C.

A handwritten signature in black ink, appearing to read 'RH' followed by a long horizontal stroke.

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

Medford, New Jersey
October 31, 2012

REQUIRED SUPPLEMENTARY INFORMATION – PART I

Management's Discussion and Analysis

PINELANDS REGIONAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2012

UNAUDITED

The discussion and analysis of Pinelands Regional School District's financial performance provides an overall review of the School District's financial activities for the year ended June 30, 2012. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the basic financial statements and notes to enhance their understanding of the School District's financial performance.

The Management's Discussion and Analysis (MD&A) is an element of Required Supplementary Information specified in the Governmental Accounting Standards Board's (GASB) Statement No. 34 - Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments issued in June 1999.

Financial Highlights

Key financial highlights for 2012 are as follows:

- The State of New Jersey provided a slight increase in anticipated state aid by \$749,758
- In total, net assets increased \$841,176 which represents a 6% increase from 2011.
- General revenues accounted for \$33,336,365 in revenue or 93% of all revenues. Program specific revenues in the form of charges for services and operating grants and contributions accounted for \$2,366,022 or 7% of total revenues of \$35,702,387.
- Cash and cash equivalents increased by \$1,052,509 and receivables decreased by \$77,017. Capital assets, net of depreciation, decreased by \$1,183,863. Depreciation, the delay of state aid payments and the increase in the collection of grant funds caused most of the fluctuation in the aforementioned accounts.
- The School District had \$34,861,211 in expenses and charges; only \$2,366,022 of these expenses was offset by program specific charges for services, grants or contributions. General revenues of \$33,336,365 and the utilization fund balance provided for these programs.
- Among governmental funds, the General Fund had \$31,854,950 in revenues, \$31,245,745 in expenditures, and \$400,000 in proceeds from capital leases. The General Fund's fund balance increased \$1,009,205 over 2011. The Board of Education anticipates a decrease of \$1,107,781 in fund balance for the fiscal year ended June 30, 2013.

Using this Comprehensive Annual Financial Report (CAFR)

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand Pinelands Regional School District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The Statement of Net Assets and Statement of Activities provide information about the activities of the whole School district, presenting both an aggregate view of the School district's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental

funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the School district's most significant funds with all other non-major funds presented in total in one column. In the case of Pinelands Regional School District, the General Fund is by far the most significant fund.

Reporting the School District as a Whole

Statement of Net Assets and the Statement of Activities

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and ask the question, "How did we do financially during 2012?" The Statement of Net Assets and the Statement of Activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector businesses. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the School District's net assets and changes in those assets. This change in net assets is important because it tells the reader that, for the school district as a whole, the financial position of the School District has improved or diminished. The causes of this change may be the result of many factors, some financial and some not. Non-financial factors include the School District's property tax base, current laws in New Jersey restricting revenue growth, facility condition, required educational programs and other factors.

In the Statement of Net Assets and the Statement of Activities, the School District is divided into two distinct kinds of activities:

- **Governmental Activities** - All of the School District's programs and services are reported here including instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities.
- **Business-Type Activity** - This service is provided on a charge for goods or services basis to recover all the expenses of the goods or services provided. For example, the food service enterprise fund is reported as a business activity.

Reporting the School District's Most Significant Funds

Fund Financial Statements

Fund financial reports provide detailed information about the School District's funds. The School District uses many funds to account for a multitude of financial transactions. The School District's governmental funds are the General Fund, Special Revenue Fund, Capital Projects Fund, and Debt Service Fund.

Governmental Funds

The School District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in the future years. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the School district's general government operations and the basic services it provides. Governmental fund information helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds is reconciled in the financial statements.

Reporting the School District's Most Significant Funds (Continued)

Enterprise Fund

The enterprise fund uses the same basis of accounting as business-type activities; therefore, these statements are essentially the same.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the District-wide and fund financial statements.

The School District as a Whole

Recall that the Statement of Net Assets provides the perspective of the School District as a whole. Net assets may serve over time as a useful indicator of a government's financial position.

The District's financial position is the product of several financial transactions including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets, and the depreciation of capital assets.

Table 1 provides a summary of the School District's net assets for 2012 and 2011.

	2011	2012
Assets		
Current and Other Assets	\$ 3,276,319	\$ 4,221,238
Capital Assets	26,464,671	25,280,808
Total Assets	29,740,990	29,502,046
Liabilities		
Long-Term Liabilities	13,696,313	12,579,556
Other Liabilities	2,573,904	2,610,541
Total Liabilities	16,270,217	15,190,097
Net Assets		
Invested in Capital Assets, Net of Debt	13,229,737	13,013,226
Restricted	1,326,061	1,668,074
Unrestricted	(1,085,025)	(369,351)
Total Net Assets	\$ 13,470,773	\$ 14,311,949

The District's combined net assets were \$14,311,949 on June 30, 2012. This was an increase of 6% from the prior year.

Table 2 shows changes in net assets for year 2012. The District has prepared financial statements following GASB Statement 34, with revenue and expense comparisons to year 2011.

The School District as a Whole (Continued)

Table 2

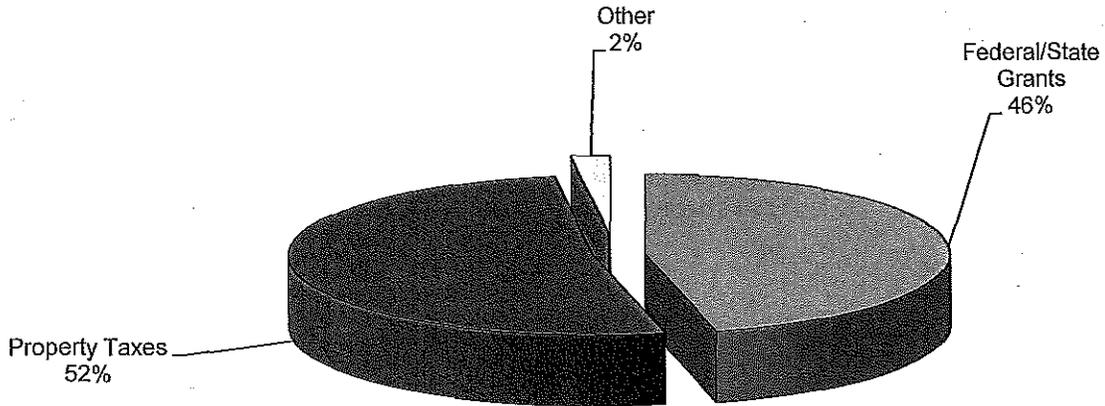
Changes in Net Assets

	2011	2012
Revenues		
Program Revenues:		
Charges for Services	\$ 626,100	\$ 625,214
Operating Grants and Contributions	1,999,375	1,740,808
General Revenues:		
Property Taxes	17,805,500	18,160,168
Grants and Entitlements	13,936,055	15,128,579
Other	77,267	47,618
Total Revenues	34,444,297	35,702,387
Program Expenses		
Instruction	13,207,603	13,634,025
Support Services:		
Tuition	769,011	764,269
Pupils and Instructional Staff	4,383,171	3,878,948
General Administration, School Administration	1,796,195	1,648,732
Business Operations and Maintenance of Facilities	3,668,001	2,940,766
Pupil Transportation	1,808,908	1,941,986
Special Schools and Charter Schools	11,158	10,456
Employee Benefits	6,848,029	6,964,590
Interest on Debt	560,480	523,088
Depreciation	1,153,915	1,168,164
Food Service	897,998	893,997
Unallocated adjustment on Fixed Assets	-	403,097
Community Recreation	45,871	38,441
Business Office Services	49,734	50,652
Total Expenses	35,200,074	34,861,211
Decrease in Net Assets	\$ (755,777)	\$ 841,176

Governmental Activities

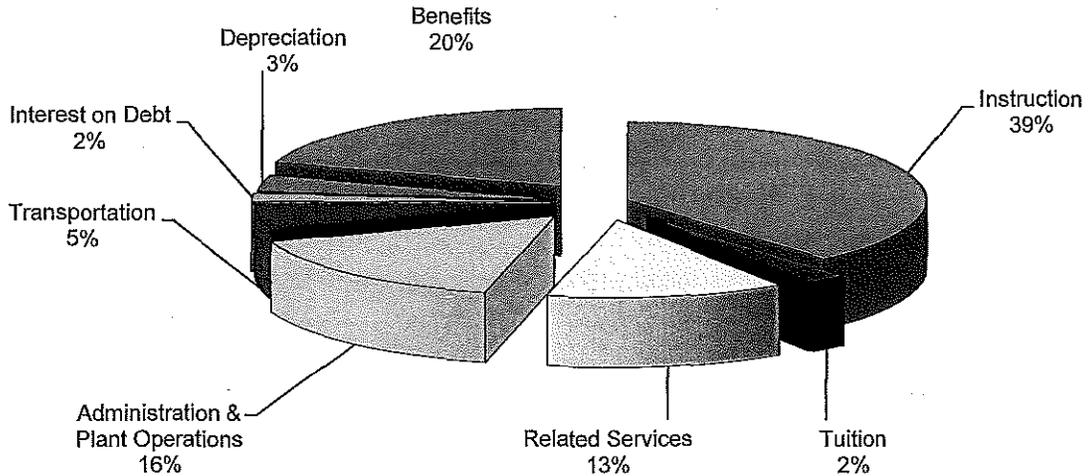
The unique nature of property taxes in New Jersey creates the legal requirements to annually seek voter approval for the School District operations. Property taxes made up 52% of revenues for governmental activities for the Pinelands Regional School District for year 2012. The District's total revenues were \$35,702,387 for the year ended June 30, 2012. Federal, state, and local grants accounted for another forty six percent of revenue.

Sources of Revenue for Fiscal Year 2012



The total cost of all governmental activities was \$33,878,121. Instruction expenses (net benefits and tuition) comprise 39% percent of District expenses.

Expenses for 2012



Business-Type Activities

Revenues for the District's business-type activities (Food Service Program, Community Education Program & Business Office Services) were comprised of charges for services and federal and state reimbursements.

- Food service revenues exceeded expenditures by \$9,922, community recreation program revenues exceeded expenditures by \$1,494, and Business Office Services revenues exceeded expenses by \$12,266.
- Charges for food services represent \$522,361 of revenue. This represents amounts paid by patrons for daily food service. Charges for community education program represent \$39,935 of revenue. This represents amounts paid by patrons for community education. Charges for business office and child study team services represent \$62,918 of revenue. This represents amounts paid by other local education authorities for business & CST services performed.

- Interest earnings and Federal and state reimbursement for meals, including payments for free and reduced lunches and breakfast, and donated commodities totaled \$381,558.

Governmental Activities

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows the total cost of services and the net cost of services. The net cost shows the financial burden that was placed on the District's taxpayers by each of these functions with comparisons to 2011.

Table 3

	<u>Total Cost of Services 2011</u>	<u>Net Cost of Services 2011</u>	<u>Total Cost of Services 2012</u>	<u>Net Cost of Services 2012</u>
Instruction	\$ 13,218,761	\$ 12,345,729	\$ 13,644,481	\$ 12,583,603
Support Services:				
Tuition	769,011	769,011	764,269	764,269
Pupils and Instructional Staff	4,383,171	3,635,058	3,878,948	3,579,455
General & School Admin.	1,796,195	1,796,195	1,648,732	1,648,732
Business Operation and Maintenance of Facilities	3,668,001	3,668,001	2,940,766	2,940,766
Pupil Transportation	1,808,908	1,808,908	1,941,986	1,941,986
Depreciation	1,153,915	1,153,915	1,571,261	1,571,261
Unallocated Benefits	6,848,029	6,848,029	6,964,590	6,964,590
Interest and Fiscal Charges	560,480	560,480	523,088	523,088
Total Expenses	<u>\$ 34,206,471</u>	<u>\$ 32,585,326</u>	<u>\$ 33,878,121</u>	<u>\$ 32,517,750</u>

Instruction expenses include activities directly dealing with the teaching of pupils and the interaction between teacher and student, including extracurricular activities.

Tuition is predominately made up of charges for private schools for disabled students.

Student and instruction related services include the activities involved with assisting staff with the content and process of teaching to students, including curriculum and staff development.

General administration, school administration, and business include expenses associated with administrative and financial supervision of the District.

Benefits represent total cost to maintain employee benefit programs.

Depreciation depicts a non cash expense that reduces the value of District assets.

Operation and maintenance of facilities involve keeping the school grounds, buildings, and equipment in an effective working condition.

Pupil transportation includes activities involved with the conveyance of students to and from school, as well as to and from school activities, as provided by State law.

Interest on debt involves the transactions associated with the payment of interest and other related charges to debt of the School District.

The School District's Funds

All governmental funds (i.e., general fund, special revenue fund, capital fund, and debt service fund presented in the fund-based statements) are accounted for using the modified accrual basis of accounting. Total revenues amounted to \$34,695,615 and expenditures were \$34,086,410.

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The following schedules present a summary of the revenues of the governmental funds for the year ended June 30, 2012 and the amount and percentage of increases and decreases in relation to prior year revenues.

Revenue	Amount	Percent of Total	Increase (Decrease) from 2011	Percent of Increase (Decrease)
Local Sources	\$ 18,206,665	52.48%	\$ 326,094	1.82%
State Sources	15,187,450	43.77%	749,758	5.19%
Federal Sources	1,301,500	3.75%	181,992	16.26%
Total	<u>\$ 34,695,615</u>	100.00%	<u>\$ 1,257,844</u>	3.76%

Local revenues increased by \$326,094. This increase was predominantly due to an increase in tax revenue and decrease in interest earned. Federal resources decreased mainly due to the utilization of the Ed Jobs Funding.

The following schedule represents a summary of general fund, special revenue fund, capital fund, and debt service fund expenditures for the year ended June 30, 2012, and the percentage of increases and decreases in relation to prior year amounts.

Expenditures	Amount	Percent of Total	Increase (Decrease) from 2011	Percent of Increase (Decrease)
Current Expense:				
Instruction	\$ 13,634,025	40.00%	\$ 426,422	3.23%
Undistributed Expenditures	18,542,807	54.40%	(473,657)	-2.49%
Capital Outlay	418,828	1.23%	(246,645)	-37.06%
Special Schools	10,456	0.03%	(702)	-6.29%
Debt Service:				
Principal	975,000	2.86%	45,000	4.84%
Interest	505,294	1.48%	(35,751)	-6.61%
Total	<u>\$ 34,086,410</u>	100.00%	<u>\$ (285,333)</u>	-0.83%

Changes in expenditures were the results of varying factors. Current expense decreased mainly due to the elimination of staff and programs reacting to major reduction in state aid and tax levy caps.

General Fund Budgeting Highlights

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

Over the course of the year, the District revised the annual operating budget. Revisions in the budget were made to prevent over-expenditures in specific line item accounts.

There were significant savings in the budget in the areas of special education tuition, transportation and salaries. These savings are due to new special education initiatives, cooperative transportation purchasing and employee attrition.

2012 also reflects the District's continuing initiative to seek cost savings & revenue generation in the areas of inter local agreements and banking service consortiums.

Capital Assets

At the end of the year 2012, the School District had \$41,215,698 invested in land, building, furniture and equipment, and vehicles. Table 4 shows year 2012 balances compared to 2011.

Table 4
Capital Assets at June 30, 2012

	<u>2011</u>		<u>2012</u>
Land and Improvements	\$ 412,912	\$	412,912
Site Improvements	1,329,983		1,329,983
Building and Building Improvements	38,533,343		38,533,343
Construction in Progress	133,601		-
Machinery and Equipment	790,129		939,460
Total	<u>\$ 41,199,968</u>	\$	<u>41,215,698</u>

Overall capital assets increased \$15,730 from year 2011 to year 2012. The decrease in capital assets is due primarily to replacement of the severely worn gymnasium bleachers and completion of the 2007 referendum project in the high school. For more detailed information, please refer to the Notes to the Financial Statements.

Debt Administration

At June 30, 2012, the School District had \$14,008,142 of outstanding debt. Of this amount, \$1,740,560 is for compensated absences, \$909,582 reflects capital lease balances and \$11,358,000 of serial bonds for school construction.

Table 5
Outstanding Bonded Debt at June 30, 2012

	<u>2011</u>		<u>2012</u>
2005 Refunding School Bonds	6,915,000		6,610,000
2007 General Obligation Bonds	5,418,000		4,748,000
Total	<u>\$ 12,333,000</u>	\$	<u>11,358,000</u>

At June 30, 2012, the School District's was within its legal debt margin. For more detailed information, please refer to Schedule J-13.

For the Future

The Pinelands Regional School District is presently in stable financial condition. The School District is proud of its community support of the public schools.

Pinelands Regional School District's budget for the 2012-2013 school year reflects prudent expenditure reduction in cooperation with its constituent municipalities.

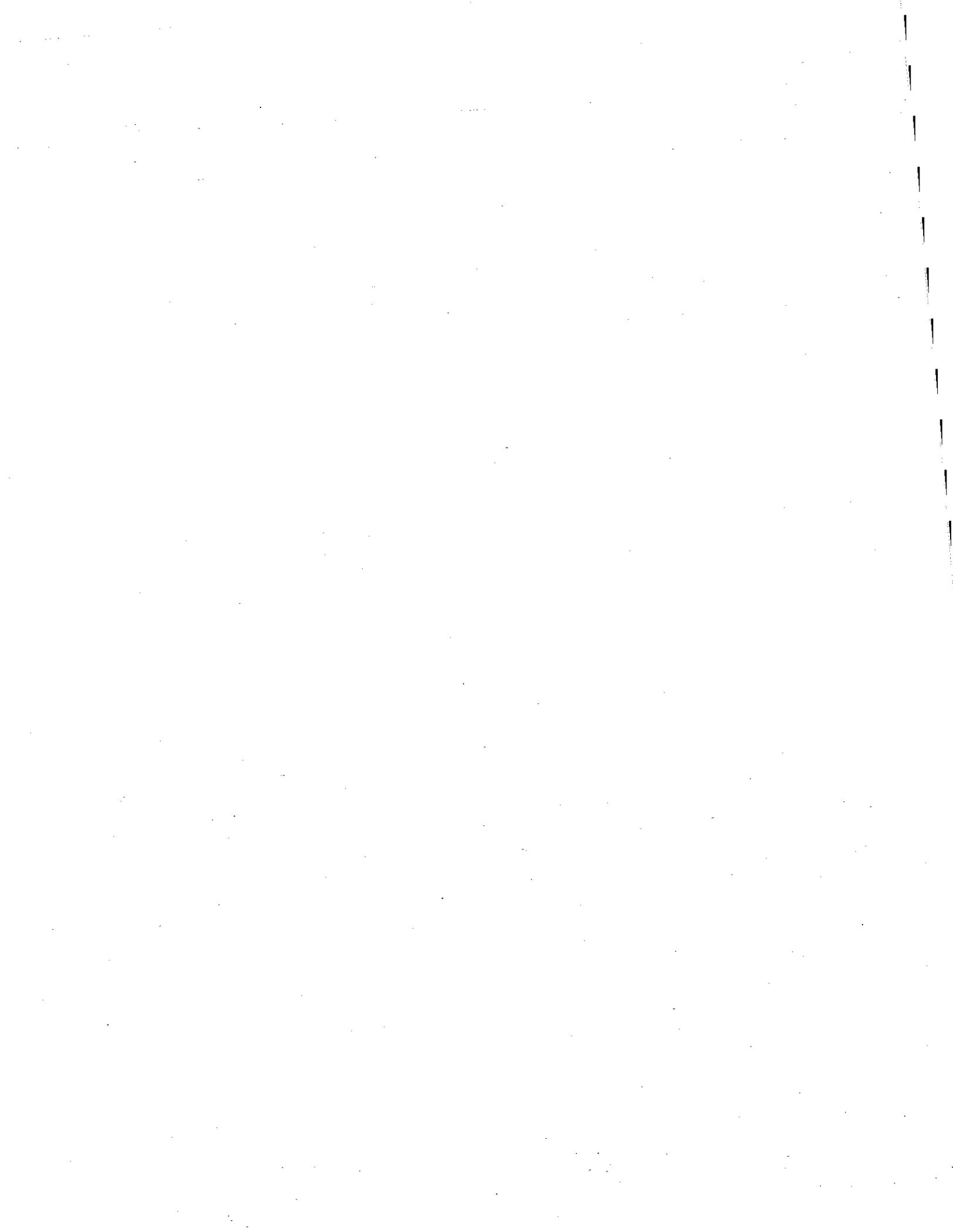
The District's enrollment has leveled off, and now the District is concentrating its resources in the academic areas to meet the requirements of NCLB and the State mandated QSAC program. The District also plans to continue to budget resources to maintain and upgrade the existing infrastructure where possible.

The lack of governmental aid, the State's constraints on municipal tax levies to support the budget and the States increasing demands on school districts continue to place financial pressure on the District.

The Pinelands Regional School District maintains its commitment to financial excellence and will continue to strive to maximize the use of limited funds by careful budget management and identifying cost savings opportunities. The School District's system for financial planning, budgeting, and internal financial controls are well regarded. The School District plans to continue its sound fiscal management to meet the challenges of the future.

Contacting the School District's Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional information, contact Stephen Brennan, Business Administration/Board Secretary at Pinelands Regional Board of Education, 520 Nugentown Road, P.O. Box 248, Little Egg Harbor, NJ 08087-0248. Please visit our website at www.pinelandsregional.org.



BASIC FINANCIAL STATEMENTS

A. District-Wide Financial Statements

PINELANDS REGIONAL SCHOOL DISTRICT
STATEMENT OF NET ASSETS
JUNE 30, 2012
(With Comparative Totals for June 30, 2011)

ASSETS	GOVERNMENTAL ACTIVITIES	BUSINESS- TYPE ACTIVITIES	TOTALS	
			JUNE 30, 2012	(MEMORANDUM ONLY) JUNE 30, 2011
Cash & Cash Equivalents	\$2,193,880	252,286	2,446,166	1,393,657
Receivables, Net	519,199	157,293	676,492	753,509
Inventory		6,396	6,396	4,689
Unamortized Loss on Early Retirement of Debt	395,473		395,473	422,437
Unamortized Bond Issue Costs	82,317		82,317	87,930
Restricted Assets:				
Cash Reserve Account	614,394		614,394	614,097
Capital Assets, Net (Note #7)	25,156,682	124,126	25,280,808	26,464,671
Total Assets	28,961,945	540,101	29,502,046	29,740,990
LIABILITIES				
Accounts Payable	467,597	47,676	515,273	938,097
Accrued Salary and Wages	433,734		433,734	68,325
Accrued Interest Payable	162,974		162,974	177,599
Payable to Federal & State Government	25,430		25,430	49,547
Unearned Revenue	21,758	20,468	42,226	47,515
Unamortized Bond Premium	2,318		2,318	2,476
Noncurrent Liabilities (Note #8):				
Due Within One Year	1,428,586		1,428,586	1,290,345
Due Beyond One Year	12,579,556		12,579,556	13,696,313
Total Liabilities	15,121,953	68,144	15,190,097	16,270,217
NET ASSETS				
Invested in Capital Assets, Net of Related Debt	12,889,100	124,126	13,013,226	13,229,737
Restricted For:				
Capital Projects	711,964		711,964	711,964
Other Purposes	956,110		956,110	614,097
Unrestricted	(717,182)	347,831	(369,351)	(1,085,025)
Total Net Assets	\$13,839,992	471,957	14,311,949	13,470,773

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

**PINELANDS REGIONAL SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2012
(With Comparative Totals for June 30, 2011)**

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES		NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS			
		CHARGES FOR SERVICES	OPERATING GRANTS & CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS- TYPE ACTIVITIES	TOTALS	
						JUNE 30, 2012	JUNE 30, 2011
						(MEMORANDUM ONLY)	
Governmental Activities:							
Instruction:							
Regular Instruction	\$8,404,641			(8,404,641)		(8,057,522)	
Special Education Instruction	4,034,671		1,060,878	(2,973,793)		(3,048,996)	
Other Instruction	1,194,713			(1,194,713)		(1,228,053)	
Support Services & Undistributed Costs:							
Tuition Charges	764,269			(764,269)		(769,011)	
Student & Instruction Related Services	3,878,948		299,493	(3,579,455)		(3,635,058)	
School Administrative Services	1,104,483			(1,104,483)		(1,257,920)	
General Administrative Services	544,249			(544,249)		(538,275)	
Plant Operations & Maintenance	2,547,173			(2,547,173)		(3,312,353)	
Pupil Transportation	1,941,986			(1,941,986)		(1,808,908)	
Business & Other Support Services	393,593			(393,593)		(355,648)	
Unallocated Employee Benefits	6,964,590			(6,964,590)		(6,848,029)	
Special Schools	10,456			(10,456)		(11,158)	
Interest on Long-Term Debt	490,669			(490,669)		(528,061)	
Unallocated Bond Costs	32,419			(32,419)		(32,419)	
Unallocated Adjustment to Fixed Assets	403,097			(403,097)		(403,097)	
Unallocated Depreciation	1,168,164			(1,168,164)		(1,153,915)	
Total Governmental Activities	33,878,121		1,360,371	(32,517,750)		(32,517,750)	
Business-Type Activities:							
Business Office Services	50,652	62,918			12,266	12,266	
Community Recreation	38,441	39,935			1,494	1,494	
Food Service	893,997	522,361	380,437		8,801	8,801	

PINELANDS REGIONAL SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2012
(With Comparative Totals for June 30, 2011)

FUNCTIONS/PROGRAMS	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS			
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS & CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS- TYPE ACTIVITIES	TOTALS (MEMORANDUM ONLY) JUNE 30, 2012	JUNE 30, 2011
Total Business-Type Activities	983,090	625,214	380,437		22,561	22,561	10,727
Total Primary Government	<u>\$34,861,211</u>	<u>625,214</u>	<u>1,740,808</u>	<u>(32,517,750)</u>	<u>22,561</u>	<u>(32,495,189)</u>	<u>(32,574,599)</u>
General Revenues:							
Taxes:							
Property Taxes, Levied for General Purposes, Net				17,390,703		17,390,703	17,049,709
Taxes Levied for Debt Service				769,465		769,465	755,791
Federal & State Aid Not Restricted				15,128,579		15,128,579	13,936,055
Investment Earnings					1,121	1,121	2,196
Miscellaneous Income				46,497		46,497	75,071
Total General Revenues, Special Items, Extraordinary Items & Transfers				<u>33,335,244</u>	<u>1,121</u>	<u>33,336,365</u>	<u>31,818,822</u>
Change In Net Assets				<u>817,494</u>	<u>23,682</u>	<u>841,176</u>	<u>(755,777)</u>
Net Assets - Beginning				<u>13,022,498</u>	<u>448,275</u>	<u>13,470,773</u>	<u>14,226,550</u>
Net Assets - Ending				<u>\$13,839,992</u>	<u>471,957</u>	<u>14,311,949</u>	<u>13,470,773</u>

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



B. Fund Financial Statements



Governmental Funds



**PINELANDS REGIONAL SCHOOL DISTRICT
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2012
(With Comparative Totals for June 30, 2011)**

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTALS	
					(MEMORANDUM ONLY)	
					JUNE 30, 2012	JUNE 30, 2011
ASSETS & OTHER DEBITS						
Cash & Cash Equivalents	\$1,541,841	(194,696)	846,735		2,193,880	990,241
Receivable, Net	11,626				11,626	52,437
Interfunds Receivable	147,854				147,854	13,848
Receivables from Other Governments	247,457	260,116			507,573	643,976
Prepaid Expenses						
Restricted Cash & Cash Equivalents	614,394				614,394	614,097
Total Assets	\$2,563,172	65,420	846,735		3,475,327	2,314,599
LIABILITIES & FUND BALANCES						
Liabilities:						
Accounts Payable	\$356,022	18,232			374,254	751,799
Interfund Payables	106,426		134,771		241,197	57,286
Payable to State & Federal Government		25,430			25,430	49,547
Accrued Salaries & Wages	433,734				433,734	68,325
Deferred Revenue		21,758			21,758	17,893
Total Liabilities	896,182	65,420	134,771		1,096,373	944,850
Fund Balances:						
Restricted for:						
Capital Reserve	508,854				508,854	308,705
Maintenance Reserve	203,693				203,693	203,595
Emergency Reserve	101,847				101,847	101,797
Excess Surplus	54,709				54,709	87,007
Excess Surplus Designated for Subsequent Year's Expenditures	87,007				87,007	
Assigned Fund Balance:						
Designated for Subsequent Year's Expenditures	710,880				710,880	
Unassigned Fund Balance			711,964		711,964	668,645
Total Fund Balances	1,666,990		711,964		2,378,954	1,369,749
Total Liabilities & Fund Balances	\$2,563,172	65,420	846,735	-		

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$41,215,699 and the accumulated depreciation is \$16,059,017.	25,156,682	26,309,115
Accrued interest payable is not recorded in the fund financials due to the fact that the payable is not due in the current period.	(162,974)	(177,599)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds (see illustrative Note 8)	(14,008,142)	(14,986,658)
Unamortized bond issuance costs/loss on refunding net of Bond Premium is not recorded in the fund financials but is recorded on the district-wide financials.	475,472	507,891
Net assets of Governmental Activities	\$13,839,992	13,022,498

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

**PINELANDS REGIONAL SCHOOL DISTRICT
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(With Comparative Totals for June 30, 2011)**

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTALS	
					JUNE 30, 2012	JUNE 30, 2011
Revenues:						
Local Sources:						
Local Tax Levy	\$17,390,703			769,465	18,160,168	17,805,500
Tuition						4,351
Miscellaneous	23,289	23,208			46,497	70,720
Total Local Sources	17,413,992	23,208		769,465	18,206,665	17,880,571
State Sources	13,982,676	493,945		710,829	15,187,450	14,437,692
Federal Sources	458,282	843,218			1,301,500	1,119,508
Total Revenues	31,854,950	1,360,371		1,480,294	34,695,615	33,437,771
Expenditures:						
Current Expense:						
Regular Instruction	8,404,641				8,404,641	8,057,522
Special Education Instruction	2,987,793	1,046,878			4,034,671	3,922,028
Other Special Instruction	1,194,713				1,194,713	1,228,053
Support Services:						
Tuition	764,269				764,269	769,011
Student & Instruction Related Services	3,579,455	299,493			3,878,948	4,383,171
School Administrative Services	1,104,483				1,104,483	1,257,920
General Administrative	544,249				544,249	538,275
Plant Operations & Maintenance	2,939,525				2,939,525	3,104,415
Pupil Transportation	1,941,986				1,941,986	1,808,908
Central Services	393,593				393,593	355,648
Employee Benefits	6,975,754				6,975,754	6,799,116
Special Schools	10,456				10,456	11,158
Debt Service:						
Principal				975,000	975,000	930,000
Interest				505,294	505,294	541,045
Capital Outlay	404,828	14,000			418,828	665,473
Total Expenditures	31,245,745	1,360,371		1,480,294	34,086,410	34,371,743
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	609,205				609,205	(933,972)
Other Financing Sources/(Uses):						
Capital Leases Proceeds	400,000				400,000	400,000
Total Other Financing Sources/(Uses)	400,000				400,000	400,000
Excess/(Deficiency) of Revenues & Other Financing Sources Over/ (Under) Expenditures & Other Financing Uses	1,009,205				1,009,205	(533,972)
Fund Balances, July 1	657,785		711,964		1,369,749	1,903,721
Fund Balances June 30	\$1,666,990	-	711,964	-	2,378,954	1,369,749

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

**PINELANDS REGIONAL SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2012**

Total Net Change in Fund Balances - Governmental Funds (From B-2) \$1,009,205

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	(\$1,168,164)	
Unallocated Adjustment to Fixed Assets	(403,097)	
Capital Outlays	418,828	(1,152,433)

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities. 975,000

Proceeds from debt issues are a financing source in the governmental funds. They are not revenue in the statement of activities; issuing debt increases long-term liabilities in the statement of net assets:

Capital Lease Proceeds		(400,000)
------------------------	--	-----------

Repayment of capital lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities. 392,352

Net difference of accrued interest on bonds and capital leases is not recorded in the fund financial statements

Prior Year	177,599	
Current Year	(162,974)	14,625

Amortization of losses on early extinguishment of debt and premiums from refunded debt issuances are recorded when incurred in the governmental funds but are accrued and expensed over time in the statement of activities.

Prior Year	(507,891)	
Current Year	475,472	(32,419)

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

Prior Year	1,751,724	
Current Year	(1,740,560)	11,164

Change in Net Assets of Governmental Activities \$817,494

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

Proprietary Funds

**PINELANDS REGIONAL SCHOOL DISTRICT
 PROPRIETARY FUNDS
 STATEMENT OF NET ASSETS
 JUNE 30, 2012
 (With Comparative Totals for June 30, 2011)**

ASSETS	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS			TOTALS (MEMORANDUM ONLY)	
	FOOD SERVICE	COMMUNITY EDUCATION	INTER- LOCAL SERVICES	JUNE 30, 2012	JUNE 30, 2011
Current Assets:					
Cash & Cash Equivalents	\$180,965	20,854	50,467	252,286	403,416
Intergovernmental Accounts Receivable	35,275			35,275	732
Accounts Receivable	15,592			15,592	
Inventory	6,396			6,396	4,689
Interfund Receivable	106,426			106,426	56,364
Total Current Assets	344,654	20,854	50,467	415,975	465,201
Noncurrent Assets:					
Furniture, Machinery & Equipment	477,782			477,782	477,782
Less: Accumulated Depreciation	(353,656)			(353,656)	(322,226)
Total Noncurrent Assets	124,126			124,126	155,556
Total Assets	468,780	20,854	50,467	540,101	620,757
LIABILITIES					
Accounts Payable	46,749	927		47,676	142,860
Deferred Revenue	1,353	19,115		20,468	29,622
Total Liabilities	48,102	20,042		68,144	172,482
NET ASSETS					
Investments in Capital Assets - Net of Related Debt	124,126			124,126	155,556
Unreserved Net Assets	296,552	812	50,467	347,831	292,719
Total Net Assets	\$420,678	812	50,467	471,957	448,275

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

**PINELANDS REGIONAL SCHOOL DISTRICT
PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET ASSETS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(With Comparative Totals for June 30, 2011)**

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS			TOTALS (MEMORANDUM ONLY)	
	FOOD SERVICE	COMMUNITY EDUCATION	INTER- LOCAL SERVICES	JUNE 30, 2012	JUNE 30, 2011
Operating Revenues:					
Charges for Services:					
Daily Sales	\$522,361			522,361	525,216
Interlocal Services Agreement			62,918	62,918	62,918
Community Recreation Fees		39,935		39,935	37,966
Total Operating Revenue	522,361	39,935	62,918	625,214	626,100
Operating Expenses:					
Cost of Sales	308,613			308,613	327,135
Salaries	378,926	30,283	46,200	455,409	451,070
Employee Benefits			3,534	3,534	3,534
General Supplies	113,064	1,086		114,150	107,523
Other Miscellaneous Expenses	36,363	7,072	918	44,353	47,927
Management Fee	25,602			25,602	24,985
Depreciation	31,429			31,429	31,429
Total Operating Expenses	893,997	38,441	50,652	983,090	993,603
Operating Income/(Loss)	(371,636)	1,494	12,266	(357,876)	(367,503)
Nonoperating Revenues:					
State Sources:					
State School Lunch Program	9,205			9,205	8,763
Federal Sources:					
National School Lunch Program	283,621			283,621	261,923
National School Breakfast Program	63,154			63,154	56,351
Food Distribution Program	24,457			24,457	51,193
Interest Income	1,121			1,121	2,196
Total Nonoperating Revenues	381,558			381,558	380,426
Net Income	9,922	1,494	12,266	23,682	12,923
Net Assets - July 1	410,756	(682)	38,201	448,275	435,352
Net Assets - June 30	\$420,678	812	50,467	471,957	448,275

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

**PINELANDS REGIONAL SCHOOL DISTRICT
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(With Comparative Totals for June 30, 2011)**

	BUSINESS-TYPE ACTIVITIES -			TOTALS	
	ENTERPRISE FUNDS			(MEMORANDUM ONLY)	
	FOOD SERVICE	COMMUNITY EDUCATION	INTER- LOCAL SERVICES	JUNE 30, 2012	JUNE 30, 2011
Cash Flows From Operating Activities:					
Receipts from Customers	\$507,515	30,035	62,918	600,468	700,067
Payments to Employees	(378,926)	(30,283)	(50,652)	(459,861)	(454,604)
Payments to Vendors	(555,704)	(8,529)		(564,233)	(375,381)
Net Cash Provided/(Used) by Operating Activities	(427,115)	(8,777)	12,266	(423,626)	(129,918)
Cash Flows From Noncapital Financing Activities:					
Cash Received from State & Federal Reimbursements	321,437			321,437	352,881
Net Cash Provided by Noncapital Financing Activities	321,437			321,437	352,881
Cash Flows From Capital & Related Financing Activities:					
Transfer of Funds	(50,062)			(50,062)	(292,409)
Net Cash Used by Capital & Related Financing Activities	(50,062)			(50,062)	(292,409)
Cash Flows From Investing Activities:					
Interest & Dividends	1,121			1,121	2,196
Net Cash Provided from Investing Activities	1,121			1,121	2,196
Net Increase/(Decrease) in Cash & Cash Equivalents	(154,619)	(8,777)	12,266	(151,130)	(67,250)
Balances - Beginning of Year	335,584	29,631	38,201	403,416	470,666
Balances - Ending of Year	\$180,965	20,854	50,467	252,286	403,416
Reconciliation of Operating Income to Net Cash Provided/(Used) by Operating Activities:					
Operating Income	(\$371,636)	1,494	12,266	(357,876)	(367,503)
Adjustments to Reconcile Operating Income to Cash Provided/(Used) by Operating Activities:					
Depreciation Expense	31,429			31,429	31,429
Commodities Received	24,457			24,457	51,193
(Increase)/Decrease in Accounts Receivable	(15,592)			(15,592)	75,008
(Increase)/Decrease in Inventory	(1,707)			(1,707)	11,129
Increase/(Decrease) in Accounts Payable	(94,812)	(371)		(95,183)	69,867
Increase/(Decrease) in Deferred Revenue	746	(9,900)		(9,154)	(1,041)
Total Adjustments	(55,479)	(10,271)		(65,750)	237,585
Net Cash Provided/(Used) by Operating Activities	(427,115)	(8,777)	12,266	(423,626)	(129,918)

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

Fiduciary Fund

**PINELANDS REGIONAL SCHOOL DISTRICT
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET ASSETS
JUNE 30, 2012
(With Comparative Totals for June 30, 2011)**

	PRIVATE PURPOSE		AGENCY		TOTALS	
	UNEMPLOYMENT	SCHOLARSHIP	STUDENT		(MEMORANDUM ONLY)	
	TRUST	TRUST FUND	ACTIVITY	PAYROLL	JUNE 30, 2012	JUNE 30, 2011
ASSETS						
Cash & Cash Equivalents	\$12,463	90,615	178,006	15,620	296,704	260,865
Total Assets	12,463	90,615	178,006	15,620	296,704	260,865
LIABILITIES						
Interfund Payable Payable to Student Groups			178,006		178,006	140,263
Payroll Deductions & Withholdings				2,537	2,537	
Total Liabilities			178,006	15,620	193,626	153,189
NET ASSETS						
Held in Trust for Unemployment & Other Purposes	12,463	90,615			103,078	107,676
Total Net Assets	\$12,463	90,615	-	-	103,078	107,676

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

**PINELANDS REGIONAL SCHOOL DISTRICT
FIDUCIARY FUNDS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2012
(With Comparative Totals for June 30, 2011)**

ADDITIONS	PRIVATE PURPOSE		TOTALS	
	UNEMPLOYMENT FUND	SCHOLARSHIP TRUST	JUNE 30, 2012	JUNE 30, 2011 (MEMORANDUM ONLY)
Contributions:				
Scholarship Donations		89,420	89,420	85,028
Total Contributions		89,420	89,420	85,028
Investment Earnings:				
Interest - Checking	\$8	47	55	768
Net Investment Earnings	8	47	55	768
Total Additions	8	89,467	89,475	85,796
DEDUCTIONS				
Scholarships Awarded		93,335	93,335	89,400
Claims Paid	738		738	
Total Deductions	738	93,335	94,073	89,400
Change in Net Assets	(730)	(3,868)	(4,598)	(3,604)
Net Assets - Beginning of the Year	13,193	94,483	107,676	111,280
Net Assets - End of the Year	\$12,463	90,615	103,078	107,676

**PINELANDS REGIONAL SCHOOL DISTRICT
BOARD OF EDUCATION**

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

PINELANDS REGIONAL SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2012

Note 1. Summary of Significant Accounting Policies

The accompanying financial statements of the Pinelands Regional School 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 required new information and restructure of much of the information that governments have presented in the past. Comparability with reports issued in prior years was affected.

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

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

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

A. Reporting Entity

The Pinelands Regional School District is a Type II district located in the County of Ocean, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The Board is comprised of 9 members elected to three-year terms. These terms are staggered so that three members’ terms expire each year. The District provides a full range of educational services appropriate to grade levels 7 through 12. These include regular, vocational, as well as special education for handicapped youngsters. The operation of the District includes one regional junior high and one senior high school, located in Little Egg Harbor. The Pinelands Regional School District has an approximate enrollment at June 30, 2012 of 1,750 students.

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

- ◆ the organization is legally separate (can sue or be sued in their own name)

PINELANDS REGIONAL SCHOOL DISTRICT

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

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

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

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

B. District-Wide and Fund Financial Statements

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

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

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

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

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

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

PINELANDS REGIONAL SCHOOL DISTRICT

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

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

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

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

D. Fund Accounting

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

Governmental Funds

General Fund - The general fund is the general operating fund of the Pinelands Regional School District 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.

As required by the New Jersey Department of Education, the Pinelands Regional School District 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.

PINELANDS REGIONAL SCHOOL DISTRICT

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

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

D. Fund Accounting (continued):

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

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

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

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

Proprietary Fund

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

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

The District's Enterprise Fund is comprised of the Food Service Fund, Community Education and Business Services.

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

PINELANDS REGIONAL SCHOOL DISTRICT

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

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

D. Fund Accounting (continued):

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	15 Years
Light Trucks & Vehicle	8 Years
Heavy Trucks & Vehicle	8 Years

The Food Service Fund fixed assets are partially depreciated at June 30, 2012.

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 and a Scholarship Trust Fund as private purpose trusts.

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.

PINELANDS REGIONAL SCHOOL DISTRICT

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

Note 1. Summary of Significant Accounting Policies (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 Pinelands Regional School District 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 Pinelands Regional School District's proprietary funds have elected not to apply the standards issued by FASB after November 30, 1989.

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

F. Budgets/Budgetary Control

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue and debt service funds. The budgets are submitted to the county office and are voted upon at the annual school election on or around the third Tuesday in April. Effective January 19, 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.

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.

PINELANDS REGIONAL SCHOOL DISTRICT

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

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

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

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

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

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

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

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

	General Fund	Special Revenue Fund
Sources/Inflows of Resources		
Actual amounts (budgetary) "revenues" from the budgetary comparison schedules	\$31,913,321	\$1,348,770
Difference – Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		11,601
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes	1,053,140	
State aid payment recognized for budgetary purposes, not recognized for GAAP Statements until the subsequent year	<u>(1,111,511)</u>	<u> </u>

PINELANDS REGIONAL SCHOOL DISTRICT

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

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

	General Fund	Special Revenue Fund
Total revenue as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds	<u>\$31,854,950</u>	<u>\$1,360,371</u>
Uses/Outflows of Resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	\$31,245,745	\$1,348,770
Difference – Budget to GAAP:		
Encumbrances for supplies and equipment ordered But not received are reported in the year the order is Placed for budgetary purposes, but in the year the Supplies are received for financial reporting purposes _____		<u>11,601</u>
Total expenditures as reported on the statement of revenues, expenditures and changes in fund balances – governmental funds	<u>\$31,245,745</u>	<u>\$1,360,371</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 Pinelands Regional School District has received advances are reflected in the balance sheet as deferred revenues at fiscal year-end.

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

H. Cash, Cash Equivalents

Cash and Cash equivalents include petty cash, change funds, cash in banks and all highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus

PINELANDS REGIONAL SCHOOL DISTRICT

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

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

accrued interest. U.S. Treasury and agency obligations and certificates of deposit with maturities of one year or less when purchased are stated at cost. New Jersey School Districts are limited as to the types of investments and types of financial institutions they may invest in. *N.J.S.18A:20-37* provides a list of permissible investments that may be purchased by New Jersey school districts.

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

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

I. Tuition Receivable/Payable

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

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

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

J. Inventories

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

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

K. Short-Term Interfund Receivables/Payables

Short-term interfund receivables/payables represent amounts that are owed, other than charges for goods or services rendered to/from a particular fund in the Pinelands Regional School District and that are due within one year.

PINELANDS REGIONAL SCHOOL DISTRICT

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

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

L. Fixed Assets:

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

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

Building & Building Improvements	20 - 50 Years
Furniture & Fixtures	7 - 20 Years
Machinery & Equipment	5 - 12 Years
Vehicles	5 - 20 Years

M. Accrued Salaries and Wages

District employees, who provide services to the District over the ten-month academic year and extended eleven-month calendar, do not have the option to have their salaries disbursed during the entire twelve-month year. Therefore, there is no accrual as of June 30, 2012 for such salaries. The District has accrued for retro pay related to contract negotiations for fiscal year 2012 that were settled after year-end.

The District has accrued for retro pay related to contract negotiations for fiscal year 2012 that were settled after year-end.

N. 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.

PINELANDS REGIONAL SCHOOL DISTRICT

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

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

O. Unearned Revenue

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

P. 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.

Q. Fund Equity

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

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

R. Subsequent Events

The District has evaluated subsequent events occurring after June 30, 2012 through October 31, 2012 which is the date the financial statements were available to be issued.

Note 2. Cash and Cash Equivalents

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

Type	Carrying Value
Deposits:	
Demand Deposits	\$ 3,357,264
Total Deposits	<u>\$ 3,357,264</u>
Reconciliation of Statements of Net Assets:	
Governmental Activities	\$ 2,808,274
Business-Type Activities	252,286
Fiduciary Funds	<u>296,704</u>
Total Cash and Cash Equivalents	<u>\$ 3,357,264</u>

PINELANDS REGIONAL SCHOOL DISTRICT

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

Note 2. Cash and Cash Equivalents (continued):

Custodial Credit Risk – Deposits in financial institutions, reported as components of cash, cash equivalents and investments had a bank balance of \$5,425,969 at June 30, 2012. Of the bank balance \$250,000 was fully insured by the FDIC (Federal Depository Insurance Corporation) and \$5,175,969 was secured by a collateral pool held by the bank, but not in the District's name, as required by New Jersey statutes.

Insured	\$ 250,000
Collateralized in the District's Name Under GUDPA (See Note 3)	<u>3,878,191</u>
Total	<u>\$4,128,191</u>

Note 3. Governmental Unit Deposit Protection Act (GUDPA)

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

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

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

In the event of a default, the Commissioner of Banking within 20 days after the default occurrence shall ascertain the amount of public funds on deposit in the defaulting depository and the amounts covered by federal deposit insurance and certify the amounts to each affected governmental unit. Within 10 days

PINELANDS REGIONAL SCHOOL DISTRICT

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

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

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. Reserve Accounts

A. Capital Reserve Account

A capital reserve account was established by the Pinelands Regional School District by inclusion of \$1,000 in the original 2000-2001 annual capital outlay budget, which was certified for taxes, for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the District's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by Board resolution at year-end of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A district may also appropriated additional amounts when the express approval of the voters has been obtained either by a separate proposal at

PINELANDS REGIONAL SCHOOL DISTRICT

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

Note 4. Reserve Accounts (continued):

budget time or by a special question at one of the four special elections authorized pursuant to *N.J.S.A.19:60-2*. Pursuant to *N.J.A.C.6:23A-14.1(g)*, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

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

Beginning Balance, July 1, 2011	\$308,705
Plus:	
Resolution dated June 21, 2012	200,000
Interest Earnings	<u>149</u>
Ending Balance, June 30, 2012	<u>\$508,854</u>

B. Maintenance Reserve Account

A maintenance reserve account was established by the Pinelands Regional School District by inclusion of \$300,000 on June 25, 2009 for the accumulation of funds for use as maintenance expenditures in subsequent fiscal years. The maintenance reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

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

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

Beginning Balance, July 1, 2011	\$203,595
Plus:	
Interest Earnings	<u>98</u>
Ending Balance, June 30, 2012	<u>\$203,693</u>

PINELANDS REGIONAL SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS (continued):

JUNE 30, 2012

Note 4. Reserve Accounts (continued)

C. Emergency Reserve Account

An emergency reserve account was established by the Pinelands Regional School District by inclusion of \$260,000 on June 25, 2009 for the accumulation of funds for use as maintenance expenditures in subsequent fiscal years. The maintenance reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

The emergency reserve account is used to accumulate funds in accordance with *N.J.S.A. 18A:7F-41c(1)* to finance unanticipated general fund expenditures required for a thorough and efficient education. Unanticipated means reasonably unforeseeable and shall not include additional costs caused by poor planning. The maximum balance permitted at any time in this reserve is the greater of \$250,000 or 1 percent of the general fund budget not to exceed \$1 million. Deposits may be made to the emergency reserve account by board resolution at year end of any unanticipated revenue or unexpended line item appropriation or both. The department has defined year end for the purpose of depositing surplus into reserve accounts as an amount approved by the district board of education between June 1 and June 30. Withdrawals from the reserve require the approval of the Commissioner unless the withdrawal is necessary to meet an increase in total health care costs in excess of 4 percent.

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

Beginning Balance, July 1, 2011	\$101,797
Plus:	
Interest Earnings	<u>50</u>
Ending Balance, June 30, 2012	<u>\$101,847</u>

Note 5. Fixed Assets

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

	June 30, 2011	Additions	Adjustments	June 30, 2012
Land	\$ 412,912			\$ 412,912
Buildings & Improvements	38,533,343			38,533,343
Construction in Progress	133,601		\$(133,601)	
Site Improvements	1,329,983			1,329,983
Machinery & Equipment	<u>790,129</u>	<u>\$ 149,331</u>		<u>939,460</u>

PINELANDS REGIONAL SCHOOL DISTRICT

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

Note 5. Fixed Assets (continued)

	June 30, 2011	Additions	Adjustments	June 30, 2012
Subtotal	41,199,968	149,331	(133,601)	41,215,699
Accumulated Depreciation	<u>(14,890,853)</u>	<u>(1,168,164)</u>		<u>(16,059,017)</u>
Total	<u>\$26,309,115</u>	<u>\$(1,018,833)</u>	<u>\$ (133,601)</u>	<u>\$25,156,682</u>

The following schedule is a summarization of the proprietary fund fixed assets recorded at historical cost by source for the fiscal year ended June 30, 2012:

	June 30, 2011	Additions	Adjustments	June 30, 2012
Machinery & Equipment	\$477,782		\$ -	\$477,782
Less: Accumulated Depreciation	<u>(322,226)</u>	<u>\$(31,429)</u>		<u>(353,656)</u>
Net Fixed Assets	<u>\$155,556</u>	<u>\$(31,429)</u>	<u>\$ -</u>	<u>\$124,126</u>

Note 6. Long-Term Debt

During the fiscal year ended June 30, 2012 the following changes occurred in liabilities reported in the Long-Term Debt Account Group:

	Balance 6/30/11	Additions	Retired	Balance 6/30/12	Due Within One Year
Bonds Payable	\$12,333,000		\$ 975,000	\$11,358,000	\$1,020,000
Capital Leases Payable	901,934	\$400,000	392,352	909,582	408,586
Compensated Absences	<u>1,751,724</u>		<u>11,164</u>	<u>1,740,560</u>	
Total	<u>\$14,986,658</u>	<u>\$400,000</u>	<u>\$1,378,516</u>	<u>\$14,008,142</u>	<u>\$1,428,586</u>

Compensated Absences and Capital Leases have been liquidated in the General Fund. A significant portion of the compensated absence reduction was contributed to eligibility restrictions.

PINELANDS REGIONAL SCHOOL DISTRICT

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

Note 6. Long-Term Debt (continued)

A. Bonds Payable:

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

At June 30, 2012, bonds payable consisted of the follow issues:

\$7,545,000 Refunding School Bonds dated August 30, 2005, due in annual installments through March 1, 2027, bearing interest at 3.00% to 4.25% per annum. The balance remaining as of June 30, 2012 is \$590,256.

\$7,108,000 School Bonds dated July 15, 2007, due in annual installments through February 15, 2018, bearing interest at 4.00% to 4.1% per annum. The balance remaining as of June 30, 2012 is \$890,038.

B. School Bonds Issued:

On July 15, 2007, the Pinelands Regional School District issued \$7,108,000 in Serial Bonds for the purpose of undertaking construction of renovations and improvements to the Pinelands Regional High School and Junior High School and to acquire the necessary furnishings and equipment; construction of additional classrooms adjacent to the High School along with furnishings and equipment. Principal on the Bonds are due annually on February 15, with interest payments due each August and February through year 2018, beginning on August 15, 2008. Interest on the Bonds is at a rate of 4.0% through year 2014 and 4.1% thereafter. The first principal payment will be due on February 2010.

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

Year-ending June 30,	Principal	Interest	Total
2013	\$ 1,020,000	\$ 464,769	\$ 1,484,769
2014	1,065,000	422,369	1,487,369
2015	1,130,000	378,094	1,508,094
2016	1,175,000	332,804	1,507,804
2017	1,235,000	285,461	1,520,461
2018-2022	3,058,000	864,806	3,922,806
2023-2027	<u>2,675,000</u>	<u>347,535</u>	<u>3,022,535</u>
Total	<u>\$11,358,000</u>	<u>\$3,095,838</u>	<u>\$14,453,838</u>

PINELANDS REGIONAL SCHOOL DISTRICT

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

Note 6. Long-Term Debt (continued)

C. Capital Lease Obligation:

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 \$943,000. The following is a schedule of future minimum lease payments under capital leases as of June 30, 2012:

Year-ending June 30,	
2013	\$426,815
2014	254,943
2015	169,633
2016	<u>85,999</u>
Total Minimum Lease Payments	937,390
Less: Amount Representing Interest	<u>(27,808)</u>
Present Value of Net Minimum Lease Payments	<u>\$909,582</u>

Note 7. 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.

PINELANDS REGIONAL SCHOOL DISTRICT

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

Note 7. Pension Plans (continued)

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

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

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

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

PINELANDS REGIONAL SCHOOL DISTRICT

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

Note 7. Pension Plans (continued)

that all current retirees will have their original pension recalculated under the N/55 formula. Starting February 1, 2002, pension cost of living adjustments will be based on the new original pension.

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

Three-Year Trend Information for PERS

Year Funding	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/12	\$391,631	100%	\$ -0-
6/30/11	373,432	100%	-0-
6/30/10	313,321	100%	-0-

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

Year Funding	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/12	\$1,362,947	100%	\$ -0-
6/30/11	967,318	100%	-0-
6/30/10	989,848	100%	-0-

During the year ended June 30, 2012 the State of New Jersey contributed \$1,362,947 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 \$985,409 for the year ended June 30, 2012 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. This amount has been included in the basic financial statements, and the combining and individual fund and account group statements and schedules as a revenue and expenditure in accordance with GASB 27.

PINELANDS REGIONAL SCHOOL DISTRICT

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

Note 8. Post-Retirement Benefits

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

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

Note 9. Risk Management

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

Property and Liability Insurance – The District maintains commercial insurance coverage for property, liability, 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.

Note 10. Interfund Receivables and Payables

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

PINELANDS REGIONAL SCHOOL DISTRICT

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

Note 10. Interfund Receivables and Payables (continued)

Fund	Interfund Receivable	Interfund Payable
General Fund	\$147,854	\$106,426
Capital Projects Fund		134,771
Proprietary Fund	106,426	
Trust & Agency Fund	<u> </u>	<u>13,083</u>
Total	<u>\$254,280</u>	<u>\$254,280</u>

The purpose of above interfunds are short term borrowings.

Note 11. GASB #54 Fund Balance Disclosures

In accordance with Government Accounting Standards Board 54, Fund Balance Reporting and Governmental Fund Type Definitions, the Pinelands Regional School District classifies governmental fund balances as follows:

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

General Fund – Of the \$1,666,990 General Fund fund balance at June 30, 2012, \$508,854 has been restricted for the capital reserve account; \$203,693 has been restricted for the maintenance reserve account; \$101,847 has been restricted for the emergency reserve account; \$87,007 has been restricted for excess surplus designated for subsequent year’s expenditures and \$710,880 is designated for subsequent year’s expenditures.

The Pinelands Regional 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 Pinelands Regional School District would first use committed, then assigned and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

Debt Service Fund – The Debt Service Fund had a zero fund balance at June 30, 2012.

PINELANDS REGIONAL SCHOOL DISTRICT

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

Note 12. Deferred Compensation

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

Met Life	Equitable Life Assurance Company
Discovery Financial	Lincoln Investment Planning, Inc.
PFS Shareholder Services	USAA Life Insurance
The Vanguard Group	

Note 13. Compensated Absences

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

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

The liability for vested compensated absences of the governmental fund types is recorded in the statement of net assets under governmental activities. The current portion of the compensated absence balance is not considered material to the applicable funds total liabilities, and is therefore not shown separately from the long-term liability balance of compensated absences. The amount at June 30, 2012 is \$1,740,560.

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

Note 14. State Aid Receivable

Amounts reported in the accompanying schedules do not agree with amounts reported in the Board's basic financial statements. The basic financial statements present the General Fund and Special Revenue Fund on a GAAP basis. 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. In July 2012, the final state aid payments were made in the amount of \$1,111,511. The Budgetary Basis recognizes this as revenue and a related receivable, the GAAP basis does not.

PINELANDS REGIONAL SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2012

Note 15. Calculation of Excess Surplus

In accordance with *N.J.S.A.18A:7F-7*, as amended by P.L. 2004, c.73 (S1701), the designation for Reserved Fund Balance – Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund fund balance at the fiscal year-end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The District has excess fund balance of \$54,709 at June 30, 2012.

Note 16. Contingent Liabilities

The Board is involved in several claims and lawsuits incidental to its operations. In the opinion of the administration and legal counsel, besides the matters discussed below, the ultimate resolution of these matters will not have a material adverse effect of the financial position of the District.

The District has a potential contingent liability for a dispute surrounding fire safety code violations at the Pinelands Regional High School from the NJ Division of Fire Safety. The District is claiming that from 1985 to 2004 the high school was inspected by a local fire code official and there were no major fire code violations. In 2004, the responsibilities for inspecting the building were transferred from local code officials to the New Jersey Department of Community Affairs ("DCA"). During the next several years, the DCA found several fire code violations in the High School building. The District has developed a long range plan to resolve this dispute. It is likely that the District will have an unfavorable outcome. Attorneys' fees could be estimated up to \$50,000 and the cost of performing the repairs, if ordered by a judge, could be in the range of \$2 million. As of the date of this report, a tentative agreement has been reached pending the approval of the New Jersey Commissioner of Education's office regarding the usage of unspent bond proceeds to fund the project.

The District has an additional potential contingent liability for a dispute with a former employee regarding employment practices. As of the date of this report, a tentative settlement was reached in the amount of \$31,500, but has not yet been approved by the Board.

Note 17. Subsequent Events

On October 29, 2012, Little Egg Harbor Township, Eagleswood Township, Tuckerton Borough, and Bass River Township were impacted by Hurricane Sandy. While the School District did not receive any significant damage from the storm, the Townships sustained massive damages and their ratable bases will be affected. As of the date of this audit report, the economic impact to the District is unknown.

REQUIRED SUPPLEMENTARY INFORMATION – PART II

C. Budgetary Comparison Schedules

**PINELANDS REGIONAL SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2012 AND 2011**

ACCOUNT NUMBERS	JUNE 30, 2012				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	JUNE 30, 2011				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		
Revenues:											
Local Sources:											
Local Tax Levy	10-1210	\$17,390,703		17,390,703	17,390,703		17,049,709		17,049,709	17,049,709	
Tuition	10-1320									4,351	4,351
Interest Earned on Capital Reserve	10-1510	1,000		1,000		(1,000)	1,000		1,000		(1,000)
Miscellaneous	10-1990	2,000		2,000	23,289	21,289	100,000		100,000	41,963	(58,037)
Total Local Sources		17,393,703		17,393,703	17,413,992	20,289	17,150,709		17,150,709	17,096,023	(54,686)
State Sources:											
Categorical Transportation Aid	10-3121	805,461		805,461	805,461		805,461		805,461	805,461	
Categorical Special Education Aid	10-3132	923,358		923,358	923,358		923,358		923,358	923,358	
Equalization Aid	10-3176	8,652,833		8,652,833	8,652,833		8,652,833		8,652,833	8,652,833	
Categorical Security Aid	10-3177	290,161		290,161	290,161		290,161		290,161	290,161	
Adjustment Aid	10-3178	465,640		465,640	773,421	307,781	157,859		157,859	157,859	
Extraordinary Aid	10-3131	35,696		35,696	241,988	206,292	35,696		35,696	219,710	184,014
Non-Public Transportation Aid	10-3121				5,469	5,469				8,721	8,721
On-Behalf TPAF Pension Contribution (Nonbudgeted):											
Normal Cost					1,362,947	1,362,947				967,318	967,318
Reimbursed TPAF Social Security (Nonbudgeted)					985,409	985,409				1,040,609	1,040,609
Total State Sources		11,173,149		11,173,149	14,041,047	2,867,898	10,865,368		10,865,368	13,066,030	2,200,662
Federal Sources:											
Medicaid Reimbursement	10-4200	38,339		38,339	35,597	(2,742)	38,339		38,339	33,045	(5,294)
Education Jobs Fund Program	18-4522	409,845	12,840	422,685	422,685						
Total Federal Sources		448,184	12,840	461,024	458,282	(2,742)	38,339		38,339	33,045	(5,294)
Total Revenues		29,015,036	12,840	29,027,876	31,913,321	2,885,445	28,054,416		28,054,416	30,195,098	2,140,682

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**PINELANDS REGIONAL SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2012 AND 2011**

	ACCOUNT NUMBERS	JUNE 30, 2012				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	JUNE 30, 2011				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
Expenditures:											
Current Expense:											
Instruction - Regular Programs:											
Grades 6-8 Salaries of Teachers	11-130-100-101	3,791,260	164,956	3,956,216	3,956,215	1	3,658,065	117,309	3,775,374	3,775,373	1
Grades 9-12 Salaries of Teachers	11-140-100-101	3,753,786	(33,871)	3,719,915	3,707,075	12,840	3,750,310	(87,687)	3,662,623	3,662,623	
Home Instruction - Regular Programs:											
Salaries of Teachers	11-150-100-101	60,000	45,334	105,334	105,334		60,000	20,580	80,580	80,579	1
Purchased Professional - Educational Services	11-150-100-320	15,000	7,527	22,527	22,527		15,000	5,000	20,000	15,669	4,331
Purchased Professional - Educational Services	11-190-100-320	9,600	400	10,000	9,734	266	7,000	1,573	8,573	7,573	1,000
Other Purchased Services - (400-500 Series)	11-190-100-540	228,924	1,934	230,858	225,644	5,214	187,176	(24,169)	163,007	146,994	16,013
General Supplies	11-190-100-610	340,596	24,880	365,476	363,014	2,462	351,853	(10,963)	340,890	324,866	16,024
Textbooks	11-190-100-640	20,540	(6,194)	14,346	14,343	3	54,210	(7,338)	46,872	42,647	4,225
Other Objects	11-190-100-890	2,500		2,500	755	1,745	8,715	(1,000)	7,715	1,198	6,517
Total Regular Programs		8,222,206	204,966	8,427,172	8,404,641	22,531	8,092,329	13,305	8,105,634	8,057,522	48,112
Special Education:											
Cognitive - Mild:											
Salaries of Teachers	11-201-100-101	180,315	4,293	184,608	184,608		179,815	500	180,315	180,315	
Other Salaries for Instruction	11-201-100-106	42,254	(9,880)	32,374	32,374		42,254		42,254	42,140	114
General Supplies	11-201-100-610	3,000	31	3,031	3,024	7	3,000		3,000	1,369	1,631
Total Cognitive - Mild		225,569	(5,556)	220,013	220,006	7	225,069	500	225,569	223,824	1,745

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**PINELANDS REGIONAL SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2012 AND 2011**

	ACCOUNT NUMBERS	JUNE 30, 2012				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	JUNE 30, 2011				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
Behavioral Disabilities:											
Salaries of Teachers	11-209-100-101	518,950	(59,672)	459,278	459,278		518,450	500	518,950	518,950	
Other Purchased Services	11-209-100-500	2,500		2,500	2,129	371	2,000		2,000	88	1,912
General Supplies	11-209-100-610	5,000		5,000	4,968	32	10,000		10,000	4,584	5,416
Textbooks	11-209-100-640	5,000	(4,230)	770		770	5,000		5,000	335	4,665
Other Objects	11-209-100-800	5,000		5,000	3,925	1,075	8,000	(5,000)	3,000		3,000
Total Behavioral Disabilities		536,450	(63,902)	472,548	470,300	2,248	543,450	(4,500)	538,950	523,957	14,993
Multiple Disabilities:											
Salaries of Teachers	11-212-100-101	150,311	3,155	153,466	153,466		149,611	665	150,276	150,276	
Other Salaries for Instruction	11-212-100-106	33,344	(2,450)	30,894	30,894		33,344		33,344	33,344	
Other Purchased Services	11-212-100-500	4,500	(2,272)	2,228	26	2,202	4,500		4,500	4,500	4,500
General Supplies	11-212-100-610	10,000	2,376	12,376	12,375	1	10,000		10,000	7,600	2,400
Total Multiple Disabilities		198,155	809	198,964	196,761	2,203	197,455	665	198,120	191,220	6,900
Resource Room/Resource Center:											
Salaries of Teachers	11-213-100-101	1,799,993	117,269	1,917,262	1,917,262		1,978,895	20,409	1,999,304	1,999,304	
Other Salaries for Instruction	11-213-100-106	80,130	3,162	83,292	83,292		55,734		55,734	51,540	4,194
General Supplies	11-213-100-610						30,000	(21,500)	8,500	8,082	418
Textbooks	11-213-100-640	4,000		4,000		4,000	4,000		4,000	4,000	4,000
Total Resource Room/Resource Center		1,884,123	120,431	2,004,554	2,000,554	4,000	2,068,629	(1,091)	2,067,538	2,058,926	8,612
Autism:											
Other Purchased Services-(400-500)	11-214-100-500						2,000		2,000	2,000	2,000
General Supplies	11-214-100-610						2,000	(2,000)			
Other Objects	11-214-100-800						2,000	(2,000)			
Total Autism							6,000	(4,000)	2,000		2,000
Homebound Instruction:											
Salaries of Teachers	11-219-100-101	80,000	(23,641)	56,359	56,359		80,000	(33,205)	46,795	46,795	
Purchased Professional & Educational Services	11-219-100-320	40,000	6,358	46,358	43,813	2,545	50,000	(12,000)	38,000	24,761	13,239
Total Homebound Instruction		120,000	(17,283)	102,717	100,172	2,545	130,000	(45,205)	84,795	71,556	13,239
Total Special Education		2,964,297	34,499	2,998,796	2,987,793	11,003	3,170,603	(53,631)	3,116,972	3,069,483	47,489
Other Instructional Programs:											
Basic Skills/Remedial - Instruction:											
Salaries of Teachers	11-230-100-101	105,876	(13,533)	92,343	92,342	1	172,661		172,661	172,661	
Other Purchased Services-(400-500)	11-230-100-500	1,200	(1,200)				1,200	(366)	834	695	139
General Supplies	11-230-100-610	10,000		10,000	10,000		7,000		7,000	6,997	3

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**PINELANDS REGIONAL SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2012 AND 2011**

ACCOUNT NUMBERS	JUNE 30, 2012				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	JUNE 30, 2011				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		
Total Basic Skills/Remedial Instruction	117,076	(14,733)	102,343	102,342	1	180,861	(366)	180,495	180,353	142	
Bilingual Education - Instruction:											
General Supplies	11-240-100-610	8,760		8,760	8,652	108	3,000	1,000	4,000	2,983	1,017
Total Bilingual Education - Instruction		8,760		8,760	8,652	108	3,000	1,000	4,000	2,983	1,017
School Sponsored Cocurricular Activities:											
Salaries	11-401-100-101	102,109	28,018	130,127	130,127		115,411	4,451	119,862	119,862	
Other Objects	11-401-100-800	30,000	(11,000)	19,000	18,894	106	23,000	(401)	22,599	17,101	5,498
Total School Sponsored Cocurricular - Activities		132,109	17,018	149,127	149,021	106	138,411	4,050	142,461	136,963	5,498
School Sponsored Athletics - Instruction:											
Salaries	11-402-100-101	509,476	(3,207)	506,269	506,268	1	537,075	(47,788)	489,287	489,287	
Purchased Services - (300-500 Series)	11-402-100-500	16,000	(8,400)	7,600	7,581	19	22,000	(11,885)	10,115	8,961	1,154
Supplies and Materials	11-402-100-600	60,000	21,006	81,006	79,418	1,588	56,500	21,600	78,100	68,347	9,753
Other Objects	11-402-100-800	65,000	(2,000)	63,000	62,758	242	68,530	(9,500)	59,030	54,223	4,807
Total School Sponsored Athletics - Instruction		650,476	7,399	657,875	656,025	1,850	684,105	(47,573)	636,532	620,818	15,714
Alternative Education Programs - Instruction:											
Salaries	11-423-100-101	124,660	2,432	127,092	127,092		124,660		124,660	124,660	
Purchased Services - (300-500 Series)	11-423-100-500	1,000		1,000	465	535	400		400	293	107
General Supplies	11-423-100-610	15,000		15,000	14,952	48	15,000	(4,000)	11,000	6,514	4,486
Other Objects	11-423-100-800	2,500		2,500		2,500	2,100		2,100		2,100
Total Alternative Education Programs - Instruction		143,160	2,432	145,592	142,509	3,083	142,160	(4,000)	138,160	131,467	6,693
Community Service Programs & Operations:											
Salaries	11-800-330-100	167,010		167,010	136,164	30,846	163,437	(8,200)	155,237	155,237	
Supplies & Materials	11-800-330-600							401	401	232	169
Total Community Service Programs & Operations		167,010		167,010	136,164	30,846	163,437	(7,799)	155,638	155,469	169

**PINELANDS REGIONAL SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2012 AND 2011**

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ACCOUNT NUMBERS	JUNE 30, 2012				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	JUNE 30, 2011				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		
Total - Instruction	12,405,094	251,581	12,656,675	12,587,147	69,528	12,574,906	(95,014)	12,479,892	12,355,058	124,834	
Undistributed Expenditures:											
Instruction:											
Tuition to Other LEAs											
Within the State - Regular	11-000-100-561		8,380	8,380	8,379	1	43,398	(1,422)	41,976	41,976	
Tuition to Other LEAs											
Within the State - Special	11-000-100-562	333,314	(13,499)	319,815	242,098	77,717	238,503	(55,603)	182,900	182,900	
Tuition to County Vocational											
School District - Regular	11-000-100-563		8,500	8,500	8,400	100	6,500	950	7,450	7,450	
Tuition to County Special Services											
& Regular Day Schools	11-000-100-565	325,560	119,218	444,778	444,519	259	387,570	(22,219)	365,351	365,351	
Tuition to Private Schools for the											
Handicapped - Within the State	11-000-100-566	264,832	(216,466)	48,366	38,102	10,264	136,871	938	137,809	137,809	
Tuition - State Facilities	11-000-100-568	22,771		22,771	22,771		38,630	(15,859)	22,771	22,771	
Tuition - Other	11-000-100-569							10,754	10,754	10,754	
Total Instruction	946,477	(93,867)	852,610	764,269	88,341	851,472	(82,461)	769,011	769,011		
Attendance/Social Work:											
Salaries	11-000-211-100	70,542	8,644	79,186	79,186		118,669	(10,000)	108,669	108,105	564
Other Purchased Services											
(400-500 Series)	11-000-211-500	250		250	111	139	1,000		1,000	1,000	
Supplies and Materials	11-000-211-600	4,000		4,000	3,987	13	4,000		4,000	1,199	2,801
Total Attendance/Social Work	74,792	8,644	83,436	83,284	152	123,669	(10,000)	113,669	109,304	4,365	
Health Services:											
Salaries	11-000-213-100	158,052	2,635	160,687	160,687		158,947	(935)	158,012	157,872	140
Purchased Professional & Technical											
Services	11-000-213-300	6,000		6,000		6,000	6,000		6,000	495	5,505
Supplies and Materials	11-000-213-600	6,000		6,000	5,345	655	5,000		5,000	4,629	371
Other Objects	11-000-213-800	200		200	137	63	200		200	200	

**PINELANDS REGIONAL SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2012 AND 2011**

ACCOUNT NUMBERS	JUNE 30, 2012				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	JUNE 30, 2011				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
Total Health Services	170,252	2,635	172,887	166,169	6,718	170,147	(935)	169,212	162,996	6,216
Other Support Services - Students - Related Services:										
Salaries 11-000-216-100	220,565	4,186	224,751	224,751		220,565		220,565	220,565	
Purchased Professional & Educational Services 11-000-216-320	85,000		85,000	70,405	14,595	40,000	42,500	82,500	54,529	27,971
Supplies and Materials 11-000-216-600	3,500		3,500	3,490	10	3,500		3,500	2,403	1,097
Total Other Support Services - Students - Related Services	309,065	4,186	313,251	298,646	14,605	264,065	42,500	306,565	277,497	29,068
Other Support Services - Students - Extraordinary Services:										
Salaries 11-000-217-100	243,380	(7,894)	235,486	235,486		242,481	13,800	256,281	256,281	
Purchased Professional & Educational Services 11-000-217-320	27,161	59,707	86,868	86,868			25,057	25,057	25,056	1
Travel 11-000-217-580		1,161	1,161		1,161					
Supplies and Materials 11-000-217-600	2,000	(2,000)								
Other Objects 11-000-217-800						2,000		2,000	1,886	114
Total Other Support Services - Students - Extraordinary Services	272,541	50,974	323,515	322,354	1,161	244,481	38,857	283,338	283,223	115
Other Support Services - Students - Regular:										
Salaries of Other Professional Staff 11-000-218-104	624,584	(34)	624,550	624,550		624,584	(24,000)	600,584	600,534	50
Salaries of Secretarial & Clerical Assistants 11-000-218-105	226,200	332	226,532	226,532		226,200		226,200	226,199	1
Purchased Professional & Educational Services 11-000-218-320	1,500		1,500	635	865	1,500		1,500	1,350	150
Other Purchased Professional & Technical Services 11-000-218-390	45,250		45,250	37,724	7,526	38,200		38,200	38,030	170
Other Purchased Services - (400-500 Series) 11-000-218-500	500		500	268	232	2,000		2,000		2,000
Supplies and Materials 11-000-218-600	19,000	752	19,752	18,063	1,689	23,000	13	23,013	16,022	6,991
Other Objects 11-000-218-800	250		250		250	500		500	284	216
Total Other Support Services - Students - Regular	917,284	1,050	918,334	907,772	10,562	915,984	(23,987)	891,997	882,419	9,578

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**PINELANDS REGIONAL SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2012 AND 2011**

	ACCOUNT NUMBERS	JUNE 30, 2012				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	JUNE 30, 2011				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
Other Support Services - Students - Special Services:											
Salaries of Other Professional Staff	11-000-219-104	533,766	(3,017)	530,749	530,748	1	532,615		532,615	527,116	5,499
Salaries of Secretarial & Clerical Assistants	11-000-219-105	125,899	5,985	131,884	131,883	1	127,997		127,997	96,671	31,326
Purchased Professional - Educational Services	11-000-219-320	40,000		40,000	11,680	28,320	40,000		40,000	40,000	
Other Purchased Services - (400-500 Series)	11-000-219-592	17,700	4,230	21,930	16,171	5,759	10,000	7,740	17,740	14,904	2,836
Supplies and Materials	11-000-219-600	12,000	1,239	13,239	13,124	115	12,000		12,000	9,625	2,375
Other Objects	11-000-219-800	3,000		3,000	2,500	500	10,740	(7,740)	3,000	1,100	1,900
Total Other Support Services - Students - Special Services		732,365	8,437	740,802	706,106	34,696	733,352		733,352	689,416	43,936
Improvement of Instruction Services:											
Salaries of Supervisors of Instruction	11-000-221-102	549,053	(9,997)	539,056	495,458	43,598	584,971		584,971	580,327	4,644
Salaries of Secretarial & Clerical Assistants	11-000-221-105	83,022	66,200	149,222	149,221	1	150,835		150,835	150,835	
Other Purchased Services	11-000-221-500	6,425		6,425	2,421	4,004	5,825		5,825	507	5,318
Supplies & Materials	11-000-221-600	2,600		2,600	1,963	637	2,000		2,000	1,786	214
Total Improvement of Instruction Services		641,100	56,203	697,303	649,063	48,240	743,631		743,631	733,455	10,176
Educational Media Services/School Library:											
Salaries of Teachers	11-000-222-100	254,735	(34,479)	220,256	220,256		273,339		273,339	250,309	23,030
Salaries of Technology Coordinators	11-000-222-177	177,493	3,551	181,044	181,043	1	177,493		177,493	177,492	1
Purchased Professional & Technical Services	11-000-222-300	8,000		8,000		8,000	17,400	(2,900)	14,500	10,016	4,484
Other Purchased Services - (400-500 Series)	11-000-222-500	34,298		34,298	17,922	16,376	48,910	(6,000)	42,910	27,483	15,427
Supplies and Materials	11-000-222-600	19,760		19,760	19,236	524	20,000	6,000	26,000	25,999	1
Other Objects	11-000-222-800						1,760		1,760	153	1,607
Total Educational Media Services/School Library		494,286	(30,928)	463,358	438,457	24,901	538,902	(2,900)	536,002	491,452	44,550
Instructional Staff Training Services:											
Salaries Supervisor of Instruction	11-000-223-102							1,000	1,000	660	340
Other Purchased Professional - Educational Services	11-000-223-320	3,000	2,725	5,725	5,723	2	2,040	2,000	4,040	3,007	1,033
Other Purchased Professional and Tech. Services	11-000-223-390	1,000		1,000	800	200	2,000		2,000	650	1,350
Other Purchased Services - (400-500 Series)	11-000-223-500	5,611	(1,525)	4,086	767	3,319	3,000		3,000		3,000
Supplies and Materials	11-000-223-600	1,000	314	1,314	314	1,000	5,000	(3,000)	2,000	979	1,021
Other Objects	11-000-223-800						2,300		2,300		2,300

**PINELANDS REGIONAL SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2012 AND 2011**

ACCOUNT NUMBERS	JUNE 30, 2012				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	JUNE 30, 2011				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		
Total Instructional Staff Training Services	10,611	1,514	12,125	7,604	4,521	14,340		14,340	5,296	9,044	
Support Services General Administration:											
Salaries	11-000-230-100	229,168		229,168	227,989	1,179	249,270	(1)	249,269	219,768	29,501
Legal Services	11-000-230-331	101,000		101,000	88,889	12,111	100,000	(14,000)	86,000	58,033	27,967
Audit Fees	11-000-230-332	29,000		29,000	25,473	3,527	29,000		29,000	24,485	4,515
Other Purchased Professional Services	11-000-230-339		50,000	50,000	10,000	40,000		51,977	51,977		51,977
Communications/Telephone	11-000-230-530	100,900		100,900	81,791	19,109	101,000	22,923	123,923	123,922	1
Other Purchased Services - (400-500)	11-000-230-590	104,650		104,650	84,955	19,695	96,200		96,200	93,281	2,919
General Supplies	11-000-230-610	10,000	2,564	12,564	10,160	2,404	18,000		18,000	8,142	9,858
BOE In-House Training/Meeting Supplies	11-000-230-630	5,000		5,000	4,081	919	5,000		5,000	4,790	210
Miscellaneous	11-000-230-890	3,500	(700)	2,800	2,799	1	3,500		3,500	562	2,938
BOE Membership Dues & Fees	11-000-230-895	7,800	700	8,500	8,112	388	7,800		7,800	5,292	2,508
Total Support Services General Administration		591,018	52,564	643,582	544,249	99,333	609,770	60,899	670,669	538,275	132,394
Support Services School Administration:											
Salaries of Principals & Assistant Principals	11-000-240-103	923,257	(133,388)	789,869	789,868	1	933,136		933,136	927,868	5,268
Salaries of Secretarial & Clerical Assistants	11-000-240-105	276,149	(24,931)	251,218	251,218		272,317		272,317	262,343	9,974
Purchased Professional Services	11-000-240-300							131,800	131,800		131,800
Other Purchased Services - (400-500 Series)	11-000-240-500	25,782	91,809	117,591	18,039	99,552	30,175		30,175	15,898	14,277
Supplies and Materials	11-000-240-600	38,239	142	38,381	35,754	2,627	54,000	152	54,152	41,296	12,856
Other Objects	11-000-240-800	18,375	(3,110)	15,265	9,604	5,661	28,684		28,684	10,515	18,169
Total Support Services School Administration		1,281,802	(69,478)	1,212,324	1,104,483	107,841	1,318,312	131,952	1,450,264	1,257,920	192,344
Central Services:											
Salaries	11-000-251-100	282,695	5,521	288,216	288,215	1	296,736		296,736	289,962	6,774

**PINELANDS REGIONAL SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2012 AND 2011**

	ACCOUNT NUMBERS	JUNE 30, 2012				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	JUNE 30, 2011				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
Central Services (continued):											
Purchased Technical Services	11-000-251-340	40,500		40,500	37,452	3,048	40,000	36,100	76,100	35,651	40,449
Other Purchased Services - (400-500 series)	11-000-251-592	6,800		6,800	5,379	1,421	3,800		3,800	3,800	
Supplies & Materials	11-000-251-600	8,000	202	8,202	6,867	1,335	10,000		10,000	2,501	7,499
Miscellaneous Expenditures	11-000-251-890	2,500		2,500	2,254	246	3,000		3,000	2,915	85
Total Central Services		340,495	5,723	346,218	340,167	6,051	353,536	36,100	389,636	334,829	54,807
Administrative Information Technology:											
Salaries	11-000-252-100	35,412		35,412	35,412		17,242	1,337	18,579	18,578	1
Other Purchased Services	11-000-252-500	3,200		3,200	807	2,393	3,200		3,200		3,200
Supplies and Materials	11-000-252-600	3,000	32,272	35,272	17,207	18,065	3,000		3,000	2,241	759
Total Administrative Information Technology		41,612	32,272	73,884	53,426	20,458	23,442	1,337	24,779	20,819	3,960
Required Maintenance for School Facilities:											
Salaries	11-000-261-100	435,812	(95,906)	339,906	339,905	1	416,660		416,660	385,985	30,675
Cleaning, Repair & Maintenance Services	11-000-261-420	162,500		162,500	159,599	2,901	98,500	215,027	313,527	313,526	1
Travel	11-000-261-580		2,500	2,500	6	2,494		2,500	2,500	200	2,300
General Supplies	11-000-261-610	70,500	24,645	95,145	90,846	4,299	104,500	(25,666)	78,835	67,980	10,855
Other Objects	11-000-261-800	2,500	(2,500)				2,500	(2,500)			
Subtotal Allowable Maintenance for School Facilities		671,312	(71,261)	600,051	590,356	9,695	622,160	189,361	811,521	767,691	43,830
Custodial Services:											
Salaries	11-000-262-100	868,982	35,812	904,794	904,793	1	918,740		918,740	877,459	41,281
Purchased Professional & Technical Service	11-000-262-300	2,000		2,000	932	1,068	1,477		1,477	858	619
Cleaning, Repair & Maintained Service	11-000-262-420	24,000	610	24,610	9,668	14,942	10,000	821	10,821	10,211	610
Other Purchased Property Service	11-000-262-490	259,618	42,000	301,618	290,338	11,280	256,260	1	256,261	247,086	9,175
Insurance	11-000-262-520	131,900		131,900	129,069	2,831	135,400		135,400	131,217	4,183
Travel	11-000-262-580	2,500		2,500	1,395	1,105	2,500		2,500	1,069	1,431
General Supplies	11-000-262-610	113,700	(8,000)	105,700	95,872	9,828	93,398	(15,524)	77,874	72,948	4,926
Energy (Natural Gas)	11-000-262-621	340,000	(19,950)	320,050	197,331	122,719	406,595	(149,300)	257,295	257,213	82
Energy (Electricity)	11-000-262-622	690,000	(92,000)	598,000	519,244	78,756	553,405		576,343	576,342	1
Other Objects	11-000-262-800		2,300	2,300	5	2,295	5,000	2,200	7,200	6,988	212

**PINELANDS REGIONAL SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2012 AND 2011**

ACCOUNT NUMBERS	JUNE 30, 2012				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	JUNE 30, 2011				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
Subtotal Custodial Services	2,432,700	(39,228)	2,393,472	2,148,647	244,825	2,382,775	(138,864)	2,243,911	2,181,391	62,520
Care & Upkeep of Grounds:										
Cleaning, Repair & Maintenance Services	11-000-263-420	5,000		5,000	2,569	2,431		5,000	1,724	3,276
General Supplies	11-000-263-610	60,500	(3,041)	57,459	56,418	1,041		53,000	32,524	20,476
Total Care & Upkeep of Grounds		65,500	(3,041)	62,459	58,987	3,472		58,000	34,248	23,752
Security:										
Cleaning, Repair & Maintenance Services	11-000-266-420	131,000	4,750	135,750	129,324	6,426	108,000	2,450	110,450	110,266
General Supplies	11-000-266-610	7,000	7,500	14,500	12,211	2,289		11,602	11,602	10,819
Total Security		138,000	12,250	150,250	141,535	8,715	108,000	14,052	122,052	121,085
Total Operations & Maintenance of Plant		3,307,512	(101,280)	3,206,232	2,939,525	266,707	3,170,935	64,549	3,235,484	3,104,415
Student Transportation Services:										
Salaries for Pupil Transportation - (Between Home & School - Regular Students)	11-000-270-160	17,475	(17,475)							
Salaries for Pupil Transportation - (Between Home & School - Special Ed Students)	11-000-270-161		17,475	17,475	17,475		26,477	2,207	28,684	28,683
Other Purchased Professional & Technical Services	11-000-270-390	4,285	2,645	6,930	6,930		4,577		4,577	4,160
Contracted Services (Between Home & School) - Vendors	11-000-270-511	1,121,447	(3,666)	1,117,781	1,117,780	1	1,137,410	(51,930)	1,085,480	1,085,478
Contracted Services (Other than Between Home & School) - Vendors	11-000-270-512	223,743	(1,431)	222,312	186,170	36,142	214,006	13,080	227,086	180,322
Contracted Services (Between Home & School)-Joint Agree.	11-000-270-513		20,880	20,880	20,184	696				
Contracted Services (Special Ed Students) - Vendors	11-000-270-514	205,916	(28,900)	177,016	171,920	5,096	203,557		203,557	174,675
Contracted Services (Special Ed Students) - Joint Agreements	11-000-270-515	4,635	(3,382)	1,253	314	939	2,328	4,505	6,833	5,957
Contracted Services (Regular Students) - ESCs & CTSA	11-000-270-517	24,796	(12,001)	12,795	11,741	1,054	38,414	(19,000)	19,414	10,615
Contracted Services (Special Ed Students) - ESCs & CTSA	11-000-270-518	380,165	21,100	401,265	400,269	996	334,764	(9,155)	325,609	312,554
Contracted Services - Aid in Lieu of Payments	11-000-270-503	4,570	3,502	8,072	7,720	352	10,968		10,968	5,304
Travel	11-000-270-580		2,042	2,042	1,234	808		850	850	566
General Supplies	11-000-270-610	618		618	249	369	618		-618	594
Miscellaneous Expenditures	11-000-270-800	790	(790)				850	(850)		
Total Student Transportation Services		1,988,440	(1)	1,988,439	1,941,986	46,453	1,973,969	(60,293)	1,913,676	1,808,908

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**PINELANDS REGIONAL SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2012 AND 2011**

	ACCOUNT NUMBERS	JUNE 30, 2012				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	JUNE 30, 2011				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
Unallocated Benefits - Employee Benefits:											
Social Security Contributions	11-000-291-220	347,974	40,289	388,263	388,262	1	350,000	(3,000)	347,000	285,655	61,345
Other Retirement Contributions - Regular	11-000-291-241	412,026		412,026	391,631	20,395	315,105	58,328	373,433	373,432	1
Other Retirement Contributions - ERIP	11-000-291-242	4,000		4,000	1,408	2,592	4,000	(2,300)	1,700	1,408	292
Unemployment Compensation	11-000-291-250	50,000	16,938	66,938	66,937	1	50,000	13,010	63,010	63,009	1
Workman's Compensation	11-000-291-260	181,150	(8,000)	173,150	169,320	3,830	200,000		200,000	192,496	7,504
Health Benefits	11-000-291-270	3,892,312	(172,228)	3,720,084	3,497,267	222,817	3,928,851	(62,023)	3,866,828	3,709,663	157,165
Tuition Reimbursement	11-000-291-280	90,000		90,000	56,945	33,055	90,000		90,000	82,022	7,978
Other Employee Benefits	11-000-291-290	65,000		65,000	55,628	9,372	67,000	18,004	85,004	83,504	1,500
Total Unallocated Benefits - Employee Benefits		5,042,462	(123,001)	4,919,461	4,627,398	292,063	5,004,956	22,019	5,026,975	4,791,189	235,786
Nonbudgeted:											
On-Behalf TPAF Pension Contribution:											
Normal Cost					1,362,947	(1,362,947)				967,318	(967,318)
Reimbursed TPAF Social Security Contributions					985,409	(985,409)				1,040,609	(1,040,609)
Total On-Behalf Contributions					2,348,356	(2,348,356)				2,007,927	(2,007,927)
Total Personal Services - Employee Benefits		5,042,462	(123,001)	4,919,461	6,975,754	(2,056,293)	5,004,956	22,019	5,026,975	6,799,116	(1,772,141)
Total Undistributed Expenditures		17,162,114	(194,353)	16,967,761	18,243,314	(1,275,553)	17,054,963	217,637	17,272,600	18,268,351	(995,751)
Total Expenditures - Current Expense		29,567,208	57,228	29,624,436	30,830,461	(1,206,025)	29,629,869	122,623	29,752,492	30,623,409	(870,917)

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**PINELANDS REGIONAL SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2012 AND 2011**

	ACCOUNT NUMBERS	JUNE 30, 2012				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	JUNE 30, 2011				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
Capital Outlay:											
Facilities Acquisition & Construction Services:											
Other Objects	12-000-400-800	4,828		4,828	4,828		8,302		8,302	8,302	
Total Facilities Acquisition & Construction Services		4,828		4,828	4,828		8,302		8,302	8,302	
Assets Acquired Under Capital Leases (Nonbudgeted)					400,000	(400,000)				400,000	(400,000)
Total Capital Outlay		4,828		4,828	404,828	(400,000)	8,302		8,302	408,302	(400,000)
Special Schools											
Adult Education - Local - Instruction:											
Purchased Professional & Technical Services	13-602-200-300	5,500		5,500	4,842	658	10,000	(4,500)	5,500	3,482	2,018
Supplies & Materials	13-602-200-600	9,500		9,500	5,614	3,886	5,000	4,500	9,500	7,676	1,824
Total Local Instruction		15,000		15,000	10,456	4,544	15,000		15,000	11,158	3,842
Total Special Schools		15,000		15,000	10,456	4,544	15,000		15,000	11,158	3,842
Total Expenditures		29,587,036	57,228	29,644,264	31,245,745	(1,601,481)	29,653,171	122,623	29,775,794	31,042,869	(1,267,075)
Excess/(Deficiency) of Revenues Over/(Under) Expenditures		(572,000)	(44,388)	(616,388)	667,576	1,283,964	(1,598,755)	(122,623)	(1,721,378)	(847,771)	873,607
Other Financing Sources/(Uses):											
Operating Transfers Out:											
Interest Deposit to Capital Reserve		(1,000)	1,000				(1,000)	1,000			
Operating Transfers In:											
Transfer of Interest From Capital Projects										922	(922)
Transfer from Enterprise Fund		373,000		373,000		373,000					
Capital Lease Proceeds (Nonbudgeted)					400,000	400,000				400,000	400,000
Excess/(Deficiency) of Revenues & Other Financing Sources Over/(Under) Expenditures & Other Financing Uses		(200,000)	(43,388)	(243,388)	1,067,576	1,310,964	(1,599,755)	(121,623)	(1,721,378)	(446,849)	1,274,529

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**PINELANDS REGIONAL SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2012 AND 2011**

	JUNE 30, 2012				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	JUNE 30, 2011				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
Fund Balances, July 1	1,710,925		1,710,925	1,710,925		2,157,774		2,157,774	2,157,774	
Fund Balances, June 30	<u>\$1,510,925</u>	<u>(43,388)</u>	<u>1,467,537</u>	<u>2,778,501</u>	<u>1,310,964</u>	<u>558,019</u>	<u>(121,623)</u>	<u>436,396</u>	<u>1,710,925</u>	<u>1,274,529</u>

RECAPITULATION OF FUND BALANCE

Restricted Fund Balance:	
Capital Reserve	\$508,854
Maintenance Reserve	203,693
Emergency Reserve	101,847
Excess Surplus	54,709
Excess Surplus Designated for Subsequent Year's Expenditures	87,007
Assigned Fund Balance:	
Designated for Subsequent Year's Expenditures	1,020,774
Year-End Encumbrances	19,908
Unassigned Fund Balance	<u>781,709</u>
Subtotal	2,778,501
Reconciliation to Governmental Funds Statements (GAAP):	
Reconciliation of State Aid Payments For GAAP to Budgetary Basis & Other Adjustments	<u>(1,111,511)</u>
Fund Balance Per Governmental Funds (GAAP)	<u>\$1,666,990</u>

**PINELANDS REGIONAL SCHOOL DISTRICT
EDUCATION JOBS FUND PROGRAM -
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	ACCOUNT NUMBER	JUNE 30, 2012				VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
Revenues:						
Federal Sources:						
Education Jobs Fund Program	18-4522	\$409,845	12,840	422,685	422,685	
Total Federal Sources		409,845	12,840	422,685	422,685	
Total Revenues		409,845	12,840	422,685	422,685	
Expenditures:						
Current Expense:						
Instruction - Regular Programs:						
Grades 9-12 Salaries of Teachers	11-140-100-101	409,845	12,840	422,685	422,685	
Total Instruction - Regular Programs		409,845	12,840	422,685	422,685	
Total Expenditures - Current Expense		409,845	12,840	422,685	422,685	
Total Expenditures		409,845	12,840	422,685	422,685	
Excess/(Deficiency) of Revenues Over/(Under) Expenditures		\$ -	-	-	-	-

**PINELANDS REGIONAL SCHOOL DISTRICT
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR FISCAL YEARS ENDED JUNE 30, 2012 AND 2011**

	JUNE 30, 2012				VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	JUNE 30, 2011				VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
REVENUES										
Local Sources	\$42,813		42,813	23,208	(19,605)		31,752	31,752	27,835	(3,917)
State Sources	\$551,174		551,174	493,945	(57,229)	493,545	35,466	529,011	506,847	(22,164)
Federal Sources	750,688	30,203	780,891	831,617	50,726	1,138,679	(79,550)	1,059,129	1,055,391	(3,738)
Total Revenues	1,344,675	30,203	1,374,878	1,348,770	(26,108)	1,632,224	(12,332)	1,619,892	1,590,073	(29,819)
EXPENDITURES:										
Instruction:										
Salaries of Teachers	548,998	(6,064)	542,934	532,272	10,662	314,829	(22,218)	292,611	277,247	15,364
Tuition	428,114	30,203	458,317	458,317		451,099		451,099	451,099	
Other Purchased Services (400-500 Series)	1,000	(660)	340	340		1,680	(1,195)	485	485	
General Supplies	50,627	212	50,839	38,833	12,006	75,304	20,254	95,558	91,642	3,916
Other Objects	5,067	448	5,515	5,515		1,000		1,000	1,000	
Total Instruction	1,033,806	24,139	1,057,945	1,035,277	22,668	843,912	(3,159)	840,753	821,473	19,280
Support Services:										
Salaries for Other Professional Staff						459,762	(41,551)	418,211	418,211	
Personal Services - Employee Benefits	161,215	(3,216)	157,999	156,080	1,919	183,616	(9,249)	174,367	173,191	1,176
Purchased Professional - Educational Services	9,200	(2,774)	6,426	6,426		12,080	16,058	28,138	28,138	
Other Purchased Services	96,757	(490)	96,267	94,747	1,520	82,063	3,991	86,054	81,843	4,211
Supplies & Materials	12,247	10,204	22,451	22,450	1	12,715	11,344	24,059	23,357	702
Other Objects	17,450	2,340	19,790	19,790		24,276	3,547	27,823	23,373	4,450
Total Support Services	296,869	6,064	302,933	299,493	3,440	774,512	(15,860)	758,652	748,113	10,539
Facilities Acquisitions & Construction Services:										
Instructional Equipment	14,000		14,000	14,000		13,800	6,687	20,487	20,487	
Total Facilities Acquisitions & Construction Services	14,000		14,000	14,000		13,800	6,687	20,487	20,487	
Total Outflows	1,344,675	30,203	1,374,878	1,348,770	26,108	1,632,224	(12,332)	1,619,892	1,590,073	29,819
Excess/(Deficiency) of Revenues Over/ Expenditures	-	-	-	-	-	-	-	-	-	-

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NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

**PINELANDS REGIONAL SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

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

	GENERAL FUND	SPECIAL REVENUE FUND
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue"		
From the Budgetary Comparison Schedule (C-Series)	\$31,913,321	1,348,770
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 Year		18,421
Current Year		(6,820)
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	1,053,140	
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	(1,111,511)	
Total Revenues as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds. (B-2)	\$31,854,950	1,360,371
Uses/outflows of resources:		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$31,245,745	1,348,770
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.		
		11,601
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds (B-2)	\$31,245,745	1,360,371

OTHER SUPPLEMENTARY INFORMATION



D. School Based Budget Schedules

Not Applicable

E. Special Revenue Fund

**PINELANDS REGIONAL SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(With Comparative Totals for June 30, 2011)**

	TITLE I PART A CURRENT	TITLE IIA
Revenues:		
Local Sources		
State Sources		
Federal Source	\$228,237	45,108
Total Revenues	\$228,237	45,108
Expenditures:		
Instruction:		
Salaries of Teachers	\$112,060	37,590
Tuition		
General Supplies		
Other Purchased Services		
Miscellaneous		
Total Instruction	112,060	37,590
Support Services:		
Salaries of Other Professional Staff		
Personal Services - Employee Benefits	22,412	7,518
Purchased Professional - Educational Services		
Other Purchased Services	93,765	
Supplies & Materials		
Miscellaneous		
Total Support Services	116,177	7,518
Facilities Acquisitions & Construction Services:		
Instructional Equipment		
Total Facilities Acquisitions & Construction Services		
Total Outflows	\$228,237	45,108

**PINELANDS REGIONAL SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(With Comparative Totals for June 30, 2011)**

	IDEA-B	SCHOOL YOUTH SERVICES CURRENT
Revenues:		
Local Sources		
State Sources		493,945
Federal Source	\$458,317	
Total Revenues	\$458,317	493,945
Expenditures:		
Instruction:		
Salaries of Teachers		341,391
Tuition	\$458,317	
General Supplies		
Other Purchased Services		
Miscellaneous		
Total Instruction	458,317	341,391
Support Services:		
Salaries of Other Professional Staff		
Personal Services - Employee Benefits		124,975
Purchased Professional Services		1,427
Other Purchased Services		982
Supplies & Materials		7,219
Miscellaneous		17,951
		152,554
Total Support Services		152,554
Facilities Acquisitions & Construction Services:		
Instructional Equipment		
Total Facilities Acquisitions & Construction Services		
Total Outflows	\$458,317	493,945

**PINELANDS REGIONAL SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(With Comparative Totals for June 30, 2011)**

	PREGNANCY PREVENTION	PERKINS TECHNOLOGY GRANT	REBEL GRANT	SAFETY GRANT
Revenues:				
Local Sources			125	7,166
State Sources				
Federal Source	\$52,252	47,703		
Total Revenues	\$52,252	47,703	125	7,166
Expenditures:				
Instruction:				
Salaries of Teachers	\$33,106		125	
Tuition				
General Supplies	2,212	28,704		
Other Purchased Services	340			
Miscellaneous	5,515			
Total Instruction	41,173	28,704	125	
Support Services:				
Salaries of Other Professional Staff				
Personal Services - Employee Benefits	1,175			
Purchased Professional Services		4,999		
Other Purchased Services				
Supplies & Materials	8,065			7,166
Miscellaneous	1,839			
Total Support Services	11,079	4,999		7,166
Facilities Acquisitions & Construction Services:				
Instructional Equipment		14,000		
Total Facilities Acquisitions & Construction Services		14,000		
Total Outflows	\$52,252	47,703	125	7,166

**PINELANDS REGIONAL SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(With Comparative Totals for June 30, 2011)**

	ATLANTIC CARE GRANT	2012	2011
Revenues:			
Local Sources	\$15,917	23,208	27,835
State Sources		493,945	506,847
Federal Source		831,617	1,055,391
		<hr/>	<hr/>
Total Revenues	\$15,917	1,348,770	1,590,073
		<hr/>	<hr/>
Expenditures:			
Instruction:			
Salaries of Teachers	\$8,000	532,272	277,247
Tuition		458,317	451,099
General Supplies	7,917	38,833	91,642
Other Purchased Services		340	485
Miscellaneous		5,515	1,000
		<hr/>	<hr/>
Total Instruction	15,917	1,035,277	821,473
		<hr/>	<hr/>
Support Services:			
Salaries of Other Professional Staff			418,211
Personal Services - Employee Benefits		156,080	173,191
Purchased Professional Services		6,426	28,138
Other Purchased Services		94,747	81,843
Supplies & Materials		22,450	23,357
Miscellaneous		19,790	23,373
		<hr/>	<hr/>
Total Support Services		299,493	748,113
		<hr/>	<hr/>
Facilities Acquisitions & Construction Services:			
Instructional Equipment		14,000	20,487
		<hr/>	<hr/>
Total Facilities Acquisitions & Construction Services		14,000	20,487
		<hr/>	<hr/>
Total Outflows	\$15,917	1,348,770	1,590,073
		<hr/>	<hr/>

F. Capital Projects Fund

**PINELANDS REGIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUNDS
SUMMARY STATEMENT OF PROJECT EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

PROJECT TITLE/ISSUE	DATE	ORIGINAL APPROPRIATIONS	EXPENDITURES TO DATE		UNEXPENDED BALANCE 2012
			PRIOR YEARS	CURRENT YEARS	
HS Gym Floor Replacement	5/26/2004	\$234,599	233,724		875
Contingency/ Asbestos	4/17/2007	76,822	41,626		35,196
HS Renovations	4/17/2007	4,578,353	4,415,492		162,861
JHS Renovations	4/17/2007	183,000	178,929		4,071
New Alternative School	4/17/2007	2,356,873	1,847,912		508,961
		<u>\$7,429,647</u>	<u>6,717,683</u>	<u>-</u>	<u>711,964</u>

EXHIBIT F-2

**PINELANDS REGIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY STATEMENT OF PROJECT EXPENDITURES, AND
CHANGES IN FUND BALANCE-BUDGETARY BASIS
YEAR ENDED JUNE 30, 2012**

Fund Balance - Beginning	<u>\$711,964</u>
Fund Balance - Ending	<u><u>\$711,964</u></u>

**PINELANDS REGIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE-BUDGETARY BASIS
HIGH SCHOOL GYM FLOOR REPLACEMENT
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2012**

	PRIOR PERIODS	CURRENT PERIODS	TOTALS	REVISED AUTHORIZED COST
Revenues & Other Financing Sources:				
State Sources - SCC Grant	\$129,974		129,974	129,974
Bond Proceeds & Transfers	104,625		104,625	104,625
Total Revenues	234,599		234,599	234,599
Expenditures & Other Financing Uses:				
Purchased Professional & Technical Services	24,189		24,189	24,189
Construction Services	209,535		209,535	210,410
Total Expenditures	233,724		233,724	234,599
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	\$875	-	875	-

ADDITIONAL PROJECT INFORMATION

Project Number	4105-050-04-00FB
Grant Date	10/1/2004
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	218,104
Additional Authorized Cost	25,630
Revised Authorized Cost	243,734
Percentage Increase over Original Authorized Cost	11.75%
Percentage Completion	99.63%
Original Target Completion Date	9/25/2005
Revised Target Completion Date	2006

**PINELANDS REGIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE-BUDGETARY BASIS
CONTINGENCY/MISCELLANEOUS
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2012**

	PRIOR PERIODS	CURRENT PERIODS	TOTALS	REVISED AUTHORIZED COST
Revenues & Other Financing Sources:				
Bond Proceeds & Transfers	\$76,822		76,822	76,822
Total Revenues	76,822		76,822	76,822
Expenditures & Other Financing Uses:				
Construction Services	41,626		41,626	76,822
Total Expenditures	41,626		41,626	76,822
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	\$35,196	-	35,196	-

ADDITIONAL PROJECT INFORMATION

Project Number	N/A
Grant Date	N/A
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$76,822
Additional Authorized Cost	-
Revised Authorized Cost	76,822
Percentage Increase over Original Authorized Cost	0%
Percentage Completion	54.18%
Original Target Completion Date	6/30/2009
Revised Target Completion Date	2011

**PINELANDS REGIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE-BUDGETARY BASIS
HIGH SCHOOL RENOVATIONS
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2012**

	PRIOR PERIODS	CURRENT PERIODS	TOTALS	REVISED AUTHORIZED COST
Revenues & Other Financing Sources:				
Bond Proceeds & Transfers	\$4,578,353		4,578,353	4,578,353
Total Revenues	4,578,353		4,578,353	4,578,353
Expenditures & Other Financing Uses:				
Purchased Professional & Technical Services	385,797		385,797	381,800
Construction Services	4,029,695		4,029,695	4,196,553
Total Expenditures	4,415,492		4,415,492	4,578,353
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	\$162,861	-	162,861	-

ADDITIONAL PROJECT INFORMATION

Project Number	FVF#3765,69,73,74,77
Grant Date	N/A
Bond Authorization Date	7/1/2008
Bonds Authorized	\$4,578,353
Bonds Issued	4,578,353
Original Authorized Cost	\$4,578,353
Additional Authorized Cost	-
Revised Authorized Cost	4,578,353
Percentage Increase over Original Authorized Cost	0%
Percentage Completion	96.44%
Original Target Completion Date	6/30/2009
Revised Target Completion Date	2011

**PINELANDS REGIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE-BUDGETARY BASIS
JUNIOR HIGH SCHOOL RENOVATIONS
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2012**

	PRIOR PERIODS	CURRENT PERIODS	TOTALS	REVISED AUTHORIZED COST
Revenues & Other Financing Sources:				
Bond Proceeds & Transfers	\$183,000		183,000	183,000
Total Revenues	183,000		183,000	183,000
Expenditures & Other Financing Uses:				
Purchased Professional & Technical Services	13,478		13,478	16,200
Construction Services	165,451		165,451	166,800
Total Expenditures	178,929		178,929	183,000
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	\$4,071	-	4,071	-

ADDITIONAL PROJECT INFORMATION

Project Number	FVF#3770,3778,365:
Grant Date	N/A
Bond Authorization Date	7/1/2008
Bonds Authorized	N/A
Bonds Issued	183,000
Original Authorized Cost	\$183,000
Additional Authorized Cost	-
Revised Authorized Cost	183,000
Percentage Increase over Original Authorized Cost	0%
Percentage Completion	97.78%
Original Target Completion Date	2/28/2009
Revised Target Completion Date	2011

**PINELANDS REGIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE-BUDGETARY BASIS
NEW ALTERNATIVE SCHOOL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2012**

	PRIOR PERIODS	CURRENT PERIODS	TOTALS	REVISED AUTHORIZED COST
Revenues & Other Financing Sources:				
Bond Proceeds & Transfers	\$2,356,873		2,356,873	2,356,873
Total Revenues	2,356,873		2,356,873	2,356,873
Expenditures & Other Financing Uses:				
Purchased Professional & Technical Services	343,157		343,157	500,000
Construction Services	1,504,755		1,504,755	1,856,873
Total Expenditures	1,847,912		1,847,912	2,356,873
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	\$508,961	-	508,961	-

ADDITIONAL PROJECT INFORMATION

Project Number	FVF#3551
Grant Date	N/A
Bond Authorization Date	7/1/2008
Bonds Authorized	N/A
Bonds Issued	2,275,000
Original Authorized Cost	\$2,356,873
Additional Authorized Cost	-
Revised Authorized Cost	2,356,873
Percentage Increase over Original Authorized Cost	0%
Percentage Completion	78.41%
Original Target Completion Date	6/30/2009
Revised Target Completion Date	2011



G. Proprietary Funds

Enterprise Funds

**PINELANDS REGIONAL SCHOOL DISTRICT
 PROPRIETARY FUNDS
 STATEMENT OF NET ASSETS
 JUNE 30, 2012
 (With Comparative Totals for June 30, 2011)**

ASSETS	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS			2012	2011
	FOOD SERVICE	COMMUNITY EDUCATION	INTER- LOCAL SERVICES		
Current Assets:					
Cash & Cash Equivalents	\$180,965	20,854	50,467	252,286	403,416
Intergovernmental Accounts					
Receivable	35,275			35,275	732
Accounts Receivable	15,592			15,592	
Inventory	6,396			6,396	4,689
Interfund Receivable	106,426			106,426	56,364
Total Current Assets	344,654	20,854	50,467	415,975	465,201
Noncurrent Assets:					
Furniture, Machinery & Equipment	477,782			477,782	477,782
Less: Accumulated Depreciation	(353,656)			(353,656)	(322,226)
Total Noncurrent Assets	124,126			124,126	155,556
Total Assets	468,780	20,854	50,467	540,101	620,757
LIABILITIES					
Accounts Payable	46,749	927		47,676	142,860
Deferred Revenue	1,353	19,115		20,468	29,622
Total Liabilities	48,102	20,042		68,144	172,482
NET ASSETS					
Investments in Capital Assets - Net of Related Debt	124,126			124,126	155,556
Unreserved Net Assets	296,552	812	50,467	347,831	292,719
Total Net Assets	\$420,678	812	50,467	471,957	448,275

**PINELANDS REGIONAL SCHOOL DISTRICT
 PROPRIETARY FUNDS
 STATEMENT OF REVENUES, EXPENSES AND
 CHANGES IN FUND NET ASSETS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2012
 (With Comparative Totals for June 30, 2011)**

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS			2012	2011
	FOOD SERVICE	COMMUNITY EDUCATION	INTER- LOCAL SERVICES		
Operating Revenues:					
Charges for Services:					
Daily Sales	\$522,361			522,361	525,216
Interlocal Services Agreement			62,918	62,918	62,918
Community Recreation Fees		39,935		39,935	37,966
Total Operating Revenue	522,361	39,935	62,918	625,214	626,100
Operating Expenses:					
Cost of Sales	308,613			308,613	327,135
Salaries	378,926	30,283	46,200	455,409	451,070
Employee Benefits			3,534	3,534	3,534
General Supplies	113,064	1,086		114,150	107,523
Other Miscellaneous Expenses	36,363	7,072	918	44,353	47,927
Management Fee	25,602			25,602	24,985
Depreciation	31,429			31,429	31,429
Total Operating Expenses	893,997	38,441	50,652	983,090	993,603
Operating Income/(Loss)	(371,636)	1,494	12,266	(357,876)	(367,503)
Nonoperating Revenues:					
State Sources:					
State School Lunch Program	9,205			9,205	8,763
Federal Sources:					
National School Lunch Program	283,621			283,621	261,923
National School Breakfast Program	63,154			63,154	56,351
Food Distribution Program	24,457			24,457	51,193
Interest Income	1,121			1,121	2,196
Total Nonoperating Revenues	381,558			381,558	380,426
Net Income	9,922	1,494	12,266	23,682	12,923
Net Assets - July 1	410,756	(682)	38,201	448,275	435,352
Net Assets - June 30	\$420,678	812	50,467	471,957	448,275

**PINELANDS REGIONAL SCHOOL DISTRICT
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(With Comparative Totals for June 30, 2011)**

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS			2012	2011
	FOOD SERVICE	COMMUNITY EDUCATION	INTER- LOCAL SERVICES		
Cash Flows From Operating Activities:					
Receipts from Customers	\$507,515	30,035	62,918	600,468	700,067
Payments to Employees	(378,926)	(30,283)	(50,652)	(459,861)	(454,604)
Payments to Vendors	(555,704)	(8,529)		(564,233)	(375,381)
Net Cash Provided/(Used) by Operating Activities	(427,115)	(8,777)	12,266	(423,626)	(129,918)
Cash Flows From Noncapital Financing Activities:					
Cash Received from State & Federal Reimbursements	321,437			321,437	352,881
Net Cash Provided by Noncapital Financing Activities	321,437			321,437	352,881
Cash Flows From Capital & Related Financing Activities:					
Transfer of Funds	(50,062)			(50,062)	(292,409)
Net Cash Used by Capital & Related Financing Activities	(50,062)			(50,062)	(292,409)
Cash Flows From Investing Activities:					
Interest & Dividends	1,121			1,121	2,196
Net Cash Provided from Investing Activities	1,121			1,121	2,196
Net Increase/(Decrease) in Cash & Cash Equivalents	(154,619)	(8,777)	12,266	(151,130)	(67,250)
Balances - Beginning of Year	335,584	29,631	38,201	403,416	470,666
Balances - Ending of Year	\$180,965	20,854	50,467	252,286	403,416
Reconciliation of Operating Income to Net Cash Provided/(Used) by Operating Activities:					
Operating Income	(\$371,636)	1,494	12,266	(357,876)	(367,503)
Adjustments to Reconcile Operating Income to Cash Provided/(Used) by Operating Activities:					
Depreciation Expense	31,429			31,429	31,429
Commodities Received	24,457			24,457	51,193
(Increase)/Decrease in Accounts Receivable	(15,592)			(15,592)	75,008
(Increase)/Decrease in Inventory	(1,707)			(1,707)	11,129
Increase/(Decrease) in Accounts Payable	(94,812)	(371)		(95,183)	69,867
Increase/(Decrease) in Deferred Revenue	746	(9,900)		(9,154)	(1,041)
Total Adjustments	(55,479)	(10,271)		(65,750)	237,585
Net Cash Provided/(Used) by Operating Activities	(\$427,115)	(8,777)	12,266	(423,626)	(129,918)

Internal Service Fund

Not Applicable

H. Fiduciary Fund



**PINELANDS REGIONAL SCHOOL DISTRICT
FIDUCIARY FUNDS
COMBINING STATEMENT OF FIDUCIARY NET ASSETS
JUNE 30, 2012
(With Comparative Totals for June 30, 2011)**

ASSETS	PRIVATE PURPOSE			2012	2011
	UNEMPLOYMENT COMPENSATION TRUST	SCHOLARSHIP TRUST	AGENCY FUNDS		
Cash & Cash Equivalents	\$12,463	90,615	193,626	296,704	260,865
Total Assets	12,463	90,615	193,626	296,704	260,865
LIABILITIES					
Interfund Payable Due to Student Groups			13,083	13,083	12,926
Payroll Deductions & Withholdings			178,006	178,006	140,263
			2,537	2,537	
Total Liabilities			193,626	193,626	153,189
NET ASSETS					
Reserved for: Scholarships Unemployment Claims & Other Purposes		90,615		90,615	94,483
	12,463			12,463	13,193
Total Net Assets	\$12,463	90,615	-	103,078	107,676

**PINELANDS REGIONAL SCHOOL DISTRICT
FIDUCIARY FUNDS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
JUNE 30, 2012
(With Comparative Totals for June 30, 2011)**

ADDITIONS	PRIVATE PURPOSE		2012	2011
	UNEMPLOYMENT FUND	SCHOLARSHIP TRUST		
Contributions:				
Donations		89,420	89,420	85,028
Total Contributions		89,420	89,420	85,028
Investment Earnings:				
Interest - Checking	\$8	47	55	768
Net Investment Earnings	8	47	55	768
Total Additions	8	89,467	89,475	85,796
DEDUCTIONS				
Scholarships Awarded		93,335	93,335	89,400
Claims Paid	738		738	
Total Deductions	738	93,335	94,073	89,400
Change in Net Assets	(730)	(3,868)	(4,598)	(3,604)
Net Assets - Beginning of the Year	13,193	94,483	107,676	111,280
Net Assets - End of the Year	\$12,463	90,615	103,078	107,676

EXHIBIT H-3

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

	BALANCE JULY 1, 2011	ADDITIONS	DELETIONS	BALANCE JUNE 30, 2012
High School	\$90,421	437,715	405,176	122,960
Middle School	49,842	69,296	64,092	55,046
Total	<u>\$140,263</u>	<u>507,011</u>	<u>469,268</u>	<u>178,006</u>

EXHIBIT H-4

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

	BALANCE JULY 1, 2011	ADDITIONS	DELETIONS	BALANCE JUNE 30, 2012
ASSETS				
Cash & Cash Equivalents	\$12,926	22,397,652	22,394,958	15,620
Total Assets	<u>\$12,926</u>	<u>22,397,652</u>	<u>22,394,958</u>	<u>15,620</u>
LIABILITIES				
Payroll Deductions & Withholdings		22,384,569	22,382,032	2,537
Interfund Payable	\$12,926	13,083	12,926	13,083
Total Liabilities	<u>\$12,926</u>	<u>22,397,652</u>	<u>22,394,958</u>	<u>15,620</u>



I. Long-Term Debt



**PINELANDS REGIONAL SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS PAYABLE
JUNE 30, 2012**

ISSUE	DATE OF ISSUE	AMOUNT OF ISSUE	ANNUAL MATURITIES		INTEREST RATE	BALANCE JULY 1, 2011	ISSUED	PAYMENTS	BALANCE JUNE 30, 2012
			DATE	AMOUNT					
Refunding School Bonds	8/30/2005	\$7,545,000	03/01/2013	\$320,000	4.500%	\$6,915,000		305,000	6,610,000
			03/01/2014	335,000	4.500%				
			03/01/2015	350,000	3.800%				
			03/01/2016	365,000	3.875%				
			03/01/2017	385,000	4.000%				
			03/01/2018	400,000	4.000%				
			03/01/2019	415,000	4.000%				
			03/01/2020	435,000	4.000%				
			03/01/2021	455,000	4.100%				
			03/01/2022	475,000	4.000%				
			03/01/2023	490,000	4.000%				
			03/01/2024	510,000	4.125%				
			03/01/2025	535,000	4.200%				
			03/01/2026	560,000	4.250%				
			03/01/2027	580,000	4.250%				
H.S. & Middle School Construction Renovations and H.S. Classrooms	7/15/2007	7,108,000	02/15/2013	700,000	4.000%	5,418,000		670,000	4,748,000
			02/15/2014	730,000	4.000%				
			02/15/2015	780,000	4.100%				
			02/15/2016	810,000	4.100%				
			02/15/2017	850,000	4.100%				
			02/15/2018	878,000	4.100%				
Total									
						<u>\$12,333,000</u>	<u>-</u>	<u>975,000</u>	<u>11,358,000</u>

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

SERIES	AMOUNT OF ORIGINAL ISSUE	AMOUNT OUTSTANDING JUNE 30, 2011	ISSUED CURRENT YEAR	RETIRED CURRENT YEAR	AMOUNT OUTSTANDING JUNE 30, 2012
Equipment	\$600,000	\$255,000		125,000	130,000
Facilty Equipment	300,000	235,000		70,000	165,000
Copiers	215,353	88,934		45,344	43,590
Facility Equipment	400,000	323,000		75,000	248,000
Equipment & Textbooks	400,000		400,000	77,008	322,992
Total		<u>\$901,934</u>	<u>400,000</u>	<u>392,352</u>	<u>909,582</u>

**PINELANDS REGIONAL SCHOOL DISTRICT
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEARS ENDED JUNE 30, 2012 AND 2011**

ACCOUNT NUMBERS	JUNE 30, 2012				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	JUNE 30, 2011				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
Revenues:										
Local Sources:										
Local Tax Levy	40-1210	\$769,465		769,465	769,465	755,791		755,791	755,791	
State Sources:										
Debt Service Aid Type II	40-3160	710,829		710,829	710,829	706,465		706,465	706,465	
Total Revenues		1,480,294		1,480,294	1,480,294	1,462,256		1,462,256	1,462,256	
Expenditures										
Regular Debt Service:										
Redemption of Principal	40-701-510-910	975,000		975,000	975,000	930,000		930,000	930,000	
Interest on Bonds	40-701-510-834	505,294		505,294	505,294	541,045		541,045	541,045	
Total Expenditures		1,480,294		1,480,294	1,480,294	1,471,045		1,471,045	1,471,045	
Excess/(Deficiency) of Revenues										
Over/(Under) Expenditures										
Fund Balance, July 1						8,789		8,789	8,789	
Fund Balance, June 30		-	-	-	-	-	-	-	-	-



STATISTICAL SECTION (Unaudited)

PINELANDS REGIONAL SCHOOL DISTRICT
NET ASSETS BY COMPONENT
LAST NINE FISCAL YEARS
(Accrual Basis of Accounting)

	FISCAL YEAR ENDING JUNE 30,								
	2012	2011	2010	2009	2008	2007	2006	2005	2004
Governmental Activities:									
Invested in Capital Assets, Net of Related Debt	\$12,889,100	13,074,181	13,240,561	14,945,234	9,196,082	13,349,500	15,217,968	13,119,443	12,594,618
Restricted	1,668,074	1,148,462	1,528,574	1,630,569	8,136,227	176,231	292,618	1,611,020	1,528,242
Unrestricted	(717,182)	(1,200,145)	(977,937)	744,137	(1,753,754)	1,985,812	227,499	120,630	(477,102)
Total Governmental Activities Net Assets	\$13,839,992	13,022,498	13,791,198	17,319,940	15,578,555	15,511,543	15,738,085	14,851,093	13,645,758
Business-Type Activities:									
Invested in Capital Assets, Net of Related Debt	\$124,126	155,556	186,985	218,414	6,766	31,580	56,394	65,065	51,692
Unrestricted	347,831	292,719	248,367	192,732	166,235	96,493	55,525	42,737	16,831
Total Business-Type Activities Net Assets	\$471,957	448,275	435,352	411,146	173,001	128,073	111,919	107,802	68,523
District-Wide:									
Invested in Capital Assets, Net of Related Debt	\$13,013,226	13,229,737	13,427,546	15,163,648	9,202,848	13,381,080	15,274,362	13,184,508	12,646,310
Restricted	1,668,074	1,148,462	1,528,574	1,630,569	8,136,227	176,231	292,618	1,611,020	1,528,242
Unrestricted	(369,351)	(907,426)	(729,570)	936,869	(1,587,519)	2,082,305	283,024	163,367	(460,271)
Total District Net Assets	\$14,311,949	13,470,773	14,226,550	17,731,086	15,751,556	15,639,616	15,850,004	14,958,895	13,714,281

PINELANDS REGIONAL SCHOOL DISTRICT
CHANGES IN NET ASSETS - (ACCRUAL BASIS OF ACCOUNTING)
LAST NINE FISCAL YEARS

	FISCAL YEAR ENDING JUNE 30,								
	2012	2011	2010	2009	2008	2007	2006	2005	2004
Expenses:									
Governmental Activities									
Instruction:									
Regular	\$8,404,641	8,057,522	8,158,671	8,037,613	10,438,468	9,991,640	9,501,684	9,217,586	8,285,952
Special Education	4,034,671	3,922,028	4,349,550	4,116,310	5,617,632	5,563,160	5,529,902	3,999,189	3,496,109
Other Special Education	1,194,713	1,228,053	1,328,171	1,255,739	1,667,574	1,592,119	1,385,880	1,390,086	1,148,475
Support Services:									
Tuition	764,269	769,011	759,678	747,935	850,457	908,997	929,118	1,025,788	976,315
Student & Instruction Related Services	3,878,948	4,383,171	4,680,379	4,156,819	5,006,006	4,622,213	4,449,784	4,313,243	3,878,779
General Administrative Services	544,249	538,275	630,730	593,750	749,606	714,312	643,427	1,031,289	1,025,620
School Administrative Services	1,104,483	1,257,920	1,248,358	1,109,165	1,405,695	1,446,288	1,377,284	1,383,187	790,761
Business Administrative Services	393,593	355,648	360,603	493,698	688,625	749,937	602,806	254,805	544,432
Plant Operations & Maintenance	2,547,173	3,312,353	4,063,371	2,885,583	3,097,794	3,343,568	3,030,962	2,911,579	2,424,738
Pupil Transportation	1,941,986	1,808,908	1,971,159	1,807,796	1,949,219	1,881,131	1,875,325	1,596,328	1,538,375
Special Schools	10,456	11,158	12,586	17,174	21,237	11,570	12,493	23,203	12,554
Charter Schools									4,415
Unallocated Employee Benefits	6,964,590	6,848,029	6,566,197	6,405,343					
Interest on Long-Term Debt	490,669	528,061	565,514	553,430	646,242	347,755	205,940	501,903	718,962
Unallocated Bond Costs	32,419	32,419	32,418	32,419					
Unallocated Adjustment to Fixed Assets	403,097								
Unallocated Depreciation	1,168,164	1,153,915	1,176,457	789,721				282,721	743,381
Total Governmental Activities Expenses	33,878,121	34,206,471	35,903,842	33,002,495	32,138,555	31,172,690	29,544,605	27,930,907	25,588,868
Business-Type Activities:									
Food Service	893,997	897,998	853,402	744,728	665,622	714,308	711,741	620,900	625,140
Other	89,093	95,605	88,589	54,528	22,279	28,663	200		
Total Business-Type Activities Expense	983,090	993,603	941,991	799,256	687,901	742,971	711,941	620,900	625,140
Total District Expenses	\$34,861,211	35,200,074	36,845,833	33,801,751	32,826,456	31,915,661	30,256,546	28,551,807	26,214,008

**PINELANDS REGIONAL SCHOOL DISTRICT
CHANGES IN NET ASSETS - (ACCRUAL BASIS OF ACCOUNTING)
LAST NINE FISCAL YEARS**

	FISCAL YEAR ENDING JUNE 30,								
	2012	2011	2010	2009	2008	2007	2006	2005	2004
Program Revenues:									
Governmental Activities:									
Charges for Services:									
Operating Grants & Contributions	\$1,360,371	1,621,145	1,746,570	1,455,857	4,643,773	4,349,344	4,075,052	5,538,042	2,370,754
Capital Grants & Contributions					995		308,894	6,108	520,194
Total Governmental Activities Program Revenues	1,360,371	1,621,145	1,746,570	1,455,857	4,644,768	4,349,344	4,383,946	5,544,150	2,890,948
Business-Type Activities:									
Charges for Services:									
Food Service	522,361	525,216	530,458	500,932	473,530	505,610	510,390	488,466	458,750
Other	102,853	100,884	90,881	63,755	37,663	33,400	200		
Operating Grants & Contributions	380,437	378,230	342,640	242,378	219,734	215,379	201,758	170,013	172,139
Total Business Type Activities Program Revenues	1,005,651	1,004,330	963,979	807,065	730,927	754,389	712,348	658,479	630,889
Total District Program Revenues	\$2,366,022	2,625,475	2,710,549	2,262,922	5,375,695	5,103,733	5,096,294	6,202,629	3,521,837
Net (Expense)/Revenue:									
Governmental Activities	(\$32,517,750)	(32,585,326)	(34,157,272)	(31,546,638)	(27,493,787)	(26,823,346)	(25,160,659)	(22,386,757)	(22,697,920)
Business-Type Activities	22,561	10,727	21,988	7,809	43,026	11,418	407	37,579	5,749
Total District-Wide Net Expense	(\$32,495,189)	(32,574,599)	(34,135,284)	(31,538,829)	(27,450,761)	(26,811,928)	(25,160,252)	(22,349,178)	(22,692,171)

**PINELANDS REGIONAL SCHOOL DISTRICT
CHANGES IN NET ASSETS - (ACCRUAL BASIS OF ACCOUNTING)
LAST NINE FISCAL YEARS**

	FISCAL YEAR ENDING JUNE 30,								
	2012	2011	2010	2009	2008	2007	2006	2005	2004
General Revenues & Other Changes in Net Assets:									
Governmental Activities:									
Property Taxes Levied for General Purposes, Net	\$17,390,703	17,049,709	16,646,284	16,006,042	15,390,425	14,766,460	13,665,543	12,978,842	11,974,478
Taxes Levied for Debt Service	769,465	755,791	639,492	644,747	273,900	267,252	861,142	858,274	862,540
Unrestricted Grants & Contributions	15,128,579	13,936,055	13,919,434	14,376,975	11,598,651	11,315,660	11,308,602	9,609,890	11,972,320
Interest Income				1,122					
Miscellaneous Income	46,497	75,071	86,462	214,728	124,819	247,430	212,365	145,085	119,269
Transfers/Cancellations					173,004				
Total Governmental Activities	<u>33,335,244</u>	<u>31,816,626</u>	<u>31,291,672</u>	<u>31,243,614</u>	<u>27,560,799</u>	<u>26,596,802</u>	<u>26,047,652</u>	<u>23,592,091</u>	<u>24,928,607</u>
Business-Type Activities:									
Investment Earnings	1,121	2,196	2,218	785	1,903	4,137	3,709	1,700	668
Transfers									(25,000)
Total Business-Type Activities	<u>1,121</u>	<u>2,196</u>	<u>2,218</u>	<u>785</u>	<u>1,903</u>	<u>4,137</u>	<u>3,709</u>	<u>1,700</u>	<u>(24,332)</u>
Total District-Wide	<u>\$33,336,365</u>	<u>31,818,822</u>	<u>31,293,890</u>	<u>31,244,399</u>	<u>27,562,702</u>	<u>26,600,939</u>	<u>26,051,361</u>	<u>23,593,791</u>	<u>24,904,275</u>
Change in Net Assets:									
Governmental Activities	\$817,494	(768,700)	(2,865,600)	(303,024)	67,012	(226,544)	886,993	1,205,334	2,230,687
Business-Type Activities	23,682	12,923	24,206	8,594	44,929	15,555	4,116	39,279	(18,583)
Total District	<u>\$841,176</u>	<u>(755,777)</u>	<u>(2,841,394)</u>	<u>(294,430)</u>	<u>111,941</u>	<u>(210,989)</u>	<u>891,109</u>	<u>1,244,613</u>	<u>2,212,104</u>

PINELANDS REGIONAL SCHOOL DISTRICT
FUND BALANCES AND GOVERNMENTAL FUNDS
LAST NINE FISCAL YEARS
(Modified Accrual Basis of Accounting)

	FISCAL YEAR ENDING JUNE 30,								
	2012	2011	2010	2009	2008	2007	2006	2005	2004
General Fund:									
Reserved	\$956,110	701,104	2,025,743	3,630,392	3,187,850	2,044,235	1,456,546	1,224,412	652,914
Unreserved	710,880	(43,319)	(1,079,459)	(617,085)	7,330	310,662	88,615	173,676	259,710
Total General Fund	\$1,666,990	657,785	946,284	3,013,307	3,195,180	2,354,896	1,545,161	1,398,088	912,624
All Other Governmental Funds:									
Reserved			35,732	73,283	4,229,024	34,872	223,064	733,302	119,988
Unreserved, Reported in:									
Special Revenue Fund					(27,754)	(15,916)	(15,916)	(15,916.00)	(15,916)
Capital Projects Fund	\$711,964	711,964	912,916	934,993	1,139,140	144,894	160,560	228,913	1,035,478
Debt Service Fund			8,789	8,789		10,202	36,331	2,242	2,835
Total All Other Governmental Funds	\$711,964	711,964	957,437	1,017,065	5,340,410	174,052	404,039	948,541	1,142,385

PINELANDS REGIONAL SCHOOL DISTRICT
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST NINE FISCAL YEARS
(Modified Accrual Basis of Accounting)

	2012	2011	2010	2009	2008	2007	2006	2005	2004
Revenues:									
Tax Levy	\$18,160,168	17,805,500	17,285,776	16,650,789	15,664,325	15,033,712	14,526,685	13,837,116	12,837,018
Miscellaneous	46,497	75,071	86,462	215,850	356,645	247,430	212,366	145,085	119,269
State Sources	15,187,450	14,437,692	12,901,377	15,064,400	15,498,092	14,882,120	14,901,555	14,387,298	14,174,226
Federal Sources	1,301,500	1,119,508	2,764,627	768,432	744,332	743,420	790,994	766,740	689,042
Total Revenue	34,695,615	33,437,771	33,038,242	32,699,471	32,263,394	30,906,682	30,431,600	29,136,239	27,819,555
Expenditures:									
Instruction:									
Regular Instruction	8,404,641	8,057,522	8,158,671	8,037,613	7,366,353	6,917,557	6,828,465	7,472,236	7,091,809
Special Education Instruction	4,034,671	3,922,028	4,349,550	4,116,310	4,190,124	4,073,088	4,083,295	3,132,217	2,957,090
Other Special Education Instruction	1,194,713	1,228,053	1,328,171	1,255,739	1,221,122	1,144,494	1,028,316	1,126,494	998,259
Support Services:									
Tuition	764,269	769,011	759,678	747,935	822,638	880,296	929,118	990,378	976,315
Student & Instruction Related Services	3,878,948	4,383,171	4,680,379	4,156,819	3,711,933	3,398,601	3,568,919	3,519,902	3,346,108
General Administration Services	544,249	538,275	630,730	593,750	598,998	565,557	567,694	880,321	985,849
School Administrative Services	1,104,483	1,257,920	1,248,358	1,109,165	1,070,255	1,007,301	1,090,113	1,109,358	659,856
Business Administrative Services	393,593	355,648	360,603	493,698	490,369	529,386	481,084	203,735	464,524
Plant Operations & Maintenance	2,939,525	3,104,415	2,993,426	2,885,583	2,554,640	2,545,079	2,619,733	2,485,868	2,194,813
Pupil Transportation	1,941,986	1,808,908	1,971,159	1,807,796	1,885,458	1,810,194	1,875,325	1,590,216	1,538,375
Unallocated Benefits	6,975,754	6,799,116	6,887,437	6,114,622	6,575,400	6,429,107	4,576,628	4,202,309	3,788,215
Special Schools	10,456	11,158	12,586	17,174	15,534	11,275	11,874	16,915	10,647
Charter Schools									4,415
Capital Outlay	418,828	665,473	614,871	4,394,610	2,214,435	433,883	1,407,253	330,839	191,502
Debt Service:									
Principal	975,000	930,000	890,000	705,000	255,000	235,000	1,520,000	1,255,000	1,189,917
Interest & Other Charges	505,294	541,045	579,274	768,874	334,666	346,116	241,212	528,831	599,211
Total Expenditures	34,086,410	34,371,743	35,464,893	37,204,688	33,306,925	30,326,934	30,829,029	28,844,619	26,996,905

**PINELANDS REGIONAL SCHOOL DISTRICT
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST NINE FISCAL YEARS
(Modified Accrual Basis of Accounting)**

	2012	2011	2010	2009	2008	2007	2006	2005	2004
Excess (Deficiency) of Revenues Over/(Under) Expenditures	609,205	(933,972)	(2,426,651)	(4,505,217)	(1,043,531)	579,748	(397,429)	291,620	822,650
Other Financing Sources/(Uses):									
Cancellation of Receivable					(57,827)				
Capital Lease Proceeds	400,000	400,000	300,000						
Bond Proceeds					7,108,000				
Total Other Financing Sources/(Uses)	400,000	400,000	300,000		7,050,173				
Net Change in Fund Balances	\$1,009,205	(533,972)	(2,126,651)	(4,505,217)	6,006,642	579,748	(397,429)	291,620	822,650
Debt Service as a Percentage of Noncapital Expenditures	4.6%	4.6%	4.4%	4.7%	1.9%	2.0%	6.4%	6.7%	7.2%

Source: District records

PINELANDS REGIONAL SCHOOL DISTRICT
GENERAL FUND - OTHER LOCAL REVENUE BY SOURCE
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)

FISCAL YEAR ENDING JUNE 30,	INTEREST ON INVESTMENTS	RENTALS	COMMUNITY ACTIVITIES	MISCELLANEOUS	TOTAL
2012				23,289	23,289
2011	29,097			12,866	41,963
2010	35,146	1,470		46,789	83,405
2009	53,900	8,690		36,479	99,069
2008	114,204			10,615	124,819
2007	226,075			21,354	247,429
2006	144,022			27,805	171,827
2005	81,943		14,458	38,265	134,666
2004	18,422		26,098	49,057	93,577
2003	68,182		693,074	29,815	791,071

Source: District records

**PINELANDS REGIONAL SCHOOL DISTRICT
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS
LITTLE EGG HARBOR TOWNSHIP**

FISCAL YEAR ENDED JUNE 30,	VACANT LAND	RESIDENTIAL	FARM REGULAR	Q FARM	COMMERCIAL	INDUSTRIAL	APARTMENT	TOTAL ASSESSED VALUE	PUBLIC UTILITIES	NET VALUATION TAXABLE	REGIONAL DISTRICT SCHOOL TAX RATE	ESTIMATED COUNTY EQUALIZED VALUE
2012	\$116,303,400	2,636,568,189	2,819,400	78,896	149,605,749	566,100	3,060,000	2,909,001,734	5,955,862	2,903,045,872	0.436	2,711,597,440
2011	124,822,000	2,666,799,789	2,843,400	80,631	151,717,049	566,100	3,060,000	2,949,888,969	5,955,862	2,943,933,107	0.450	2,866,592,618
2010	136,785,500	2,655,632,189	2,558,600	79,939	162,071,049	566,100	3,060,000	2,960,753,377	6,570,969	2,954,182,408	0.397	3,066,000,647
2009	147,903,300	2,805,870,709	2,637,500	79,732	168,048,700	566,100	3,060,000	3,128,166,041	6,570,969	3,121,595,072	0.397	3,101,827,805
2008	158,794,300	2,837,818,989	2,638,500	70,366	163,633,500	566,100	3,060,000	3,166,581,755	6,439,970	3,160,141,785	0.330	3,094,582,895
2007	160,884,400	2,804,394,189	2,220,700	73,427	145,989,800	566,100	3,060,000	3,117,188,616	6,158,472	3,111,030,144	0.362	2,872,595,997
2006(r)	179,042,600	2,703,572,989	2,220,700	68,671	145,661,400	566,100	3,060,000	3,034,192,460	5,988,464	3,028,203,996	0.354	2,331,506,329
2005	67,864,470	983,935,214	1,966,200	30,616	82,559,600	291,800	2,318,500	1,138,966,400	3,778,120	1,135,188,280	0.945	1,884,904,444
2004	65,892,304	912,200,714	745,000	72,522	81,852,200	291,800	2,318,500	1,063,373,040	4,593,861	1,058,779,179	0.931	1,512,944,421
2003	74,688,542	814,249,914	745,000	66,920	80,109,900	291,800	2,318,500	972,470,576	5,529,527	966,941,049	0.929	1,174,798,842

**ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS
EAGLESWOOD TOWNSHIP**

2012	\$26,699,700	183,965,880	268,900	32,400	29,565,800	4,300,500	319,200	245,182,300	452,190	244,730,110	0.477	270,501,214
2011	34,511,900	210,822,000	281,500	50,600	33,519,900	3,967,600	436,900	283,590,400	452,190	283,138,210	0.513	264,279,064
2010	36,756,300	209,278,500	281,500	50,600	32,640,200	3,967,600	436,900	283,411,600	521,335	282,890,265	0.490	307,728,267
2009	37,902,600	208,021,100	281,500	50,600	33,617,900	3,967,600	436,900	284,278,200	491,494	283,786,706	0.490	307,511,034
2008	41,450,500	204,913,500	281,500	48,700	33,293,500	3,967,600	436,900	284,392,200	491,494	283,900,706	0.463	308,215,616
2007	43,644,500	197,300,400	265,300	48,300	33,120,400	3,967,600	436,900	278,783,400	420,205	278,363,195	0.421	295,921,202
2006(r)	46,129,200	187,393,700	177,600	39,700	33,122,600	3,967,600	436,900	271,267,300	457,556	270,809,744	0.366	229,866,568
2005	14,435,700	68,145,000	177,600	41,800	13,207,700	2,485,900	205,000	98,698,700	308,155	98,390,545	0.960	160,235,678
2004	13,156,500	66,287,800	177,600	40,600	12,915,500	2,485,900	205,000	95,268,900	439,322	94,829,578	0.924	128,568,078
2003	13,139,200	64,348,300	177,600	39,800	12,966,500	2,485,900	205,000	93,362,300	532,551	92,829,749	0.893	111,490,083

(r) - Reassessment

Source: County Abstract of Ratables & Municipal Tax Assessor

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**PINELANDS REGIONAL SCHOOL DISTRICT
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS
TUCKERTON BOROUGH**

FISCAL YEAR ENDED JUNE 30,	VACANT LAND	RESIDENTIAL	FARM REGULAR	Q FARM	COMMERCIAL	INDUSTRIAL	APARTMENT	TOTAL ASSESSED VALUE	PUBLIC UTILITIES	NET VALUATION TAXABLE	REGIONAL DISTRICT SCHOOL TAX RATE	ESTIMATED COUNTY EQUALIZED VALUE
2012	\$20,240,900	354,880,700	-	-	39,133,800	-	18,614,000	432,869,400	543,801	432,325,599	0.496	491,227,190
2011	20,760,500	354,316,300	-	-	39,625,830	-	18,614,000	433,316,630	543,801	432,772,829	0.543	514,834,324
2010	22,425,100	351,770,800	-	-	39,725,000	-	21,117,700	435,038,600	628,624	434,409,976	0.526	543,516,309
2009	22,819,600	348,691,000	-	-	39,635,000	-	21,117,700	432,263,300	594,830	431,668,470	0.526	537,336,369
2008	24,278,600	343,774,100	-	-	39,042,000	-	21,117,700	428,212,400	594,830	427,617,570	0.504	536,210,116
2007	24,661,700	339,564,800	-	-	38,634,000	-	21,117,700	423,978,200	619,674	423,358,526	0.495	497,130,477
2006	22,645,400	337,872,600	-	-	38,388,800	-	21,117,700	420,024,500	695,424	419,329,076	0.472	436,987,137
2005(r)	24,011,200	335,205,000	-	-	37,989,400	-	8,349,000	405,554,600	772,609	404,781,991	0.473	330,384,147
2004	8,022,200	140,614,400	-	-	18,553,500	-	4,153,000	171,343,100	547,564	170,795,536	0.995	268,415,488
2003	8,943,200	137,177,300	-	-	18,305,000	-	4,153,000	168,578,500	765,503	167,812,997	0.947	207,103,991

**ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS
BASS RIVER TOWNSHIP**

2012	\$11,631,000	145,382,700	5,898,200	707,700	29,550,500	-	-	193,170,100	1,255,077	191,915,023	0.474	187,416,416
2011	12,014,800	145,419,700	5,992,300	553,000	29,554,500	-	-	193,534,300	1,255,077	192,279,223	0.480	190,674,944
2010	12,014,800	145,419,700	5,992,300	553,000	29,554,500	-	-	193,534,300	1,255,077	192,279,223	0.479	188,904,728
2009	11,725,900	147,096,800	6,195,400	553,000	32,054,500	-	-	197,625,600	1,327,381	196,298,219	0.433	188,264,489
2008(r)	12,596,000	149,795,300	5,915,600	525,300	32,893,200	-	-	201,725,400	1,222,269	200,503,131	0.404	196,172,249
2007	4,812,800	56,004,701	1,961,500	478,600	10,214,700	-	-	73,472,301	205,970	73,266,331	0.996	176,043,174
2006	4,924,800	54,382,800	1,957,000	478,600	10,125,700	-	-	71,868,900	658,514	71,210,386	0.999	130,729,838
2005	5,432,600	53,476,600	1,799,200	431,600	10,151,200	-	-	71,291,200	854,905	70,436,295	1.139	110,581,631
2004	5,181,300	52,808,100	1,446,300	398,400	10,126,200	-	-	69,960,300	1,083,787	68,876,513	1.080	91,914,775
2003	5,363,600	52,047,500	1,611,800	426,300	10,149,100	-	-	69,598,300	1,349,490	68,248,810	0.959	78,797,450
2002	5,729,700	51,251,300	1,484,600	423,400	10,129,200	-	-	69,018,200	1,349,324	67,668,876	0.946	78,730,447

(r) - Reassessment

Source: County Abstract of Ratables & Municipal Tax Assessor

**PINELANDS REGIONAL SCHOOL DISTRICT
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS
LITTLE EGG HARBOR TOWNSHIP
(Rate per \$100 of Assessed Value)**

FISCAL YEAR ENDED JUNE 30,	PINELANDS REGIONAL			OVERLAPPING RATES						TOTAL DIRECT AND OVERLAPPING TAX RATE
	BASIC RATE	GENERAL OBLIGATION DEBT SERVICE	TOTAL DIRECT	COUNTY GENERAL	COUNTY LIBRARY	COUNTY HEALTH	COUNTY OPEN SPACE	LITTLE EGG HARBOR SCHOOL	MUNICIPAL LOCAL PURPOSE	
2012	0.453	0.020	0.473	0.273	0.031	0.012	0.011	0.406	0.523	1.729
2011	0.433	0.017	0.450	0.259	0.037	0.015	0.014	0.602	0.571	1.948
2010	0.418	0.020	0.438	0.249	0.029	0.012	0.012	0.357	0.451	1.548
2009	0.372	0.025	0.397	0.247	0.029	0.012	0.012	0.330	0.443	1.140
2008	0.368	0.010	0.378	0.247	0.029	0.012	0.012	0.330	0.443	1.121
2007	0.352	0.010	0.362	0.236	0.028	0.012	0.012	0.317	0.414	1.064
2006(r)	0.332	0.020	0.352	0.217	0.024	0.010	0.009	0.318	0.386	0.998
2005	0.886	0.060	0.946	0.531	0.056	0.024	0.020	0.816	0.920	2.497
2004	0.867	0.060	0.927	0.512	0.055	0.023	0.017	0.823	0.915	2.449
2003	0.831	0.100	0.931	0.490	0.052	0.022	0.015	0.825	0.886	2.396

**EAGLESWOOD TOWNSHIP
(Rate per \$100 of Assessed Value)**

FISCAL YEAR ENDED JUNE 30,	PINELANDS REGIONAL			OVERLAPPING RATES						TOTAL DIRECT AND OVERLAPPING TAX RATE
	BASIC RATE	GENERAL OBLIGATION DEBT SERVICE	TOTAL DIRECT	COUNTY GENERAL	COUNTY LIBRARY	COUNTY HEALTH	COUNTY OPEN SPACE	EAGLESWOOD LOCAL SCHOOL DIST	MUNICIPAL LOCAL PURPOSE	
2012	0.358	0.024	0.382	0.331	0.038	0.014	0.014	0.701	0.361	1.841
2011	0.494	0.020	0.514	0.266	0.030	0.012	0.012	0.513	0.293	1.640
2010	0.478	0.020	0.498	0.274	0.033	0.013	0.013	0.551	0.283	1.665
2009	0.471	0.019	0.490	0.274	0.033	0.013	0.013	0.551	0.283	1.657
2008	0.455	0.008	0.463	0.273	0.032	0.013	0.013	0.542	0.283	1.619
2007	0.415	0.006	0.421	0.271	0.033	0.013	0.013	0.547	0.264	1.562
2006(r)	0.347	0.019	0.366	0.239	0.026	0.011	0.011	0.523	0.260	1.436
2005	0.906	0.054	0.960	0.520	0.055	0.024	0.020	1.249	0.529	3.357
2004	0.868	0.056	0.924	0.486	0.053	0.022	0.017	1.205	0.494	3.201
2003	0.812	0.081	0.893	0.488	0.052	0.021	0.015	1.078	0.478	3.025

(r) Reassessment
Source: Municipal Tax Collector

**PINELANDS REGIONAL SCHOOL DISTRICT
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS
TUCKERTON BOROUGH
(Rate per \$100 of Assessed Value)**

FISCAL YEAR ENDED JUNE 30,	PINELANDS REGIONAL			OVERLAPPING RATES					TUCKERTON LOCAL SCHOOL DIST	MUNICIPAL LOCAL PURPOSE	TOTAL DIRECT AND OVERLAPPING TAX RATE
	BASIC RATE	GENERAL OBLIGATION DEBT SERVICE	TOTAL DIRECT	COUNTY GENERAL	COUNTY LIBRARY	COUNTY HEALTH	COUNTY OPEN SPACE				
2012	0.473	0.021	0.494	0.342	0.039	0.014	0.014	0.625	0.612	2.140	
2011	0.496	0.022	0.518	0.327	0.037	0.015	0.014	0.602	0.571	2.084	
2010	0.506	0.021	0.527	0.319	0.038	0.016	0.016	0.594	0.572	2.082	
2009	0.506	0.020	0.526	0.319	0.038	0.016	0.012	0.594	0.572	2.077	
2008	0.495	0.009	0.504	0.319	0.037	0.016	0.015	0.580	0.531	2.002	
2007	0.486	0.009	0.495	0.298	0.036	0.015	0.015	0.529	0.483	1.871	
2006	0.445	0.027	0.472	0.294	0.032	0.013	0.012	0.519	0.463	1.805	
2005(r)	0.444	0.029	0.473	0.262	0.028	0.012	0.010	0.477	0.430	1.692	
2004	0.927	0.068	0.995	0.565	0.061	0.026	0.018	0.977	0.996	3.638	
2003	0.850	0.097	0.947	0.503	0.053	0.022	0.015	1.038	0.953	3.531	

(r) Reassessment

Source: Municipal Tax Collector

**PINELANDS REGIONAL SCHOOL DISTRICT
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS
BASS RIVER TOWNSHIP
(Rate per \$100 of Assessed Value)**

FISCAL YEAR ENDED JUNE 30,	PINELANDS REGIONAL			OVERLAPPING RATES			TOTAL DIRECT AND OVERLAPPING TAX RATE
	BASIC RATE	GENERAL OBLIGATION DEBT SERVICE	TOTAL DIRECT	TOTAL COUNTY	BASS RIVER LOCAL SCHOOL DISTRICT	MUNICIPAL LOCAL PURPOSE	
2012	0.473	0.021	0.494	0.302	0.637	0.056	1.489
2011	0.461	0.018	0.479	0.321	0.611	0.042	1.453
2010	0.446	0.018	0.464	0.321	0.611	0.042	1.438
2009	0.417	0.016	0.433	0.353	0.577	0.012	1.375
2008	0.376	0.028	0.404	0.377	0.545	0.011	1.337
2007	0.938	0.058	0.996	1.003	1.471	-	3.470
2006(r)	0.939	0.060	0.999	0.798	1.457	-	3.254
2005	1.077	0.062	1.139	0.701	1.420	-	3.260
2004	1.017	0.063	1.080	0.567	1.408	0.132	3.187
2003	0.870	0.089	0.959	0.602	1.149	0.014	2.724

(r) Reassessment

Source: Municipal Tax Collector

**PINELANDS REGIONAL SCHOOL DISTRICT
PRINCIPAL PROPERTY TAX PAYERS
CURRENT YEAR AND NINE YEARS AGO
LITTLE EGG HARBOR TOWNSHIP**

TAXPAYER	2012			2003		
	TAXABLE ASSESSED VALUE	RANK	% OF TOTAL DISTRICT NET ASSESSED VALUE	TAXABLE ASSESSED VALUE	RANK	% OF TOTAL DISTRICT NET ASSESSED VALUE
Sea Oaks Golf Club	N/A	1	N/A	N/A	1	N/A
Healthtec Properties	N/A	2	N/A	N/A	2	N/A
Mystic Partners	N/A	3	N/A	N/A	3	N/A
AT & T	N/A	4	N/A	N/A	4	N/A
Armstrong Tuckerton, LLC	N/A	5	N/A	N/A	5	N/A
Andwin Realty Investors, LLC	N/A	6	N/A	N/A	6	N/A
Mystic Investor Association	N/A	7	N/A	N/A	7	N/A
James Properties, LLC	N/A	8	N/A	N/A	8	N/A
Jarat, Inc.	N/A	9	N/A	N/A	9	N/A
Individual Taxpayer, #1	N/A	10	N/A	N/A	10	N/A
Total						

**PRINCIPAL PROPERTY TAX PAYERS
CURRENT YEAR AND NINE YEARS AGO
EAGLESWOOD TOWNSHIP**

TAXPAYER	2012			2003		
	TAXABLE ASSESSED VALUE	RANK	% OF TOTAL DISTRICT NET ASSESSED VALUE	TAXABLE ASSESSED VALUE	RANK	% OF TOTAL DISTRICT NET ASSESSED VALUE
Eagles Lake Reserve, Inc.	N/A	1	N/A	N/A	1	N/A
Doland-Eaglewood Assn.	N/A	2	N/A	N/A	2	N/A
Taxpayer #1	N/A	3	N/A	N/A	3	N/A
Steakmaster	N/A	4	N/A	N/A	4	N/A
Atlantic City Electric Co.	N/A	5	N/A	N/A	5	N/A
Stafford Business Park, LLC	N/A	6	N/A	N/A	6	N/A
Osenenko	N/A	7	N/A	N/A	7	N/A
Felman Investment	N/A	8	N/A	N/A	8	N/A
SS West Creek, LLC	N/A	9	N/A	N/A	9	N/A
Taxpayer #2	N/A	10	N/A	N/A	10	N/A
Total						

Source: Municipal Tax Assessor

**PINELANDS REGIONAL SCHOOL DISTRICT
PRINCIPAL PROPERTY TAX PAYERS,
CURRENT YEAR AND NINE YEARS AGO
TUCKERTON BOROUGH**

TAXPAYER	2012			2003		
	TAXABLE ASSESSED VALUE	RANK	% OF TOTAL DISTRICT NET ASSESSED VALUE	TAXABLE ASSESSED VALUE	RANK	% OF TOTAL DISTRICT NET ASSESSED VALUE
Cammeby's Management Co. of NJ	N/A	1	N/A	N/A	1	N/A
H2 Investments, LLC	N/A	2	N/A	N/A	2	N/A
Milestone Property	N/A	3	N/A	N/A	3	N/A
Brasil Telecom America Inc.	N/A	4	N/A	N/A	4	N/A
Taxpayer #1	N/A	5	N/A	N/A	5	N/A
Mijan Inc.	N/A	6	N/A	N/A	6	N/A
Cammeby's Barlett Landing, LLC	N/A	7	N/A	N/A	7	N/A
GEB Marina, Inc.	N/A	8	N/A	N/A	8	N/A
Tuckerton Lumber Co	N/A	9	N/A	N/A	9	N/A
Taxpayer #2	N/A	10	N/A	N/A	10	N/A
Total						

**PRINCIPAL PROPERTY TAX PAYERS
CURRENT YEAR AND NINE YEARS AGO
BASS RIVER TOWNSHIP**

TAXPAYER	2012			2003		
	TAXABLE ASSESSED VALUE	RANK	% OF TOTAL DISTRICT NET ASSESSED VALUE	TAXABLE ASSESSED VALUE	RANK	% OF TOTAL DISTRICT NET ASSESSED VALUE
Viking Yacht	N/A	1	N/A	N/A	1	N/A
Viking Yachting Center	N/A	2	N/A	N/A	2	N/A
Bayview Capital	N/A	3	N/A	N/A	3	N/A
Gateway Property, LLC	N/A	4	N/A	N/A	4	N/A
Taxpayer #1	N/A	5	N/A	N/A	5	N/A
Chips Folly	N/A	6	N/A	N/A	6	N/A
K.O.A.	N/A	7	N/A	N/A	7	N/A
Timerline Campgrounds	N/A	8	N/A	N/A	8	N/A
Taxpayer #2	N/A	9	N/A	N/A	9	N/A
Taxpayer #3	N/A	10	N/A	N/A	10	N/A
Total						

Source: Municipal Tax Assessor

**PINELANDS REGIONAL SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**

FISCAL YEAR ENDED JUNE 30,	TAXES LEVIED FOR THE FISCAL YEAR	COLLECTED WITHIN THE FISCAL YEAR OF THE LEVY		COLLECTIONS IN SUBSEQUENT YEARS
		AMOUNT	PERCENTAGE OF LEVY	
2012	\$18,160,168	18,160,168	100.00%	-
2011	17,805,500	17,805,500	100.00%	-
2010	17,285,776	17,285,776	100.00%	-
2009	16,650,789	16,650,789	100.00%	-
2008	15,664,325	15,664,325	100.00%	-
2007	15,033,712	15,033,712	100.00%	-
2006	14,526,685	14,526,685	100.00%	-
2005	13,837,116	13,837,116	100.00%	-
2004	12,837,018	12,837,018	100.00%	-
2003	11,753,845	11,753,845	100.00%	-

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

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

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FISCAL YEAR ENDED JUNE, 30	GOVERNMENTAL ACTIVITIES				BUSINESS-TYPE ACTIVITIES			* OCEAN COUNTY		* BURLINGTON COUNTY	
	GENERAL OBLIGATION BONDS	CERTIFICATES OF PARTICIPATION	CAPITAL LEASES	GRANT ANTICIPATION NOTES (GANs)	CAPITAL LEASES	TOTAL DISTRICT	PERCENTAGE OF PERSONAL INCOME	PER CAPITA PERSONAL INCOME	PERCENTAGE OF PERSONAL INCOME	PER CAPITA PERSONAL INCOME	
2012	\$11,358,000	-	909,582	-	-	12,267,582	0.33%	40,291	0.37%	47,391	
2011	12,333,000	-	901,934	-	-	13,234,934	0.30%	39,331	0.37%	46,496	
2010	13,263,000	-	675,000	-	-	13,938,000	0.29%	40,975	0.33%	47,673	
2009	14,153,000	-	-	-	-	14,153,000	0.28%	39,214	0.32%	45,420	
2008	14,858,000	-	-	-	-	14,858,000	0.25%	36,773	0.29%	43,365	
2007	8,005,000	-	-	500,000	-	8,505,000	0.41%	34,497	0.48%	40,686	
2006	8,240,000	-	-	800,000	-	9,040,000	0.37%	33,567	0.44%	39,516	
2005	7,918,000	1,145,000	10,566	-	-	9,073,566	0.36%	33,029	0.42%	37,958	
2004	8,093,000	2,225,000	46,999	-	-	10,364,999	0.31%	32,576	0.36%	37,230	
2003	8,263,000	3,245,000	105,982	-	-	11,613,982	0.28%	32,118	0.32%	36,867	

* = The Per Capital Income information presented is for the entire County of Ocean and the entire County of Burlington.

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

**PINELANDS REGIONAL
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
LITTLE EGG HARBOR TOWNSHIP**

FISCAL YEAR ENDED JUNE 30,	GENERAL BONDED DEBT OUTSTANDING		PERCENTAGE OF ACTUAL TAXABLE VALUE OF PROPERTY	PER CAPITA
	GENERAL OBLIGATION BONDS	NET GENERAL BONDED DEBT OUTSTANDING		
2012	\$8,511,685	8,511,685	0.31%	422
2011	9,242,350	9,242,350	0.30%	460
2010	9,939,292	9,939,292	0.32%	477
2009	10,573,706	10,573,706	0.34%	511
2008	10,994,920	10,994,920	0.36%	537
2007	5,923,700	5,923,700	0.21%	293
2006	6,097,600	6,097,600	0.26%	309
2005	5,859,320	5,859,320	0.31%	304
2004	5,988,820	5,988,820	0.40%	322
2003	6,114,620	6,114,620	0.52%	346

**RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
EAGLESWOOD TOWNSHIP**

FISCAL YEAR ENDED JUNE 30,	GENERAL BONDED DEBT OUTSTANDING		PERCENTAGE OF ACTUAL TAXABLE VALUE OF PROPERTY	PER CAPITA
	GENERAL OBLIGATION BONDS	NET GENERAL BONDED DEBT OUTSTANDING		
2012	\$825,727	825,727	0.31%	513
2011	896,609	896,609	0.29%	559
2010	964,220	964,220	0.31%	566
2009	1,082,705	1,082,705	0.35%	645
2008	1,040,060	1,040,060	0.34%	631
2007	560,350	560,350	0.19%	347
2006	576,800	576,800	0.25%	357
2005	554,260	554,260	0.35%	355
2004	566,510	566,510	0.44%	370
2003	578,410	578,410	0.52%	379

**PINELANDS REGIONAL
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
TUCKERTON BOROUGH**

FISCAL YEAR ENDED JUNE 30,	GENERAL BONDED DEBT OUTSTANDING		PERCENTAGE OF ACTUAL TAXABLE VALUE OF PROPERTY	PER CAPITA
	GENERAL OBLIGATION BONDS	NET GENERAL BONDED DEBT OUTSTANDING		
2012	\$1,477,676	1,477,676	0.30%	439
2011	1,604,523	1,604,523	0.30%	479
2010	1,725,516	1,725,516	0.32%	441
2009	1,844,136	1,844,136	0.34%	474
2008	2,080,120	2,080,120	0.39%	540
2007	1,120,700	1,120,700	0.23%	293
2006	1,153,600	1,153,600	0.26%	306
2005	1,108,520	1,108,520	0.34%	308
2004	1,133,020	1,133,020	0.42%	315
2003	1,156,820	1,156,820	0.56%	324

**RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
BASS RIVER TOWNSHIP**

FISCAL YEAR ENDED JUNE 30,	GENERAL BONDED DEBT OUTSTANDING		PERCENTAGE OF ACTUAL TAXABLE VALUE OF PROPERTY	PER CAPITA
	GENERAL OBLIGATION BONDS	NET GENERAL BONDED DEBT OUTSTANDING		
2012	\$542,912	542,912	0.29%	375
2011	589,517	589,517	0.31%	408
2010	633,971	633,971	0.34%	411
2009	652,453	652,453	0.35%	422
2008	742,900	742,900	0.38%	479
2007	400,250	400,250	0.23%	256
2006	412,000	412,000	0.32%	266
2005	395,900	395,900	0.36%	255
2004	404,650	404,650	0.44%	261
2003	413,150	413,150	0.52%	270

EXHIBIT J-12a

**PINELANDS REGIONAL SCHOOL DISTRICT
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2012
LITTLE EGG HARBOR TOWNSHIP**

GOVERNMENTAL UNIT	DEBT OUTSTANDING	ESTIMATED PERCENTAGE APPLICABLE	SHARE OF OVERLAPPING DEBT
Debt Repaid With Property Taxes: Local Municipality	\$17,103,969	100.00%	<u>\$17,103,969</u>
Subtotal, Overlapping Debt			
Pinelands Regional School District	11,358,000	74.94%	8,511,685
County of Ocean	426,609,141	2.84%	<u>12,115,700</u>
Subtotal, Overlapping Debt			<u>37,731,354</u>
Local School District Direct Debt	N/A	100.00%	<u>N/A</u>
Total Direct & Overlapping Debt			<u><u>\$37,731,354</u></u>

EXHIBIT J-12b

**AS OF JUNE 30, 2011
EAGLESWOOD TOWNSHIP**

GOVERNMENTAL UNIT	DEBT OUTSTANDING	ESTIMATED PERCENTAGE APPLICABLE	SHARE OF OVERLAPPING DEBT
Debt Repaid With Property Taxes: Local Municipality	\$890,905	100.00%	<u>\$890,905</u>
Subtotal, Overlapping Debt			
Pinelands Regional School District	11,358,000	7.27%	825,727
County of Ocean	426,609,141	0.28%	<u>1,207,304</u>
Subtotal, Overlapping Debt			<u>2,923,936</u>
Local School District Direct Debt	<u>1,320,050</u>	100.00%	<u>1,320,050</u>
Total Direct & Overlapping Debt			<u><u>\$4,243,986</u></u>

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

**PINELANDS REGIONAL SCHOOL DISTRICT
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2012
TUCKERTON BOROUGH**

GOVERNMENTAL UNIT	DEBT OUTSTANDING	ESTIMATED PERCENTAGE APPLICABLE	SHARE OF OVERLAPPING DEBT
Debt Repaid With Property Taxes:			
Local Municipality	\$7,792,775	100.00%	<u>\$7,792,775</u>
Subtotal, Overlapping Debt			
Pinelands Regional School District	11,358,000	13.01%	1,477,676
County of Ocean	426,609,141	0.49%	<u>2,103,183</u>
Subtotal, Overlapping Debt			<u>11,373,634</u>
Local School District Direct Debt	N/A	100.00%	<u>N/A</u>
Total Direct & Overlapping Debt			<u><u>\$11,373,634</u></u>

**AS OF JUNE 30, 2012
BASS RIVER TOWNSHIP**

GOVERNMENTAL UNIT	DEBT OUTSTANDING	ESTIMATED PERCENTAGE APPLICABLE	SHARE OF OVERLAPPING DEBT
Debt Repaid With Property Taxes:			
Local Municipality	\$306,223	100.00%	<u>\$306,223</u>
Subtotal, Overlapping Debt			
Pinelands Regional School District	11,358,000	4.78%	542,912
Local School District Direct Debt	N/A	0.39%	<u>N/A</u>
Subtotal, Overlapping Debt			<u>849,135</u>
Local School District Direct Debt	N/A	100.00%	<u>N/A</u>
Total Direct & Overlapping Debt			<u><u>\$849,135</u></u>

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

**PINELANDS REGIONAL SCHOOL DISTRICT
LEGAL DEBT MARGIN INFORMATION
LAST EIGHT FISCAL YEARS
LITTLE EGG HARBOR TOWNSHIP
(Dollars in Thousands)**

	2011	2010	2009	2008	2007	2006	2005	2004
Debt Limit	\$95,415,706	71,248,066	106,680,946	104,114,978	93,768,925	78,781,307	62,329,310	49,558,199
Total Net Debt Applicable to Limit	8,511,685	9,242,350	9,908,787	10,573,706	11,253,396	6,133,140	6,415,427	6,415,427
Legal Debt Margin	\$86,904,021	62,005,716	96,772,159	93,541,272	82,515,529	72,648,167	55,913,883	43,142,772
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	8.92%	12.97%	9.29%	10.16%	12.00%	7.79%	10.29%	12.95%

Legal Debt Margin Calculation for Fiscal Year 2011

Equalized Valuation Basis

2012	\$2,546,242,082
2011	2,755,685,938
2010	<u>2,876,561,063</u>

\$8,178,489,083

Average Equalized Valuation of Taxable Property \$2,726,163,028

Debt Limit (3.50% of Average Equalization Value) 95,415,706

Net Bonded School Debt 8,511,685

Legal Debt Margin \$86,904,021

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

**PINELANDS REGIONAL SCHOOL DISTRICT
LEGAL DEBT MARGIN INFORMATION
LAST EIGHT FISCAL YEARS
EAGLESWOOD TOWNSHIP
(Dollars in Thousands)**

	2011	2010	2009	2008	2007	2006	2005	2004
Debt Limit	\$9,258,816	10,150,539	10,356,442	10,655,436	9,626,723	7,906,660	5,814,803	4,528,505
Total Net Debt Applicable to Limit	825,727	896,609	1,014,620	1,082,705	1,155,322	615,535	598,506	550,540
Legal Debt Margin	<u>\$8,433,090</u>	<u>9,253,930</u>	<u>9,341,822</u>	<u>9,572,732</u>	<u>8,471,401</u>	<u>7,291,125</u>	<u>5,216,297</u>	<u>3,977,965</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	8.92%	8.83%	9.80%	10.16%	12.00%	7.79%	10.29%	12.16%

Legal Debt Margin Calculation for Fiscal Year 2011

Equalized Valuation Basis	
2012	\$257,547,356
2011	272,116,526
2010	<u>263,948,932</u>
	<u>\$793,612,814</u>
Average Equalized Valuation of Taxable Property	<u>\$264,537,605</u>
Debt Limit (3.50% of Average Equalization Value)	9,258,816
Net Bonded School Debt	<u>825,727</u>
Legal Debt Margin	<u>\$8,433,090</u>

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

**PINELANDS REGIONAL SCHOOL DISTRICT
LEGAL DEBT MARGIN INFORMATION
LAST EIGHT FISCAL YEARS
TUCKERTON BOROUGH
(Dollars in Thousands)**

	2011	2010	2009	2008	2007	2006	2005	2004
Debt Limit	\$17,036,868	18,340,688	18,516,728	18,171,284	16,812,885	14,427,936	11,770,671	9,246,971
Total Net Debt Applicable to Limit	<u>1,477,676</u>	<u>1,604,523</u>	<u>1,728,169</u>	<u>1,844,136</u>	<u>2,017,748</u>	<u>1,123,218</u>	<u>1,211,543</u>	<u>1,125,239</u>
Legal Debt Margin	<u>\$15,559,192</u>	<u>16,736,165</u>	<u>16,788,559</u>	<u>16,327,148</u>	<u>14,795,137</u>	<u>13,304,718</u>	<u>10,559,128</u>	<u>8,121,732</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	8.67%	8.75%	9.33%	10.15%	12.00%	7.79%	10.29%	12.17%

Legal Debt Margin Calculation for Fiscal Year 2011

Equalized Valuation Basis

2012	\$452,307,656
2011	492,278,515
2010	<u>515,716,808</u>

\$1,460,302,979

Average Equalized Valuation of Taxable Property

\$486,767,660

Debt Limit (3.50% of Average Equalization Value)
Net Bonded School Debt

17,036,868
1,477,676

Legal Debt Margin

\$15,559,192

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

**PINELANDS REGIONAL SCHOOL DISTRICT
LEGAL DEBT MARGIN INFORMATION
LAST EIGHT FISCAL YEARS
BASS RIVER TOWNSHIP
(Dollars in Thousands)**

	2011	2010	2009	2008	2007	2006	2005	2004
Debt Limit	\$4,860,064	4,860,064	4,086,104	4,086,104	5,720,546	2,739,155	3,784,443	3,177,130
Total Net Debt Applicable to Limit	542,912	589,517	661,889	652,453	686,534	368,108	389,525	386,616
Legal Debt Margin	4,317,151.6	4,270,547	3,424,215	3,433,651	5,034,012	2,371,047	3,394,918	2,790,514
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	11.17%	12.13%	16.20%	15.97%	12.00%	13.44%	10.29%	12.17%

Legal Debt Margin Calculation for Fiscal Year 2011

Equalized Valuation Basis	
2012	\$182,785,554
2011	189,601,481
2010	191,199,429
	<u>\$563,586,464</u>
Average Equalized Valuation of Taxable Property	<u>\$187,862,155</u>
Debt Limit (3.5% of Average Equalization Value)	6,575,175
Net Bonded School Debt	<u>542,912</u>
Legal Debt Margin	<u>\$6,032,263</u>

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

**PINELANDS REGIONAL SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS**

YEAR	POPULATION	PERSONAL INCOME	PER CAPITA PERSONAL INCOME	UNEMPLOYMENT RATE	
LITTLE EGG HARBOR TOWNSHIP					
2012	20,162	812,347,142	40,291	N/A	
2011	*	20,102	790,631,762	39,331	11.7%
2010	20,824	853,263,400	40,975	10.7%	
2009	20,677	810,827,878	39,214	6.5%	
2008	20,479	753,074,267	36,773	5.0%	
2007	20,215	697,356,855	34,497	5.7%	
2006	19,739	662,579,013	33,567	5.0%	
2005	19,257	636,039,453	33,029	7.6%	
2004	18,609	606,206,784	32,576	6.6%	
2003	17,683	567,942,594	32,118	7.6%	
EAGLESWOOD TOWNSHIP					
2012	1,610	64,868,510	40,291	N/A	
2011	*	1,605	63,126,255	39,331	9.3%
2010	1,703	69,780,425	40,975	8.4%	
2009	1,679	65,840,306	39,214	5.1%	
2008	1,648	60,601,904	36,773	3.9%	
2007	1,614	55,678,158	34,497	4.2%	
2006	1,614	54,177,138	33,567	4.4%	
2005	1,562	51,591,298	33,029	4.0%	
2004	1,532	49,906,432	32,576	4.7%	
2003	1,526	49,012,068	32,118	5.4%	
TUCKERTON BOROUGH					
2012	3,364	135,538,924	40,291	N/A	
2011	*	3,353	131,876,843	39,331	14.5%
2010	3,916	160,458,100	40,975	13.2%	
2009	3,888	152,464,032	39,214	8.1%	
2008	3,855	141,759,915	36,773	6.3%	
2007	3,830	132,123,510	34,497	6.7%	
2006	3,774	126,681,858	33,567	7.1%	
2005	3,596	118,772,284	33,029	5.9%	
2004	3,592	117,012,992	32,576	6.3%	
2003	3,565	114,500,670	32,118	7.2%	
BASS RIVER TOWNSHIP					
2012	1,447	68,574,777	47,391	N/A	
2011	*	1,444	67,140,224	46,496	9.0%
2010	1,541	73,464,093	47,673	8.7%	
2009	1,547	70,264,740	45,420	5.1%	
2008	1,551	67,259,115	43,365	3.7%	
2007	1,562	63,551,532	40,686	3.9%	
2006	1,551	61,289,316	39,516	4.1%	
2005	1,555	59,024,690	37,958	3.7%	
2004	1,548	57,632,040	37,230	4.8%	
2003	1,529	56,369,643	36,867	5.2%	

* 2010 Census

**PINELANDS REGIONAL SCHOOL DISTRICT
PRINCIPAL EMPLOYERS
CURRENT YEAR AND TEN YEARS AGO**

NOT AVAILABLE

**FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
LAST EIGHT FISCAL YEARS**

Function/Program	2012	2011	2010	2009	2008	2007	2006	2005
Instruction:								
Regular	128	130	137	126	130	127	116	110
Special Education	45	46	49	59	66	68	83	70
Other Special Education Instruction	14	14	9	10	11	15	21	23
Support Services:								
Student & Instruction Related Services	67	67	63	55	44	44	41	40
General Administrative Services	4	4	2	3	3	4	5	5
School Administrative Services	8	8	15	8	8	14	16	16
Business Administrative Services	4	4	4	5	5	9	6	5
Plant Operations & Maintenance	33	33	32	34	29	30	36	35
Pupil Transportation	1	1	1	1	1	1	1	1
Total	304	307	312	301	297	312	325	305

Source: District Personnel Records

**PINELANDS REGIONAL SCHOOL DISTRICT
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
						MIDDLE SCHOOL	SENIOR HIGH SCHOOL				
117 2012	1,750	\$32,606,116	18,632	1.59%	187	1:8:2	1:9:0	1,705	1,543	-3.18%	90.50%
2011	1,781	32,664,014	18,340	-1.42%	195	1:7:9	1:9:0	1,761	1,566	-0.90%	88.93%
2010	1,824	33,935,991	18,605	11.02%	195	1:8:4	1:9:0	1,777	1,635	-1.44%	92.01%
2009	1,870	31,339,090	16,759	2.74%	254	1:8.5	1:8.9	1,803	1,664	-1.26%	92.29%
2008	1,870	30,502,825	16,312	6.18%	251	1:9.1	1:9.2	1,826	1,676	-2.41%	91.79%
2007	1,908	29,311,935	15,363	5.41%	254	1:9.1	1:9.2	1,871	1,705	-1.42%	91.13%
2006	1,898	27,660,564	14,574	3.81%	325	1:9.6	1:9.6	1,898	1,651	3.38%	86.99%
2005	1,913	26,857,117	14,039	6.83%	235	1:9.6	1:9.6	1,836	1,593	-3.97%	86.76%
2004	1,912	25,127,605	13,142	0.28%	281	1:9.6	1:9.6	1,912	1,712	11.29%	89.54%
2003	1,809	23,706,787	13,105	3.08%	284	1:13	1:13	1,718	1,580	-2.61%	91.97%

Sources: District records

Note: Enrollment based on annual October district count.

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

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

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

**PINELANDS REGIONAL SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEAR**

DISTRICT BUILDINGS	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Middle School:										
Square Feet	151,000	151,000	151,000	151,000	151,000	151,000	151,000	151,000	151,000	151,000
Capacity (Students)	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100
Enrollment	899	899	841	634	972	1,017	950	1,093	990	977
High School:										
Square Feet	219,000	219,000	219,000	219,000	219,000	219,000	219,000	219,000	219,000	219,000
Capacity (Students)	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300
Enrollment	956	956	956	1,237	880	891	948	820	879	832
Alternate School:										
Square Feet	4,200	4,200	4,200	N/A						
Capacity (Students)	48	48	48	N/A						
Enrollment	15	15	15	N/A						
Other Buildings:										
Administration Building:										
Square Feet	3,600	3,600	3,600	3,600	3,600	3,600	3,600	3,600	3,600	3,600

Number of Schools at June 30, 2012:

 Middle School = 1

 High School = 1

 Other = 1

Source: District Facilities Office

**PINELANDS REGIONAL SCHOOL DISTRICT
SCHEDULE OF REQUIRED MAINTENANCE
LAST TEN FISCAL YEARS**

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

* School Facilities Project Numbers	MIDDLE SCHOOL 4950-060-04-1000	HIGH SCHOOL	TOTAL
2012	\$240,929	349,427	590,356
2011	356,241	411,450	767,691
2010	260,702	455,778	716,480
2009	356,391	435,590	791,981
2008	329,809	401,800	731,609
2007	319,386	359,484	678,870
2006	354,428	343,912	698,340
2005	328,529	381,132	709,661
2004	245,275	347,228	592,503
2003	214,069	321,103	535,172

**INSURANCE SCHEDULE
JUNE 30, 2012**

COMPANY	TYPE OF COVERAGE	AMOUNT OF COVERAGE	DEDUCTIBLE
Graphic Arts Mutual Insurance Co.	School Package Policy	\$81,597,575	\$1,000
	Property - Blanket Buildings & Grnds		
	Flood/Earthquake	1,015,000	25,000
	General Liability	3,000,000	
	Employee Benefit Liability	1,000,000	1,000
	Crime Coverage/Employee Dishonesty	100,000	
	Inland Marine	500,000	100
	Boiler & Machinery	81,597,575	1,000
	School Board Legal Liability	1,000,000	10,000
Utica National Insurance Group	Catastrophe Liability/Umbrella	10,000,000	10,000
	Automobile	1,000,000	500/1,000
New Jersey School Board's Insurance Group	Workers Compensation	2,000,000	
Markel Insurance Co.	Student Accident	5,000,000	25,000
Fireman's Fund Insurance Company	Excess Umbrella Policy	50,000,000	10,000,000

Source: District Records

SINGLE AUDIT SECTION

EXHIBIT K-1

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

Honorable President and Members
of the Board of Education
Pinelands Regional School District
County of Ocean
Little Egg Harbor, New Jersey 08050

We have audited the basic financial statements of the Board of Education of the Pinelands Regional School District, County of Ocean, State of New Jersey, as of and for the fiscal year ended June 30, 2012, and have issued our report thereon dated October 31, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey and which are described in the accompanying schedule of findings and questioned costs as Finding No: 2012-01.

The Board of Education of the Pinelands Regional School District's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the Board of Education of the Pinelands Regional School District's response and, accordingly, we express no opinion on it.

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

Respectfully submitted,

HOLMAN & FRENIA, P. C.

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

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

Medford, New Jersey
October 31, 2012

EXHIBIT K-2

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

Honorable President and Members
of the Board of Education
Pinelands Regional School District
County of Ocean
Little Egg Harbor, New Jersey 08087

Compliance

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

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

As described in Finding No: 2012-01 the District failed to comply with the requirements necessary to properly report for amount of meals claimed for federal reimbursement, resulting in under-claimed meals. The District did not comply on requirements regarding reporting and certification of meal claims. Compliance with such requirements is necessary, in our opinion, for the District to comply with the requirements applicable to those programs.

In our opinion, except for the noncompliance described in the preceding paragraph, the Board of Education of the Pinelands Regional School District, County of Ocean, State of New Jersey, complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal or state programs for the year ended June 30, 2012.

Internal Control Over Compliance

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

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

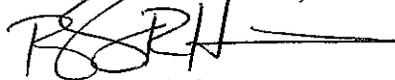
Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies or material weaknesses. We identified a deficiency in internal control over compliance that we consider to be material weaknesses, as defined above, as Finding No: 2012-01.

The Board of Education of the Pinelands Regional School District's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the Board of Education of the Pinelands Regional School District's response and, accordingly, we express no opinion on it.

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

Respectfully submitted,

HOLMAN & FRENIA, P. C.



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

Medford, New Jersey
October 31, 2012

PINELANDS REGIONAL SCHOOL DISTRICT
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

FEDERAL GRANTOR PASS-THROUGH GRANTOR PROGRAM TITLE	FEDERAL CFDA NUMBER	GRANT OR STATE PROJECT NUMBER	AWARD AMOUNT	GRANT PERIOD	BALANCE AT JUNE 30, 2011	CASH RECEIVED	BUDGETARY EXPENDITURES	(ACCOUNTS RECEIVABLE) AT JUNE 30, 2012	DUE TO GRANTOR AT JUNE 30, 2012
U.S. DEPARTMENT OF AGRICULTURE PASSED- THROUGH STATE DEPARTMENT OF EDUCATION:									
Food Distribution Program	10.550	N/A	\$24,457	7/1/11-6/30/12		24,457	(24,457)		
National School Breakfast Program	10.553	N/A	63,154	7/1/11-6/30/12		61,554	(63,154)	(1,600)	
National School Breakfast Program	10.553	N/A	56,351	7/1/10-6/30/11	(\$731)	731			
National School Lunch Program	10.555	N/A	283,621	7/1/11-6/30/12		254,108	(283,621)	(29,513)	
Total U.S. Department of Agriculture					(731)	340,850	(371,232)	(31,113)	
U.S. DEPARTMENT OF EDUCATION PASSED- THROUGH STATE DEPARTMENT OF EDUCATION:									
General Fund:									
Medical Assistance Program	93.778	N/A	35,597	7/1/11-6/30/12		35,597	(35,597)		
Educational Jobs Fund Program	84.410	N/A	422,685	7/1/11-6/30/12		422,685	(422,685)		
Total General Fund						458,282	(458,282)		
Special Revenue Fund:									
No Child Left Behind:									
Title I, Part A	84.010	NCLB476012	226,019	9/1/11-8/31/12		105,828	(224,607)	(118,779)	
Title I, Part A	84.010	NCLB476011	232,978	9/1/10-8/31/11	(114,520)	118,150	(3,630)		
Title II-A	84.367	NCLB476012	45,108	9/1/11-8/31/12		29,202	(45,108)	(15,906)	
Title II-A	84.367	NCLB476011	53,493	9/1/10-8/31/11	(23,050)	23,050			
Title II-D	84.318	NCLB476011	453	9/1/10-8/31/11	(253)	253			
I.D.E.A. Part B - Basic	84.027	IDEA410512	458,317	9/1/11-8/31/12		349,912	(458,317)	(108,405)	
I.D.E.A. Part B - Basic	84.027	IDEA410511	450,646	9/1/10-8/31/11	(109,289)	109,289			
I.D.E.A. Part B - Basic, Recovery Act	84.391	IDEA410511	436,284	9/1/10-8/31/11	(82,464)	82,464			
Carl D. Perkins	84.048	N/A	47,710	9/1/11-8/31/12		47,703	(47,703)		
Carl D. Perkins	84.048	N/A	80,670	9/1/10-8/31/11	(53,785)	53,785			
Pregnancy Prevention	93.297	N/A	35,066	9/1/11-8/31/12	(8,143)	59,191	(52,252)	(1,204)	
Total Special Revenue Fund					(391,504)	978,827	(831,617)	(244,294)	
Total U.S. Department of Education					(391,504)	1,437,109	(1,289,899)	(244,294)	
Total Federal Financial Assistance					(\$392,235)	1,777,959	(1,661,131)	(275,407)	

PINELANDS REGIONAL SCHOOL DISTRICT
SCHEDULE OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

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STATE GRANTOR/ PROGRAM TITLE	GRANT OR STATE PROJECT NUMBER	AWARD AMOUNT	GRANT PERIOD	BALANCE		BUDGETARY EXPENDITURES	(ACCOUNTS RECEIVABLE AT JUNE 30, 2012	DEFERRED REVENUE AT JUNE 30, 2012	MEMO		
				AT JUNE 30, 2011	CASH RECEIVED				BUDGETARY RECEIVABLE	CUMULATIVE TOTAL EXPENDITURES	
State Department of Education:											
General Fund:											
Categorical Transportation Aid	12-495-034-5120-014	\$805,461	7/1/11-6/30/12		805,461	(805,461)			78,917	805,461	
Categorical Special Education Aid	12-495-034-5120-089	923,358	7/1/11-6/30/12		923,358	(923,358)			80,662	923,358	
Equalization Aid	12-495-034-5120-078	8,722,246	7/1/11-6/30/12		8,652,833	(8,652,833)			847,727	8,652,833	
Categorical Security Aid	12-495-034-5120-084	290,161	7/1/11-6/30/12		290,161	(290,161)			28,433	290,161	
Adjustment Aid	12-495-034-5120-085	773,421	7/1/11-6/30/12		773,421	(773,421)			75,772	773,421	
Extraordinary Aid	12-100-034-5120-473	241,988	7/1/11-6/30/12			(241,988)	(241,988)				
Extraordinary Aid	11-100-034-5120-473	219,710	7/1/10-6/30/11	(\$219,710)	219,710						
Non-Public Transportation Aid	12-495-034-5120-014	5,469	7/1/11-6/30/12			(5,469)	(5,469)			5,469	
Non-Public Transportation Aid	11-495-034-5120-014	8,721	7/1/10-6/30/11	(8,721)	8,721						
Reimbursed TPAF Social Security Contributions	12-495-034-5095-002	985,409	7/1/11-6/30/12		985,409	(985,409)				985,409	
On-Behalf TPAF Pension Contributions	12-495-034-5095-001	1,362,947	7/1/11-6/30/12		1,362,947	(1,362,947)				1,362,947	
Total General Fund					(228,431)	14,022,021	(14,041,047)	(247,457)	1,111,511	13,799,059	
Special Revenue Fund:											
School Based Youth	12AZQP	493,945	7/1/11-6/30/12		493,945	(493,945)				493,945	
Community Partnership for Adolescent Health	N/A	168,380	7/1/10-6/30/11	(28,614)	8,000		(20,614)				
Anti-Bullying Bill of Rights	N/A	7,729	7/1/10-6/30/12		7,729			7,729			
Total Special Revenue Fund					(28,614)	509,674	(493,945)	(20,614)	7,729	493,945	
Debt Service Fund:											
Debt Service Aid Type II	12-495-034-5120-017	710,829	7/1/10-6/30/11		710,829	(710,829)				710,829	
Total State Department of Education					(257,045)	15,242,524	(15,245,821)	(268,071)	7,729	1,111,511	15,003,833
State Department of Agriculture:											
State School Lunch Program	12-100-010-3350-022	9,205	7/1/11-6/30/12		8,269	(9,205)	(936)				
Total State Department of Agriculture					8,269	(9,205)	(936)				
Total State Financial Assistance					(\$257,045)	15,250,793	(15,255,026)	(269,007)	7,729	1,111,511	15,003,833

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

Section I -- Summary of Auditor's Results

Financial Statements

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

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
10.555	National School Lunch Program
84.410	Educational Job Funds Program

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

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

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

State Awards

Internal Control over major programs:

- | | |
|---|---------------|
| 1) Material weakness(es) identified? | None Reported |
| 2) Significant deficiencies identified that are not considered to be material weaknesses? | Yes |

Type of auditor’s report issued on compliance for major programs	<u>Unqualified</u>
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Any audit findings disclosed that are required to be reported in accordance with NJ OMB Circular Letter 04-04?	No
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Identification of major programs:

GMIS Number(s)	Name of State Program
12-495-034-5120-089	Categorical Special Education Aid
12-495-034-5120-078	Equalization Aid
12-495-034-5120-084	Categorical Security Aid
12-495-034-5120-085	Adjustment Aid

Dollar threshold used to distinguish between type A and type B programs:	\$457,651
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Auditee qualified as low-risk auditee?	Yes
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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.

Finding 2012-01:

Criteria:

Reconciliations should be performed between the requests for reimbursements for the National School Lunch and Breakfast Programs and the cafeteria sales records from the P.O.S. system.

**PINELANDS REGIONAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2011**

Section II – Financial Statement Findings (continued)

Finding 2012-01 (continued):

Condition:

During our testing we noted five out ten months submitted for reimbursement contained under-claimed meals.

Context:

We noted under-claimed meals of 15,607, leading to under-claimed revenues of \$23,127.

Cause:

Reconciliations are not performed between the grant reimbursement requests and the supporting documentation from the cafeteria sales records.

Effect:

These underclaimed meals led to a loss of revenue of \$23,127.

Recommendation:

That a reconciliation be performed between the requests for reimbursements and the supporting documentation obtained from the cafeteria's sales records.

Management's Response:

This finding will be corrected in the fiscal year ending June 30, 2013.

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.

Finding 2012-01:

CFDA # 10.553 and 10.555

Criteria:

That reconciliations be performed between the cafeteria's POS system reports and the request for reimbursement reports before they are filed.

**PINELANDS REGIONAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2011**

**Section III – Federal Awards & State Financial Assistance Finding & Questioned Costs
(continued)**

Finding 2012-01 (continued):

Condition:

During our testing we noted five out of ten months submitted for reimbursement contained under-claimed meals.

Context:

We noted under-claimed meals of 15,607, leading to under-claimed revenues of \$23,127.

Cause:

Reconciliations are not performed between the grant reimbursement requests and the supporting documentation from the cafeteria sales records.

Effect:

These underclaimed meals led to a loss of revenue of \$23,127.

Recommendation:

That reconciliations be performed between the cafeteria's POS system reports and the request for reimbursement reports before they are filed.

Management's Response:

This finding will be corrected in the fiscal year ending June 30, 2013.

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

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

No Prior Year Findings

