

# **Comprehensive Annual Financial Report**

**of the**

**Township of Jackson School District**

**County of Ocean**

**Jackson, New Jersey**

**For the Fiscal Year Ended June 30, 2012**

**Prepared by**

**Jackson Township, Board of Education  
Finance Department**



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## INTRODUCTORY SECTION



# JACKSON BOARD OF EDUCATION

151 Don Connor Boulevard  
Jackson, NJ 08527  
(732) 833-4600  
FAX (732) 833-4609

Thomas Gialanella  
Superintendent of Schools

Michelle D. Richardson  
Board Secretary/  
Business Administrator

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November 19, 2012

Honorable President and Members  
Of the Board of Education  
Jackson School District  
County of Ocean, New Jersey 08527

Dear Board Members:

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

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the management's discussion and analysis, 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 State, Local Governments and Non-Profit Organizations," and the state Treasury Circular Letter 04-04, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments." Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations are included in the single audit section of this report.



**1. REPORTING ENTITY AND ITS' SERVICES:** Jackson School District is an independent reporting entity within the criteria adopted by the GASB as established by NCGA Statement No. 3. All funds and account groups of the District are included in this report. The Jackson 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 K through 12. These include regular, vocational as well as special education for handicapped children. The District completed the 2011/2012 fiscal-year with an enrollment of 9,398 students, which is 102 students below the previous year's enrollment. The following details the changes in the student enrollment of the District over the last ten years:

#### **Average Daily Enrollment**

<b><u>Fiscal Year</u></b>	<b><u>Student Enrollment</u></b>	<b><u>Percent Change</u></b>
2011/12	9,398	-1.1%
2010/11	9,500	-1.0%
2009/10	9,595	-.6%
2008/09	9,648	-1.1%
2007/08	9,753	1.1%
2006/07	9,651	.4%
2005/06	9,609	1.3%
2004/05	9,490	1.5%
2003/04	9,349	3.3%
2002/03	9,051	4.6%

**2. ECONOMIC CONDITION AND OUTLOOK:** The entire nation continues in a recessionary state, experiencing a slow decline in unemployment and moderate increases in construction. The Federal government had instituted several measures to try and turn the economy around, such as the American Recovery and Reinvestment Act, future stimulus measures are not certain.

### **3. EDUCATIONAL PROGRAM:**

*Mission Statement: The Jackson School District is committed to developing and sustaining a learning environment that fosters growth in scholarship, character and initiative. We are resolved to ensure all students achieve the New Jersey Core Curriculum Content Standards at all grade levels and our comprehensive education program provides opportunities for students to become life-long learners and contributing citizens in a worldwide community.*

The Jackson School District educational program spans Pre-Kindergarten to 12th grade in six elementary schools, two middle schools, and two high schools. Over 9,400 students have an opportunity to participate in a variety of programs which include, but are not limited to, the following:

- Basic Skills Literacy
- Basic Skills Math
- Enrichment
- English as a Second Language
- Special Education

Continued:

The elementary curriculum features a developmentally appropriate approach to learning and an emphasis on activities that promote early literacy. The secondary program offers required and elective courses, which are aligned to the Core Curriculum Content Standards.

The district continues to adapt the educational program to the standards set forth in the No Child Left Behind Legislation. Thus, a three-year action plan was created in math, literacy and science. Staff development activities are geared toward fulfilling the "Highly Qualified" standards for certified and non-certified personnel.

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

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

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

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

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

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

*Continued:*

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

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

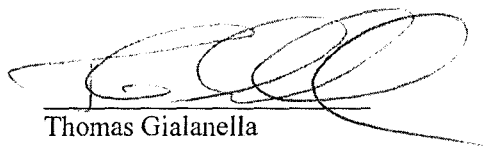
**9. OTHER INFORMATION:**

**A. Independent Audit** – State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The Board selected the accounting firm of Suplee, Clooney, & Company. 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 1984 and the related OMB Circular A-133 and State Treasury Circular Letter 04-04. 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. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

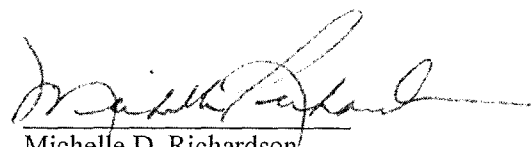
**10. FUTURE GROWTH:** The District continues to monitor its population through demographic studies in preparation of any needed facility changes.

**11. ACKNOWLEDGEMENTS:** We would like to express our appreciation to the members of the Jackson 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,



Thomas Gialanella  
Superintendent of Schools



Michelle D. Richardson  
Business Administrator/Board Secretary

**JACKSON TOWNSHIP SCHOOL DISTRICT  
BOARD OF EDUCATION  
JACKSON, NEW JERSEY**

**ROSTER OF OFFICIALS  
JUNE 30<sup>TH</sup>, 2012**

<b><u>Members of the Board of Education</u></b>	<b><u>Term Expires</u></b>
Sharon E. Dey, Board President	2013
Tracey Murnane, Board Vice President	2012
Barbara Fiero	2014
Michael R. Hanlon	2014
Marvin H. Krakower	2012
Linda A. Lackay	2013
Theresa Schiazza	2012

**Other Officials**

Thomas Gialanella, Superintendent of Schools

Michelle D. Richardson, Board Secretary/School Business Administrator

Brian Falkowski, Treasurer

Nicholas Montenegro, Board Attorney

**JACKSON TOWNSHIP SCHOOL DISTRICT  
BOARD OF EDUCATION  
JACKSON, NEW JERSEY**

**CONSULTANTS AND ADVISORS  
JUNE 30<sup>TH</sup>, 2012**

**Architects  
Fraytak, Veisz, Hopkins & Duthie  
1515 Lower Ferry Road  
Trenton, New Jersey 08628**

**DiCara/Rubino  
30 Galesi Drive, West Wing  
Wayne, New Jersey 07470**

**Settembrino Architects  
25 Bridge Avenue  
Red Bank, New Jersey 07701**

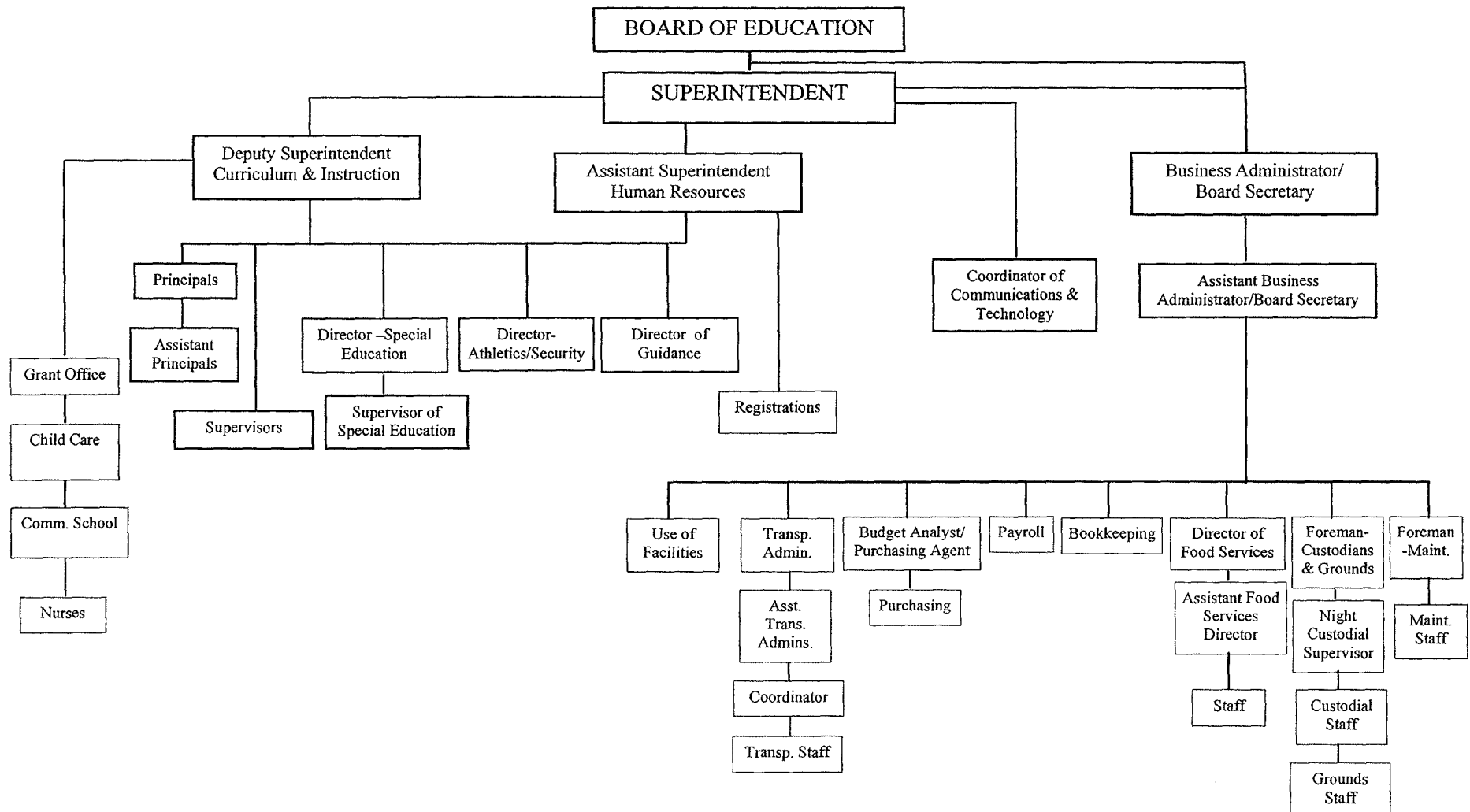
**Audit Firm  
Suplee Clooney & Company  
308 East Broad Street  
Westfield, New Jersey 07090-2122**

**Attorneys  
Board Attorney  
Nicholas Montenegro  
Montenegro Thompson Montenegro & Genz  
531 Burnt Tavern Road  
Brick, New Jersey 08724**

**Labor Attorney  
Marc H. Zitomer  
Schenck, Price, Smith & King, LLP  
220 Park Avenue  
Florham Park, New Jersey 07932**

**Official Depository  
Ocean First Bank  
260 North County Line road  
Jackson, New Jersey 08527**

# 1110 - ORGANIZATIONAL CHART



Adopted: 21 December 2004  
 Revised: 4 June 2007  
 Revised: 18 August 2009  
 Revised: 18 January 2011

**FINANCIAL SECTION**



# SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

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

Telephone 908-789-9300

Fax 908-789-8535

E-mail [info@scnco.com](mailto:info@scnco.com)

## INDEPENDENT AUDITOR'S REPORT

Honorable President and Members  
of the Board of Education  
Township of Jackson School District  
County of Ocean  
Jackson, New Jersey

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

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

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



## SUPLEE, CLOONEY & COMPANY

In accordance with Government Auditing Standards, we have also issued our report dated November 19, 2012 on our consideration of the Township of Jackson School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

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

Our audit was conducted for the purpose of forming opinions on the Township of Jackson School District's financial statements that collectively comprise the basic financial statements. The accompanying supplementary information schedules such as the combining and individual fund financial statements and the Schedules of Expenditures of Federal and State Awards, as listed in the table of contents, as required by U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments and Nonprofit Organization," New Jersey's OMB Circular NJOMB 04-04, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid," and State of New Jersey, Department of Education, Division of Finance are presented for purposes of additional analysis and are not a required part of the basic financial statements of the Township of Jackson School District, County of Ocean, New Jersey. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America.

## SUPLEE, CLOONEY & COMPANY

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

  
CERTIFIED PUBLIC ACCOUNTANTS

November 19, 2012

  
PUBLIC SCHOOL ACCOUNTANT NO. 93

**REQUIRED SUPPLEMENTARY INFORMATION – PART I**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

**JACKSON TOWNSHIP BOARD OF EDUCATION  
JACKSON, NEW JERSEY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012  
UNAUDITED**

The discussion and analysis of Jackson School District's financial performance provides an overall review of the School District's financial activities for the fiscal 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. Certain comparative information between the current year (2011-2012) and the prior year (2010-2011) is required to be presented in the MD&A.

**Financial Highlights**

Key financial highlights for 2012 are as follows:

In the District Wide Statements:

- ◆ In total, net assets increased \$5,463,182, which represents a 10.49 percent increase from 2011.
- ◆ General revenues accounted for \$130,876,043 in revenue or 89 percent of all revenues. Program specific revenues in the form of charges for services and operating grants and contributions accounted for \$17,889,583 or 11 percent of total revenues of \$148,765,626.
- ◆ Total assets of governmental activities increased by \$3,609,094 cash and cash equivalents increased by \$5,249,676. Receivables decreased by \$621,975 and capital assets decreased by \$3,894,232.
- ◆ The School District had \$143,302,445 in expenses; \$17,889,583 of these expenses was offset by program specific charges for services, grants or contributions. General revenues of \$130,876,043 were adequate to provide for these programs.

In the Fund Financial Statements:

- ◆ The General Fund had \$132,073,940 in revenues and \$127,061,175 in expenditures.
- ◆ The General Fund's fund balance increased \$5,012,765 over 2011.

**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 Jackson 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 Jackson School District, the General Fund is by far the most significant fund.

**JACKSON TOWNSHIP BOARD OF EDUCATION  
JACKSON, NEW JERSEY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012  
UNAUDITED (Continued)**

**Reporting the School District as a Whole**

**Statement of Net Assets and the Statement of Activities**

While this document contains most of the 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 asks the question, "How did we do financially during 2012?" The Statement of Net Assets and the Statement of Activities answers 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, 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. 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.

**Enterprise Fund**

The enterprise fund uses the same basis of accounting as business-type activities.

**JACKSON TOWNSHIP BOARD OF EDUCATION  
JACKSON, NEW JERSEY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012  
UNAUDITED (Continued)**

**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 notes to the financial statements can be found immediately following the 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. In accordance with GASB Statement 34, net asset comparisons to fiscal year 2011 are presented.

**TABLE 1  
Net Assets**

	<u>2012</u>	<u>2011</u>
<b>ASSETS</b>		
Current & Other Assets	\$22,262,247	\$14,758,921
Capital Assets	<u>138,127,522</u>	<u>142,021,754</u>
TOTAL ASSETS	160,389,769	156,780,675
 <b>LIABILITIES</b>		
Long-Term Liabilities	94,759,863	97,645,084
Other Liabilities	<u>8,062,113</u>	<u>7,030,979</u>
TOTAL LIABILITIES	102,821,976	104,676,063
 <b>NET ASSETS</b>		
Invested in capital assets, net of related debt	47,266,512	48,978,500
Restricted	10,675,729	6,822,188
Unrestricted (Deficit)	<u>(374,448)</u>	<u>(3,696,077)</u>
 TOTAL NET ASSETS	<u><u>\$57,567,793</u></u>	<u><u>\$52,104,611</u></u>

The District's combined net assets were \$57,567,793 on June 30, 2012. This was an increase of 10.49 percent from the prior year.

**JACKSON TOWNSHIP BOARD OF EDUCATION  
JACKSON, NEW JERSEY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012  
UNAUDITED (Continued)**

Table 2 shows changes in net assets for fiscal year 2012. In accordance with GASB Statement 34, revenue and expense comparisons to fiscal year 2011 is presented to comparatively analyze district-wide data.

**TABLE 2  
CHANGES IN NET ASSETS**

	<u>2012</u>	<u>2011</u>
Revenues:		
Program Revenues:		
Charges for Services	\$3,869,448	\$3,846,828
Operating Grants & Contributions	14,020,135	13,951,790
General Revenues		
Property Taxes	77,773,303	77,859,969
Grants (includes State Aid) and Entitlements	52,258,170	45,879,866
Other Revenues	1,142,375	771,419
Disposal of Capital Assets	(297,805)	(472,988)
	<u>148,765,627</u>	<u>141,836,884</u>
Expenses:		
Instruction	72,903,175	74,404,422
Pupils and Instructional Staff	21,277,779	22,276,103
General & School Adm, Central Serv & Adm Technology	12,503,867	12,305,159
Maintenance	12,289,740	12,034,474
Transportation	10,836,039	10,629,131
Interest on Long-Term Debt	4,794,915	5,179,101
Business-Type	4,243,389	4,328,883
Other	4,453,541	893,666
Total Expenses	<u>143,302,445</u>	<u>142,050,940</u>
Change in Assets	5,463,181	(214,057)
Net Assets July 1,	<u>52,104,611</u>	<u>52,318,668</u>
Net Assets June 30,	<u><u>\$57,567,793</u></u>	<u><u>\$52,104,611</u></u>

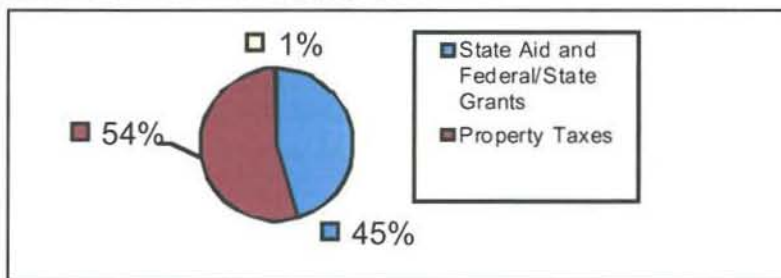


**JACKSON TOWNSHIP BOARD OF EDUCATION  
JACKSON, NEW JERSEY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012  
UNAUDITED (Continued)**

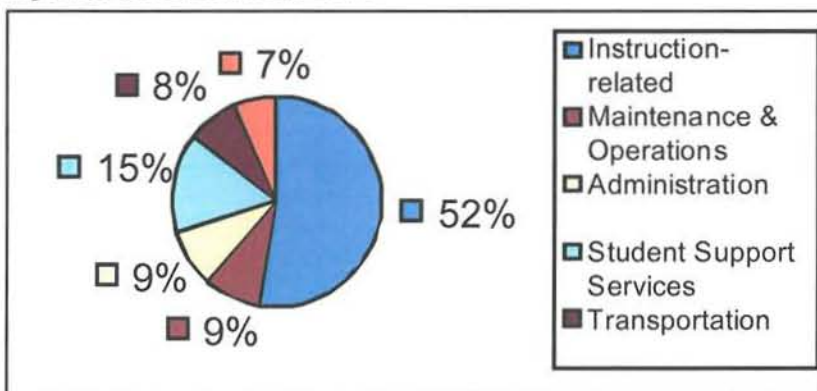
**Governmental Activities**

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 54 percent of revenues for governmental activities for the Jackson School District for fiscal year 2012. The District's total revenues from governmental activities were \$143,957,835 for the year ended June 30, 2012. Federal, state, and local grants and state aid accounted for another 45 percent of revenue.

**Sources of Revenue for Fiscal Year 2012**



**Expenses for Fiscal Year 2012**



The total cost of all program and services was \$139,059,056. Direct instruction comprises 52 percent of District expenses.

**Business-Type Activities**

Revenues for the District's business-type activities (food service, child care, extended enrichment kindergarten, community school and pre-school programs) were comprised of charges for services and federal and state reimbursements.

- ◆ Business Type revenues exceeded expenses by \$564,403
- ◆ Charges for services represent \$3,869,448 of revenue. This represents amounts paid by patrons for the various program services.
- ◆ Federal and state reimbursement for meals, including payments for free and reduced lunches, and donated commodities was \$921,722.

**JACKSON TOWNSHIP BOARD OF EDUCATION  
JACKSON, NEW JERSEY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012  
UNAUDITED (Continued)**

**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 total costs include compensating absences, unallocated benefits, and depreciation and is reduced by grants and specific state aid. The net cost shows the financial burden that was placed on the District's taxpayers by each of these functions. In accordance with GASB Statement 34, a comparison to fiscal year 2011 is presented.

TABLE 3  
NET COST OF SERVICES

	Total Cost of Services <u>2012</u>	Total Cost of Services <u>2011</u>	Net Cost of Services <u>2012</u>	Net Cost of Services <u>2011</u>
Instruction	\$72,903,175	\$74,404,422	\$64,528,177	\$66,081,546
Pupils and Instructional Staff	21,277,779	22,276,103	19,671,394	20,187,126
Gen. & School Adm, Central Serv & Adm Technology	12,503,867	12,305,159	11,593,350	11,531,303
Maintenance	12,289,740	12,034,474	11,757,357	11,581,997
Transportation	10,836,039	10,629,131	10,112,107	10,162,421
Interest on Long-Term Debt	4,794,915	5,179,101	3,872,041	4,183,881
Business-Type	4,243,389	4,328,883	(547,781)	(346,394)
Other	4,453,541	893,666	4,426,217	870,443
Total Expenses	<u>\$143,302,445</u>	<u>\$142,050,940</u>	<u>\$125,412,862</u>	<u>\$124,252,323</u>

**Instruction** expenses include the activities involving the interaction between teachers and students in a school classroom, another location such as a home or hospital, and in other learning situations such as those involving co-curricular activities.

**Support Services** includes expenses for pupils and instructional staff providing administrative, technical, and logistical support to facilitate and enhance instruction. This area includes Attendance and Social Work Services, Health Services, Child Study Team Services, Curriculum Development, Staff Training, and School Library Services.

**School Administration, General Administration, Central Service & Administrative Technology** includes expenses associated with administrative responsibility for the schools: Supervision of the schools, evaluation of school staff members, fiscal services, human resources, strategic planning, purchasing, payroll, and management of the district's information technology system.

**Operation and Maintenance of Facilities** involve keeping the physical plant open, comfortable, and safe for use, and keeping the grounds, buildings, and equipment in 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 Federal and State law.

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

**Business Type Activities** involves the transactions associated with the operation of the Food Service, Child Care, Community School and Preschool Programs.

**Other** includes special schools and unallocated depreciation.

**JACKSON TOWNSHIP BOARD OF EDUCATION  
JACKSON, NEW JERSEY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012  
UNAUDITED (Continued)**

**The School District's Funds**

All governmental funds (i.e., general fund, special revenue fund, Capital projects 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 \$144,254,457 and expenditures were \$139,653,190. The net negative change in fund balance for the year was \$4,601,266.

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 general fund, special revenue fund and debt service fund for the fiscal year ended June 30, 2012, and the amount and percentage of increases and decreases in relation to prior year revenues.

**REVENUES:**

	<u>Amount</u>	<u>Percentage</u>	<u>Increase/Decrease from 2011</u>	<u>Percentage Change</u>
Local Sources	\$78,929,210	54.73%	\$366,530	0.47%
State Sources	60,427,465	41.89%	6,005,611	11.04%
Federal Sources	<u>4,881,120</u>	<u>3.38%</u>	<u>339,680</u>	<u>7.48%</u>
	<u><u>\$144,237,795</u></u>	<u><u>100.00%</u></u>	<u><u>\$6,711,822</u></u>	<u><u>4.88%</u></u>

The increase in State sources is the result of the State's increase in state formula aid to school districts.

Federal revenues increased due to the District's use of the Education Jobs Fund grant.

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

**EXPENDITURES**

	<u>Amount</u>	<u>Percentage</u>	<u>Increase/Decrease from 2011</u>	<u>Percentage Change</u>
Current Expense:				
Instruction	\$49,680,133	35.64%	\$1,522,211	3.16%
Undistributed	76,124,650	54.61%	1,677,302	2.25%
Capital Outlay	1,042,448	0.75%	(1,662,470)	-61.46%
Special Schools	213,943	0.15%	4,660	2.23%
Special Revenue	3,186,440	2.29%	(1,457,133)	-31.38%
Debt Service:				
Principal	4,559,000	3.27%	204,000	4.68%
Interest	<u>4,588,372</u>	<u>3.29%</u>	<u>(227,735)</u>	<u>-4.73%</u>
Total	<u><u>\$139,394,987</u></u>	<u><u>100.00%</u></u>	<u><u>\$60,835</u></u>	<u><u>0.04%</u></u>

Changes in expenditures were the results of varying factors. The decrease in Capital Outlay is the result of less Capital Projects being undertaken.

**JACKSON TOWNSHIP BOARD OF EDUCATION  
JACKSON, NEW JERSEY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012  
UNAUDITED (Continued)**

**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 as needed. Revisions in the budget were made to recognize revenues that were not anticipated and to prevent over-expenditures in specific line item accounts. Several of these revisions bear notation:

- ◆ The District received \$991,324 in extraordinary aid, which is state aid for special education students whose individual program cost exceeds \$40,000 per year; this was not anticipated as there is no guarantee from the Department of Education that these funds would be available.
- ◆ TPAF, which is the state's contribution to the pension fund, is neither a revenue item nor an expenditure item to the District but is required to be reflected in the financial statements. The current year's contributions reflect only the Post Retirement Medical Contribution as the State elected to defer payment of the normal contribution.
- ◆ Salaries of regular instruction continue to increase in proportion with the enrollment and negotiated contracts.
- ◆ The District's philosophy is to include special education students in regular academic classes whenever possible but with additional services. Students who may have been originally scheduled for Resource Room classes were scheduled for Inclusion classes. This necessitates the cost for additional instructional aides and teachers to accommodate resource students.
- ◆ Due to curriculum needs, additional monies were appropriated for general instructional supplies & textbooks throughout the year.
- ◆ Tuition for special education students has increased from 2011 due to rising tuition costs and an increase in the number of students requiring out of district placement as prescribed by their IEP.

**JACKSON TOWNSHIP BOARD OF EDUCATION  
JACKSON, NEW JERSEY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012  
UNAUDITED (Continued)**

**Capital Assets**

At the end of the fiscal year 2012, the School District had \$137,062,077 invested in land, building, furniture and equipment, and vehicles. Table 4 shows fiscal year 2012 balances compared to 2011.

**Table 4  
Capital Assets (Net of Depreciation) at June 30**

	2012	2011
Land	\$15,707,450	\$15,707,450
Construction in Progress	465,678	192,177
Site Improvements	1,804,756	1,777,802
Building and Building Improvements	112,755,773	115,980,182
Machinery and Equipment	6,328,420	8,252,567
<b>Total</b>	<b>\$137,062,077</b>	<b>\$141,910,178</b>

Overall capital assets decreased \$4,848,101 from fiscal year 2011 to fiscal year 2012. The decrease in capital assets is due primarily to depreciation of assets. For more detailed information, please refer to the Notes to the Financial Statements.

**Debt Administration**

At June 30, 2012, the School District had \$98,716,818 of outstanding debt. Of this amount, \$4,606,495 is for compensated absences; \$2,297,180 for various capital leases; and \$94,831,000 of serial bonds for school construction.

Table 5 illustrates the balances of the District's various bonds issues outstanding at June 30, 2012 and June 30, 2011.

**Table 5  
Outstanding Debt at June 30,**

	2012	2011
1991 General Obligation Bonds	\$-0-	\$1,584,000
2002 General Obligation Bonds	-0-	750,000
2003 ERIP Refunding Bonds	2,425,000	2,955,000
2006 Refunding Bonds	81,435,000	82,830,000
2007 General Obligation Bonds	10,971,000	11,271,000
<b>Total</b>	<b>\$94,831,000</b>	<b>\$99,390,000</b>

At June 30, 2012, the School District's overall legal debt margin was \$182,848,085.

**JACKSON TOWNSHIP BOARD OF EDUCATION  
JACKSON, NEW JERSEY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012  
UNAUDITED (Continued)**

**For the Future**

The Jackson School District is in good financial condition presently. The School District is proud of its community support of the public schools. During the 2011-2012 school year, the state significantly reduced state aid. A change in the administration at the Governor's office has lead to a different approach to the funding of education in the state. There is uncertainty regarding the method and amount of funding the states portion of educational aid in the future. The Board and Administration continue to find creative means to fill the gap between funding, and the cost to provide education to Jackson's students.

In addition, 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 challenge of the future. In conclusion, the Jackson School District has committed itself to financial excellence for many years.

**Contacting the School District's Financial 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 Ms. Michelle D. Richardson, Business Administrator/Board Secretary at Jackson Township Board of Education, Administration Building, 151 Don Connor Blvd., Jackson, NJ 08527. Please visit our website at [www.jacksonsd.org](http://www.jacksonsd.org).

## **BASIC FINANCIAL STATEMENTS**

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

## **DISTRICT-WIDE FINANCIAL STATEMENTS**

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



JACKSON TOWNSHIP SCHOOL DISTRICT  
STATEMENT OF NET ASSETS  
JUNE 30, 2012

	<u>GOVERNMENTAL</u> <u>ACTIVITIES</u>	<u>BUSINESS-TYPE</u> <u>ACTIVITIES</u>	<u>TOTAL</u>
<b>ASSETS:</b>			
Cash and cash equivalents	\$11,836,589.33	\$2,954,663.38	\$14,791,252.71
Receivables, net	2,486,972.70	35,408.60	2,522,381.30
Inventory		17,719.76	17,719.76
Restricted assets:			
Restricted cash and cash equivalents	4,930,893.27		4,930,893.27
Capital assets:			
Land and Construction in progress	16,173,127.42	982,874.91	17,156,002.33
Other Capital Assets net of depreciation	120,888,949.32	82,570.25	120,971,519.57
Total Assets	<u>156,316,532.04</u>	<u>4,073,236.90</u>	<u>160,389,768.94</u>
<b>LIABILITIES:</b>			
Accounts payable	2,557,805.80	357,622.21	2,915,428.01
Payable to state government	10,700.97		10,700.97
Interfunds payable		320,141.50	320,141.50
Deposits payable	688.25		688.25
Deferred revenue	783.14	225,129.71	225,912.85
Bond Interest Payable	181,353.38		181,353.38
Noncurrent liabilities:			
Due within one year:			
Bonds and capital leases payable	4,319,671.64	88,216.70	4,407,888.34
Due beyond one year:			
Compensated absences payable	4,606,495.02	87,025.26	4,693,520.28
Bonds and capital leases payable	89,790,651.78	275,690.94	90,066,342.72
Total liabilities	<u>101,468,149.98</u>	<u>1,353,826.32</u>	<u>102,821,976.30</u>
<b>NET ASSETS:</b>			
Invested in capital assets, net of related debt	46,201,066.71	1,065,445.16	47,266,511.87
Restricted for:			
Debt service fund (deficit)	(66,158.45)		(66,158.45)
Other purposes	10,741,887.36		10,741,887.36
Unrestricted (deficit)	<u>(2,028,413.56)</u>	<u>1,653,965.42</u>	<u>(374,448.14)</u>
Total net assets	<u>\$54,848,382.06</u>	<u>\$2,719,410.58</u>	<u>\$57,567,792.64</u>

See accompanying notes to financial statements.

JACKSON TOWNSHIP SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
JUNE 30, 2012

Functions/Programs	Expenses	Programs Revenues		Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities:						
Instruction:						
Regular	\$ 47,418,293.10	\$	\$ 3,730,211.32	\$ (43,688,081.78)	\$	\$ (43,688,081.78)
Special	21,976,846.06		4,394,460.85	(17,582,385.21)		(17,582,385.21)
Other Instruction	3,508,035.75		250,326.09	(3,257,709.66)		(3,257,709.66)
Support services:						
Tuition	3,876,982.94			(3,876,982.94)		(3,876,982.94)
Student & instruction related services	17,400,796.17		1,606,384.87	(15,794,411.30)		(15,794,411.30)
General administrative services	1,925,564.62		40,545.78	(1,885,018.84)		(1,885,018.84)
School administrative services	6,969,043.79		564,996.56	(6,404,047.23)		(6,404,047.23)
Central service/Admin information technology	3,609,258.71		304,974.74	(3,304,283.97)		(3,304,283.97)
Plant operations and maintenance	12,289,740.37		532,383.66	(11,757,356.71)		(11,757,356.71)
Pupil transportation	10,836,039.01		723,931.83	(10,112,107.18)		(10,112,107.18)
Special Schools	467,036.59		27,324.33	(439,712.26)		(439,712.26)
Interest on Long-Term Debt	4,794,914.55		922,873.50	(3,872,041.05)		(3,872,041.05)
Unallocated amortization	201,190.48			(201,190.48)		(201,190.48)
Unallocated depreciation	3,785,313.96			(3,785,313.96)		(3,785,313.96)
Total governmental activities	<u>139,059,056.10</u>		<u>13,098,413.53</u>	<u>(125,960,642.57)</u>		<u>(125,960,642.57)</u>
Business-type activities						
Food Service	2,833,183.75	1,960,706.05	921,721.89		49,244.19	49,244.19
Child Care	842,554.10	1,107,740.98			265,186.88	265,186.88
Extended Enrichment Kindergarten	329,228.06	556,329.64			227,101.58	227,101.58
Community School	79,177.15	89,778.61			10,601.46	10,601.46
Preschool Program	128,825.09	124,752.81			(4,072.28)	(4,072.28)
Digital Mass Media Program	30,421.18	30,140.00			(281.18)	(281.18)
Total business-type activities	<u>4,243,389.33</u>	<u>3,869,448.09</u>	<u>921,721.89</u>		<u>547,780.65</u>	<u>547,780.65</u>
Total primary government	<u>\$ 143,302,445.43</u>	<u>\$ 3,869,448.09</u>	<u>\$ 14,020,135.42</u>	<u>\$ (125,960,642.57)</u>	<u>\$ 547,780.65</u>	<u>\$ (125,412,861.92)</u>
General Revenues:						
Taxes:						
Property taxes, levied for general purposes, net				\$ 70,641,635.00	\$	\$ 70,641,635.00
Taxes levied for debt service				7,131,668.00		7,131,668.00
Federal and state aid not restricted				51,335,296.65		51,335,296.65
Federal and state aid restricted				922,873.50		922,873.50
Miscellaneous income				1,125,753.17	16,622.29	1,142,375.46
Disposal of capital asset (net)				(297,805.27)		(297,805.27)
Total general revenues and special items				<u>130,859,421.05</u>	<u>16,622.29</u>	<u>130,876,043.34</u>
Change in net Assets				4,898,778.48	564,402.94	5,463,181.42
Net Assets - beginning				49,949,603.58	\$ 2,155,007.64	\$ 52,104,611.22
Net Assets ending				<u>\$ 54,848,382.06</u>	<u>\$ 2,719,410.58</u>	<u>\$ 57,567,792.64</u>

See accompanying notes to financial statements.

## **MAJOR FUND FINANCIAL STATEMENTS**

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

JACKSON TOWNSHIP SCHOOL DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2012

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTAL GOVERNMENTAL FUNDS
ASSETS:					
Cash and cash equivalents	\$ 9,218,787.99	\$	\$ 2,351,708.94	\$ 266,092.40	\$ 11,836,589.33
Cash with Fiscal Agents	927,000.00				927,000.00
Cash, Capital Reserve	4,003,893.27				4,003,893.27
Other receivables	9,532.28	22,272.05			31,804.33
Due from other funds	1,093,607.14				1,093,607.14
Receivables from other governments	1,511,078.39	597,639.42			2,108,717.81
Total assets	\$ 16,763,899.07	\$ 619,911.47	\$ 2,351,708.94	\$ 266,092.40	\$ 20,001,611.88
LIABILITIES AND FUND BALANCES:					
Liabilities:					
Accounts payable	\$ 2,546,325.80	\$ 11,480.00	\$	\$	\$ 2,557,805.80
Interfund payables		596,259.11		150,897.47	747,156.58
Payable to state government		10,700.97			10,700.97
Deposits payable		688.25			688.25
Deferred revenue	927,000.00	783.14			927,783.14
Total liabilities	3,473,325.80	619,911.47		150,897.47	4,244,134.74
Fund balances:					
Restricted:					
Capital reserve account	4,003,893.27				4,003,893.27
Reserved Excess Surplus designated for subsequent years expenditures	3,131,265.66				3,131,265.66
Reserve for Excess surplus	3,532,238.00				3,532,238.00
Capital projects fund			2,322,313.39		2,322,313.39
Debt service fund				17,844.93	17,844.93
Committed:					
Encumbrances			29,395.55		29,395.55
Designated for subsequent years expenditures	2,623,176.34			97,350.00	2,720,526.34
Total fund balances	13,290,573.27		2,351,708.94	115,194.93	15,757,477.14
Total liabilities and fund balances	\$ 16,763,899.07	\$ 619,911.47	\$ 2,351,708.94	\$ 266,092.40	\$ 20,001,611.88

See accompanying notes to financial statements.

TOWNSHIP OF JACKSON SCHOOL DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2012

Total Fund Balances (Brought Forward)	\$15,757,477.14
---------------------------------------	-----------------

Amounts Reported for Governmental Activities in the Statement  
of Net Assets (A-1) are different because:

Capital assets used in governmental activities are not financial  
resources and therefore are not reported in the funds.

Cost of Assets	\$198,798,254.84	
Accumulated Depreciation	(61,736,178.10)	
		137,062,076.74

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

Compensated Absences	(4,606,495.02)	
Bonds Payable		
Outstanding at June 30, 2012	\$ (94,831,000.00)	
Less: Unamortized Balance of Refunding Bonds	3,017,857.14	
	(91,813,142.86)	
Capital Leases:		
Outstanding at June 30, 2012	\$ (2,297,180.56)	
Less: Unexpended Proceeds	927,000.00	
	(1,370,180.56)	
		(97,789,818.44)

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

Accrued Interest Payable	(181,353.38)	
		(181,353.38)

Net Assets of Governmental Activities	\$54,848,382.06
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See accompanying notes to financial statements.

JACKSON TOWNSHIP BOARD OF EDUCATION  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTAL GOVERNMENTAL FUNDS
<b>REVENUES:</b>					
Local sources:					
Local tax levy	\$ 70,641,635.00	\$	\$	7,131,668.00	\$ 77,773,303.00
Interest on capital reserve	3,892.27				3,892.27
Miscellaneous	1,104,015.89	47,998.77	16,662.12		1,168,676.78
Total - local sources	71,749,543.16	47,998.77	16,662.12	7,131,668.00	78,945,872.05
State sources	58,424,737.96	156,980.03		1,845,747.00	60,427,464.99
Federal sources	1,899,658.66	2,981,461.26			4,881,119.92
Total revenues	132,073,939.78	3,186,440.06	16,662.12	8,977,415.00	144,254,456.96
<b>EXPENDITURES:</b>					
Current expense:					
Regular instruction	34,108,896.75				34,108,896.75
Special instruction	13,045,476.28	2,927,761.50			15,973,237.78
Other Instruction	2,525,760.01				2,525,760.01
Support services:					
Tuition	3,876,982.94				3,876,982.94
Student & instruction related services	12,499,889.89	258,678.56			12,758,568.45
General administrative services	1,349,469.43				1,349,469.43
School administrative services	4,950,907.06				4,950,907.06
Central service/Admin information technology	2,330,157.98				2,330,157.98
Plant operations and maintenance	9,730,261.31				9,730,261.31
Pupil transportation	8,275,435.62				8,275,435.62
Unallocated benefits	33,111,546.03				33,111,546.03
Special schools	213,943.49				213,943.49
Debt Service:					
Principal				4,559,000.00	4,559,000.00
Interest				4,588,372.00	4,588,372.00
Capital outlay	1,042,448.06		258,203.52		1,300,651.58
Total expenditures	127,061,174.85	3,186,440.06	258,203.52	9,147,372.00	139,653,190.43
Excess (deficiency) of revenues over (under) expenditures	5,012,764.93		(241,541.40)	(169,957.00)	4,601,266.53
Other financing sources (uses):					
Transfers In/out			(16,662.12)	16,662.12	
Interest earned on Arbitrage reserve				1,182.89	1,182.89
Capital leases (non-budgeted)	48,782.18				48,782.18
Total other financing sources (uses)	48,782.18		(16,662.12)	17,845.01	49,965.07
Net change in fund balances	5,061,547.11		(258,203.52)	(152,111.99)	4,651,231.60
Fund balances, July 1, 2011	\$ 8,229,026.16	\$ -0-	\$ 2,609,912.46	\$ 267,306.92	11,106,245.54
Fund balances, June 30, 2012	\$ 13,290,573.27	\$ -0-	\$ 2,351,708.94	\$ 115,194.93	\$ 15,757,477.14

See accompanying notes to financial statements.

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

Total net change in fund balances - governmental funds (from B-2)	\$4,651,231.60
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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		(5,634,926.75)
Capital outlays	\$1,300,651.58	
Less: Capital Outlays not capitalized	<u>(216,021.00)</u>	
		1,084,630.58

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.	4,559,000.00
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Proceeds from debt issues are a financing source in 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 - Current Year	(48,782.18)
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Repayment of long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities.

Payment of capital lease payable	1,115,815.81
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In the statement of activities, interest on long-term debt is accrued, regardless of when due. In governmental funds, interest is reported when due. The accrued interest is an addition in the reconciliation.	9,478.45
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Bond Issue costs are reported in the Governmental Funds as expenditures in the year the bonds are issued. However, on the Statement of Activities the costs are amortized over the life of the Bonds.	(201,190.48)
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In the statement of activities, only the gain on the disposal of capital assets is reported, whereas in the governmental funds, the proceeds from a sale increase financial resources. Thus, the change in net assets will differ from the change in fund balance by the cost of the asset removed(-).	(297,805.27)
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In the statement of activities, certain expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation (-). When the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).	<u>(338,673.28)</u>
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Change in net assets of governmental activities (A-2)	<u>\$4,898,778.48</u>
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See accompanying notes to financial statements.

OTHER FUNDS
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JACKSON TOWNSHIP SCHOOL DISTRICT  
COMBINING STATEMENT OF NET ASSETS  
PROPRIETARY FUNDS - ENTERPRISE FUNDS  
JUNE 30, 2012

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND				
	MAJOR FUNDS				
	FOOD SERVICE FUND	CHILD CARE FUND	EXTENDED ENRICHMENT KINDERGARTEN FUND	NON-MAJOR FUNDS	TOTAL
ASSETS:					
Current assets:					
Cash and cash equivalents	\$1,100,434.81	\$921,452.64	\$267,175.58	\$209,050.95	\$2,498,113.98
Cash with fiscal agents	456,549.40				456,549.40
Accounts receivable:					
State	1,373.18				1,373.18
Federal	33,697.42				33,697.42
Other	338.00				338.00
Inventories	17,719.76				17,719.76
Total current assets	1,610,112.57	921,452.64	267,175.58	209,050.95	3,007,791.74
Noncurrent assets:					
Furniture, machinery & equipment	1,617,903.91				1,617,903.91
Less accumulated depreciation	(552,458.75)				(552,458.75)
Total noncurrent assets	1,065,445.16				1,065,445.16
Total assets	2,675,557.73	921,452.64	267,175.58	209,050.95	4,073,236.90
LIABILITIES:					
Current liabilities:					
Interfund payable	320,141.50				320,141.50
Deferred revenue	2,568.71	126,547.00	40,074.00	55,940.00	225,129.71
Accounts payable	348,206.75	2,801.48		6,613.98	357,622.21
Compensated absences	87,025.26				87,025.26
Noncurrent liabilities:					
Due within one year:					
Capital leases payable	88,216.70				88,216.70
Due beyond one year:					
Capital leases payable	275,690.94				275,690.94
Total current liabilities	1,121,849.86	129,348.48	40,074.00	62,553.98	1,353,826.32
Total liabilities	1,121,849.86	129,348.48	40,074.00	62,553.98	1,353,826.32
NET ASSETS:					
Invested in capital assets, net of depreciation	1,065,445.16				1,065,445.16
Unrestricted	488,262.71	792,104.16	227,101.58	146,496.97	1,653,965.42
Total net assets	\$1,553,707.87	\$792,104.16	\$227,101.58	\$146,496.97	\$2,719,410.58

See accompanying notes to financial statements.

JACKSON TOWNSHIP SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS  
PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND				
	MAJOR FUNDS				
	FOOD SERVICE FUND	CHILD CARE FUND	EXTENDED ENRICHMENT KINDERGARTEN FUND	NON-MAJOR TOTAL	TOTAL
OPERATING REVENUES:					
Charges for services:					
Daily sales - reimbursable programs	\$1,675,536.58				\$1,675,536.58
Daily sales - non-reimbursable programs	257,770.01				257,770.01
Special Functions	27,399.46				27,399.46
Tuition - individuals		\$1,107,740.98	\$556,329.64	\$244,671.42	1,908,742.04
Total operating revenues	1,960,706.05	1,107,740.98	556,329.64	244,671.42	3,869,448.09
OPERATING EXPENSES:					
Cost of sales	1,198,803.68				1,198,803.68
Salaries	862,616.78	694,044.83	307,015.41	197,726.70	2,061,403.72
Employee benefits	548,231.28	87,129.37	18,292.99	20,815.58	674,469.22
Other purchase service	6,495.97	10,484.86	266.50	7,823.74	25,071.07
Rentals		144.32			144.32
Supplies and materials	83,189.89	10,773.28	488.16	10,394.48	104,845.81
Repairs	20,589.61				20,589.61
Non-Instruction equipment	59,106.09				59,106.09
Miscellaneous	22,532.99	39,977.44	3,165.00	1,662.92	67,338.35
Interest on Long-Term Debt	2,611.96				2,611.96
Depreciation	29,005.50				29,005.50
Total operating expenses	2,833,183.75	842,554.10	329,228.06	238,423.42	4,243,389.33
Operating income (loss)	(872,477.70)	265,186.88	227,101.58	6,248.00	(373,941.24)
NONOPERATING REVENUES (EXPENSES):					
State Sources					
State School Lunch Program	30,526.21				30,526.21
Federal Sources					
National School Lunch Program	677,952.14				677,952.14
National School Breakfast Program	29,524.29				29,524.29
National food distribution commodities	183,719.25				183,719.25
Commissions / Rebates	16,622.29				16,622.29
Total nonoperating revenues (expenses)	938,344.18				938,344.18
Income (loss) before contributions & transfers	65,866.48	265,186.88	227,101.58	6,248.00	564,402.94
Total net assets - beginning	1,487,841.39	526,917.28		140,248.97	2,155,007.64
Total net assets - ending	1,553,707.87	792,104.16	227,101.58	146,496.97	2,719,410.58

See accompanying notes to financial statements.

JACKSON TOWNSHIP SCHOOL DISTRICT  
COMBINING STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS - ENTERPRISE FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND				
	MAJOR FUNDS				
	FOOD SERVICE FUND	CHILD CARE FUND	EXTENDED ENRICHMENT KINDERGARTEN FUND	NON-MAJOR TOTAL	TOTAL
Cash flows from operating activities:					
Receipts from customers	\$1,963,051.05	\$1,096,782.83	\$546,756.64	\$243,742.32	\$3,850,332.84
Payments to employees	(862,602.82)	(717,456.97)	(307,015.41)	(207,539.50)	(2,094,614.70)
Payments to employee benefits	(534,553.60)	(87,129.37)	(18,292.99)	(20,815.58)	(660,791.54)
Payments to suppliers	(1,212,577.65)	(60,809.17)	(3,919.66)	(18,567.42)	(1,295,873.90)
Net cash provided by (used for) operating activities	(646,683.02)	231,387.32	217,528.58	(3,180.18)	(200,947.30)
Cash flows from noncapital financing activities:					
State sources	29,155.50				29,155.50
Federal sources	673,801.41				673,801.41
Operating subsidies and transfers to other funds	236,269.53				236,269.53
Net cash provided by noncapital financing activities	939,226.44				939,226.44
Cash flows from capital and related financing activities:					
Capital lease proceeds	457,000.00				457,000.00
Capital Lease payment	(93,092.36)				(93,092.36)
Purchases of capital assets	(642,065.81)				(642,065.81)
Net cash provided by (used for) capital and related financing activities	(278,158.17)				(278,158.17)
Net increase (decrease) in cash and cash equivalents	14,385.25	231,387.32	217,528.58	(3,180.18)	460,120.97
Cash and cash equivalents, July 1, 2011	1,542,598.96	690,065.32	49,647.00	212,231.13	2,494,542.41
Cash and cash equivalents, June 30, 2012	<u>\$1,556,984.21</u>	<u>\$921,452.64</u>	<u>\$267,175.58</u>	<u>\$209,050.95</u>	<u>\$2,954,663.38</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities					
Operating income (loss)	(\$872,477.70)	\$265,186.88	\$227,101.58	\$6,248.00	(\$373,941.24)
Adjustments to reconciling operating income (loss) to net cash provided by (used for) operating activities:					
Depreciation	29,005.50				29,005.50
Federal commodities	183,719.25				183,719.25
Change in assets and liabilities:					
(Increase) decrease in other accounts receivable	2,345.00				2,345.00
Increase (decrease) in deferred revenue	(2,405.15)	(10,958.15)	(9,573.00)	(929.10)	(23,865.40)
Increase (decrease) in accounts payable	(6,723.88)	(22,841.41)		(8,499.08)	(38,064.37)
Increase (decrease) in compensated absences	13,677.68				13,677.68
(Increase) decrease in inventories	6,176.28				6,176.28
	<u>225,794.68</u>	<u>(33,799.56)</u>	<u>(9,573.00)</u>	<u>(9,428.18)</u>	<u>172,993.94</u>
Net cash provided by (used for) operating activities	<u>(\$646,683.02)</u>	<u>\$231,387.32</u>	<u>\$217,528.58</u>	<u>(\$3,180.18)</u>	<u>(\$200,947.30)</u>

See accompanying notes to financial statements.

JACKSON TOWNSHIP SCHOOL DISTRICT  
STATEMENT OF FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	State Unemployment Compensation <u>Trust Fund</u>	Private Purpose Award Fund	Agency Funds
ASSETS:			
Cash and cash equivalents	\$ 342,509.03	\$ 12,735.25	\$ 4,095,039.22
Interfund Receivable	<u>77,357.40</u>	<u>                    </u>	<u>                    </u>
Total assets	\$ <u><u>419,866.43</u></u>	\$ <u><u>12,735.25</u></u>	\$ <u><u>4,095,039.22</u></u>
LIABILITIES:			
Interfund payable	\$	\$	\$ 103,666.46
Payroll deductions and withholdings			580,217.22
Wages payable - summer payroll			2,910,774.28
Due to student groups	<u>                    </u>	<u>                    </u>	<u>500,381.26</u>
Total liabilities	\$ <u>                    </u>	\$ <u>                    </u>	\$ <u><u>4,095,039.22</u></u>
NET ASSETS:			
Held in trust for unemployment claims and other purposes	\$ 419,866.43	\$	
Reserved for awards and other purposes	<u>                    </u>	<u>12,735.25</u>	<u>                    </u>
Total net assets	\$ <u><u>419,866.43</u></u>	\$ <u><u>12,735.25</u></u>	\$ <u><u>-0-</u></u>

See accompanying notes to financial statements.

JACKSON TOWNSHIP SCHOOL DISTRICT  
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Private Purpose Award Funds	State Unemployment Compensation Trust Fund
ADDITIONS:		
Contributions:		
Other	\$ _____	\$ 188,406.38
Total contributions	_____	188,406.38
Investment earnings:		
Interest	16.03	1,777.53
Net investment earnings	16.03	1,777.53
Total additions	16.03	190,183.91
DEDUCTIONS:		
Unemployment claims	_____	306,728.36
Total deductions	_____	306,728.36
Change in net assets	16.03	(116,544.45)
Net assets beginning of year	12,719.22	536,410.88
Net assets end of year	\$ 12,735.25	\$ 419,866.43

See accompanying notes to financial statements.

**Jackson Township School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2012**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the Township of Jackson School District (the "District") have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the District's accounting policies are described below:

**Reporting Entity**

The Township of Jackson School District is a Type II District located in Ocean County, New Jersey. The School District is an instrumentality of the State of New Jersey, established to function as an educational institution. The Board of Education of the Jackson School District, comprised of seven elected individuals, is the primary governing authority of the District. A superintendent is appointed by the Board and is responsible for the administrative control of the District.

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

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

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

**Jackson Township School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2012**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Reporting Entity (Continued)**

The combined financial statements include all funds of the District over which the Board exercises operating control. The operations of the District include elementary schools, middle schools and High Schools, located in the Township of Jackson. There were no additional entities required to be included in the reporting entity under the criteria as described above, in the current fiscal year. Furthermore, the District is not includable in any other reporting entity on the basis of such criteria.

**Basis of Presentation**

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

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

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

**Jackson Township School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2012**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Basis of Presentation (Continued)**

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

**Governmental Funds**

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

As required by the New Jersey State Department of Education, the District includes budgeted capital outlay in this fund. U.S. Generally Accepted Accounting Principles as they pertain to governmental entities state that general fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues. Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, district taxes, and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to capital 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 the current expense by Board resolution; in certain instances approval by the County Superintendent of Schools may also be required.

**Special Revenue Fund** The special revenue fund is used to account for the proceeds of specific revenue sources from State and Federal Government (other than those for major capital projects, debt service or proprietary funds) and local appropriations that are legally restricted to expenditures for specified purposes.



**Jackson Township School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2012**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Capital Projects Funds** The capital projects fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds). The financial resources are derived from temporary notes or serial bonds that are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election.

**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 debt issued to finance major property acquisition, construction and improvement programs.

**Proprietary Funds**

**Enterprise Fund** The enterprise fund accounts for all revenues and expenses pertaining to the District's Food Service Child Care, Community School, Preschool, Digital Media and Extended Enrichment Kindergarten programs operations. These funds are utilized to account for operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that the cost (*i.e.* expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis are financed or recovered primarily through user charges.

**Fiduciary Funds**

**Agency Funds** The agency funds are used to account for assets held by the District on behalf of outside parties, including other governments, or on behalf of other funds within the District. The agency funds included are as follows:

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

**Private Purpose Trust Funds** These trust funds are used to account for assets donated by individuals that will provide for the payment of awards and other purposes.

**Unemployment Insurance Trust Funds** An expendable trust fund used to account for unemployment compensation claims as they arise.

**Jackson Township School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2012**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Basis of Accounting-Measurement Focus**

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

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

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

**Jackson Township School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2012**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Budgets/Budgetary Control**

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. The budgets are submitted to the county office and are voted upon at the annual school election on the third Tuesday in April. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23-2.2(f)1. Expenditures may not legally exceed budgeted appropriations at the line item level. All budget amendments and transfers must be approved by School Board resolution. Budget amendments during the year ended June 30, 2012 totaled \$54,224.00.

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

Appropriations, except remaining project appropriations, encumbrances, and unexpended grant appropriations, lapse at the end of each fiscal year. The capital projects fund presents the remaining project appropriations compared to current year expenditures. Formal budgetary integration into the accounting system is employed as a management control device during the fiscal year. For governmental funds, there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles (GAAP) with the exception of the legally mandated (NJSA 18A:22-44.2) revenue recognition of one or more deferred State Aid payments for budgetary purposes only due to the State deferral of such payments into the subsequent budget year and the accounting treatment of encumbrances in the special revenue fund as described 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.

**Jackson Township School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2012**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Budgets/Budgetary Control (Continued)**

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 recognized encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial records.

**Encumbrance Accounting**

Under encumbrance accounting purchase orders, contracts and other commitments for the expenditures 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 and capital project funds for which the District has received advances are reflected in the balance sheet as deferred revenues at fiscal year end.

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

**Interfunds**

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

**Jackson Township School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2012**

**NOTE 1:      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Inventories and Prepaid Expenses**

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

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

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

**Capital Assets**

The District has an established formal system of accounting for its capital assets. Capital Assets used for governmental purposes, which include land, buildings and improvements and furniture and equipment, are only reported in the district-wide financial statements. The District generally defines capital assets as assets with an initial cost of \$2,000.00 or more and an estimated useful life in excess of one year. Purchased or constructed capital assets are reported at cost. Donated capital assets are valued at their estimated fair market value on the date received. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

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

	<u>Estimated Life</u>
School Buildings	50
Building Improvements	20
Electrical/Plumbing	30
Vehicles	8
Office and Computer Equipment	10
Instructional Equipment	10
Grounds Equipment	15

**Jackson Township School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2012**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Compensated Absences**

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

District employees are granted varying amounts of vacation and sick leave in accordance with the District's personnel policy and/or collective bargaining unit contracts. Upon termination, employees are paid for accrued vacation. Sick leave benefits provide for ordinary sick pay and begin vesting with the employee after four years of service.

The liability for compensated absences was accrued using the termination payment method, whereby the liability is calculated based on the amount of sick leave and vacation days that are expected to become eligible for payment upon termination. The District estimates its accrued compensated absences liability based on the accumulated sick and vacation days at the balance sheet date by those employees who are currently eligible to receive termination payments.

For the district-wide statements, the current portion is the amount estimated to be used in the following year. For the governmental funds in the fund financial statements, a liability is reported only for to the extent of the amount actually due at year end as a result of employee resignations/retirements. Compensated absences are a reconciling item between the fund level and district-wide presentations.

**Deferred Revenue**

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

**Accrued Liabilities and Long-Term Obligations**

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

**Jackson Township School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2012**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Net Assets**

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction, or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The District's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

**Fund Balance Reserves**

In fiscal year 2012, the District implemented GASB Statement 54, "Fund Balance Reporting and Governmental Fund Type Definitions". This statement modifies fund balance reporting and clarifies fund type definitions. This new Statement aims to enhance the usefulness of fund balance information by providing clearer fund balance clarifications that can be applied more consistently. The restricted fund balance classification includes amounts that are subject to externally enforceable legal restriction such as by constitutional provision, enabling legislation or other government imposed restrictions. The committed fund balance classification includes amounts constrained for a specific purpose by a government using its highest decision-making authority. The assigned fund balance classification includes amounts for all funds, other than the general fund with any remaining positive balances not already classified as restricted or committed. For the general fund, amounts constrained with the intent to be used for a specific purpose by the governing board or an official delegated authority by the board. The unassigned fund balance classification includes for the general fund, amounts not classified as restricted, committed or assigned. The general fund is the only fund that will report a positive unassigned fund balance. For all other governmental funds the amount of a residual deficit would be classified as unassigned. Fund balance restrictions have been established for excess surplus, excess surplus-designated for subsequent year's expenditures and capital reserve.

**Jackson Township School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2012**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Revenues Exchange and Non-exchange Transactions**

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

Non-exchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, income taxes, grants, entitlements, and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from income taxes is recognized in the period in which the income is earned. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the District must provide local resources to be used for a specific purpose; and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On the modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

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

**Operating Revenues and Expenses**

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



**Jackson Township School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2012**

**NOTE 1:      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Allocation of Indirect Expenses**

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

**Extraordinary and Special Items**

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

**Jackson Township School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2012**

**NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS**

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

**Deposits**

New Jersey statutes permit the deposit of public funds in public depositories which are located in New Jersey and which meet the requirements of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA requires a bank that accepts public funds to be a public depository. A public depository is defined as a state bank, a national bank, or a savings bank, which is located in the State of New Jersey, the deposits of which are insured by the Federal Deposit Insurance Corporation. The statutes also require public depositories to maintain collateral for deposits of public funds that exceed certain insurance limits. Each depository participating in the GUDPA system must pledge collateral equal to 5% of the average amount of its public deposits and 100% of the average amount of its public funds in excess of 75% of its capital funds. No collateral is required for amounts covered by FDIC insurance. The collateral which may be pledged to support these deposits includes obligations of the State and federal governments, insured securities and other collateral approved by the Department. When the capital position of the depository deteriorates or the depository takes an unusually large amount of public deposits, the Department of Banking and Insurance requires additional collateral to be pledged. Under (GUDPA), if a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of the deposits to the governmental unit.

The Township of Jackson School District had the following cash and cash equivalents at June 30, 2012:

<u>Fund Type</u>	<u>Amount</u>
Cash in Bank:	
Governmental Funds	\$ 16,950,007.38
Proprietary Funds	2,498,113.98
Fiduciary Funds	5,178,630.78
Total Cash in Bank	\$ 24,626,752.14
Add: Deposits in Transit	178,262.32
Less: Outstanding Checks	(2,016,134.38)
	\$ <u>22,788,880.08</u>

**Jackson Township School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2012**

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

**Deposits**

Custodial Credit Risk- Deposits – Custodial credit risk is the risk that in the event of a bank failure, the deposits may not be returned. The District does not have a specific deposit policy for custodial credit risk other than those policies that adhere to the requirements of statute. As of June 30, 2012, based upon the coverage provided by FDIC and NJGUDPA, no amount of the bank balance was exposed to custodial credit risk. Of the cash on balance in the bank of \$24,626,752.14, \$250,000.00 was covered by Federal Depository Insurance, \$24,375,038.59 was covered under the provisions of NJGUDPA and \$1,713.55 was on deposit with the Municipal Investors Service Corporation Assets Management Program (MBIA CLASS).

**Investments**

The types of investments which may be purchased by the District are strictly limited by the express authority of the N.J.S.A. 18A:20-37 Education, Administration of School Districts. Permitted investments include any of the following type of securities:

1. Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
2. Government money market mutual funds which are purchased from an investment company or investment trust which is registered with the Securities and Exchange Commission under the "Investment Company Act of 1940," 15 U.S.C. 80a1 et seq., and operated in accordance with 17 C.F.R. § 270.2a7 and which portfolio is limited to U.S. Government securities that meet the definition of an eligible security pursuant to 17 C.F.R. § 270.2a7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 18A:2037. These funds are also required to be rated by a nationally recognized statistical rating organization.
3. Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;

**Jackson Township School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2012**

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

**Investments (Continued)**

4. Bonds or other obligations of the Local Unit or bonds or other obligations of school districts of which the Local Unit is a part or within which the school district is located.
5. Bonds or other obligations, having a maturity date not more than 397 days from date of purchase, approved by the Division of Investment of the Department of Treasury for investment by School Districts;
6. Local government investment pools that are fully invested in U.S. Government securities that meet the definition of eligible security pursuant to 17 C.F.R. § 270a7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 18A:2037. This type of investment is also required to be rated in the highest category by a nationally recognized statistical rating organization.
7. Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 C. 52:18A-90.4); or
8. Agreements for the repurchase of fully collateralized securities if:
  - a. the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection;
  - b. the custody of collateral is transferred to a third party;
  - c. the maturity of the agreement is not more than 30 days;
  - d. the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c.236 C. 17:1941); and
  - e. a master repurchase agreement providing for the custody and security of collateral is executed.

As of June 30, 2012, the District has \$1,713.55 on deposit with MBIA CLASS. Based upon the limitations set forth by New Jersey Statutes 40A:5-15.1 and existing investment practices of MBIA CLASS, the District is generally not exposed to credit risks and interest rate risks for its investments, nor is it exposed to foreign currency risk for its deposits and investments.

**Jackson Township School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2012**

**NOTE 3: CAPITAL ASSETS**

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

	Beginning <u>Balance</u>	<u>Additions</u>	Deletions & <u>Transfers</u>	Ending <u>Balance</u>
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$15,707,450.00			\$15,707,450.00
Construction in Progress	192,177.42	\$273,500.00		465,677.42
Total Capital Assets not being depreciated	15,899,627.42	273,500.00		16,173,127.42
Site improvements	5,931,746.83	281,005.50		6,212,752.33
Buildings & Building Improvements	154,753,779.26	367,362.48		155,121,141.74
Machinery & Equipment	21,926,416.02	162,762.60	\$797,945.27	21,291,233.35
Totals at historical cost	182,611,942.11	811,130.58	797,945.27	182,625,127.42
Gross Assets (Memo only)	198,511,569.53	1,084,630.58	797,945.27	198,798,254.84
Less: Accumulated Depreciation				
Site improvements	(4,153,945.38)	(254,051.42)		(4,407,996.80)
Buildings & Building Improvements	(38,773,597.32)	(3,591,771.13)		(42,365,368.45)
Machinery & Equipment	(13,673,848.65)	(1,789,104.20)	(500,140.00)	(14,962,812.85)
Total Depreciation	(56,601,391.35)	(5,634,926.75)	(500,140.00)	(61,736,178.10)
Total capital assets being depreciated, net of depreciation	126,010,550.76	(4,823,796.17)	297,805.27	120,888,949.32
Total Governmental Fund Activities	<u>\$141,910,178.18</u>	<u>(\$4,550,296.17)</u>	<u>\$297,805.27</u>	<u>\$137,062,076.74</u>

**Jackson Township School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2012**

**NOTE 3:      CAPITAL ASSETS (CONTINUED)**

	Beginning <u>Balance</u>	<u>Additions</u>	Deletions & <u>Transfers</u>	Ending <u>Balance</u>
Proprietary Activities:				
Capital assets not being depreciated:				
Construction in Progress	<u>                    </u>	<u>\$982,874.91</u>	<u>                    </u>	<u>\$982,874.91</u>
Total Capital Assets not being depreciated	<u>0.00</u>	<u>982,874.91</u>	<u>0.00</u>	<u>982,874.91</u>
 Machinery & Equipment	 <u>\$678,954.00</u>	 <u>                    </u>	 <u>\$43,925.00</u>	 <u>\$635,029.00</u>
Totals at historical cost	<u>678,954.00</u>	<u>0.00</u>	<u>43,925.00</u>	<u>635,029.00</u>
 Less: Accumulated Depreciation				
Machinery & Equipment	<u>(567,378.25)</u>	<u>(29,005.50)</u>	<u>(43,925.00)</u>	<u>(552,458.75)</u>
Total Depreciation	<u>(567,378.25)</u>	<u>(29,005.50)</u>	<u>(43,925.00)</u>	<u>(552,458.75)</u>
 Total Proprietary Fund Activities	 <u><u>\$111,575.75</u></u>	 <u><u>\$953,869.41</u></u>	 <u><u>\$0.00</u></u>	 <u><u>\$1,065,445.16</u></u>

Depreciation expense was charged to functional expenses areas of the District for Governmental Funds as follows:

Instruction:	
Regular	(\$331,198.82)
Special Education Instruction	(15,860.46)
Instruction other	(195.00)
Support services:	
General administrative services	(7,122.17)
Central Services/Technology	(482,736.56)
Plant operations and maintenance	(267,820.66)
Pupil transportation	(744,679.12)
Direct Expense of various functions	<u>(3,785,313.95)</u>
	<u><u>(\$5,634,926.75)</u></u>

**Jackson Township School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2012**

**NOTE 4: LONG-TERM DEBT**

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

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

The following is a summary of transactions that affect long-term liabilities for the year ended June 30, 2012:

Governmental Funds:

	Compensated Absences Payable	Bonds Payable	Capital Leases Payable	Total
Balance June 30, 2011	\$4,267,821.74	\$99,390,000.00	\$2,485,996.37	\$106,143,818.11
Additions	338,673.28		927,000.00	1,265,673.28
Reductions		4,559,000.00	1,115,815.81	5,674,815.81
Balance June 30, 2012	<u>\$4,606,495.02</u>	<u>\$94,831,000.00</u>	<u>\$2,297,180.56</u>	<u>\$101,734,675.58</u>
Unamortized Balance of Refunding Bonds		(\$3,017,857.14)		(\$3,017,857.14)
	<u>\$4,606,495.02</u>	<u>\$91,813,142.86</u>	<u>\$2,297,180.56</u>	<u>\$98,716,818.44</u>
Amounts due within one Year	<u>-0-</u>	<u>\$3,440,000.00</u>	<u>\$879,671.64</u>	<u>\$4,319,671.64</u>

**Jackson Township School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2012**

**NOTE 4: LONG-TERM DEBT (CONTINUED)**

Business-Type Funds:

	Compensated Absences <u>Payable</u>	Capital Leases <u>Payable</u>	<u>Total</u>
Balance June 30, 2011	\$73,347.58		\$73,347.58
Additions	13,677.68	\$457,000.00	470,677.68
Reductions		93,092.36	93,092.36
Balance June 30, 2012	<u>\$87,025.26</u>	<u>\$363,907.64</u>	<u>\$450,932.90</u>
Amounts due within one Year	<u>-0-</u>	<u>\$88,216.70</u>	<u>\$88,216.70</u>

Debt Service Requirements:

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

Fiscal Year

<u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
FY2013	\$3,440,000.00	\$4,350,094.50	\$7,790,094.50
FY2014	4,155,000.00	4,203,064.50	8,358,064.50
FY2015	5,205,000.00	3,996,426.50	9,201,426.50
FY2016	5,805,000.00	3,736,475.25	9,541,475.25
FY2017	5,410,000.00	3,453,660.00	8,863,660.00
FY2018	5,675,000.00	3,174,810.00	8,849,810.00
FY2019	6,395,000.00	2,882,272.50	9,277,272.50
FY2020	6,265,000.00	2,552,197.50	8,817,197.50
FY2021	6,545,000.00	2,229,210.00	8,774,210.00
FY2022	6,885,000.00	1,891,785.00	8,776,785.00
FY2023	7,235,000.00	1,536,810.00	8,771,810.00
FY2024	7,610,000.00	1,163,722.50	8,773,722.50
FY2025	7,980,000.00	787,947.50	8,767,947.50
FY2026	8,341,000.00	428,847.50	8,769,847.50
FY2027	<u>7,885,000.00</u>	<u>197,125.00</u>	<u>8,082,125.00</u>
	<u>\$94,831,000.00</u>	<u>\$36,584,448.25</u>	<u>\$131,415,448.25</u>



**Jackson Township School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2012**

**NOTE 4:     LONG-TERM DEBT (CONTINUED)**

General obligation school and refunding bonds payable with their outstanding balances are comprised of the following individual issues:

<u>Issue</u>	<u>Amount Outstanding June 30, 2012</u>
\$6,550,000.00 in Refunding School Bonds (Pension Series) dated January 15, 2003, due in remaining annual installments ranging between \$560,000.00 and \$655,000.00 beginning June 30, 2013 and ending June 30, 2016 with interest from 5.01% to 5.31%	\$2,425,000.00
\$87,650,000.00 in Refunding School Bonds dated April 13, 2007, due in remaining annual installments ranging between \$2,305,000.00 and \$7,885,000.00 beginning June 15, 2013 and ending June 15, 2027 with interest from 2.50% to 5.25%	81,435,000.00
\$11,721,000.00 in School Bonds dated August 1, 2006 due in remaining annual installments ranging between \$575,000.00 to \$1,031,000.00 beginning February 1, 2013 and ending February 1, 2026 with interest from 4.50% to 4.75%	<u>10,971,000.00</u>
	<u><u>\$94,831,000.00</u></u>

**Jackson Township School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2012**

**NOTE 4: LONG-TERM DEBT (CONTINUED)**

**Refunding School Bonds**

The district issued \$87,650,000.00 in Refunding School bonds to advance refund \$83,425,000.00 of the districts previously issued and outstanding school bonds. The reacquisition price exceeded the net carrying amount by \$4,225,000.00. This amount is being amortized over the remaining life of the refunded debt, which is shorter than the life of the new debt issued. The current year portion charged to the Statement of Activities was \$201,190.48 leaving a balance of \$3,017,857.14. Under the escrow agreement, the escrow is irrevocably pledged to the payment of principal and interest on the refunded bonds. As a result, the \$83,425,000.00 of the refunded obligations are considered to be defeased and the liability for those bonds has been removed from the financial statements.

**Bonds Authorized But Not Issued**

As of June 30, 2012, the District had \$973.00 in Bonds Authorized but not issued.

**Capital Leases Payable**

The District is leasing technology improvements, school buses and kitchen renovations and improvements totaling \$4,346,080.00 under capital leases. This capital leases are for terms of either three or five years. The following is a schedule of the future minimum lease payments under the capital lease and the present value of the net minimum lease payments at June 30, 2012:

Fiscal Year Ended <u>June 30,</u>	Governmental <u>Funds</u>	Business-Type <u>Funds</u>
2013	\$925,712.48	\$95,704.31
2014	667,708.84	95,704.32
2015	600,666.88	95,704.32
2016	190,850.49	95,704.32
Total Minimum Lease Payments	2,384,938.69	382,817.27
Less: Amount Representing Interest	87,758.13	18,909.63
Present Value of Lease Payments	<u>\$2,297,180.56</u>	<u>\$363,907.64</u>

**Jackson Township School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2012**

**NOTE 5:      PENSION PLANS**

**Description of Plans** All required employees of the District are covered by the Public Employees' Retirement System, the Teachers' Pension and Annuity Fund or the Defined Contribution Retirement Program 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 each system will be assumed by the State of New Jersey should the system terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for each of the above systems. These reports may be obtained by writing to the Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625 or on line at [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions).

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

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

**Defined Contribution Retirement Program (DCRP)** The Defined Contribution Retirement Program (DCRP) was established under the provision of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 to provide coverage elected and certain appointed officials, effective July 1, 2007. Membership is mandatory for such individuals with vesting occurring after one year of membership.

**Jackson Township School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2012**

**NOTE 5:      PENSION PLANS (CONTINUED)**

**Significant Legislation**

Effective June 28, 2011, P.L. 2011, c. 78 enacted certain changes in the operations and benefit provisions of the TPAF and the PERS systems.

**Pension Plan Design Changes**

Effective June 28, 2011, P.L. 2011, c. 78, new members of TPAF and PERS, hired on or after June 28, 2011, will need 30 years of creditable service and have attained the age of 65 for receipt of the early retirement benefit without a reduction of 1/4 of 1% for each month that the member is under age 65. New members will be eligible for a service retirement benefit at age 65.

**Funding Changes**

Under the new legislation, the methodology for calculating the unfunded accrued liability payment portion of the employer's annual pension contribution to the PERS, and TPAF. The unfunded actuarial accrued liability (UAAL) will be amortized for each plan over an open-ended 30 year period and paid in level dollars. Beginning with the July 1, 2019 actuarial valuation (July 1, 2018 for PFRS), the UAAL will be amortized over a closed 30 year period until the remaining period reaches 20, when the amortization period will revert to an open-ended 20 year period.

**COLA Suspension**

The payment of automatic cost-of-living adjustment to current and future retirees and beneficiaries are suspended until reactivated as permitted by this law.

**Jackson Township School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2012**

**NOTE 5: PENSION PLANS (CONTINUED)**

**Vesting and Benefit Provisions** The vesting and benefit provisions of PERS are set by N.J.S.A. 43:15A and 43.3B, and N.J.S.A. 18A:6C for TPAF. All benefits vest after ten years of service, except for post-retirement healthcare benefits that vest after 25 years of service.

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

**Contribution Requirements** The contribution policy is set by N.J.S.A. 43:15A 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.

Effective June 28, 2011, P.L. 2011, c. 78 provides for increases in the employee contribution rates: from 5.5% to 6.5% plus an additional 1% phased-in over 7 years beginning in the first year, meaning after 12 months, after the law's effective date for TPAF and PERS.

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 non-contributing employer of TPAF (i.e. the State of new Jersey makes the employer contribution on behalf of public school districts.

**Three Year Trend Information for PERS**

<u>Year Ended</u> <u>June 30,</u>	<u>Annual</u> <u>Pension Cost</u> <u>(APC)</u>	<u>Percentage</u> <u>of APC</u> <u>Contributed</u>	<u>Net Pension</u> <u>Obligation</u>
2012	\$2,235,140.00	100%	-0-
2011	\$2,133,072.00	100%	-0-
2010	\$1,662,969.00	100%	-0-

For the fiscal year ended June 30, 2012, the State of New Jersey contributed \$1,666,132.00 to the TPAF pension system on behalf of the District. During the fiscal years ended June 30, 2011, and 2010, the State of New Jersey did not contribute to the TPAF pension system on behalf of the District.

**Jackson Township School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2012**

**NOTE 5:      PENSION PLANS (CONTINUED)**

**Contribution Requirements (Continued)**

In accordance with N.J.S.A. 18A:66-66, the State of New Jersey reimbursed the District \$3,798,808.97 during the year ended June 30, 2012 for the employer's share of social security contributions for TPAF members, as calculated on their base salaries. This amount has been included in the basic financial statements, and the combining and individual fund statements and schedules as a revenue and expenditure in accordance with GASB 27.

**NOTE 6:      GASB 45 – OTHER POST-RETIREMENT BENEFITS**

P.L. 1987, c. 384 and P.L. 1990, c.6 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 pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

The state is also responsible for the cost attributable to 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.

The State will set the contribution rate based on the annual required contribution of the employers (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The State's contributions to the State Health Benefits Program Fund for TPAF retirees' post-retirement benefits on behalf of the School Commission for the years ended June 30, 2012, 2011 and 2010 were \$3,349,358.00, \$3,225,711.00 and \$3,152,499.00 respectively, which equaled the required contributions for each year. The State's contributions to the State Health Benefits Program Fund for PERS retirees' post-retirement benefits on behalf of the School Commission was not determined or made available by the State of New Jersey.

**Jackson Township School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2012**

**NOTE 7:      LITIGATION**

The District's counsel advises that there is no litigation, pending litigation, claims, contingent liabilities, unasserted claims or assessments or statutory violations which involve the School District and which might materially affect the District's financial position.

**NOTE 8:      CONTINGENCIES**

The District receives financial assistance from the State of New Jersey and the U.S. Government in the form of grants. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditure of the funds for eligible purposes. The State and Federal grants received and expended in the 2011-2012 fiscal year were subject to the U.S. OMB Circular A-133 and New Jersey OMB Circular 04-04 which mandates that grant revenues and expenditures be audited in conjunction with the District's annual audit if expenditures for federal or state programs exceed \$500,000.00 Findings and questioned costs, if any, relative to federal and state financial assistance programs are discussed in the Single Audit Section, Schedule of Findings and Questioned Costs. In addition, all grants and cost reimbursements are subject to financial and compliance audits by the grantors. The District's management does not believe any such audit would result in material amounts of disallowed costs.

**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 insurance coverage covering each of those risks of loss. The administration believes such coverage is sufficient to preclude any significant uninsured losses to the District. Settled claims have not exceeded the insurance coverage in any of the past three fiscal years.

**Jackson Township School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2012**

**NOTE 9:     RISK MANAGEMENT**

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

<u>Year Ended June 30,</u>	<u>Interest</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2012	\$1,777.53	\$188,406.38	\$306,728.36	\$419,866.43
2011	8,964.55	131,697.90	402,611.64	536,410.88
2010	1,666.77	128,894.81	266,553.91	798,360.07



**Jackson Township School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2012**

**NOTE 10:     COMPENSATED ABSENCES**

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

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

The liability for vested compensated absences of the governmental fund types are recorded in the district - wide statement of net assets. As of June 30, 2012, a liability existed for compensated absences for governmental fund-types in the district- wide Statement of Net Assets of \$4,406,495.02

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 a liability existed for compensated absences in the proprietary funds of \$87,025.26.

For additional descriptive information see Note 1, Summary of Significant Accounting Policies.

**NOTE 11:     FUND BALANCE APPROPRIATED**

**General Fund** Of the \$13,290,573.27 in General Fund Balance at June 30, 2012, \$6,737,994.09 is legally restricted for excess surplus in accordance with N.J.S.A. 18A:7F7 \$3,131,265.66 of the total reserve for excess surplus has been appropriated and included as anticipated revenue for the year ended June 30, 2013; \$3,929,402.84 has been restricted in the Capital Reserve Account; \$2,623,176.34 is committed and has been appropriated and included as anticipated revenue for the year ended June 30, 2012.

**Debt Service Fund** Of the \$115,194.93 in Debt Service Fund Balance at June 30, 2012, \$17,844.93 is restricted in accordance with N.J.S.A. 18A:7F-41c(2) and \$97,350.00 is committed and has been appropriated and included as anticipated revenue for the year ended June 30, 2013.

**Jackson Township School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2012**

**NOTE 12: CALCULATION OF EXCESS SURPLUS – BUDGETARY BASIS**

**Calculation of Excess Surplus** In accordance with N.J.S.A. 18A:7F-7, as amended by P.L. 2007, c73 (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 the District did not appropriate a required minimum amount as budgeted fund balance in the subsequent year's budget.

General Fund Expenditures:		
Fiscal Year Ended, June 30 2012		\$127,061,174.85
Less:		
Reimb. TPAF Social Security Contributions	\$3,798,808.97	
Reimb. TPAF Pension Contributions	5,015,490.00	
Capital Leases	48,782.18	
		<u>8,863,081.15</u>
Adjusted General Fund Expenditures		\$118,198,093.70
Excess Surplus Percentage		<u>2.00%</u>
		\$2,363,961.87
Increased by:		
Non-Public Transportation Aid (unbudgeted)	81,840.99	
		<u>81,840.99</u>
Maximum Unreserved/Undesignated General Fund Balance		\$2,445,802.86
Actual Unreserved/Undesignated General Fund Balance		<u>6,052,531.29</u>
Excess Surplus		<u><u>\$3,606,728.43</u></u>
Recapitulation of Excess Surplus, June 30, 2012:		
Reserved for Excess Surplus - Designated for Subsequent Year's Expenditure		\$3,131,265.66
Reserved for Excess Surplus		<u>3,606,728.43</u>
		<u><u>\$6,737,994.09</u></u>

Based on the above calculation, as of June 30, 2012, \$3,131,265.66 is reported as Reserved Fund Balance Excess Surplus Designated for Subsequent Year's Expenditure and is required to be appropriated for property tax relief in the 2012-13 budget. \$3,606,728.43 is reported as Reserved Fund Balance Excess Surplus and is required to be appropriated for property tax relief in the 2013-14 budget.

**Jackson Township School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2012**

**NOTE 13: INTERFUND RECEIVABLES AND PAYABLES**

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

<u>Fund</u>	<u>Interfund Balance</u>	
	<u>Receivable</u>	<u>Payable</u>
General Fund	\$ 1,093,607.14	\$
Special Revenue Fund		596,259.11
Debt Service Fund		150,897.47
Enterprise Fund		320,141.50
Fiduciary Fund	<u>77,357.40</u>	<u>103,666.46</u>
	\$ <u>1,170,964.54</u>	\$ <u>1,170,964.54</u>

All balances resulted from the time lag between the dates that short-term loans were disbursed and payments between funds were received.

**NOTE 14: CAPITAL RESERVE ACCOUNT**

A capital reserve account was established by the Township of Jackson Board of Education in the amount of \$1.00 in the 2000-2001 school year for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the district's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the Department of Education, 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 (June 1 to June 30) of any unanticipated revenue or unexpended line item appropriations, or both. A district may also appropriate additional amounts when the express approval of the voters has been obtained by either a separate proposal at budget time or by a special question at one of the four special election dates authorized by N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6A: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.

**Jackson Township School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2012**

**NOTE 14: CAPITAL RESERVE ACCOUNT**

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

Balance, July 1, 2011		\$	2,000,001.00
Interest Earnings			3,892.27
Deposits:			
Board Resolution dated 06/19/12	<u>2,000,000.00</u>		<u>2,000,000.00</u>
Balance, June 30, 2012		\$	<u>4,003,893.27</u>

**NOTE 15: INVENTORY**

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

Food and Supplies	<u>\$17,719.76</u>
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The value of Federal donated commodities as reflected on Schedule A (required by the Single Audit Law of 1984) is the difference between market value and cost of the commodities at the date of purchase and has been included as an item of non-operating revenue in the financial statements.

**Jackson Township School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2012**

**NOTE 16:     DEFICIT FUND NET BALANCE**

The District has a deficit fund balance of \$2,040,023.14 in the General Fund as of June 30, 2012 as reported in the GAAP fund statements (modified accrual basis). N.J.S.A. 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, districts must record the last state aid payment as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, *i.e.*, if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the last state aid payment in the subsequent fiscal year, the school district cannot recognize the last state aid payment on the GAAP financial statements until the year the State records the payable. Due to the timing difference of recording the last state aid payment, the Special Revenue Fund balance deficit does not alone indicate that the district is facing financial difficulties. The deficit in the General Fund is less than the last state aid payment and; therefore, no violation of New Jersey Statute or regulation exists; nor is there a need for corrective action.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

<b>BUDGETARY COMPARISON SCHEDULES</b>
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JACKSON TOWNSHIP SCHOOL DISTRICT  
GENERAL FUND  
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	ADOPTED BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	(GAAP) VARIANCE FAVORABLE/ (UNFAVORABLE)
<b>REVENUES</b>					
Local sources:					
Local tax levy	\$ 70,641,635.00	\$	\$ 70,641,635.00	\$ 70,641,635.00	\$
Interest on Capital reserve				3,892.27	3,892.27
Miscellaneous	336,844.00		336,844.00	1,104,015.89	767,171.89
Total-local sources	70,978,479.00		70,978,479.00	71,749,543.16	771,064.16
State sources:					
Equalization Aid	42,299,025.00		42,299,025.00	42,558,054.00	259,029.00
Categorical Transportation Aid				174,801.00	174,801.00
Categorical Special Education Aid	4,917,500.00		4,917,500.00	4,917,500.00	
Security Aid				820,612.00	820,612.00
Extraordinary Aid	1,188,027.00		1,188,027.00	991,324.00	(196,703.00)
Miscellaneous Unrestricted State Aid				81,840.99	81,840.99
On-behalf TPAF Non-Contributory Insurance (non-budgeted)				161,471.00	161,471.00
On-behalf TPAF Pension (non-budgeted)				1,504,661.00	1,504,661.00
On-behalf TPAF Post Retirement Contributions (non-budgeted)				3,349,358.00	3,349,358.00
Reimbursed TPAF Social Security Contributions (non-budgeted)				3,798,808.97	3,798,808.97
Total - state sources	48,404,552.00		48,404,552.00	58,358,430.96	9,953,878.96
Federal sources:					
Education Jobs Fund	1,730,842.00	54,224.00	1,785,066.00	1,785,066.00	
Medicaid reimbursement	80,505.00		80,505.00	114,592.66	34,087.66
	1,811,347.00	54,224.00	1,865,571.00	1,899,658.66	34,087.66
Total revenues	121,194,378.00	54,224.00	121,248,602.00	132,007,632.78	10,759,030.78
<b>EXPENDITURES</b>					
<b>CURRENT EXPENSE:</b>					
Instruction - regular programs:					
Salaries of teachers:					
Preschool/kindergarten	1,082,632.00	(32,346.16)	1,050,285.82	1,049,835.82	450.00
Grades 1-5	11,306,598.00	847,559.78	12,154,157.78	12,125,486.53	28,671.25
Grades 6-8	7,924,891.00	(80,162.69)	7,844,728.31	7,843,249.43	1,478.88
Grades 9-12	10,581,683.00	51,731.79	10,633,414.79	10,629,442.69	3,972.10
Total Teachers Salaries	30,895,804.00	786,782.70	31,682,586.70	31,648,014.47	34,572.23
Regular Programs - Home instruction:					
Salaries of teachers	205,000.00	11,102.88	216,102.88	216,101.87	1.01
Purchased professional educational services	90,000.00	37,157.59	127,157.59	126,582.59	575.00
	295,000.00	48,260.47	343,260.47	342,684.46	576.01
Regular programs - undistributed instruction:					
Other purchased services(400-500 series)	327,558.00	341,015.10	668,573.10	597,292.49	71,280.61
General supplies	1,934,628.00	(324,477.37)	1,610,150.63	1,286,276.04	323,874.59
Textbooks	171,052.00	1,765.47	172,817.47	167,314.55	5,502.92
Other Objects	84,701.00	(1,833.72)	82,867.28	67,314.74	15,552.54
Total regular programs	2,517,939.00	16,489.48	2,534,428.48	2,118,197.82	416,230.66
Total Regular Programs - Instruction	33,708,743.00	851,532.65	34,560,275.65	34,108,896.75	451,378.90
Special education:					
Learning and/or Language Disabilities:					
Salaries of teachers	526,138.00	100,397.69	626,535.69	624,535.69	2,000.00
Other salaries for instruction	429,018.00	(260,598.18)	168,419.82	164,596.69	3,823.13
General supplies	37,316.00	1,784.60	39,100.60	36,193.01	2,907.59
Textbooks	1,199.00	(1,199.00)			
Total Learning and / or Language Disabilities	993,671.00	(159,614.89)	834,056.11	825,325.39	8,730.72
Behavioral Disabilities:					
Salaries of teachers	364,354.00	(116,517.41)	247,836.59	247,836.59	
Other salaries for instruction	111,086.00	106,963.33	218,049.33	218,049.33	
Total Behavioral Disabilities:	475,440.00	(9,554.08)	465,885.92	465,885.92	
Multiple Disabilities:					
Salaries of teachers	596,470.00	(195,299.40)	401,170.60	401,170.60	
Other salaries for instruction	280,408.00	216,252.00	496,660.00	496,605.61	54.39
General supplies	32,003.00	2,247.96	34,250.96	24,973.18	9,277.78
Textbooks	785.00		785.00	70.04	714.96
Total Multiple Impairments	909,666.00	23,200.56	932,866.56	922,819.43	10,047.13



JACKSON TOWNSHIP SCHOOL DISTRICT  
GENERAL FUND  
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	ADOPTED BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	FAVORABLE/ (UNFAVORABLE)
Resource room/resource center:					
Salaries of teachers	\$ 8,091,228.00	\$ (231,734.13)	\$ 7,859,493.87	\$ 7,857,504.13	\$ 1,989.74
Other salaries for instruction	1,306,286.00	552,333.24	1,858,619.24	1,858,619.24	
General supplies	100,002.00	5,827.12	105,829.12	100,686.55	5,142.57
Textbooks	2,000.00	1,307.00	3,307.00	2,318.49	988.51
Total resource room	9,499,516.00	327,733.23	9,827,249.23	9,819,128.41	8,120.82
Preschool disabilities - part-time:					
Salaries of teachers	190,214.00	1,112.79	191,326.79	191,326.79	
Other salaries for instruction	155,366.00	(41,093.99)	114,272.01	108,496.29	5,775.72
Purchased professional - educational services	39,660.00	4,800.00	44,460.00	5,096.00	39,364.00
General supplies	17,500.00	(3,148.76)	14,351.24	12,711.75	1,639.49
Total preschool handicapped - part-time	402,740.00	(38,329.96)	364,410.04	317,630.83	46,779.21
Preschool disabilities - full-time:					
Salaries of teachers	272,692.00	(55,406.86)	217,285.14	217,285.14	
Other salaries for instruction	164,581.00	304,970.49	469,551.49	469,551.49	
General supplies	8,000.00		8,000.00	7,849.67	150.33
Total preschool handicapped - full-time	445,273.00	249,563.63	694,836.63	694,686.30	150.33
Total special education	12,726,306.00	392,998.49	13,119,304.49	13,045,476.28	73,828.21
Basic skills/remedial:					
Salaries of teachers	480,671.00	(145,998.70)	334,672.30	334,672.30	
Other Purchased Services (400-500 series)	3,747.00		3,747.00	1,893.33	1,853.67
Total basic skills/remedial	484,418.00	(145,998.70)	338,419.30	336,565.63	1,853.67
Salaries of teachers	217,267.00	(5,240.50)	212,026.50	212,026.50	
Other salaries for instruction	54,171.00	314.22	54,485.22	54,485.22	
Total bilingual education	271,438.00	(4,926.28)	266,511.72	266,511.72	
School sponsored cocurricular activities:					
Salaries	366,932.00	29,369.98	396,301.98	393,876.34	2,425.64
Total school sponsored cocurricular activities	366,932.00	29,369.98	396,301.98	393,876.34	2,425.64
School sponsored athletics:					
Salaries	941,924.00	(11,369.98)	930,554.02	910,927.63	19,626.39
Purchased Services(300-500 series)	231,046.00	(41,149.00)	189,897.00	180,073.44	9,823.56
Supplies and Materials	139,505.00	64,918.02	204,423.02	157,355.77	47,067.25
Other Objects	13,460.00	(440.00)	13,020.00	8,920.00	4,100.00
Transfers to Cover Deficit (Agency Funds)	192,390.00	(17,000.00)	175,390.00	175,390.00	
Total school sponsored athletics	1,518,325.00	(5,040.96)	1,513,284.04	1,432,666.84	80,617.20
Other instructional programs					
Salaries	104,560.00		104,560.00	96,139.48	8,420.52
Total other instructional programs	104,560.00		104,560.00	96,139.48	8,420.52
Total other instructional programs	1,989,817.00	24,329.02	2,014,146.02	1,922,682.66	91,463.36
Total - instruction	49,180,722.00	1,117,935.18	50,298,657.18	49,680,133.04	618,524.14
Undistributed expenditures:					
Instruction:					
Tuition to other LEA's within the state-regular	76,400.00	16,400.00	92,800.00	86,795.84	6,004.16
Tuition to other LEA's within the state-special	729,844.00	(16,400.00)	713,444.00	500,839.54	212,604.46
Tuition to county vocational school district-regular	55,640.00		55,640.00	39,000.00	16,640.00
Tuition to CSSD and regional day schools	784,313.00		784,313.00	570,171.15	214,141.85
Tuition to private schools for the handicapped with state	2,757,416.00	(46,802.00)	2,710,614.00	2,608,752.41	101,861.59
Tuition-state facilities	58,021.00		58,021.00	58,021.00	
Tuition-other	120,323.00	(120,323.00)			
Transfer of Funds to Charter Schools	8,779.00	4,624.00	13,403.00	13,403.00	
Total undistributed expenditures - instruction	4,590,736.00	(162,501.00)	4,428,235.00	3,876,982.94	551,252.06
Attendance and social work services:					
Salaries	181,373.00	2,433.91	183,806.91	177,321.51	6,485.40
Other purchased services (400-500) series	722.00		722.00		722.00
Supplies and Materials	622.00	(70.00)	552.00	236.50	315.50
Other Objects	80.00	70.00	150.00		150.00
Total attendance and social work services	182,797.00	2,433.91	185,230.91	177,558.01	7,672.90
Health services:					
Salaries	1,077,078.00	6,081.12	1,083,159.12	1,081,655.54	1,503.58
Purchased professional and technical services	231,665.00	1,355.00	233,020.00	219,056.75	13,963.25
Other Purchased Services (400-500 series)	2,242.00	(1,584.00)	658.00	20.55	637.45
Supplies and materials	21,919.00	(681.60)	21,237.40	17,878.03	3,359.37
Total health services	1,332,904.00	5,170.52	1,338,074.52	1,318,610.87	19,463.65

JACKSON TOWNSHIP SCHOOL DISTRICT  
GENERAL FUND  
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IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	ADOPTED BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	FAVORABLE/ (UNFAVORABLE)
Other support services - student related services:					
Salaries	\$ 1,231,901.00	\$ 24,890.82	\$ 1,256,591.82	\$ 1,256,591.82	\$
Supplies and materials	8,229.00	(2,585.82)	5,643.18	3,556.50	2,086.68
Total other support services - students related services	1,240,130.00	22,105.00	1,262,235.00	1,260,148.32	2,086.68
Other support services- Students- Extra Services					
Salaries	2,671,419.00	(740,067.06)	1,931,361.94	1,894,360.97	37,000.97
Purchased Professional - Educational Services	827,714.00	(9,798.00)	817,916.00	666,802.85	151,113.35
Total other support services- Students- Extra Services	3,499,133.00	(749,855.06)	2,749,277.94	2,561,163.62	188,114.32
Other support services - students - regular:					
Salaries of other professional staff	2,081,168.00	(49,432.56)	2,031,735.44	2,028,200.44	3,535.00
Salaries of secretarial and clerical assistants	317,140.00	(5,010.16)	312,129.84	311,721.47	408.37
Other Salaries	6,150.00	(6,067.94)	82.06		82.06
Purchased Professional - Educational Services	3,800.00	(30.00)	3,770.00	2,500.00	1,270.00
Other Purchased Services (400-500 series)	20,713.00	(2,491.95)	18,221.05	14,415.24	3,805.81
Supplies and Materials	16,208.00	70.19	16,278.19	12,282.98	3,995.21
Other objects	4,470.00	(2,030.00)	2,440.00	1,500.00	940.00
Total other support services - students - regular	2,449,649.00	(64,992.42)	2,384,656.58	2,370,620.13	14,036.45
Other support services - students - special services:					
Salaries of other professional staff	2,144,632.00	27,816.92	2,172,448.92	2,172,448.92	
Salaries of secretarial and clerical assistants	465,179.00	(74,020.89)	391,158.11	390,350.03	808.08
Other Salaries	25,000.00	(808.08)	24,191.92	4,847.99	19,343.93
Purchased Professional - Educational Services	289,700.00	(32,852.75)	256,847.25	206,403.48	50,443.77
Misc. Pur Serv (400-500 series other than resid. costs)	35,527.00	1,417.06	36,944.06	22,221.37	14,722.69
Supplies and Materials	25,418.00	15,660.19	41,078.19	39,190.26	1,887.93
Other objects	3,350.00	(2,408.38)	941.62	709.01	232.61
Total other support services - students - special services	2,988,806.00	(65,195.93)	2,923,610.07	2,836,171.06	87,439.01
Improvement of instruction services/					
Salaries of Supervisors of Instruction	710,974.00	15,411.09	726,385.09	726,385.09	
Salaries of other professional staff	155,591.00	(3,894.00)	151,697.00	151,697.00	
Salaries of secretarial and clerical assistants	158,295.00	1,017.18	159,312.18	158,968.40	343.78
Other Salaries	60,145.00	30,785.59	90,930.59	70,583.22	20,347.37
Other Purchased Services (400-500)	17,169.00	5,684.93	22,853.93	21,493.96	1,359.97
Supplies and Materials	29,878.00	3,404.86	33,282.86	29,766.71	3,516.15
Other objects	2,800.00	562.00	3,362.00	3,361.00	1.00
Total improvement of instruction services/					
other support services-instructional staff	1,134,852.00	52,971.65	1,187,823.65	1,162,255.38	25,568.27
Educational media services/school library:					
Salaries	699,620.00	2,637.53	702,257.53	691,253.31	11,004.22
Other Purchased Services (400-500)	48,164.00	(43,928.05)	4,235.95	1,794.05	2,441.90
Supplies and Materials	86,990.00	10,652.90	97,642.90	87,096.81	10,546.09
Total educational media services/school library	834,774.00	(30,637.62)	804,136.38	780,144.17	23,992.21
Instructional Staff Training Services:					
Other Salaries	9,846.00	51.58	9,897.58	9,897.58	
Purchased Professional - Educational Services	3,000.00	3,045.00	6,045.00	3,665.56	2,379.44
Other Purchased Services (400-500)	45,000.00	5,666.59	50,666.59	17,219.80	33,446.79
Supplies and Materials	2,000.00	(750.00)	1,250.00	460.00	790.00
Other objects	3,000.00		3,000.00	1,975.39	1,024.61
Total instructional staff training services:	62,846.00	8,013.17	70,859.17	33,218.33	37,640.84
Support services general administration:					
Salaries	363,426.00	437.10	363,863.10	363,862.99	0.11
Legal services	300,000.00	(21,627.28)	278,372.72	272,280.98	6,091.74
Audit Fees	38,000.00	30,800.00	68,800.00	34,300.00	34,500.00
Architectural/Engineering Services	110,000.00	39,342.75	149,342.75	99,744.87	49,597.88
Other purchased professional services	35,500.00	(4,500.00)	31,000.00	30,385.63	614.37
Purchased technical services	49,000.00	(49,000.00)			
Communications/telephone	278,779.00	(11,928.85)	266,850.15	217,680.48	49,169.67
BOE Other purchased services	4,000.00		4,000.00	1,464.75	2,535.25
Other purchased services (400-500)	227,056.00	12,320.03	239,376.03	233,526.13	5,849.90
General supplies	2,142.00		2,142.00	770.24	1,371.76
BOE in-house training/meeting supplies	250.00	222.00	472.00	471.31	0.69
Judgements		84,027.25	84,027.25	59,025.50	25,001.75
Miscellaneous expenditures	5,800.00	(149.00)	5,651.00	4,961.25	689.75
BOE membership dues and fees	41,450.00	(222.00)	41,228.00	30,995.30	10,232.70
Total support services general administration	1,455,403.00	79,722.00	1,535,125.00	1,349,469.43	185,655.57

JACKSON TOWNSHIP SCHOOL DISTRICT  
GENERAL FUND  
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	ADOPTED BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	(GAAP) VARIANCE FAVORABLE/ (UNFAVORABLE)
Support services school administration:					
Salaries of principals/asst. principals	\$ 2,849,844.00	\$ 207,998.78	\$ 3,057,842.78	\$ 3,057,779.87	\$ 62.91
Salaries of school administration	638,918.00	(373,410.23)	265,507.77	265,507.77	
Salaries of secretarial and clerical assistants	1,475,103.00	26,812.46	1,501,915.46	1,501,795.45	120.01
Other Salaries	16,550.00	(612.00)	15,938.00	14,374.00	1,564.00
Other Purchased Services (400-500 series)	19,811.00	(3,469.79)	16,341.21	14,195.22	2,145.99
Supplies and Materials	59,572.00	(1,101.85)	58,470.15	53,526.86	4,943.29
Other objects	51,823.00	(495.00)	51,328.00	43,727.89	7,600.11
Total support services school administration	5,111,621.00	(144,277.63)	4,967,343.37	4,950,907.06	16,436.31
Central Services:					
Salaries	1,112,211.00	(69,442.62)	1,042,768.38	1,041,696.91	1,071.47
Purchased professional services	2,000.00	(400.00)	1,600.00	1,600.00	
Misc. purchased services (400-500 series)	69,631.00	(3,838.00)	65,793.00	25,771.13	40,021.87
Supplies and materials	61,119.00	108.00	61,227.00	36,554.31	24,672.69
Interest on current loans	55,078.00	22,691.00	77,769.00	77,768.13	0.87
Miscellaneous expenditures	19,477.00	569.82	20,046.82	5,177.64	14,869.18
Total central services	1,319,516.00	(50,311.80)	1,269,204.20	1,188,568.12	80,636.08
Administrative Information Technology:					
Salaries	550,381.00	30,146.59	580,527.59	580,070.00	457.59
Purchased professional services	253,217.00	139,793.49	393,010.49	389,264.38	3,746.11
Other Purchased Services (400- 500 series)	136,951.00	(69,143.07)	67,807.93	67,681.24	126.69
Supplies and Materials	164,312.00	(44,557.41)	119,754.59	104,574.24	15,180.35
Miscellaneous expenditures	5,580.00	(5,580.00)			
Total Administrative Information Technology	1,110,441.00	50,659.60	1,161,100.60	1,141,589.86	19,510.74
Required Maintenance for School Facilities:					
Salaries	767,698.00	(70,957.97)	696,740.03	656,745.81	39,994.22
Cleaning, Repair and Maintenance Services	315,532.00	839,162.35	1,154,694.35	529,962.93	624,731.42
General supplies	158,100.00	13,100.16	181,200.16	161,054.98	20,145.18
Other objects	600.00	1,126.00	1,726.00	1,720.00	6.00
Total Allowable Maintenance for School Facilities	1,251,930.00	782,430.54	2,034,360.54	1,349,483.72	684,876.82
Other operation and maint. of plant:					
Salaries	3,215,753.00	(97,996.74)	3,117,756.26	3,085,139.45	32,616.81
Purchased professional and technical services	42,948.00	3,009.00	45,957.00	21,633.00	24,324.00
Cleaning, repair and maint. services	102,223.00	(31,181.59)	71,041.41	46,684.89	24,356.52
Rental of Land & Building Other than Lease Pur. Agrmt	379,351.00	(379,350.27)	0.73		0.73
Other purchased property services	300,000.00	13,297.00	313,297.00	222,483.73	90,813.27
Insurance	764,000.00	(145,819.00)	618,181.00	618,181.00	
Miscellaneous Purchased Services	21,100.00	(1,131.80)	19,968.20	2,000.10	17,968.10
General supplies	280,901.00	4,727.95	285,628.95	229,697.55	55,931.40
Energy (heat and electricity)	3,153,848.00	(322,151.15)	2,831,696.85	2,328,754.94	502,941.91
Other objects	5,100.00	(1,891.00)	3,209.00	1,761.04	1,447.96
Salaries of Non-Instructional Aides	359,214.00	(15,182.06)	344,031.94	286,799.41	57,232.53
Energy (Natural Gas)	421,950.00	600.39	422,550.39	289,368.49	133,181.90
Energy (Oil)	144,456.00	23,048.81	167,504.81	165,528.81	1,976.00
Total other operation and maint. of plant	9,190,844.00	(950,020.46)	8,240,823.54	7,298,032.41	942,791.13
Care & Upkeep of Grounds:					
Salaries	613,933.00	(22,782.23)	591,150.77	574,735.17	16,415.60
Cleaning, Repair and Maintenance Services	66,500.00	(2,270.00)	64,230.00	50,753.18	13,476.82
General supplies	162,272.00	(4,619.00)	157,653.00	144,658.08	12,994.92
Total Care and Upkeep of Grounds	842,705.00	(29,671.23)	813,033.77	770,146.43	42,887.34
Security:					
Salaries	323,903.00	7,360.98	331,263.98	312,598.75	18,665.23
Total Security	323,903.00	7,360.98	331,263.98	312,598.75	18,665.23
Total operation and maintenance of plant services	11,609,382.00	(189,900.17)	11,419,481.83	9,730,261.31	1,689,220.52

JACKSON TOWNSHIP SCHOOL DISTRICT  
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FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	ADOPTED BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	(GAAP) VARIANCE FAVORABLE/ (UNFAVORABLE)
Student transportation services:					
Salaries of Non-Instructional Aides	\$ 542,613.00	\$ (11,481.76)	\$ 531,131.24	\$ 531,098.38	\$ 32.86
Salaries for pupil transportation (between home and school)-regular	3,201,828.00	(23,210.42)	3,178,617.58	3,153,767.46	24,850.12
Salaries for pupil transportation (between home and school)-Special Ed	843,510.00	(49,128.34)	794,381.66	792,590.93	1,790.73
Salaries for pupil transportation (other than between home & school)	217,647.00	3,129.66	220,776.66	181,388.85	39,387.81
Salaries for pupil transportation (between home and school)-Non-public school	149,022.00	(5,227.35)	143,794.65	127,331.10	16,463.55
Management Fee - ESC & CTSA	38,654.00		38,654.00	15,597.36	23,056.64
Purchased professional and technical services	28,595.00	(2,280.00)	26,315.00	21,517.72	4,797.28
Cleaning, Repair and Maintenance Services	120,950.00	2,049.00	122,999.00	112,438.86	10,560.14
Lease Purchase Payments - School Buses	676,264.00		676,264.00	562,988.43	113,275.57
Contracted Services - between home and school vendor	174,738.00		174,738.00	151,940.00	22,798.00
Contracted services (other than between home and school)-vendors	7,000.00	(1,745.00)	5,255.00		5,255.00
Jointures- Regular Students	7,072.00		7,072.00		7,072.00
Contracted services (special education students) vendors		445.00	445.00	443.63	1.37
Contracted services (regular students) - ESCs & CTSA	18,625.00	14,024.64	32,649.64	32,649.64	
Contracted services (special ed students) - ESCs & CTSA	854,463.00	(18,024.64)	836,438.36	652,448.02	183,990.34
Contract Serv - Aid in Lieu Pymts-NonPub Sch	109,616.00	(2,000.00)	107,616.00	56,625.00	50,991.00
Miscellaneous purchased services - Transportation	102,602.00	5,104.00	107,706.00	104,638.11	3,067.89
Supplies and materials	9,900.00		9,900.00	8,778.27	1,121.73
Transportation Supplies	1,885,313.00	(24,002.28)	1,861,310.72	1,764,642.05	96,668.67
Miscellaneous Expenditures	6,400.00		6,400.00	4,551.81	1,848.19
Total student transportation services	8,994,812.00	(112,347.49)	8,882,464.51	8,275,435.62	607,028.89
Unallocated Benefits - Employee Benefits:					
Social Security Contributions	2,525,000.00		2,525,000.00	1,933,225.14	591,774.86
Other retirement contributions - regular	2,235,140.00		2,235,140.00	2,129,438.94	105,701.06
Workers Compensation	873,000.00		873,000.00	759,876.00	113,124.00
Health Benefits	21,233,665.00	(431,878.54)	20,801,786.46	18,640,033.49	2,161,752.97
Tuition Reimbursements	67,188.00		67,188.00		67,188.00
Other Employee Benefits	113,715.00	751,108.47	864,823.47	834,673.49	30,149.98
Total Unallocated Benefits - Employee Benefits:	27,047,708.00	319,229.93	27,366,937.93	24,297,247.06	3,069,690.87
Total personal services	27,047,708.00	319,229.93	27,366,937.93	24,297,247.06	3,069,690.87
On-behalf TPAF Non-Contributory Insurance (non-budgeted)				161,471.00	(161,471.00)
On-behalf TPAF Pension (non-budgeted)				1,504,661.00	(1,504,661.00)
On-behalf TPAF Post Retirement Contributions (non-budgeted)				3,349,358.00	(3,349,358.00)
Reimbursed TPAF Social Security Contributions (non-budgeted)				3,798,808.97	(3,798,808.97)
Total Undistributed Expenditures	74,965,510.00	(1,029,713.34)	73,935,796.66	76,124,650.26	(2,188,853.60)
TOTAL EXPENDITURES - CURRENT EXPENSE FUND 11	124,146,232.00	88,221.84	124,234,453.84	125,604,783.30	(1,570,329.46)
CAPITAL OUTLAY:					
Equipment:					
Equipment					
Grades 1-5		2,479.00	2,479.00		2,479.00
Grades 6-8		5,235.28	5,235.28	5,165.46	69.82
Grades 9-12		27,009.00	27,009.00	6,725.00	20,284.00
Resource Room/Resource Center	10,000.00	(6,000.00)	4,000.00		4,000.00
School Administration		3,900.00	3,900.00	3,900.00	
Undistributed expenditures:					
Support services - instructional staff		238,581.11	238,581.11	236,356.61	2,224.50
Admin info tech	4,000.00	69,365.28	73,365.28	73,365.28	
Opera & Maint of Plant		5,217.54	5,217.54	5,217.54	
Required Maintenance for School Facility	19,097.00	40,857.00	59,954.00	30,134.60	29,819.40
Custodial Services	63,436.00		63,436.00	15,394.72	48,041.28
Student Transp - Non-Inst Equip	17,500.00	21,710.00	39,210.00	18,130.85	21,079.15
Total Equipment	114,033.00	408,354.21	522,387.21	394,390.06	127,997.15
Facilities acquisition and construction services:					
Construction services	1,023,477.00	273,500.00	1,296,977.00	417,037.00	879,940.00
Other Objects	216,021.00		216,021.00	216,021.00	
Total facilities acquisition and construction services	1,239,498.00	273,500.00	1,512,998.00	633,058.00	879,940.00

JACKSON TOWNSHIP SCHOOL DISTRICT  
GENERAL FUND  
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	ADOPTED BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	(GAAP) VARIANCE FAVORABLE/ (UNFAVORABLE)
Assets acquired under capital leases (non-budgeted)					
Undistributed expenditures:	\$	\$	\$	\$	\$
Instructional Equipment				15,000.00	(15,000.00)
Total assets acquired under capital leases (non-budgeted)				15,000.00	(15,000.00)
TOTAL CAPITAL OUTLAY	1,353,531.00	681,854.21	2,035,385.21	1,042,448.06	992,937.15
SPECIAL SCHOOLS					
Other Special Schools - Instruction					
Salaries of Teachers	194,615.00	46,714.00	241,329.00	213,943.49	27,385.51
Total Other Special Schools Instruction	194,615.00	46,714.00	241,329.00	213,943.49	27,385.51
TOTAL OTHER SPECIAL SCHOOLS	194,615.00	46,714.00	241,329.00	213,943.49	27,385.51
TOTAL SPECIAL SCHOOLS	194,615.00	46,714.00	241,329.00	213,943.49	27,385.51
TOTAL EXPENDITURES	125,694,378.00	816,790.05	126,511,168.05	127,061,174.85	(550,006.80)
Excess (deficiency) of revenues over (under) expenditures	(4,500,000.00)	(762,566.05)	(5,262,566.05)	4,946,457.93	10,209,023.98
Other financing sources					
Capital leases (non-budgeted)				48,782.18	48,782.18
Total other financing sources				48,782.18	48,782.18
Excess of Revenues and other Financing Sources Over Expenditures and Other Expenditures and other Financing Sources	(4,500,000.00)	(762,566.05)	(5,262,566.05)	4,995,240.11	10,257,806.16
Fund balances, July 1			12,781,159.16	12,781,159.16	
Fund balances, June 30	\$ (4,500,000.00)	\$ (762,566.05)	\$ 7,518,593.11	\$ 17,776,399.27	\$ 10,257,806.16
Recapitulation:					
Assigned:					
Year End Encumbrances				\$ 1,965,532.71	
Restricted:					
Excess Surplus -Designated for Subsequent Year's Expenditures				3,131,265.66	
Reserve for Excess Surplus				3,606,728.43	
Capital Reserve				4,003,893.27	
Committed:					
Designated for Subsequent Year's Expenditures				2,623,176.34	
Unassigned Fund Balance				2,445,802.86	
				\$ 17,776,399.27	
Reconciliation to Governmental Funds Statements (GAAP):					
Last State Aid Payment not recognized on GAAP basis				(4,485,826.00)	
Fund Balance per Governmental Funds (GAAP)				\$ 13,290,573.27	

JACKSON TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND - EDUCATION JOBS FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	ADOPTED BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	(GAAP) VARIANCE FAVORABLE/ (UNFAVORABLE)
REVENUES					
Federal sources:					
Education Jobs Fund	\$ 1,730,842.00	\$ 54,224.00	1,785,066.00	\$ 1,785,066.00	\$
	1,730,842.00	54,224.00	1,785,066.00	1,785,066.00	
Total revenues	1,730,842.00	54,224.00	1,785,066.00	1,785,066.00	
EXPENDITURES					
EDUCATION JOBS FUND:					
Special education:					
Learning and / or Language Disabilities:					
Other salaries for instruction	187,991.00		187,991.00	187,991.00	
Total Learning and / or Language Disabilities	187,991.00		187,991.00	187,991.00	
Behavioral Disabilities:					
Other salaries for instruction	26,305.00		26,305.00	26,305.00	
Total Behavioral Disabilities:	26,305.00		26,305.00	26,305.00	
Resource room/resource center:					
Other salaries for instruction	56,450.13	54,224.00	110,674.13	110,674.13	
Total resource room	56,450.13	54,224.00	110,674.13	110,674.13	
Total special education	270,746.13	54,224.00	324,970.13	324,970.13	
Total - instruction	270,746.13	54,224.00	324,970.13	324,970.13	
Attendance and social work services:					
Salaries	84,748.52		84,748.52	84,748.52	
Total attendance and social work services	84,748.52		84,748.52	84,748.52	

JACKSON TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND - EDUCATION JOBS FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	ADOPTED BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	(GAAP) VARIANCE FAVORABLE/ (UNFAVORABLE)
Other support services - students - regular:					
Salaries of secretarial and clerical assistants	\$ 45,331.00	\$	\$ 45,331.00	\$ 45,331.00	\$
Total other support services - students - regular	45,331.00		45,331.00	45,331.00	
Other support services - students - special services:					
Salaries of secretarial and clerical assistants	34,722.06		34,722.06	34,722.06	
Total other support services - students - special services	164,801.58		164,801.58	164,801.58	
Improvement of instruction services/					
Salaries of secretarial and clerical assistants	39,065.86		39,065.86	39,065.86	
Total improvement of instruction services/ other support services-instructional staff	39,065.86		39,065.86	39,065.86	
Support services school administration:					
Salaries of secretarial and clerical assistants	256,130.82		256,130.82	256,130.82	
Total support services school administration	256,130.82		256,130.82	256,130.82	
Other operation and maint. of plant :					
Salaries	407,762.46		407,762.46	407,762.46	
Total other operation and maint. of plant	407,762.46		407,762.46	407,762.46	
Unallocated Benefits - Employee Benefits:					
Social Security Contributions	91,243.88		91,243.88	91,243.88	
Health Benefits	501,091.27		501,091.27	501,091.27	
Total Unallocated Benefits - Employee Benefits:	592,335.15		592,335.15	592,335.15	
Total personal services	1,295,294.29		1,295,294.29	1,295,294.29	
TOTAL EXPENDITURES	\$ 1,730,842.00	\$ 54,224.00	\$ 1,785,066.00	\$ 1,785,066.00	\$

JACKSON TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
SPECIAL REVENUE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
REVENUES:					
State sources	\$ 115,194.00	\$ 41,786.03	\$ 156,980.03	\$ 156,980.03	\$
Federal sources	2,895,029.00	86,432.26	2,981,461.26	2,981,461.26	
Other sources		47,998.77	47,998.77	47,998.77	
Total revenues	3,010,223.00	176,217.06	3,186,440.06	3,186,440.06	
EXPENDITURES:					
Instruction:					
Salaries of teachers	454,465.00	77,592.04	532,057.04	532,057.04	
Other salaries	108,780.00	(1,555.75)	107,224.25	107,224.25	
Purchased professional - technical services		884.00	884.00	884.00	
Other purchased professional services	100,194.00	50,330.00	150,524.00	150,524.00	
Tuition	1,966,843.00	52,636.00	2,019,479.00	2,019,479.00	
Other purchased services		300.00	300.00	300.00	
Supplies and materials	140,900.00	(45,573.21)	95,326.79	95,326.79	
Textbooks	15,000.00	2,157.00	17,157.00	17,157.00	
Miscellaneous Expenditures	4,329.00	480.42	4,809.42	4,809.42	
Total instruction	2,790,511.00	137,250.50	2,927,761.50	2,927,761.50	
Support services:					
Salaries of program directors	14,000.00		14,000.00	14,000.00	
Salaries of other professional staff	4,042.00	(1,230.00)	2,812.00	2,812.00	
Other Salaries	989.00	29,850.48	30,839.48	30,839.48	
Personal services - employee benefits	107,919.00	10,494.63	118,413.63	118,413.63	
Purchased professional - educational services	60,211.00	(17,649.70)	42,561.30	42,561.30	
Other purchased professional services		24,618.91	24,618.91	24,618.91	
Travel		41.66	41.66	41.66	
Other purchased services	5,131.00	(2,248.41)	2,882.59	2,882.59	
Supplies and materials	12,990.00	(6,500.26)	6,489.74	6,489.74	
Miscellaneous expenditures	14,430.00	1,589.25	16,019.25	16,019.25	
Total support services	219,712.00	38,966.56	258,678.56	258,678.56	
Total expenditures	3,010,223.00	176,217.06	3,186,440.06	3,186,440.06	
Excess (deficiency) of revenues over (under) expenditures					



JACKSON TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
BUDGET TO GAAP RECONCILIATION  
NOTE TO RSI  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

Note A - Explanation of difference 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	\$132,007,632.78	\$3,186,440.06
Difference - budget to GAAP:		
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year	(4,485,826.00)	
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	4,552,133.00	
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	<u>\$132,073,939.78</u>	<u>\$3,186,440.06</u>
Uses/outflows of resources		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule.	127,061,174.85	3,186,440.06
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$127,061,174.85</u>	<u>\$3,186,440.06</u>

**OTHER SUPPLEMENTARY INFORMATION**

**SPECIAL REVENUE FUND  
DETAIL STATEMENTS**

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

	TITLE I	TITLE II A	TITLE III ELE	IDEA PART B	IDEA PART B - C/O	IDEA PART B - C/O	IDEA PRESCHOOL	CARL D. PERKINS SECONDARY
REVENUES:								
State sources				\$	\$	\$	\$	
Federal sources	\$ 558,743.37	\$ 184,544.00	\$ 18,046.23	\$ 2,056,866.30	24,618.91	1,247.36	68,949.52	41,683.00
Other sources								
Total revenues	\$ 558,743.37	\$ 184,544.00	\$ 18,046.23	\$ 2,056,866.30	\$ 24,618.91	\$ 1,247.36	\$ 68,949.52	\$ 41,683.00
EXPENDITURES:								
Instruction:								
Salaries of teachers	293,007.00	152,908.00	6,500.00				57,000.00	
Other salaries for instruction								
Other salaries	106,636.25		588.00					
Purchased professional - technical services								884.00
Other purchased professional services								
Tuition				2,019,479.00				
Other purchased services								
Supplies and materials	37,252.65		8,102.06	9,000.00		1,247.36	549.52	37,759.75
Textbooks								
Miscellaneous Expenditures			708.17					1,260.00
Total instruction	436,895.90	152,908.00	15,898.23	2,028,479.00		1,247.36	57,549.52	39,903.75
Support services:								
Salaries of program directors	14,000.00							
Salaries of other professional staff	2,812.00							
Other Salaries	1,045.48		189.00					980.00
Personal services - employee benefits	71,261.00	30,582.00	1,359.00				11,400.00	75.00
Purchased professional - educational services	14,174.00			28,387.30				
Other purchased professional services					24,618.91			
Rentals								
Travel								41.66
Other purchased services	1,146.00	1,054.00						682.59
Supplies and materials	2,389.74		600.00					
Miscellaneous expenditures	15,019.25							
Total support services	121,847.47	31,636.00	2,148.00	28,387.30	24,618.91		11,400.00	1,779.25
Facilities acquisition and construction serv:								
Instructional equipment								
Non - instructional equipment								
Total facilities acquisition and construction serv.								
Total expenditures	\$ 558,743.37	\$ 184,544.00	\$ 18,046.23	\$ 2,056,866.30	\$ 24,618.91	\$ 1,247.36	\$ 68,949.52	\$ 41,683.00

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

	OCEAN COUNTY PRIVATE INDUSTRY COUNCIL	NON- PUBLIC TEXTBOOKS	NON - PUBLIC COMP ED	NON - PUBLIC ESL	NON - PUBLIC SUPPLEMENTAL INSTRUCTION	NON - PUBLIC EXAMINATION & CLASSIFICATION	NON - PUBLIC SPEECH	NON - PUBLIC NURSING	
REVENUES:									
State sources	\$	\$ 16,354.36	\$ 53,257.00	\$ 4,138.00	\$ 15,433.48	\$ 24,476.17	\$ 19,667.00	\$ 23,654.02	
Federal sources	\$	26,762.57							
Other sources									
Total revenues	\$	<u>26,762.57</u>	<u>\$ 16,354.36</u>	<u>\$ 53,257.00</u>	<u>\$ 4,138.00</u>	<u>\$ 15,433.48</u>	<u>\$ 24,476.17</u>	<u>\$ 19,667.00</u>	<u>\$ 23,654.02</u>
EXPENDITURES:									
Instruction:									
Salaries of teachers	22,642.04								
Other salaries for instruction									
Other salaries									
Purchased professional - technical services									
Other purchased professional services			53,257.00	4,138.00	15,433.48	24,476.17	19,667.00	23,654.02	
Tuition									
Other purchased services									
Supplies and materials									
Textbooks		16,354.36							
Miscellaneous Expenditures	<u>2,841.25</u>								
Total instruction	<u>25,483.29</u>	<u>16,354.36</u>	<u>53,257.00</u>	<u>4,138.00</u>	<u>15,433.48</u>	<u>24,476.17</u>	<u>19,667.00</u>	<u>23,654.02</u>	
Support services:									
Salaries of program directors									
Salaries of other professional staff									
Other Salaries									
Personal services - employee benefits	1,279.28								
Purchased professional - educational services									
Other purchased professional services									
Rentals									
Travel									
Other purchased services									
Supplies and materials									
Miscellaneous expenditures									
Total support services	<u>1,279.28</u>								
Facilities acquisition and construction serv:									
Instructional equipment									
Non - instructional equipment									
Total facilities acquisition and construction serv.									
Total expenditures	\$	<u>26,762.57</u>	<u>\$ 16,354.36</u>	<u>\$ 53,257.00</u>	<u>\$ 4,138.00</u>	<u>\$ 15,433.48</u>	<u>\$ 24,476.17</u>	<u>\$ 19,667.00</u>	<u>\$ 23,654.02</u>

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

	HIGH POINT GRANT	MURRIN COLOR GUARD	OCEAN FIRST GOING GREEN	GIALANELLA GIFT	HISTORY GRANT	OTHER	COMPARATIVE TOTALS JUNE 30	
							2012	2011
REVENUES:								
State sources	\$	\$	\$	\$	\$	\$	156,980.03	147,972.38
Federal sources							2,981,461.26	4,455,687.18
Other sources	300.00	\$1,415.45	3,500.00	1,000.00	31,082.35	10,700.97	47,998.77	39,913.24
Total revenues	\$ 300.00	\$ 1,415.45	\$ 3,500.00	\$ 1,000.00	\$ 31,082.35	\$ 10,700.97	\$ 3,186,440.06	\$ 4,643,572.80
EXPENDITURES:								
Instruction:								
Salaries of teachers							532,057.04	913,509.27
Other salaries for instruction								11,061.76
Other salaries							107,224.25	110,078.50
Purchased professional - technical services							884.00	
Other purchased professional services						10,700.97	151,326.64	95,281.28
Tuition							2,019,479.00	1,966,534.00
Other purchased services	300.00						300.00	
General supplies		1,415.45					95,326.79	571,593.68
Textbooks							16,354.36	18,924.00
Miscellaneous Expenditures							4,809.42	6,243.23
Total instruction	300.00	1,415.45				10,700.97	2,927,761.50	3,693,225.72
Support services:								
Salaries of program directors							14,000.00	14,000.00
Salaries of other professional staff							2,812.00	241,554.04
Other Salaries					28,625.00		30,839.48	86,051.28
Personal services - employee benefits					2,457.35		118,413.63	231,768.06
Purchased professional - educational services							42,561.30	160,948.81
Other purchased professional services							24,618.91	136,740.00
Rentals								289.00
Travel							41.66	1,574.57
Other purchased services							2,882.59	7,034.00
Supplies and materials			3,500.00				6,489.74	50,193.85
Miscellaneous expenditures				1,000.00			16,019.25	13,396.47
Total support services			3,500.00	1,000.00	31,082.35		258,678.56	943,550.08
Facilities acquisition and construction serv:								
Instructional equipment								5,000.00
Non - instructional equipment								1,797.00
Total facilities acquisition and construction serv.								6,797.00
Total expenditures	\$ 300.00	\$ 1,415.45	\$ 3,500.00	\$ 1,000.00	\$ 31,082.35	\$ 10,700.97	\$ 3,186,440.06	\$ 4,643,572.80

**CAPITAL PROJECTS FUND  
DETAIL STATEMENTS**

JACKSON TOWNSHIP SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGETARY BASIS  
FOR THE YEAR ENDED JUNE 30, 2012

Revenues and Other Financing Sources:	
Miscellaneous	\$16,662.12
Total revenues	<u>16,662.12</u>
Expenditures and Other Financing Uses:	
Purchased professional and technical services	(\$6,751.48)
Construction services	19,238.00
Total expenditures	<u>12,486.52</u>
Excess (deficiency) of revenues over (under) expenditures	<u>4,175.60</u>
Other financing sources (uses):	
Transfers out	(16,662.12)
Total other financing sources (uses)	<u>(16,662.12)</u>
Net change in fund balance	(12,486.52)
Fund balance - beginning	<u>2,335,772.91</u>
Fund balance - ending	<u><u>\$2,323,286.39</u></u>
Fund Balance - budgetary basis	\$2,323,286.39
Authorized but not issued	<u>(973.00)</u>
Fund Balance - GAAP basis (B-1)	<u><u>\$2,322,313.39</u></u>
Expenditures - budgetary basis	\$12,486.52
Add: prior year encumbrances	275,112.55
	<u>287,599.07</u>
Less: current year encumbrances	<u>29,395.55</u>
Expenditures - GAAP basis (B-2)	<u><u>\$258,203.52</u></u>



JACKSON TOWNSHIP SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS  
CONSTRUCTION OF A NEW ELEMENTARY SCHOOL  
FOR THE YEAR ENDED JUNE 30, 2012

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources:				
State Sources - SCC Grant	\$9,091,292.00		\$9,091,292.00	\$9,091,292.00
Bond proceeds and transfers	10,870,255.12		10,870,255.12	10,870,255.12
Total revenues	19,961,547.12		19,961,547.12	19,961,547.12
Expenditures and Other Financing Uses:				
Purchased professional and technical services	1,575,696.30		1,575,696.30	1,575,696.63
Construction services	17,056,890.40		17,056,890.40	17,056,890.87
Equipment purchases	1,328,959.62		1,328,959.62	1,328,959.62
Total expenditures	19,961,546.32		19,961,546.32	19,961,547.12
Excess (deficiency) of revenues over (under) expenditures	\$0.80		\$0.80	
Additional project information:				
Project Number	202144			
Grant Date	06/07/02			
Bond Authorization Date	04/15/02			
Bonds Authorized	\$15,758,708.00			
Bonds Issued	\$15,758,708.00			
Original Authorized Cost	\$24,850,000.00			
Additional Authorized Cost	(4,888,452.88)			
Revised Authorized Cost	\$19,961,547.12			
Percentage Increase over Original Authorized Cost	-19.67%			
Percentage completion	100.00%			
Original target completion date	FY2005			
Revised target completion date	FY2007			

JACKSON TOWNSHIP SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS  
ACQUISITION OF LAND AND EQUIPMENT TO BUILD A NEW HIGH SCHOOL  
FOR THE YEAR ENDED JUNE 30, 2012

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources:	\$54,545,190.44			
State Sources - SCC Grant	\$21,762,967.00		\$21,762,967.00	\$21,762,967.00
Bond proceeds and transfers	54,545,190.44		54,545,190.44	54,545,190.44
Total revenues	76,308,157.44		76,308,157.44	76,308,157.44
Expenditures and Other Financing Uses:				
Purchased professional and technical services	5,141,094.88	(\$7,311.48)	5,133,783.40	5,275,848.99
Land and improvements	11,967,668.51		11,967,668.51	11,967,668.51
Construction services	57,037,468.81	19,238.00	57,056,706.81	57,215,341.57
Equipment purchases	1,849,298.37		1,849,298.37	1,849,298.37
Total expenditures	75,995,530.57	11,926.52	76,007,457.09	76,308,157.44
Excess (deficiency) of revenues over (under) expenditures	\$312,626.87	(\$11,926.52)	\$300,700.35	
Additional project information:				
Project Number	202274			
Grant Date	04/02/03			
Bond Authorization Date	04/15/02			
Bonds Authorized	\$48,758,033.00			
Bonds Issued	\$48,758,033.00			
Original Authorized Cost	\$70,521,000.00			
Additional Authorized Cost	\$5,787,157.44			
Revised Authorized Cost	\$76,308,157.44			
Percentage Increase over Original Authorized Cost	8.21%			
Percentage completion	85.00%			
Original target completion date	FY2006			
Revised target completion date	FY2013			

JACKSON TOWNSHIP SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS  
RENOVATION AND CONSTRUCTION OF GYMNASIUM ADDITION - SWITLIK ELEMENTARY  
FOR THE YEAR ENDED JUNE 30, 2012

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources:				
State Sources - SCC Grant	\$967,159.00		\$967,159.00	\$967,159.00
Bond proceeds and transfers	<u>2,820,606.07</u>		<u>2,820,606.07</u>	<u>2,820,606.07</u>
Total revenues	<u>3,787,765.07</u>		<u>3,787,765.07</u>	<u>3,787,765.07</u>
Expenditures and Other Financing Uses:				
Purchased professional and technical services	367,685.37		367,685.37	367,685.37
Construction services	3,336,028.70		3,336,028.70	3,336,028.70
Equipment purchases	<u>84,051.00</u>		<u>84,051.00</u>	<u>84,051.00</u>
Total expenditures	<u>3,787,765.07</u>		<u>3,787,765.07</u>	<u>3,787,765.07</u>
Excess (deficiency) of revenues over (under) expenditures	<u></u>	<u></u>	<u></u>	<u></u>
Additional project information:				
Project Number	2360-050-02-0301			
Grant Date	06/06/03			
Bond Authorization Date	04/15/02			
Bonds Authorized	\$2,907,841.00			
Bonds Issued	\$2,907,841.00			
Original Authorized Cost	\$3,875,000.00			
Additional Authorized Cost	(\$87,234.93)			
Revised Authorized Cost	\$3,787,765.07			
Percentage Increase over Original Authorized Cost	-2.25%			
Percentage completion	100.00%			
Original target completion date	FY2005			
Revised target completion date	FY2007			

JACKSON TOWNSHIP SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS  
RENOVATION AND CONSTRUCTION OF GYMNASIUM ADDITION - HOLMAN ELEMENTARY  
FOR THE YEAR ENDED JUNE 30, 2012

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources:				
State Sources - SCC Grant	\$940,609.00		\$940,609.00	\$940,609.00
Bond proceeds and transfers	1,712,492.68		1,712,492.68	1,712,492.68
Total revenues	2,653,101.68		2,653,101.68	2,653,101.68
Expenditures and Other Financing Uses:				
Purchased professional and technical services	242,130.22		242,130.22	242,130.22
Construction services	2,408,079.18		2,408,079.18	2,408,079.18
Equipment purchases	2,892.28		2,892.28	2,892.28
Total expenditures	2,653,101.68		2,653,101.68	2,653,101.68
Excess (deficiency) of revenues over (under) expenditures				
Additional project information:				
Project Number	2360-046-02-0302			
Grant Date	09/13/02			
Bond Authorization Date	04/15/02			
Bonds Authorized	N/A			
Bonds Issued	\$2,442,391.00			
Original Authorized Cost	\$3,383,000.00			
Additional Authorized Cost	(\$729,898.32)			
Revised Authorized Cost	\$2,653,101.68			
Percentage Increase over Original Authorized Cost	-21.58%			
Percentage completion	100.00%			
Original target completion date	FY2005			
Revised target completion date	FY2009			

JACKSON TOWNSHIP SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS  
ACQUISITION OF LAND FOR FUTURE CONSTRUCTION OF A NEW MIDDLE SCHOOL  
FOR THE YEAR ENDED JUNE 30, 2012

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources:				
Bond proceeds and transfers	<u>\$418,428.69</u>		<u>\$418,428.69</u>	<u>\$418,428.69</u>
Total revenues	<u>418,428.69</u>		<u>418,428.69</u>	<u>418,428.69</u>
Expenditures and Other Financing Uses:				
Purchased professional and technical services	39,924.19		39,924.19	44,999.69
Land and improvements				260,000.00
Construction services				113,429.00
Total expenditures	<u>39,924.19</u>		<u>39,924.19</u>	<u>418,428.69</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$378,504.50</u>		<u>\$378,504.50</u>	
Additional project information:				
Project Number	N/A			
Grant Date	N/A			
Bond Authorization Date	04/15/02			
Bonds Authorized	N/A			
Bonds Issued	\$500,000.00			
Original Authorized Cost	\$500,000.00			
Additional Authorized Cost	(81,571.31)			
Revised Authorized Cost	\$418,428.69			
Percentage Increase over Original Authorized Cost	-16.31%			
Percentage completion	5.00%			
Original target completion date	FY2005			
Revised target completion date	FY2013			

JACKSON TOWNSHIP SCHOOL DISTRICT  
 CAPITAL PROJECTS FUND  
 SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS  
 RENOVATIONS AND IMPROVEMENTS TO JACKSON MEMORIAL HIGH SCHOOL  
 FOR THE YEAR ENDED JUNE 30, 2012

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources:				
Bond proceeds and transfers	<u>\$5,426,847.00</u>	<u>\$350,000.00</u>	<u>\$5,776,847.00</u>	<u>\$5,776,847.00</u>
Total revenues	5,426,847.00	350,000.00	5,776,847.00	5,776,847.00
Expenditures and Other Financing Uses:				
Purchased professional and technical services	653,141.71	560.00	653,701.71	710,251.00
Construction services	4,486,489.32		4,486,489.32	4,863,825.00
Equipment purchases	<u>194,832.74</u>		<u>194,832.74</u>	<u>202,771.00</u>
Total expenditures	5,334,463.77	560.00	5,335,023.77	5,776,847.00
Excess (deficiency) of revenues over (under) expenditures	<u>\$92,383.23</u>	<u>\$349,440.00</u>	<u>\$441,823.23</u>	<u>\$0.00</u>
Additional project information:				
Project Number				
Grant Date	29-2360-020-05-1000			
Bond Authorization Date	09/27/05			
Bonds Authorized	\$5,279,070.00			
Bonds Issued	-0-			
Original Authorized Cost	\$5,279,070.00			
Additional Authorized Cost	\$497,777.00			
Revised Authorized Cost	\$5,776,847.00			
Percentage Increase over Original Authorized Cost	N/A			
Percentage completion	80.00%			
Original target completion date	FY2007			
Revised target completion date	FY2013			

JACKSON TOWNSHIP SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS  
RENOVATIONS AND IMPROVEMENTS TO MCAULIFFE MIDDLE SCHOOL  
FOR THE YEAR ENDED JUNE 30, 2012

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources:				
Bond proceeds and transfers	\$6,294,153.00	(\$350,000.00)	\$5,944,153.00	\$5,944,153.00
Total revenues	6,294,153.00	(350,000.00)	5,944,153.00	5,944,153.00
Expenditures and Other Financing Uses:				
Purchased professional and technical services	323,661.34		323,661.34	465,000.00
Construction services	4,418,657.13		4,418,657.13	5,479,153.00
Total expenditures	4,742,318.47		4,742,318.47	5,944,153.00
Excess (deficiency) of revenues over (under) expenditures	\$1,551,834.53	(\$350,000.00)	\$1,201,834.53	\$0.00
Additional project information:				
Project Number	29-2360-048-05-1000			
Grant Date	N/A			
Bond Authorization Date	09/27/05			
Bonds Authorized	\$6,441,930.00			
Bonds Issued	-0-			
Original Authorized Cost	\$6,441,930.00			
Additional Authorized Cost	(497,777.00)			
Revised Authorized Cost	\$5,944,153.00			
Percentage Increase over Original Authorized Cost	N/A			
Percentage completion	85.00%			
Original target completion date	FY2007			
Revised target completion date	FY2013			

JACKSON TOWNSHIP SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS  
SWILIK ELEMENTARY SCHOOL FLOOR PROJECT  
FOR THE YEAR ENDED JUNE 30, 2012

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources:				
State Sources - SCC Grant	\$163,701.00		\$163,701.00	\$163,701.00
Transfer from capital outlay	138,430.98		138,430.98	138,430.98
Total revenues	302,131.98		302,131.98	302,131.98
Expenditures and Other Financing Uses:				
Purchased professional and technical services	41,914.43		41,914.43	41,914.43
Construction services	259,794.57		259,794.57	260,217.55
Total expenditures	301,709.00		301,709.00	302,131.98
Excess (deficiency) of revenues over (under) expenditures	\$422.98		\$422.98	
Additional project information:				
Project Number	29-2360-050-04-1000			
Grant Date	06/09/04			
Bond Authorization Date	04/15/02			
Bonds Authorized	N/A			
Original Authorized Cost	\$438,158.00			
Additional Authorized Cost	(136,026.02)			
Revised Authorized Cost	\$302,131.98			
Percentage Increase over Original Authorized Cost	N/A			
Percentage completion	100.00%			
Original target completion date	FY2005			
Revised target completion date	FY2005			



JACKSON TOWNSHIP SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SUMMARY STATEMENT OF PROJECT EXPENDITURES - BUDGETARY BASIS  
AS OF JUNE 30, 2012

<u>ISSUE/PROJECT TITLE</u>	<u>ORIGINAL DATE</u>	<u>APPROPRIATIONS</u>	<u>EXPENDITURES TO DATE</u>		(MEMO ONLY) UNEXPENDED PROJECT BALANCE
			<u>PRIOR YEAR</u>	<u>CURRENT YEAR</u>	
Acquisition of Land & Equipment to Build a New High School, Construction of a New Elementary School, Renovation and Construction of Gymnasium additions at two Schools, and the Acquisition of land for the future Construction of a New Middle School	01/22/02	\$103,129,000.00	\$102,438,840.82	\$11,926.52	\$678,232.66
Switlik Elementary School Floor Project	06/09/04	302,131.98	301,709.00		422.98
Renovations and Improvements to Jackson Memorial High School and Christa McAuliffe Middle School	09/17/05	<u>11,721,000.00</u>	<u>10,076,782.24</u>	<u>560.00</u>	<u>1,643,657.76</u>
Totals		<u>\$115,152,131.98</u>	<u>\$112,817,332.06</u>	<u>\$12,486.52</u>	<u>\$2,322,313.40</u>

## PROPRIETARY FUND DETAIL STATEMENTS

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

**FOOD SERVICES FUND:** This fund provides for the operation of Food services within the school district.

**CHILD CARE FUND:** This fund provides for the operation of a Child Care program within the school district.

**COMMUNITY SCHOOL FUND:** This fund provides for the operation of a Community School within the school district.

**PRE-SCHOOL FUND:** This fund provides for the operation of a Pre-School program within the school district.

**DIGITAL MEDIA PROGRAM FUND:** This Fund provides for the operation of the District's Digital Media Program

**EXTENDED ENRICHMENT KINDERGARTEN PROGRAM FUND:** This Fund provides for the operation of the District's Extended Enrichment Kindergarten Program

JACKSON TOWNSHIP SCHOOL DISTRICT  
COMBINING STATEMENT OF NET ASSETS  
PROPRIETARY FUNDS - ENTERPRISE FUNDS  
JUNE 30, 2012

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND							COMPARATIVE TOTALS	
	MAJOR FUNDS			NON-MAJOR FUNDS				JUNE 30	
	FOOD SERVICE FUND	CHILD CARE FUND	EXTENDED ENRICHMENT KINDERGARTEN FUND	COMMUNITY SCHOOL FUND	PRE-SCHOOL FUND	DIGITAL MEDIA FUND	NON-MAJOR FUNDS	2012	2011
ASSETS:									
Current assets:									
Cash and cash equivalents	\$1,100,434.81	\$921,452.64	\$267,175.58	\$111,426.55	\$69,259.12	\$28,365.28	\$209,050.95	\$2,498,113.98	\$2,494,542.41
Cash with Fiscal Agents	456,549.40							456,549.40	
Accounts receivable:									
State	1,373.18							1,373.18	2.47
Federal	33,697.42							33,697.42	22.40
Other	338.00							338.00	2,683.00
Inventories	17,719.76							17,719.76	23,896.04
Total current assets	1,610,112.57	921,452.64	267,175.58	111,426.55	69,259.12	28,365.28	209,050.95	3,007,791.74	2,521,146.32
Noncurrent assets:									
Furniture, machinery & equipment	1,617,903.91							1,617,903.91	678,954.00
Less accumulated depreciation	(552,458.75)							(552,458.75)	(567,378.25)
Total noncurrent assets	1,065,445.16							1,065,445.16	111,575.75
Total assets	2,675,557.73	921,452.64	267,175.58	111,426.55	69,259.12	28,365.28	209,050.95	4,073,236.90	2,632,722.07
LIABILITIES:									
Current liabilities:									
Interfund payable	320,141.50							320,141.50	100,494.26
Deferred revenue	2,568.71	126,547.00	40,074.00	25,005.00	13,885.00	17,050.00	55,940.00	225,129.71	248,995.11
Accounts payable	348,206.75	2,801.48		710.00		5,903.98	6,613.98	357,622.21	54,877.48
Compensated absences	87,025.26							87,025.26	73,347.58
Noncurrent liabilities:									
Due within one year:									
Capital leases payable	88,216.70							88,216.70	
Due beyond one year:									
Capital leases payable	275,690.94							275,690.94	
Total current liabilities	1,121,849.86	129,348.48	40,074.00	25,715.00	13,885.00	22,953.98	62,553.98	1,353,826.32	477,714.43
Total liabilities	1,121,849.86	129,348.48	40,074.00	25,715.00	13,885.00	22,953.98	62,553.98	1,353,826.32	477,714.43
NET ASSETS:									
Invested in capital assets, net of depreciation	1,065,445.16							1,065,445.16	111,575.75
Unrestricted	488,262.71	792,104.16	227,101.58	85,711.55	55,374.12	5,411.30	146,496.97	1,653,965.42	2,043,431.89
Total net assets	\$1,553,707.87	\$792,104.16	\$227,101.58	\$85,711.55	\$55,374.12	\$5,411.30	\$146,496.97	\$2,719,410.58	\$2,155,007.64

JACKSON TOWNSHIP SCHOOL DISTRICT  
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS  
PROPRIETARY FUNDS - ENTERPRISE FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND							COMPARATIVE TOTALS JUNE 30	
	MAJOR FUNDS			NON-MAJOR FUNDS					
	FOOD SERVICE FUND	CHILD CARE FUND	EXTENDED ENRICHMENT KINDERGARTEN FUND	COMMUNITY SCHOOL FUND	PRE-SCHOOL FUND	DIGITAL MEDIA FUND	NON-MAJOR TOTAL	2012	2011
OPERATING REVENUES:									
Charges for services:									
Daily sales - reimbursable programs	\$1,675,536.58							\$1,675,536.58	\$1,448,621.91
Daily sales - non-reimbursable programs	257,770.01							257,770.01	519,496.99
Special functions	27,399.46							27,399.46	28,669.75
Fees - individuals		\$1,107,740.98	\$556,329.64	\$89,778.61	\$124,752.81	\$30,140.00	\$244,671.42	1,908,742.04	1,850,039.01
Total operating revenues	1,960,706.05	1,107,740.98	556,329.64	89,778.61	124,752.81	30,140.00	244,671.42	3,869,448.09	3,846,827.66
OPERATING EXPENSES:									
Cost of sales	1,198,803.68							1,198,803.68	1,152,986.19
Salaries	862,616.78	694,044.83	307,015.41	58,474.70	116,974.26	22,277.74	197,726.70	2,061,403.72	2,244,913.77
Employee benefits	548,231.28	87,129.37	18,292.99	11,867.05	8,948.53		20,815.58	674,469.22	628,391.67
Other purchase service	6,495.97	10,484.86	266.50	7,823.74			7,823.74	25,071.07	23,115.95
Rentals		144.32						144.32	4,382.92
Supplies and materials	83,189.89	10,773.28	488.16	841.74	1,409.30	8,143.44	10,394.48	104,845.81	109,239.35
Repairs	20,589.61							20,589.61	29,846.68
Non-instruction equipment	59,106.09							59,106.09	18,417.82
Miscellaneous	22,532.99	39,977.44	3,165.00	169.92	1,493.00		1,662.92	67,338.35	88,355.18
Interest on Long-Term Debt	2,611.96							2,611.96	
Depreciation	29,005.50							29,005.50	29,233.50
Total operating expenses	2,833,183.75	842,554.10	329,228.06	79,177.15	128,825.09	30,421.18	238,423.42	4,243,389.33	4,328,883.03
Operating income (loss)	(872,477.70)	265,186.88	227,101.58	10,601.46	(4,072.28)	(281.18)	6,248.00	(373,941.24)	(482,055.37)
NONOPERATING REVENUES (EXPENSES):									
State sources									
State school lunch program	30,526.21							\$30,526.21	27,744.18
Federal sources									
National school lunch program	677,952.14							677,952.14	611,392.86
National school breakfast program	29,524.29							29,524.29	18,380.82
Commissions/rebates	16,622.29							16,622.29	11,271.16
National food distribution commodities	183,719.25							183,719.25	170,931.98
Total nonoperating revenues (expenses)	938,344.18							938,344.18	839,721.00
Income (loss) before contributions & transfers	65,866.48	265,186.88	227,101.58	10,601.46	(4,072.28)	(281.18)	6,248.00	564,402.94	357,665.63
Total net assets - beginning	1,487,841.39	526,917.28		75,110.09	59,446.40	5,692.48	140,248.97	2,155,007.64	1,797,342.01
Total net assets - ending	\$1,553,707.87	\$792,104.16	\$227,101.58	\$85,711.55	\$55,374.12	\$5,411.30	\$146,496.97	\$2,719,410.58	\$2,155,007.64

JACKSON TOWNSHIP SCHOOL DISTRICT  
COMBINING STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS - ENTERPRISE FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND							COMPARATIVE TOTALS	
	MAJOR FUNDS			NON-MAJOR FUNDS				JUNE 30	
	FOOD SERVICE FUND	CHILD CARE FUND	EXTENDED ENRICHMENT KINDERGARTEN FUND	COMMUNITY SCHOOL FUND	PRE-SCHOOL FUND	DIGITAL MEDIA FUND	NON-MAJOR TOTAL	2012	2011
Cash flows from operating activities:									
Receipts from customers	\$1,963,051.05	\$1,096,782.83	\$546,756.64	\$94,484.51	\$120,947.81	\$28,310.00	\$243,742.32	\$3,850,332.84	\$3,880,578.27
Payments to employees	(862,602.82)	(717,456.97)	(307,015.41)	(67,794.76)	(120,542.26)	(19,202.48)	(207,539.50)	(2,094,614.70)	(2,276,131.67)
Payments to employee benefits	(534,553.60)	(87,129.37)	(18,292.99)	(11,867.05)	(8,948.53)		(20,815.58)	(660,791.54)	(640,160.25)
Payments to suppliers	(1,212,577.65)	(60,809.17)	(3,919.66)	(8,125.40)	(2,902.30)	(7,539.72)	(18,567.42)	(1,295,873.90)	(1,263,920.87)
Net cash provided by (used for) operating activities	(646,683.02)	231,387.32	217,528.58	6,697.30	(11,445.28)	1,567.80	(3,180.18)	(200,947.30)	(299,634.52)
Cash flows from noncapital financing activities:									
State sources	29,155.50							29,155.50	31,115.91
Federal sources	673,801.41							673,801.41	684,295.77
Operating subsidies and transfers to other funds	236,269.53							236,269.53	20,332.46
Net cash provided by noncapital financing activities	939,226.44							939,226.44	735,744.14
Cash flows from capital and related financing activities:									
Capital lease proceeds	457,000.00							457,000.00	
Capital Lease payment	(93,092.36)							(93,092.36)	
Purchases of capital assets	(642,065.81)							(642,065.81)	
Net cash provided by (used for) capital and related financing activities	(278,158.17)							(278,158.17)	
Net increase (decrease) in cash and cash equivalents	14,385.25	231,387.32	217,528.58	6,697.30	(11,445.28)	1,567.80	(3,180.18)	460,120.97	436,109.62
Cash and cash equivalents, July 1, 2011	1,542,598.96	690,065.32	49,647.00	104,729.25	80,704.40	26,797.48	212,231.13	2,494,542.41	2,058,432.79
Cash and cash equivalents, June 30, 2012	<u>\$1,556,984.21</u>	<u>\$921,452.64</u>	<u>\$267,175.58</u>	<u>\$111,426.55</u>	<u>\$69,259.12</u>	<u>\$28,365.28</u>	<u>\$209,050.95</u>	<u>\$2,954,663.38</u>	<u>\$2,494,542.41</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities									
Operating income (loss)	(\$872,477.70)	\$265,186.88	\$227,101.58	\$10,601.46	(\$4,072.28)	(\$281.18)	\$6,248.00	(\$373,941.24)	(\$482,055.37)
Adjustments to reconciling operating income (loss) to net cash provided by (used for) operating activities:									
Depreciation	29,005.50							29,005.50	29,233.50
Federal commodities	183,719.25							183,719.25	170,931.98
Change in assets and liabilities:									
(Increase) decrease in other accounts receivable	2,345.00							2,345.00	7,730.18
Increase (decrease) in deferred revenue	(2,405.15)	(10,958.15)	(9,573.00)	4,705.90	(3,805.00)	(1,830.00)	(929.10)	(23,865.40)	9,080.53
Increase (decrease) in accounts payable	(6,723.88)	(22,841.41)		(8,610.06)	(3,568.00)	3,678.98	(8,499.08)	(38,064.37)	(47,412.19)
Increase (decrease) in compensated absences	13,677.68							13,677.68	(11,768.58)
(Increase) decrease in inventories	6,176.28							6,176.28	24,625.43
	225,794.68	(33,799.56)	(9,573.00)	(3,904.16)	(7,373.00)	1,848.98	(9,428.18)	172,993.94	182,420.85
Net cash provided by (used for) operating activities	<u>(\$646,683.02)</u>	<u>\$231,387.32</u>	<u>\$217,528.58</u>	<u>\$6,697.30</u>	<u>(\$11,445.28)</u>	<u>\$1,567.80</u>	<u>(\$3,180.18)</u>	<u>(\$200,947.30)</u>	<u>(\$299,634.52)</u>

<b>FIDUCIARY FUNDS DETAIL STATEMENTS</b>
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**Fiduciary Funds are used to account for funds received by the district for a specific purpose:**

<b>Celebration of Excellence</b>	This private purpose trust is used to account for donations received that are used for Teacher Awards
<b>Jackson Championship Fund</b>	This private purpose trust is used to account for donations received that are for the purchase of awards for the Jackson High School Football team.
<b>Lite Up the Jags Fund</b>	This private purpose trust is used to account for donations received that are used for the purchase and maintenance of lighting for the Jackson Township High School Football field
<b>Unemployment Compensation Insurance Trust Fund:</b>	This expendable trust fund is used to pay unemployment compensation claims as they arise.

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

<b>Student Activity Fund :</b>	This agency fund is used to account for student funds held at the schools.
<b>Payroll Fund:</b>	This agency fund is used to account for the payroll transactions of the school district.

JACKSON TOWNSHIP SCHOOL DISTRICT  
COMBINING STATEMENT OF FIDUCIARY NET ASSETS  
JUNE 30, 2012

	AGENCY FUNDS		PRIVATE PURPOSE AWARD FUNDS			UNEMPLOYMENT COMPENSATION TRUST FUND	COMPARATIVE TOTALS	
	STUDENT	PAYROLL	CELEBRATION OF	LITE UP	JACKSON		JUNE 30	
	ACTIVITY	AGENCY	EXCELLENCE	THE JAGS	CHAMPIONSHIP FUND		2012	2011
ASSETS:								
Cash and cash equivalents	\$500,381.26	\$3,594,657.96	\$3,609.01	\$9,051.24	\$75.00	\$342,509.03	\$4,450,283.50	\$5,260,968.46
Interfunds Receivable						77,357.40	77,357.40	
Total assets	<u>\$500,381.26</u>	<u>\$3,594,657.96</u>	<u>\$3,609.01</u>	<u>\$9,051.24</u>	<u>\$75.00</u>	<u>\$419,866.43</u>	<u>\$4,527,640.90</u>	<u>\$5,260,968.46</u>
LIABILITIES:								
Interfunds Payable		\$103,666.46					\$103,666.46	\$744,536.91
Payroll deductions and withholdings		580,217.22					580,217.22	513,188.78
Wages payable - Summer Payroll		2,910,774.28					2,910,774.28	2,985,933.76
Due to student groups	<u>\$500,381.26</u>						<u>500,381.26</u>	<u>468,178.91</u>
Total liabilities	<u>\$500,381.26</u>	<u>\$3,594,657.96</u>					<u>4,095,039.22</u>	<u>4,711,838.36</u>
NET ASSETS:								
Held in trust for unemployment claims and other purposes						\$419,866.43	419,866.43	536,410.88
Reserved:								
For awards and other purposes			<u>\$3,609.01</u>	<u>\$9,051.24</u>	<u>\$75.00</u>		<u>12,735.25</u>	<u>12,719.22</u>
Total net assets	<u>-0-</u>	<u>-0-</u>	<u>\$3,609.01</u>	<u>\$9,051.24</u>	<u>\$75.00</u>	<u>\$419,866.43</u>	<u>\$432,601.68</u>	<u>\$549,130.10</u>

JACKSON TOWNSHIP SCHOOL DISTRICT  
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS  
 FIDUCIARY FUNDS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	PRIVATE PURPOSE AWARD FUNDS			STATE UNEMPLOYMENT	
	CELEBRATION OF	LITE UP	JACKSON	COMPENSATION	
	<u>EXCELLENCE</u>	<u>THE JAGS</u>	<u>CHAMPIONSHIP FUND</u>	<u>TRUST FUND</u>	<u>TOTAL</u>
ADDITIONS:					
Contributions:					
Other				\$188,406.38	\$188,406.38
Total contributions				188,406.38	188,406.38
Investment earnings:					
Interest	\$16.03			1,777.53	1,793.56
Net investment earnings	16.03			1,777.53	1,793.56
Total additions	16.03			190,183.91	190,199.94
DEDUCTIONS:					
Awards					
Unemployment claims				306,728.36	306,728.36
Total deductions				306,728.36	306,728.36
Change in net assets	16.03			(116,544.45)	(116,528.42)
Net assets beginning of year	3,592.98	\$9,051.24	\$75.00	536,410.88	549,130.10
Net assets end of year	<u>\$3,609.01</u>	<u>\$9,051.24</u>	<u>\$75.00</u>	<u>\$419,866.43</u>	<u>\$432,601.68</u>



JACKSON TOWNSHIP SCHOOL DISTRICT  
STUDENT ACTIVITY FUND  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	<u>BALANCE</u> <u>JULY 1, 2011</u>	<u>CASH</u> <u>RECEIPTS</u>	<u>CASH</u> <u>DISBURSE-</u> <u>MENTS</u>	<u>BALANCE</u> <u>JUNE 30, 2012</u>
Student activities funds	<u>\$468,178.91</u>	<u>\$1,395,994.30</u>	<u>\$1,363,791.95</u>	<u>\$500,381.26</u>
Total all schools	<u><u>\$468,178.91</u></u>	<u><u>\$1,395,994.30</u></u>	<u><u>\$1,363,791.95</u></u>	<u><u>\$500,381.26</u></u>

JACKSON TOWNSHIP SCHOOL DISTRICT  
PAYROLL AGENCY FUNDS  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	<u>BALANCE</u> <u>JULY 1, 2011</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE</u> <u>JUNE 30, 2012</u>
ASSETS:				
Cash and cash equivalents	<u>\$4,243,659.45</u>	<u>\$89,542,686.39</u>	<u>\$90,191,687.88</u>	<u>\$3,594,657.96</u>
Total assets	<u>\$4,243,659.45</u>	<u>\$89,542,686.39</u>	<u>\$90,191,687.88</u>	<u>\$3,594,657.96</u>
LIABILITIES:				
Interfunds payable	\$744,536.91	\$49,704,201.15	\$50,345,071.60	\$103,666.46
Payroll deductions and withholdings	513,188.78	37,674,126.61	37,607,098.17	580,217.22
Wages payable - summer payroll	<u>2,985,933.76</u>	<u>2,164,358.63</u>	<u>2,239,518.11</u>	<u>2,910,774.28</u>
Total liabilities	<u>\$4,243,659.45</u>	<u>\$89,542,686.39</u>	<u>\$90,191,687.88</u>	<u>\$3,594,657.96</u>

<b>LONG-TERM DEBT SCHEDULES</b>
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The Long-Term schedules are used to reflect the outstanding principal balances of the long-term liabilities of the District. This includes obligations under Serial Bonds and Capital Leases.

JACKSON TOWNSHIP SCHOOL DISTRICT  
LONG-TERM DEBT  
SCHEDULE OF SERIAL BONDS  
JUNE 30, 2012

ISSUE	DATE OF ISSUE	AMOUNT OF ISSUE	MATURITIES		RATE OF INTEREST	BALANCE JULY 1, 2011	RETIRED	BALANCE JUNE 30, 2012
			DATE	AMOUNT				
Additions to Jackson Memorial High School and Construction of a New Middle School	06/19/91	\$ 23,984,000.00		\$		\$ 1,584,000.00	\$ 1,584,000.00	\$
Acquisition of land and equipment to build and equip a new High School, the Construction of a new Elementary School, the renovation and construction of Gymnasium additions at two Schools, and the acquisition of land for the future Construction of a new Middle School	04/15/02	70,366,000.00				750,000.00	750,000.00	
Refunding School Bonds (Pension Series 2003)	01/15/03	6,550,000.00	06/30/13	560,000.00	5.01%			
			06/30/14	590,000.00	5.06%			
			06/30/15	620,000.00	5.31%			
			06/30/16	655,000.00	5.31%	2,955,000.00	530,000.00	2,425,000.00
Refunding Bonds	4/13/2006	87,650,000.00	06/15/13	2,305,000.00	4.00%			
			06/15/14	2,965,000.00	5.00%			
			06/15/15	3,955,000.00	5.00%			
			06/15/16	4,490,000.00	5.25%			
			06/15/17	4,720,000.00	5.25%			
			06/15/18	4,955,000.00	5.25%			
			06/15/19	5,640,000.00	5.25%			
			06/15/20	5,475,000.00	5.25%			
			06/15/21	5,720,000.00	5.25%			
			06/15/22	6,020,000.00	5.25%			
			06/15/23	6,335,000.00	5.25%			
			06/15/24	6,665,000.00	5.00%			
			06/15/25	6,995,000.00	4.50%			
			06/15/26	7,310,000.00	2.50%			
			06/15/27	7,885,000.00	2.50%	82,830,000.00	1,395,000.00	81,435,000.00

JACKSON TOWNSHIP SCHOOL DISTRICT  
LONG-TERM DEBT  
SCHEDULE OF SERIAL BONDS  
JUNE 30, 2012

ISSUE	DATE OF ISSUE	AMOUNT OF ISSUE	MATURITIES		RATE OF INTEREST	BALANCE JULY 1, 2011	RETIRED	BALANCE JUNE 30, 2012
			DATE	AMOUNT				
Renovations and Improvements to Jackson Memorial High School and Christa McAuliffe Middle School	08/01/06	\$ 11,721,000.00	02/01/13	\$ 575,000.00	\$ 4.50%	\$	\$	\$
			02/01/14	600,000.00	4.50%			
			02/01/15	630,000.00	4.50%			
			02/01/16	660,000.00	4.50%			
			02/01/17	690,000.00	4.50%			
			02/01/18	720,000.00	4.50%			
			02/01/19	755,000.00	4.50%			
			02/01/20	790,000.00	4.50%			
			02/01/21	825,000.00	4.50%			
			02/01/22	865,000.00	4.50%			
			02/01/23	900,000.00	4.50%			
			02/01/24	945,000.00	4.50%			
			02/01/25	985,000.00	4.50%			
			02/01/26	1,031,000.00	4.75%			
						\$ 11,271,000.00	\$ 300,000.00	\$ 10,971,000.00
						\$ 99,390,000.00	\$ 4,559,000.00	\$ 94,831,000.00

JACKSON TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES  
AS OF JUNE 30, 2012

<u>SERIES</u>	<u>INTEREST RATE PAYABLE</u>	<u>AMOUNT OF ORIGINAL LEASE</u>	<u>AMOUNT OUTSTANDING JUNE 30, 2011</u>	<u>INCREASE</u>	<u>DECREASE</u>	<u>AMOUNT OUTSTANDING JUNE 30, 2012</u>
<u>Governmental Funds</u>						
Xerox 240/250	3.900%	\$ 20,729.00	\$ 2,456.96	\$	2,456.96	\$
Xerox WC255H UTV182994	3.900%	11,161.00	2,809.76		2,809.76	
Xerox CC90 MTC 020451	3.900%	20,295.00	5,063.31		5,063.31	
Xerox WC5655H WTD710288	3.900%	14,579.00	4,404.20		4,404.20	
Xerox 5638 WRT606261	3.900%	10,835.00	3,311.87		3,311.87	
Xerox 480 WTM761925	3.900%	13,045.00	4,626.76		4,626.76	
Xerox W5655PT WTD730855	3.900%	13,032.00	5,967.58		5,967.58	
Xerox W5645 PT WTD 730676	3.900%	12,465.00	5,699.19		5,699.19	
Xerox 4595 FBH 473859	3.900%	23,125.00	10,605.17		10,605.17	
Xerox 5675T WTM 769851	3.900%	17,547.00	8,036.90		8,036.90	
Xerox 5675T WTM 769821	3.900%	17,920.00	8,225.63		8,225.63	
Xerox 5645T WTD 730845	3.900%	12,947.00	5,931.27		5,931.27	
Xerox 5675T WTM 769853	3.900%	17,547.00	8,053.74		8,053.74	
Xerox 5638T WRT 621650	3.900%	10,999.00	5,031.61		5,031.61	
Xerox 5655T WTD 730730	3.900%	13,042.00	5,984.57		5,984.57	
Xerox 4595 FBH 473871	3.900%	22,729.00	10,433.38		10,433.38	
Xerox 4595 FBH 473876	3.900%	22,134.00	10,170.43		10,170.43	
Xerox 4595 FBH 473887	3.900%	23,015.00	10,585.98		10,585.98	
Xerox 5655PT WTD 730859	3.900%	14,695.00	6,747.07		6,747.07	
Buses/Truck 09/10	3.350%	820,000.00	555,622.22		305,981.53	249,640.69
Xerox 4595 FBG962225	0.000%	27,403.20	19,182.24		19,182.24	
Xerox 5665 WTM785182	0.000%	17,778.60	12,445.02		12,445.02	
Xerox 5135 VXX002759	0.000%	4,494.00	3,145.80		3,145.80	
Xerox 4118 YHR704893	0.000%	1,254.60	920.04		920.04	
Xerox W5687T WTM785428	0.000%	21,942.00	16,090.80		16,090.80	
Technology Upgrade JMHS	1.950%	1,950,000.00	1,562,364.87		379,350.27	1,183,014.60
Buses/Truck 10/11	3.210%	192,080.00	192,080.00		63,704.24	128,375.76
New Lease - 11/12 Buses	1.470%	927,000.00		927,000.00	190,850.49	736,149.51
Sub-Total Governmental Funds			\$ 2,485,996.37	\$ 927,000.00	\$ 1,115,815.81	\$ 2,297,180.56
Business-Type Funds:						
JMHS Kitchen Equipment	2.06%	457,000.00		457,000.00	93,092.36	363,907.64
Grand Total			\$ 2,485,996.37	\$ 1,384,000.00	\$ 1,208,908.17	\$ 2,661,088.20

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

	2012			2011		
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
REVENUES:						
Local sources:						
Local tax levy	\$7,131,668.00	\$7,131,668.00		\$7,218,334.00	\$7,218,334.00	
State sources:						
Debt service aid type II	1,845,747.00	1,845,747.00		1,877,773.00	1,877,773.00	
Total revenues	8,977,415.00	8,977,415.00		9,096,107.00	9,096,107.00	
EXPENDITURES:						
Regular debt service:						
Interest	4,449,854.00	4,449,854.00		4,653,004.00	4,653,004.00	
Redemption of principal	4,029,000.00	4,029,000.00		3,845,000.00	3,845,000.00	
Interest - ERIP	138,518.00	138,518.00		163,103.00	163,102.50	\$0.50
Principal - ERIP	530,000.00	530,000.00		510,000.00	510,000.00	
Total regular debt service-expenditures	9,147,372.00	9,147,372.00		9,171,107.00	9,171,106.50	0.50
Excess (deficiency) of revenues over (under) expenditures	(169,957.00)	(169,957.00)		(75,000.00)	(74,999.50)	0.50
Other financing sources:						
Operating Transfers in - Capital Projects		16,662.12	\$16,662.12		95,222.02	95,222.02
Interest earned on Arbitrage		1,182.89	1,182.89		2,127.70	2,127.70
	(169,957.00)	(152,111.99)	17,845.01	(75,000.00)	22,350.22	97,350.22
Fund balance, July 1	267,306.92	267,306.92		244,956.70	244,956.70	
Fund balance, June 30	\$97,349.92	\$115,194.93	\$17,845.01	\$169,956.70	\$267,306.92	\$97,350.22

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**STATISTICAL SECTION - UNAUDITED**



TOWNSHIP OF JACKSON SCHOOL DISTRICT  
STATISTICAL SECTION

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

Sources

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

TOWNSHIP OF JACKSON SCHOOL DISTRICT  
NET ASSETS BY COMPONENT  
UNAUDITED

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Governmental activities									
Invested in capital assets									
Net of related debt	\$46,201,066.71	\$48,866,924.07	\$55,944,397.54	\$54,849,723.06	\$54,631,170.27	\$70,818,794.41	\$66,202,961.72	\$54,138,166.94	\$41,426,592.02
Restricted	10,675,728.91	6,822,188.30	2,820,294.92	4,522,834.13	5,671,280.65	6,720,493.30	9,803,632.26	20,073,365.66	27,292,292.54
Unrestricted (deficit)	<u>(2,028,413.56)</u>	<u>(5,739,508.79)</u>	<u>(2,428,956.92)</u>	<u>(3,965,126.38)</u>	<u>(1,034,050.70)</u>	<u>(2,701,850.48)</u>	<u>(2,429,711.48)</u>	<u>(6,333,944.03)</u>	<u>(3,652,796.84)</u>
Total governmental activities net assets	<u>\$54,848,382.06</u>	<u>\$49,949,603.58</u>	<u>\$56,335,735.54</u>	<u>\$55,407,430.81</u>	<u>\$59,268,400.22</u>	<u>\$74,837,437.23</u>	<u>\$73,576,882.50</u>	<u>\$67,877,588.57</u>	<u>\$65,066,087.72</u>
Business-type activities									
Invested in capital assets									
Net of related debt	\$1,065,445.16	\$111,575.75	\$140,809.25	\$178,717.70	\$305,733.10	\$66,511.50	\$95,485.80	\$123,296.00	\$155,321.00
Unrestricted	1,296,748.73	2,043,431.89	1,662,052.76	1,419,796.05	1,278,552.61	1,250,816.88	2,025,490.61	1,486,919.84	1,023,001.69
Total business-type activities net assets	<u>\$2,362,193.89</u>	<u>\$2,155,007.64</u>	<u>\$1,802,862.01</u>	<u>\$1,598,513.75</u>	<u>\$1,584,285.71</u>	<u>\$1,317,328.38</u>	<u>\$2,120,976.41</u>	<u>\$1,610,215.84</u>	<u>\$1,178,322.69</u>
District-wide									
Invested in capital assets									
Net of related debt	\$47,266,511.87	\$48,978,499.82	\$56,085,206.79	\$55,028,440.76	\$54,936,903.37	\$70,885,305.91	\$66,298,447.52	\$54,261,462.94	\$41,581,913.02
Restricted	10,675,728.91	6,822,188.30	2,820,294.92	4,522,834.13	5,671,280.65	6,720,493.30	9,803,632.26	20,073,365.66	27,292,292.54
Unrestricted	<u>(731,664.83)</u>	<u>(3,696,076.90)</u>	<u>(766,904.16)</u>	<u>(2,545,330.33)</u>	<u>244,501.91</u>	<u>(1,451,033.60)</u>	<u>(404,220.87)</u>	<u>(4,847,024.19)</u>	<u>(2,629,795.15)</u>
Total district net assets	<u>\$57,210,575.95</u>	<u>\$52,104,611.22</u>	<u>\$58,138,597.55</u>	<u>\$57,005,944.56</u>	<u>\$60,852,685.93</u>	<u>\$76,154,765.61</u>	<u>\$75,697,858.91</u>	<u>\$69,487,804.41</u>	<u>\$66,244,410.41</u>

Source: CAFR Schedule A-1

TOWNSHIP OF JACKSON SCHOOL DISTRICT  
CHANGES IN NET ASSETS  
UNAUDITED

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
<u>EXPENSES</u>									
Governmental activities:									
Instruction:									
Regular	\$47,418,293.10	\$49,695,187.95	\$48,766,175.92	\$47,698,728.24	\$48,114,374.28	\$49,695,935.16	\$44,092,985.19	\$40,980,445.08	\$40,507,382.10
Special	21,976,846.06	21,139,345.86	20,494,499.40	19,792,810.28	19,870,368.57	17,029,470.25	15,340,953.10	13,856,791.15	13,354,901.21
Other Instruction	3,508,035.75	3,569,888.52	3,689,912.79	3,852,776.57	3,756,939.66	4,059,154.01	3,083,486.34	3,064,000.57	2,735,197.08
Support services:									
Tuition	3,876,982.94	3,750,069.61	4,959,955.20	5,157,689.83	6,837,860.08	7,293,653.87	8,712,637.63	8,759,077.40	5,921,474.88
Student & instruction related services	17,400,796.17	18,526,033.44	19,092,320.50	17,309,066.83	13,987,559.07	14,299,111.44	10,496,708.43	9,968,720.30	11,810,907.41
General administrative services	1,925,564.62	1,835,550.15	1,913,192.33	1,914,910.90	1,734,663.99	1,948,099.78	1,553,443.60	2,094,875.11	1,094,421.13
School administrative services	6,969,043.79	6,882,113.63	6,918,483.23	7,056,377.78	6,472,045.64	6,439,173.91	6,030,378.28	6,080,151.78	4,210,264.49
Business and other support services									2,212,571.59
Central Services/Administrative Technology	3,609,258.71	3,587,495.41	3,209,350.56	3,236,185.51	3,320,914.44	2,868,442.33	3,311,306.57	2,302,245.58	
Plant operations and maintenance	12,289,740.37	12,034,474.36	13,885,102.74	13,127,649.55	13,020,264.78	11,614,167.47	9,733,829.99	9,194,621.12	8,537,737.88
Pupil transportation	10,836,039.01	10,629,131.41	10,413,351.37	11,049,928.87	11,108,999.51	11,496,494.96	8,785,730.92	8,044,222.38	8,119,004.60
Special Schools	467,036.59	450,955.85	609,114.80	1,285,616.40	1,196,120.50	1,093,349.00	989,321.13	701,471.54	792,124.12
Interest on Long-Term Debt	4,794,914.55	5,179,101.17	5,014,454.11	5,218,464.03	5,267,133.36	5,514,487.38	3,731,479.00	5,192,635.27	5,693,301.22
Unallocated depreciation	3,785,313.96	241,519.60	284,431.60	275,643.49	293,712.88	290,585.07	202,801.23	132,070.00	132,069.00
Unallocated amortization	201,190.48	201,190.48	201,190.48	201,190.48	201,190.48	201,190.48			
Total governmental activities expenses	<u>139,059,056.10</u>	<u>137,722,057.44</u>	<u>139,451,535.03</u>	<u>137,177,038.76</u>	<u>135,182,147.24</u>	<u>133,843,315.11</u>	<u>116,065,061.41</u>	<u>110,371,327.28</u>	<u>105,121,356.71</u>
Business-type activities:									
Food Service	2,833,183.75	2,684,286.74	2,715,689.54	2,688,032.65	2,520,542.92	2,462,306.31	2,257,776.71	2,139,663.88	1,974,133.28
Child Care	842,554.10	969,473.10	1,371,802.64	1,318,839.12	1,412,432.02	1,186,235.99	1,151,087.26	1,016,787.87	1,068,046.59
Extended Enrichment Kindergarten	287,985.07								
Community School	120,420.14	484,219.19	117,855.10	190,851.76	231,826.73	193,055.11	163,749.92	162,020.20	124,087.42
Preschool	128,825.09	176,716.48	240,717.16	229,230.47	286,634.06	195,843.29	236,475.67	243,409.28	255,471.85
Digital Media	30,421.18	14,187.52	3,725.00						
Total business-type activities expense	<u>4,243,389.33</u>	<u>4,328,883.03</u>	<u>4,449,789.44</u>	<u>4,426,954.00</u>	<u>4,451,435.73</u>	<u>4,037,440.70</u>	<u>3,809,089.56</u>	<u>3,561,881.23</u>	<u>3,421,739.14</u>
Total district expenses	<u>\$143,302,445.43</u>	<u>\$142,050,940.47</u>	<u>\$143,901,324.47</u>	<u>\$141,603,992.76</u>	<u>\$139,633,582.97</u>	<u>\$137,880,755.81</u>	<u>\$119,874,150.97</u>	<u>\$113,933,208.51</u>	<u>\$108,543,095.85</u>
<u>PROGRAM REVENUES</u>									
Governmental activities:									
Operating grants and contributions	\$13,098,413.53	\$13,123,340.00	\$15,241,018.06	\$15,124,062.33	\$18,620,860.61	\$17,884,772.25	\$14,139,492.84	\$13,353,334.31	\$11,547,449.79
Total governmental activities program revenues	<u>13,098,413.53</u>	<u>13,123,340.00</u>	<u>15,241,018.06</u>	<u>15,124,062.33</u>	<u>18,620,860.61</u>	<u>17,884,772.25</u>	<u>14,139,492.84</u>	<u>13,353,334.31</u>	<u>11,547,449.79</u>

TOWNSHIP OF JACKSON SCHOOL DISTRICT  
CHANGES IN NET ASSETS  
UNAUDITED

	2012	2011	2010	2009	2008	2007	2006	2005	2004
<u>PROGRAM REVENUES</u>									
Business-type activities:									
Charges for services									
Food Service	\$1,960,706.05	\$1,996,788.65	\$2,006,459.55	\$2,067,055.16	\$2,037,359.85	\$1,929,843.53	\$1,875,032.66	\$1,740,202.60	\$1,662,973.39
Extended Enrichment Kindergarten	\$826,835.10								
Child Care	490,375.64	1,116,260.73	1,475,555.36	1,375,656.76	1,448,474.88	1,362,936.11	1,501,127.70	1,391,837.71	1,265,965.08
Community School	89,778.61	544,016.78	120,875.08	177,212.00	190,193.16	195,921.30	205,711.37	165,001.55	143,844.28
Preschool	114,396.00	169,881.50	243,804.12	240,349.30	226,357.24	271,588.55	277,237.59	239,254.51	255,189.76
Digital Media Program	30,140.00	19,880.00	9,245.00						
Operating grants and contributions	921,721.89	828,449.84	787,425.93	639,740.39	534,088.42	497,299.29	436,436.80	436,618.11	392,293.35
Total business type activities program revenues	4,433,953.29	4,675,277.50	4,643,365.04	4,500,013.61	4,436,473.55	4,257,588.78	4,295,546.12	3,972,914.48	3,720,265.86
Total district program revenues	\$17,532,366.82	\$17,798,617.50	\$19,884,383.10	\$19,624,075.94	\$23,057,334.16	\$22,142,361.03	\$18,435,038.96	\$17,326,248.79	\$15,267,715.65
<u>NET (EXPENSE)/REVENUE</u>									
Governmental activities	(\$125,960,642.57)	(\$124,598,717.44)	(\$124,210,516.97)	(\$122,052,976.43)	(\$116,561,286.63)	(\$115,958,542.86)	(\$101,925,568.57)	(\$97,017,992.97)	(\$93,573,906.92)
Business-type activities	190,563.96	346,394.47	193,575.60	73,059.61	(14,962.18)	220,148.08	486,456.56	411,033.25	298,526.72
Total district-wide net expense	(\$125,770,078.61)	(\$124,252,322.97)	(\$124,016,941.37)	(\$121,979,916.82)	(\$116,576,248.81)	(\$115,738,394.78)	(\$101,439,112.01)	(\$96,606,959.72)	(\$93,275,380.20)
<u>GENERAL REVENUES AND OTHER CHANGES IN NET ASSETS</u>									
Governmental activities:									
Property taxes levied for general purposes, net	\$70,641,635.00	\$70,641,635.00	\$64,892,178.00	\$62,757,140.00	\$62,757,140.00	\$60,020,934.00	\$53,950,635.00	\$45,927,677.00	\$44,111,886.00
Taxes levied for debt service	7,131,668.00	7,218,334.00	6,075,860.00	6,126,678.00	6,135,149.00	6,135,149.00	6,131,191.00	5,995,732.00	5,887,475.00
Federal and state aid not restricted	51,335,296.65	44,990,516.12	51,951,063.36	45,810,096.96	47,306,596.02	45,756,318.63	45,506,083.81	45,403,470.12	43,916,842.13
Federal and state aid restricted	922,873.50	889,350.31	983,951.32	1,013,537.95	877,362.86	771,397.00	995,513.00	831,371.72	2,339,927.30
Miscellaneous income	1,125,753.17	760,147.48	1,227,353.07	2,863,225.07	2,577,666.82	2,300,614.79	2,046,223.75	1,752,550.85	2,240,098.18
Cancellation of Capital Lease			8,415.95						
Disposal of capital asset (net)	(297,805.27)	(472,988.00)		(5,933.75)		(1,290.50)			(92,545.98)
Transfers						1,040,000.00			
Total governmental activities	130,859,421.05	124,026,994.91	125,138,821.70	118,564,744.24	119,653,914.70	116,023,122.92	108,629,646.56	99,910,801.69	98,403,682.63
Business-type activities:									
Miscellaneous Income	16,622.29	11,271.16	11,772.66	21,386.43	18,539.26	16,203.89	15,776.35	20,859.90	6,170.49
Transfers						(1,040,000.00)			
Total business-type activities	16,622.29	11,271.16	11,772.66	21,386.43	18,539.26	(1,023,796.11)	15,776.35	20,859.90	6,170.49
Total district-wide	\$130,876,043.34	\$124,038,266.07	\$125,150,594.36	\$118,586,130.67	\$119,672,453.96	\$114,999,326.81	\$108,645,422.91	\$99,931,661.59	\$98,409,853.12
<u>CHANGE IN NET ASSETS</u>									
Governmental activities	\$4,898,778.48	(\$571,722.53)	\$928,304.73	(\$3,488,232.19)	\$3,092,628.07	\$64,580.06	\$6,704,077.99	\$2,892,808.72	\$4,829,775.71
Business-type activities	207,186.25	357,665.63	205,348.26	94,446.04	3,577.08	(803,648.03)	502,232.91	431,893.15	304,697.21
Total district	\$5,105,964.73	(\$214,056.90)	\$1,133,652.99	(\$3,393,786.15)	\$3,096,205.15	(\$739,067.97)	\$7,206,310.90	\$3,324,701.87	\$5,134,472.92

Source: CAFR Schedule A-2

TOWNSHIP OF JACKSON SCHOOL DISTRICT  
FUND BALANCES - GOVERNMENTAL FUNDS  
UNAUDITED

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
General Fund									
Restricted	\$10,667,396.93	\$5,513,429.71							
Committed	2,623,176.34	2,715,596.45							
Reserved			\$3,445,238.15	\$3,481,324.87	\$4,411,074.12	\$2,971,077.39	\$5,332,800.67	\$4,263,327.03	\$4,880,105.29
Unreserved			4,390,578.67	2,817,399.44	5,398,386.95	4,846,181.11	3,402,187.79	2,180,347.76	5,138,416.58
Total general fund	<u>\$13,290,573.27</u>	<u>\$8,229,026.16</u>	<u>\$7,835,816.82</u>	<u>\$6,298,724.31</u>	<u>\$9,809,461.07</u>	<u>\$7,817,258.50</u>	<u>\$8,734,988.46</u>	<u>\$6,443,674.79</u>	<u>\$10,018,521.87</u>
	13,290,573.27								
All Other Governmental Funds									
Restricted	2,340,158.32	2,432,149.83							
Committed	126,745.55	275,112.55							
Assigned		169,957.00							
Reserved			1,095,610.72	1,208,304.16	\$1,341,700.49	\$4,472,357.52	\$16,080,024.60	\$20,687,280.14	\$48,333,261.52
Unreserved, reported in:									
Special revenue fund (deficit)					(9,208.95)	(9,208.95)	(9,208.95)	(9,208.95)	(9,208.95)
Capital projects fund (deficit)			\$2,538,023.22	\$2,894,527.96	4,032,578.71	6,397,267.09	(2,774,034.03)	8,384,509.16	17,253,706.62
Debt service fund			244,956.70	759,664.27	1,313,616.46	1,522,083.00	1,510,510.57	880,923.50	391,110.96
Total all other governmental funds	<u>\$2,466,903.87</u>	<u>\$2,877,219.38</u>	<u>\$3,878,590.64</u>	<u>\$4,862,496.39</u>	<u>\$6,678,686.71</u>	<u>\$12,382,498.66</u>	<u>\$14,807,292.19</u>	<u>\$29,943,503.85</u>	<u>\$65,968,870.15</u>

Source: CAFR Schedule B-1

**TOWNSHIP OF JACKSON SCHOOL DISTRICT**  
**CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS**  
**UNAUDITED**

	2012	2011	2010	2009	2008	2007	2006	2005	2004
<b>Revenues</b>									
Tax levy	\$77,773,303.00	\$77,859,969.00	\$70,968,038.00	\$68,883,818.00	\$68,892,289.00	\$66,156,083.00	\$60,081,826.00	\$51,923,409.00	\$49,999,361.00
Interest on capital reserve	3,892.27								
Tuition charges					18,421.20	114,334.60	81,490.34	52,799.00	56,058.08
Miscellaneous	1,168,676.78	797,933.02	1,241,725.22	2,928,451.16	2,577,653.04	2,291,667.66	1,955,796.23	1,876,350.43	2,181,007.72
State sources	60,427,464.99	54,421,853.55	56,385,446.29	58,530,537.48	63,560,717.17	61,167,417.92	57,577,782.80	56,514,728.09	55,092,788.38
Federal sources	4,881,119.92	4,541,439.64	11,772,489.55	3,347,602.18	3,217,320.34	3,127,534.58	3,063,296.85	2,892,500.79	2,711,430.84
Total revenue	<u>144,254,456.96</u>	<u>137,621,195.21</u>	<u>140,367,699.06</u>	<u>133,690,408.82</u>	<u>138,266,400.75</u>	<u>132,857,037.76</u>	<u>122,760,202.22</u>	<u>113,259,787.31</u>	<u>110,040,646.02</u>
<b>Expenditures</b>									
Instruction									
Regular Instruction	34,108,896.75	34,009,575.04	34,007,421.38	36,351,634.14	34,605,322.05	35,030,197.70	32,191,026.16	30,991,764.31	29,731,071.86
Special education instruction	15,973,237.78	15,252,120.36	14,944,323.71	11,514,557.15	12,368,430.07	11,813,614.75	10,767,585.96	9,919,598.17	9,342,865.30
Other instruction	2,525,760.01	2,589,452.64	2,828,245.09	2,921,594.98	2,765,110.69	3,133,894.56	2,248,702.47	2,302,925.10	2,370,646.38
Support Services:									
Tuition	3,876,982.94	3,750,069.61	4,959,955.20	5,157,689.83	6,837,860.08	7,293,653.74	6,401,817.20	6,400,878.25	5,921,474.88
Student & instruction related services	12,758,568.45	13,911,120.16	14,772,563.22	13,322,660.59	10,548,446.14	11,102,272.88	10,173,747.08	9,522,610.16	9,603,631.98
General administrative services	1,349,469.43	1,320,502.68	1,250,860.22	1,420,700.54	1,326,350.21	1,161,881.23	1,151,732.72	1,084,380.67	981,846.44
School administrative services	4,950,907.06	5,059,641.86	5,111,517.08	5,352,765.50	4,969,899.85	5,032,612.75	4,785,485.33	4,567,796.81	3,737,341.74
Business and other support services									2,042,231.98
Central Services	2,330,157.98	2,341,281.76	2,366,111.75	2,506,514.77	2,594,486.92	2,223,168.47	2,296,227.61	2,319,189.16	
Plant operations and maintenance	9,730,261.31	9,795,098.62	10,994,330.66	11,251,874.13	11,101,354.29	10,005,619.65	8,627,754.70	7,900,427.61	7,761,938.16
Pupil transportation	8,275,435.62	8,058,054.47	8,344,221.53	8,455,249.90	9,372,795.53	10,482,904.37	9,148,022.86	7,663,520.45	7,224,731.88
Unallocated benefits	33,111,546.03	31,155,129.63	29,804,925.13	28,431,552.66	29,579,294.70	27,380,362.78	22,593,060.75	21,444,682.46	19,545,572.35
Special schools	213,943.49	209,283.67	275,894.20	969,709.23	889,385.65	800,692.41	719,022.99	703,429.88	716,145.48
Debt service:									
Principal	4,559,000.00	4,355,000.00	3,895,000.00	3,930,000.00	3,520,010.00	3,405,000.00	4,205,000.00	3,125,000.00	2,933,000.00
Interest and other charges	4,588,372.00	4,816,106.50	5,020,487.25	5,224,337.25	5,647,180.50	5,032,952.38	4,020,904.03	5,578,167.51	5,723,102.76
Capital Outlay	<u>1,300,651.58</u>	<u>3,735,436.65</u>	<u>2,102,162.03</u>	<u>2,432,023.73</u>	<u>6,900,697.01</u>	<u>13,578,119.80</u>	<u>20,033,116.34</u>	<u>39,788,115.06</u>	<u>16,320,828.71</u>
Total expenditures	<u>139,653,190.43</u>	<u>140,357,873.65</u>	<u>140,678,018.45</u>	<u>139,242,864.40</u>	<u>143,026,623.69</u>	<u>147,476,947.47</u>	<u>139,363,206.20</u>	<u>153,312,465.60</u>	<u>123,956,429.90</u>
Excess (Deficiency) of revenues over (under) expenditures	4,601,266.53	(2,736,678.44)	(310,319.39)	(5,552,455.58)	(4,760,222.94)	(14,619,909.71)	(16,603,003.98)	(40,052,698.29)	(13,915,783.88)
<b>Other Financing sources (uses)</b>									
Interest earned on Arbitrage reserve	1,182.89	2,127.70	3,724.75	4,331.50	8,374.56	12,147.91	8,937.18	4,348.69	3,032.38
Capital leases (non-budgeted)	48,782.18	2,126,388.82	859,781.40	221,197.00	1,040,229.00	1,089,974.85	1,224,586.14	468,290.22	190,433.91
Transfers						1,040,000.00			
Long-Term debt issued						11,721,000.00			
Total other financing sources (uses)	<u>49,965.07</u>	<u>2,128,516.52</u>	<u>863,506.15</u>	<u>225,528.50</u>	<u>1,048,603.56</u>	<u>13,863,122.76</u>	<u>1,233,523.32</u>	<u>472,638.91</u>	<u>193,466.29</u>
Net change in fund balances	<u>\$4,651,231.60</u>	<u>(\$608,161.92)</u>	<u>\$553,186.76</u>	<u>(\$5,326,927.08)</u>	<u>(\$3,711,619.38)</u>	<u>(\$756,786.95)</u>	<u>(\$15,369,480.66)</u>	<u>(\$39,580,059.38)</u>	<u>(\$13,722,317.59)</u>
Debt service as a percentage of noncapital expenditures	6.61%	6.71%	6.43%	6.69%	6.73%	6.30%	6.89%	7.67%	8.04%

Source: CAFR Schedule B-2



TOWNSHIP OF JACKSON SCHOOL DISTRICT  
GENERAL FUND OTHER LOCAL REVENUE BY SOURCE  
UNAUDITED

<u>Fiscal Year</u> <u>Ended June 30,</u>		<u>INTEREST</u> <u>EARNED</u>		<u>PRIOR YEAR</u> <u>VOIDED CHECKS</u>		<u>TUITION</u>		<u>REIMBURSEMENT</u> <u>OF PRIOR</u> <u>YEAR COSTS</u>		<u>INSURANCE</u> <u>REIMBURSEMENTS</u>		<u>MISCELLANEOUS</u>		<u>TOTAL</u>
2012	\$	97,451.54	\$	2,844.35	\$	199,329.55	\$	172,564.29	\$		\$	631,826.16	\$	1,104,015.89
2011		92,927.12		6,125.08		86,102.86		134,175.10				343,467.60		662,797.76
2010		89,798.46				213,566.16		267,322.89				471,768.88		1,042,456.39
2009		143,502.13		859.00		2,161.80		291,076.54		1,855,394.00		349,184.55		2,642,178.02
2008		330,495.42		9,050.29		8,027.00		235,924.55		1,029,702.00		407,430.40		2,020,629.66
2007		426,223.40		396.34		28,856.80		561,410.61				62,745.22		1,079,632.37
2006		463,208.33		1,635.32		49,006.04		416,460.90				189,864.42		1,120,175.01
2005		212,905.44		2,146.36		24,875.00		189,163.61				45,849.39		474,939.80
2004		265,646.75		2,902.45		635.00		228,260.88		319,090.75		390,784.87		1,207,320.70
2003		210,373.93		239,528.62		61,023.41		148,017.08		596,864.00		47,367.37		1,303,174.41

Source: District Records

TOWNSHIP OF JACKSON SCHOOL DISTRICT  
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY  
UNAUDITED

Calendar Year Ended June 30,	<u>Vacant Land</u>	<u>Residential</u>	<u>Farm Reg.</u>	<u>Commercial</u>	<u>Industrial</u>	<u>Apartment</u>	<u>Total Assessed Value</u>	<u>Public Utilities (a)</u>	<u>Net Valuation Taxable</u>	<u>Est. Actual (County Equalized Value)</u>	<u>Total Direct School Tax Rate (b)</u>
2011	\$212,538,700.00	\$5,804,842,020.00	\$24,196,300.00	\$557,092,044.00	\$46,031,800.00	\$91,186,000.00	\$6,735,886,864.00	\$10,937,630.00	\$6,746,824,494.00	6,920,588,658.00	1.166
2010	241,510,500.00	5,770,609,820.00	24,137,200.00	573,497,800.00	46,269,500.00	91,186,000.00	6,747,210,820.00	12,584,359.00	6,759,795,179.00	6,926,418,584.00	1.089
2009	252,278,800.00	5,755,588,400.00	24,917,400.00	576,757,400.00	46,277,000.00	95,228,200.00	6,751,047,200.00	13,105,657.00	6,764,152,857.00	7,124,711,261.00	1.034
2008	81,777,650.00	2,575,062,100.00	11,872,400.00	260,972,200.00	17,831,100.00	30,428,100.00	2,977,943,550.00	4,858,081.00	2,982,801,631.00	7,459,572,861.00	2.310
2007	94,868,650.00	2,550,024,600.00	12,322,800.00	252,420,010.00	18,118,100.00	30,853,100.00	2,958,607,260.00	4,862,021.00	2,963,469,281.00	7,063,164,759.00	2.278
2006	106,426,550.00	2,404,800,500.00	13,169,700.00	249,459,500.00	18,171,200.00	30,853,100.00	2,822,880,550.00	5,215,094.00	2,828,095,644.00	6,032,656,183.00	2.232
2005	98,997,550.00	2,248,532,001.00	13,141,300.00	247,695,000.00	17,296,600.00	30,084,100.00	2,655,746,551.00	5,913,328.00	2,661,659,879.00	5,156,109,685.00	2.091
2004	95,277,850.00	2,117,604,200.00	12,576,700.00	259,185,800.00	17,374,300.00	30,286,400.00	2,532,305,250.00	6,887,801.00	2,539,193,051.00	4,164,543,831.00	2.020
2003	108,503,150.00	1,994,555,200.00	13,647,000.00	260,924,300.00	17,374,300.00	23,122,600.00	2,418,126,550.00	8,290,302.00	2,426,416,852.00	3,973,082,153.00	1.940
2002	99,368,100.00	1,864,171,500.00	15,524,100.00	253,885,100.00	17,559,300.00	23,122,600.00	2,273,630,700.00	8,881,961.00	2,282,512,661.00	2,813,543,609.00	1.817

Source: District records Tax list summary & Municipal Tax Assessor

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

Reassessment occurs when ordered by the County Board of Taxation

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

(b): Tax rates are per \$100

TOWNSHIP OF JACKSON SCHOOL DISTRICT  
DIRECT AND OVERLAPPING PROPERTY TAX RATES  
UNAUDITED

Fiscal Year Ended June 30,	Township of Jackson Board of Education			Overlapping Rates		Total Direct and Overlapping Tax Rate
	Basic Rate (a)	General Obligation Debt Service (b)	Total Direct School Tax Rate	Township of Jackson	Ocean County	
2011	\$1.059	\$0.107	\$1.166	\$0.432	\$0.349	\$1.947
2010	0.987	0.101	1.088	0.398	0.343	1.829
2009*	0.945	0.089	1.034	0.392	0.344	1.770
2008	2.104	0.206	2.310	0.824	0.770	3.904
2007	2.067	0.211	2.278	0.824	0.741	3.843
2006	2.004	0.228	2.232	0.824	0.718	3.774
2005	1.850	0.241	2.091	0.628	0.738	3.457
2004	1.782	0.238	2.020	0.584	0.703	3.307
2003	1.717	0.223	1.940	0.591	0.684	3.215
2002	1.714	0.103	1.817	0.591	0.648	3.056

\* - Revaluation

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

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

(a) The district's basic tax rate is calculated from the A4F form which is submitted with the budget and the net valuation taxable

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

TOWNSHIP OF JACKSON SCHOOL DISTRICT  
PRINCIPAL PROPERTY TAX PAYERS - CURRENT YEAR AND NINE YEARS AGO  
UNAUDITED

<u>Taxpayer</u>	2012			2003		
	<u>Taxable Assessed Value</u>	<u>Rank [Optional]</u>	<u>% of Total District Net Assessed Value</u>	<u>Taxable Assessed Value</u>	<u>Rank [Optional]</u>	<u>% of Total District Net Assessed Value</u>
Six Flags Theme Park, Inc.	\$11,880,600.00	1	0.176%	\$100,259,200.00	1	4.390%
CPG Partners LP	77,484,000.00	2	1.148%	21,648,600.00	2	0.950%
Gaia Regency, LLC	30,723,900.00	3	0.455%			
Bella Terra Community, LLC	27,431,000.00	4	0.407%			
Jackson Plaza Associates	20,220,800.00	5	0.300%	4,682,100.00	10	0.210%
Cardinale & Jackson Crossing Assoc.	17,905,200.00	6	0.265%			
Centro/IA Bennetts Mills Plaza, LLC	17,500,000.00	7	0.259%			
Leigh, Mitch	15,635,100.00	8	0.232%			
Paramont Homes	13,347,700.00	9	0.198%			
Bartley Associates	12,475,500.00	10	0.185%	7,586,500.00	7	
Parkside of Jackson LLC				21,500,000.00	3	0.940%
F.C. Regency Club				11,350,000.00	4	0.500%
Metedeconk National Golf Club Inc.				8,884,500.00	5	0.390%
New Plan Realty Trust Centro NP				8,839,200.00	6	0.390%
Jackson Healthcare Associates				6,660,000.00	8	0.290%
Bartley Assisted Living				6,000,000.00	9	0.260%
Meadowbrook Cooperative					10	
Total	<u>\$244,603,800.00</u>		<u>3.625%</u>	<u>\$197,410,100.00</u>		<u>8.320%</u>

Source: Municipal Tax Assessor

TOWNSHIP OF JACKSON SCHOOL DISTRICT  
PROPERTY TAX LEVIES AND COLLECTIONS  
UNAUDITED

<u>Fiscal Year</u> <u>Ended</u> <u>June 30,</u>	<u>Taxes Levied</u> <u>for the</u> <u>Fiscal Year</u>	<u>Collected within the Fiscal Year of the Levy (a)</u>		<u>Collections in</u> <u>Subsequent Years</u>
		<u>Amount</u>	<u>Percentage</u> <u>of Levy</u>	
2012	\$77,773,303.00	\$77,773,303.00	100.00%	0.00
2011	77,859,969.00	77,859,969.00	100.00%	0.00
2010	70,968,038.00	70,968,038.00	100.00%	0.00
2009	68,883,818.00	68,883,818.00	100.00%	0.00
2008	68,892,289.00	68,892,289.00	100.00%	0.00
2007	66,156,083.00	66,156,083.00	100.00%	0.00
2006	60,081,826.00	60,081,826.00	100.00%	0.00
2005	51,923,409.00	51,923,409.00	100.00%	0.00
2004	49,999,361.00	49,999,361.00	100.00%	0.00
2003	44,170,470.00	44,170,470.00	100.00%	0.00

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

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

TOWNSHIP OF JACKSON SCHOOL DISTRICT  
RATIOS OF OUTSTANDING DEBT BY TYPE  
UNAUDITED

Fiscal Year Ended <u>June 30,</u>	<u>Governmental Activities</u>		<u>Total District</u>	<u>Percentage of Personal Income (a)</u>	<u>Per Capita (a)</u>
	<u>General Obligation Bonds (b)</u>	<u>Capital Leases</u>			
2012	\$94,831,000.00	\$2,822,422.05	\$97,653,422.05	N/A	N/A
2011	99,390,000.00	2,485,996.37	110,393,916.37	N/A	2,002.47
2010	103,745,000.00	1,359,466.18	105,104,466.18	0.038%	1,912.24
2009	107,640,000.00	1,351,992.94	108,991,992.94	0.029%	2,049.07
2008	111,570,000.00	2,277,588.69	113,847,588.69	0.029%	2,164.94
2007	115,090,000.00	3,042,836.05	118,132,836.05	0.028%	2,246.85
2006	106,754,000.00	4,543,959.87	111,297,959.87	0.030%	2,132.47
2005	109,879,000.00	5,390,942.64	115,269,942.64	0.030%	2,227.09
2004	112,812,001.00	7,467,803.36	120,279,804.36	0.031%	2,334.99
2003	108,657,000.00	9,036,175.20	117,693,175.20	0.033%	2,378.22

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

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

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

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

TOWNSHIP OF JACKSON SCHOOL DISTRICT  
RATIOS OF NET BONDED DEBT OUTSTANDING  
UNAUDITED

Fiscal Year Ended June 30,	<u>General Bonded Debt Outstanding</u>		<u>Net General Bonded Debt Outstanding</u>	Percentage of Actual Taxable Value (a) of Property	<u>Per Capita (b)</u>
	<u>General Obligation Bonds</u>	<u>Deductions</u>			
2012	\$94,831,000.00	\$2,425,000.00	\$92,406,000.00	N/A	N/A
2011	99,390,000.00	2,955,000.00	96,435,000.00	1.429%	1,749.26
2010	103,745,000.00	3,465,000.00	100,280,000.00	1.483%	1,824.47
2009	107,640,000.00	3,950,000.00	103,690,000.00	1.533%	1,949.39
2008	111,570,000.00	4,415,000.00	107,155,000.00	3.592%	2,037.67
2007	115,090,000.00	4,865,000.00	110,225,000.00	3.719%	2,096.45
2006	106,774,000.00	5,300,000.00	101,474,000.00	3.588%	1,944.24
2005	106,754,000.00	5,725,000.00	101,029,000.00	3.796%	1,951.95
2004	109,879,000.00	6,140,000.00	103,739,000.00	4.086%	2,013.88
2003	112,812,001.00	\$6,500,000.00	106,312,001.00	4.381%	2,148.24

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

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

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

TOWNSHIP OF JACKSON SCHOOL DISTRICT  
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
AS OF DECEMBER 31, 2011  
UNAUDITED

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable (a)</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Jackson Township	\$33,985,392.00	100.00%	\$33,985,392.00
Other debt			
Ocean County	431,993,028.00	6.64%	28,701,262.09
Ocean County Utilities Authority	235,293,032.00	3.93%	<u>9,249,693.22</u>
Subtotal, overlapping debt			71,936,347.30
Jackson School District Direct Debt			<u>94,831,000.00</u>
Total direct and overlapping debt			<u>\$166,767,347.30</u>

Source: Township of Jackson Chief Financial Officer, Ocean County Treasurer's Office and Ocean County Utilities Authority.

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



TOWNSHIP OF JACKSON SCHOOL DISTRICT  
LEGAL DEBT MARGIN INFORMATION  
UNAUDITED

Legal Debt Margin Calculation for Fiscal Year 2012:

Equalized Valuation Basis

Calendar Year

2011	\$6,800,491,534.00
2010	\$6,913,834,225.00
2009	7,111,605,604.00
	<u>\$20,825,931,363.00</u>

Average Equalized Valuation of Taxable Property \$6,941,977,121.00

Debt Limit (4% (a) of average equalization value)	277,679,084.84
Total Net Debt Applicable to Limit	<u>94,831,000.00</u>
Legal Debt Margin	<u>\$182,848,084.84</u>

	Fiscal Year Ending June 30,								
	2012	2011	2010	2009	2008	2007	2006	2005	2004
Debt Limit	\$277,679,084.84	\$286,494,498.81	\$292,954,945.37	\$287,834,222.09	\$263,862,657.40	\$230,613,977.63	\$193,777,184.20	\$161,017,626.45	\$130,038,719.76
Total Net Debt Applicable To Limit	<u>94,831,000.00</u>	<u>99,390,000.00</u>	<u>103,745,000.00</u>	<u>107,640,000.00</u>	<u>111,570,000.00</u>	<u>115,090,000.00</u>	<u>106,754,000.00</u>	<u>109,879,000.00</u>	<u>112,812,001.00</u>
Legal Debt Margin	<u>\$182,848,084.84</u>	<u>\$183,259,498.81</u>	<u>\$181,384,945.37</u>	<u>\$176,264,222.09</u>	<u>\$150,042,647.40</u>	<u>\$120,388,977.63</u>	<u>\$92,303,184.20</u>	<u>\$59,988,626.45</u>	<u>\$26,299,719.76</u>
Total Net Debt Applicable to the Limit as a % of Debt Limit	34.15%	36.03%	38.08%	38.76%	43.14%	47.80%	52.37%	62.74%	79.78%

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

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

TOWNSHIP OF JACKSON SCHOOL DISTRICT  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
UNAUDITED

<u>Year</u>	<u>Population (a)</u>	<u>Personal Income (b)</u>	<u>Per Capita Personal Income (c)</u>	<u>Unemployment Rate (d)</u>
2011	55,129	N/A	N/A	9.00%
2010	54,964	\$2,214,554,524.00	\$40,291.00	9.30%
2009	53,191	1,707,377,909.00	32,099.00	9.20%
2008	52,587	1,711,549,089.00	32,547.00	5.40%
2007	52,577	1,735,514,193.00	33,009.00	4.00%
2006	52,192	1,750,363,104.00	33,537.00	4.40%
2005	51,758	1,783,735,954.00	34,463.00	3.90%
2004	51,512	1,892,653,904.00	36,742.00	5.00%
2003	49,488	1,920,926,208.00	38,816.00	5.50%
2002	47,492	1,909,225,892.00	40,201.00	5.20%

## Source:

- (a) Population information provided by the NJ Dept. of Labor and Workforce Development.
- (b) Personal income has been estimated based upon the municipal population and per capita personal income presented.
- (c) Per capita personal income by municipality estimated based upon the 2001 Census published by the US Bureau of Economic Analysis.
- (d) Unemployment data provided by the NJ Dept. of Labor and Workforce Development.

TOWNSHIP OF JACKSON SCHOOL DISTRICT  
 PRINCIPAL EMPLOYERS - CURRENT YEAR AND NINE YEARS AGO  
 UNAUDITED

<u>Employer</u>	2012			2003		
	<u># of Employees</u>	<u>Rank (Optional)</u>	<u>Percentage of Total Employment</u>	<u># of Employees</u>	<u>Rank (Optional)</u>	<u>Percentage of Total Employment</u>
Six Flags Theme Park	4,000	1	16.00%	N/A		
Jackson Township Board of Education	1,437	2	5.74%	N/A		
	<u>5,437</u>		<u>21.74%</u>	<u>0</u>		<u>0.00%</u>

Source: Municipal Records

TOWNSHIP OF JACKSON SCHOOL DISTRICT  
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM  
UNAUDITED

Function/Program	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Instruction:						
Regular	508	499	625	620	612	637
Special education	293	252	308	305	305	320
Support Services:						
Student & instruction related services	177	208	140	138	132	134
General administrative services	4	4	4	4	4	4
School administrative services	65	64	75	75	71	70
Plant operations and maintenance	168	167	125	123	120	125
Pupil transportation	161	161	175	172	160	163
Central services	18	17	21	21	21	22
Administration information technology	8	8	7	8	8	8
Special Schools				1	1	1
Food Service	60	59	67	62	62	59
Child Care	3	3	3	3	3	3
Total	<u>1,465</u>	<u>1,442</u>	<u>1,550</u>	<u>1,532</u>	<u>1,499</u>	<u>1,546</u>

Source: District Personnel Records

TOWNSHIP OF JACKSON SCHOOL DISTRICT  
OPERATING STATISTICS  
UNAUDITED

Fiscal Year	Enrollment	Operating Expenditures (a)	Cost Per Pupil	% Change	Teaching Staff (b)	Pupil/Teacher Ratio			Average Daily Enrollment (c)	Average Daily Attendance (c)	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School	High School				
2012	9,478	\$129,205,166.85	\$13,632.11	0.58%	814	1:11	1:12	1:12	9,398	8,927	-1.07%	94.99%
2011	9,590	127,451,330.50	13,552.88	1.49%	821	1:11	1:12	1:13	9,500	9,004	-0.99%	94.78%
2010	9,710	129,660,369.17	13,353.28	1.97%	842	1:12	1:12	1:13	9,595	9,087	-0.55%	94.71%
2009	9,748	127,656,503.42	13,095.66	0.08%	830	1:12	1:12	1:13	9,648	9,142	-1.08%	94.76%
2008	9,810	128,364,087.78	13,085.02	1.23%	822	1:12	1:12	1:13	9,753	9,238	1.06%	94.72%
2007	9,861	127,467,365.37	12,926.41	10.90%	810	1:13	1:11	1:14	9,651	9,137	0.44%	94.67%
2006	9,687	112,911,793.09	11,656.01	3.17%	803	1:13	1:11	1:14	9,609	9,077	1.26%	94.46%
2005	9,573	108,151,264.25	11,297.53	6.17%	792	1:13	1:10	1:14	9,490	8,950	1.51%	94.31%
2004	9,404	100,068,309.66	10,641.04	4.24%	784	1:13	1:10	1:14	9,349	8,825	3.29%	94.40%
2003	9,110	92,996,474.20	10,208.17	1.22%	740	1:25	1:26	1:24	9,051	8,541	4.60%	94.36%

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).

TOWNSHIP OF JACKSON SCHOOL DISTRICT  
SCHOOL BUILDING INFORMATION  
UNAUDITED

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
<u>District Buildings</u>						
Elementary School(s):						
Elms Elementary School (2003)						
Square Feet	130,000	130,000	130,000	130,000	130,000	130,000
Capacity (students)	808	808	808	808	808	808
Enrollment	758	792	835	857	907	900
Crawford Rodriguez Elementary School (2001)						
Square Feet	107,400	107,400	107,400	107,400	107,400	107,400
Capacity (students)	742	742	742	742	742	742
Enrollment	785	804	803	815	847	838
Switlik Elementary School (1948)						
Square Feet	62,750	62,750	62,750	62,750	62,750	62,750
Capacity (students)	475	475	475	475	475	475
Enrollment	871	867	893	927	964	950
Holman Elementary School (1970)						
Square Feet	62,280	62,280	62,280	62,280	62,280	62,280
Capacity (students)	462	462	462	462	462	462
Enrollment	691	661	669	643	663	663
Rosenauer Elementary School (1962)						
Square Feet	34,128	34,128	34,128	34,128	34,128	34,128
Capacity (students)	252	252	252	252	252	252
Enrollment	335	355	334	360	371	372
Johnson Elementary School (1970)						
Square Feet	47,490	47,490	47,490	47,490	47,490	47,490
Capacity (students)	352	352	352	352	352	352
Enrollment	608	601	626	626	625	622
Middle School(s):						
McAuliffe Middle School (1993)						
Square Feet	130,000	130,000	130,000	130,000	130,000	130,000
Capacity (students)	886	886	886	886	886	886
Enrollment	1,027	1,036	1,022	1,037	1,049	1,043
Goetz Middle School (1973)						
Square Feet	130,000	130,000	130,000	130,000	130,000	130,000
Capacity (students)	886	886	886	886	886	886
Enrollment	1,280	1,339	1,365	1,313	1,358	1,363
High School(s):						
Jackson Memorial High School						
Square Feet	375,000	375,000	375,000	375,000	375,000	375,000
Capacity (students)	1,980	1,980	1,980	1,980	1,980	1,980
Enrollment	1,665	1,700	1,689	1,696	1,949	1,985
Jackson Liberty High School						
Square Feet	295,000	295,000	295,000	295,000	295,000	295,000
Capacity (students)	1,900	1,900	1,900	1,900	1,900	1,900
Enrollment	1,277	1,344	1,343	1,379	1,077	1,082

Number of Schools at June 30, 2011

Elementary = 6

Middle School = 2

High School = 2

Source: District records

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

TOWNSHIP OF JACKSON SCHOOL DISTRICT  
SCHEDULE OF REQUIRED MAINTENANCE  
UNAUDITED

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

School Facilities * Project #(s)	Total	Liberty High School	Jackson Memorial High School	Rosenauer	Johnson	Holman	McAuliffe	Switlik	Elms	Goetz	Crawford/Rodriguez	Other Facilities
2012	\$1,349,484.00	\$255,361.00	\$236,081.00	\$27,452.00	\$297,548.00	\$47,789.00	\$117,153.00	\$48,060.00	\$116,626.00	\$124,940.00	\$69,146.00	\$9,328.00
2011	1,150,829.00	229,639.00	252,650.00	29,560.00	74,791.00	50,236.00	134,055.00	39,501.00	123,794.00	121,829.00	85,435.00	9,339.00
2010	1,209,567.57	149,523.09	125,741.91	128,569.23	40,868.42	43,121.44	28,543.81	43,286.65	76,084.22	61,685.90	86,799.36	425,343.54
2009	1,179,140.39	129,307.35	126,959.78	48,078.73	58,197.84	60,519.79	60,282.45	63,417.67	74,890.62	63,072.40	65,140.45	429,273.31
2008	1,161,427.54	235,547.45	268,972.32	29,988.85	38,059.90	49,994.41	117,496.31	95,116.89	86,775.54	140,169.93	88,731.40	10,574.53
2007	1,064,283.00	137,217.00	223,489.00	34,577.00	58,862.00	46,601.00	121,846.00	111,678.00	105,552.00	128,803.00	89,772.00	5,886.00
2006	941,886.00		249,537.00	33,448.00	59,603.00	46,917.00	127,024.00	93,501.00	112,237.00	118,664.00	94,165.00	6,790.00
2005	970,758.00		302,897.00	25,140.00	48,256.00	38,728.00	143,558.00	80,127.00	89,346.00	143,771.00	89,880.00	9,055.00
2004	943,098.16		287,560.43	29,917.50	48,680.11	36,697.14	131,895.91	72,661.55	80,556.66	130,254.96	77,877.02	46,996.88
2003	926,229.39		389,627.94	25,668.95	45,548.20	30,748.86	128,428.80	88,798.65		102,555.30	82,207.63	32,645.06
Total School Facilities	<u>\$8,396,390.05</u>	<u>\$651,594.89</u>	<u>\$1,974,785.38</u>	<u>\$355,388.26</u>	<u>\$398,075.47</u>	<u>\$353,327.64</u>	<u>\$859,075.28</u>	<u>\$648,587.41</u>	<u>\$625,442.04</u>	<u>\$888,976.49</u>	<u>\$674,572.86</u>	<u>\$966,564.32</u>

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

Source: District records

JACKSON TOWNSHIP SCHOOL DISTRICT  
INSURANCE SCHEDULE  
JUNE 30, 2012  
UNAUDITED

	<u>COVERAGE</u>	<u>DEDUCTIBLE</u>
Property:		
Special Multi Peril Package: Selective Insurance Co./ACCASBOJIF		
Blanket Buildings and Contents, EDP Equipment, Data, Media and Extra Expense Musical Instruments and Contractor Equip.	\$150,000,000.00	\$500.00
Blanket Business Income and Extra Expense	Within Blanket Limit	500.00
Blanket Valuable Papers	Within Blanket Limit	500.00
Demolition Costs	Within Blanket Limit	500.00
Increased Cost of Construction	Within Blanket Limit	500.00
Class Coverage	Within Blanket Limit	500.00
Earthquake	75,000,000.00	125,000.00
Flood:		
Outside the Flood Zone	50,000,000.00	25,000.00
Inside the Flood Zone	5,000,000.00	500,000.00
General Liability - Selective Insurance Co./ACCASBOJIF		
General Aggregate Limit	10,000,000.00	
Products & Completed Operations Aggregate Limit	10,000,000.00	
Per Occurrence Limit	10,000,000.00	
Personal and Advertising Injury Limit	10,000,000.00	
Fire Legal Liability Limit	2,500,000.00	
Medical Payments Limit	500,000.00	
Employee Benefit Liability	10,000,000.00	
Boiler & Machinery - Travelers Insurance		
Property Damage up to Limits of Blanket Buildings/Contents	100,000,000.00	1,000.00
Expediting Expenses	250,000.00	
	12 Consecutive months	1,000.00
Ammonia Contamination	500,000.00	1,000.00
Water Damage	Within Blanket Limit	1,000.00
Hazardous Substance/Pollution Cleanup	250,000.00	1,000.00
Crime Insurance - Selective Insurance Co.		
Employee Dishonesty	500,000.00	Per Occurrence 500.00
Faithful Performance	500,000.00	500.00
Forgery or alteration	500,000.00	500.00
Money and Securities:		
Loss Inside	500,000.00	500.00
Loss Outside	500,000.00	500.00
Counterfeit Papers	500,000.00	500.00
Commercial Automobile Insurance -		
Carrier: Selective Insurance Co./ACCASBOJIF		
Comprehensive Liability	10,000,000.00	
School Board Legal Liability - Carrier ACE UI/ACCASBOJIF		
Limit of Liability	\$10,000,000.00	(Each Claim)
Aggregate Limit	10,000,000.00	(Each Policy Year)
Self Insured Retention Limit		none
Student Accident		
Carrier: Monument Life Insurance Co. through Bollinger		
Disability Plan for all students excluding interscholastic athletes	1,000,000.00	
Benefit limit for all athletes	5,000,000.00	
80% coinsurance, \$500 deductible		
Full Excess plan, 10 year benefit period		



JACKSON TOWNSHIP SCHOOL DISTRICT  
INSURANCE SCHEDULE  
JUNE 30, 2012  
UNAUDITED

	<u>COVERAGE</u>	<u>DEDUCTIBLE</u>
Board Secretary/Business Administrator		
Carrier: Travelers Insurance Co	\$250,000.00	
Treasurer of School Funds		
Carrier: Travelers Insurance Co.	500,000.00	
Workers Compensation		
Limit of Liability	Statutory	
Employers Liability/Occupational Injury	10,000,000.00 per occurrence	
Deductible		none
Pollution & Microbial Matter Legal Liability-Carrier ACE USA		
Pollution Legal Liability Limit of Liability	3,000,000.00 per pollution condition	
Microbial Matter Legal Liability Limit of Liability	1,000,000.00 per pollution condition	
Policy annual aggregate	2,000,000.00	
Pollution Legal Liability Deductible		25,000.00
Microbial Legal Liability Deductible		50,000.00

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**SINGLE AUDIT SECTION**



# SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

EXHIBIT "K-1"

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

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E-mail [info@scnco.com](mailto:info@scnco.com)

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

Honorable President and Members  
of the Board of Education  
Township of Jackson School District  
County of Ocean  
Jackson, New Jersey

We have audited the basic financial statements of the Township of Jackson School District, County of Ocean, New Jersey as of and for the fiscal year ended June 30, 2012, and have issued our report thereon dated November 19, 2012. We conducted our audit in accordance with U.S. generally accepted auditing standards, the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey.

Internal Control Over Financial Reporting

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

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

## SUPLEE, CLOONEY & COMPANY

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

### Compliance and Other Matters

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

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

  
CERTIFIED PUBLIC ACCOUNTANTS

November 19, 2012

  
PUBLIC SCHOOL ACCOUNTANT NO. 93



# SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

EXHIBIT "K-2"

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

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

Honorable President and Members  
of the Board of Education  
Township of Jackson School District  
County of Ocean  
Jackson, New Jersey

Compliance

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

We conducted our audit of compliance in accordance with U.S. generally accepted auditing standards; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, audit requirements prescribed by the Division of Finance, Department of Education, State of New Jersey and the provisions of U.S. Office of Management and Budget (OMB) Circular A-133 "Audits of States, Local Governments and Non-Profit Organizations" and State of New Jersey OMB Circular 04-04, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid." Those standards and provisions require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal and state program occurred. An audit includes examining, on a test basis, evidence about the Township of Jackson 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 Township of Jackson School District's compliance with those requirements.

## SUPLEE, CLOONEY & COMPANY

In our opinion, the Township of Jackson School District complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal and state programs for the year ended June 30, 2012.

### Internal Control Over Compliance

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

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

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

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

  
CERTIFIED PUBLIC ACCOUNTANTS

  
PUBLIC SCHOOL ACCOUNTANT NO. 93

November 19, 2012

JACKSON TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEARS ENDED JUNE 30, 2012

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	FEDERAL CFDA NUMBER	GRANT PERIOD		AWARD AMOUNT	BALANCE AT JUNE 30, 2011	CARRY OVER	CASH RECEIVED	BUDGETARY EXPENDITURES	REPAYMENT OF P/Y'S BALANCE	BALANCE JUNE 30, 2012		
		FROM	TO							(ACCOUNTS RECEIVABLE)	DEFERRED REVENUE	DUE GRANTOR
General Fund:												
U.S. Department of Education:												
Passed-through State Department of Education:												
Medical Assistance Program (SEMI)	93.778	07/01/10	06/30/11	85,752.46	\$ (21,428.90)	\$	21,428.90	\$ (114,592.66)	\$	\$ (17,283.57)	\$	\$
Medical Assistance Program (SEMI)	93.778	07/01/11	06/30/12	114,592.66			97,309.09	(1,785,066.00)		(353,262.23)		
Education Jobs Fund	84.410A	07/01/10	06/30/12	1,785,066.00			1,431,803.77	(1,899,658.66)		(370,545.80)		
Total General Fund					(21,428.90)		1,550,541.76	(1,899,658.66)		(370,545.80)		
Special Revenue Fund:												
Passed-through County of Ocean:												
Ocean County Private Industry Council (WIA)	17.250	7/1/10	8/31/11	26,762.57			26,762.57	(26,762.57)				
U.S. Department of Education:												
Passed-through State Department of Education:												
Title I	84.010	9/1/09	8/31/10	326,338.00	(1,055.00)		1,055.00					
Title I	84.010	9/1/10	8/31/11	640,329.00	(154,423.00)		154,423.00					
Title I	84.010	9/1/11	8/31/12	558,743.37			468,600.00	(558,743.37)		(90,143.37)		
Title II Part A	84.367	9/1/10	8/31/11	212,404.00	(78,584.00)		78,584.00					
Title II Part A	84.367	9/1/09	8/31/10	184,544.00			124,911.00	(184,544.00)		(59,633.00)		
Title II Part D	84.318	9/1/10	8/31/11	1,431.00	(101.00)		101.00					
Title III Elementary	84.365	9/1/10	8/31/11	45,917.00	(1,484.00)		1,484.00					
Title III Elementary	84.365	9/1/11	8/31/12	18,046.23			13,477.00	(18,046.23)		(4,569.23)		
I.D.E.A. Part B	84.027	9/1/07	8/31/08	1,946,813.00	1,247.36			(1,247.36)				
I.D.E.A. Part B - Carryover	84.027	9/1/09	8/31/10	1,999,554.00	(109.17)		109.17					
I.D.E.A. Part B	84.027	9/1/10	8/31/11	2,018,659.00	(521,470.09)		546,089.00	(24,618.91)				
I.D.E.A. Part B	84.027	9/1/11	8/31/12	2,056,866.30			1,654,065.00	(2,056,866.30)		(402,801.30)		
ARRA - I.D.E.A. Part B - Carryover	84.391	9/1/09	8/31/10	2,171,433.00	(514,337.00)		514,337.00					
I.D.E.A. Preschool	84.173	9/1/09	8/31/10	66,059.00	(583.00)		583.00					
I.D.E.A. Preschool	84.173	9/1/10	8/31/11	69,251.00	(28,678.00)		28,678.00					
I.D.E.A. Preschool	84.173	9/1/11	8/31/12	68,949.52			46,631.00	(68,949.52)		(22,318.52)		
ARRA - I.D.E.A. Preschool	84.392	9/1/09	8/31/10	78,480.00	(22,721.00)		22,721.00					
Carl D. Perkins - Secondary	84.048	7/1/10	6/30/11	42,934.00	(9,383.00)		9,383.00					
Carl D. Perkins - Secondary	84.048	7/1/11	6/30/12	41,683.00			23,509.00	(41,683.00)		(18,174.00)		
Learn and Serve America	94.004	9/1/10	8/31/11	14,000.00	(3,500.00)		3,500.00					
Total U.S. Department of Education					(1,335,180.90)		3,692,240.17	(2,954,698.69)		(597,639.42)		
Total Special Revenue Fund					(1,335,180.90)		3,719,002.74	(2,981,461.26)		(597,639.42)		
Enterprise Fund:												
U.S. Department of Agriculture:												
Passed-through State Department of Education:												
U.S.D.A. Commodities Program	10.550	7/1/11	6/30/12	211,992.99			181,314.10	(178,745.39)			2,568.71	
U.S.D.A. Commodities Program	10.550	7/1/10	6/30/11	153,992.08	4,973.86			(4,973.86)				
National School Breakfast Program	10.553	7/1/11	6/30/12	29,524.29			27,678.52	(29,524.29)		(1,845.77)		
National School Lunch Program	10.555	7/1/11	6/30/12	677,952.14			646,100.49	(677,952.14)		(31,851.65)		
National School Lunch Program	10.555	7/1/10	6/30/11	611,392.86	(22.40)		22.40					
Total Enterprise Fund					4,951.46		855,115.51	(891,195.68)		(33,697.42)	2,568.71	
Total Federal Financial Assistance					\$ (1,351,658.34)	\$	\$ 6,124,660.01	\$ (5,772,315.60)	\$	\$ (1,001,882.64)	\$ 2,568.71	\$

See accompanying notes to schedules of financial assistance.



JACKSON TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

STATE GRANTOR/PROGRAM TITLE	GRANT OR STATE PROJECT NUMBER	GRANT PERIOD	BALANCE JUNE 30, 2011		CASH REVENUE (ACCTS REC)	BUDGETARY EXPENDITURES	ADJUSTMENTS/ REPAYMENT OF PRIOR YEARS BALANCES	BALANCE JUNE 30, 2012			MEMO		
			AWARD AMOUNT	DEFERRED				(ACCOUNTS RECEIVABLE)	DEFERRED	DUE	BUDGETARY	CUMULATIVE	
													REVENUE
State Department of Education													
General Funds:													
Equalization Aid	11-495-034-5120-078	7/1/10-6/30/11	41,044,583.00	\$	\$	4,065,100.00	\$	(4,065,100.00)	\$	\$	\$	41,044,583.00	
Categorical Special Education Aid	11-495-034-5120-089	7/1/10-6/30/11	4,917,500.00			487,033.00		(487,033.00)				4,917,500.00	
Equalization Aid	12-495-034-5120-078	7/1/11-6/30/12	42,558,054.00			38,623,159.00	(42,558,054.00)	3,934,895.00			3,934,895.00	42,558,054.00	
Categorical Special Education Aid	12-495-034-5120-089	7/1/11-6/30/12	4,917,500.00			4,459,318.00	(4,917,500.00)	458,182.00			458,182.00	4,917,500.00	
Categorical Transportation Aid	12-495-034-5120-014	7/1/11-6/30/12	174,801.00			158,513.00	(174,801.00)	16,288.00			16,288.00	174,801.00	
Categorical Security Aid	12-495-034-5120-084	7/1/11-6/30/12	820,612.00			744,151.00	(820,612.00)	76,461.00			76,461.00	820,612.00	
Extraordinary Aid	11-495-034-5120-044	7/1/10-6/30/11	827,642.00	(827,642.00)		827,642.00						827,642.00	
Extraordinary Aid	12-495-034-5120-044	7/1/11-6/30/12	947,329.00			43,995.00	(991,324.00)	(947,329.00)			947,329.00	947,329.00	
Non-Public Transportation Aid	11-100-034-5120-068	7/1/10-6/30/11	69,291.66	(69,291.66)		69,291.66						69,291.66	
Non-Public Transportation Aid	12-100-034-5120-068	7/1/11-6/30/12	81,840.99			(81,840.99)		(81,840.99)			81,840.99	81,840.99	
Reimbursed TPAF Social Security Contributions	11-495-034-5195-050	7/1/10-6/30/11	3,920,966.51	(0.25)		0.25						3,920,966.51	
Reimbursed TPAF Social Security Contributions	12-495-034-5195-050	7/1/11-6/30/12	3,798,808.97			3,785,666.37	(3,798,808.97)	(13,142.60)			13,142.60	3,798,808.97	
Total General Funds				(896,933.91)		53,263,869.28	(53,342,940.96)	(66,307.00)	(1,042,312.59)		5,528,138.59	104,078,929.13	
Special Revenue Fund:													
Non-Public Textbooks	12-100-034-5120-064	7/1/11-6/30/12	17,157.00			17,157.00	(16,354.36)			802.64		17,157.00	
Non-Public Comp Ed	12-100-034-5120-067	7/1/11-6/30/12	53,257.00			53,257.00	(53,257.00)					53,257.00	
Non-Public ESL	12-100-034-5120-067	7/1/11-6/30/12	4,138.00			4,138.00	(4,138.00)					4,138.00	
Non-Public Examination & Classification	12-100-034-5120-066	7/1/11-6/30/12	33,658.00			33,658.00	(24,476.17)			9,181.83		33,658.00	
Non-Public Corrective Speech	12-100-034-5120-066	7/1/11-6/30/12	19,667.00			19,667.00	(19,667.00)					19,667.00	
Non-Public Supplemental Instruction	12-100-034-5120-066	7/1/11-6/30/12	16,135.00			16,135.00	(15,433.48)			701.52		16,135.00	
Non-Public Nursing	12-100-034-5120-070	7/1/11-6/30/12	23,669.00			23,669.00	(23,654.02)			14.98		23,669.00	
Total Special Revenue Fund						167,681.00	(156,980.03)			10,700.97		167,681.00	
Debt Service Fund:													
Debt Service Aid Type II	12-100-034-5120-125	7/1/11-6/30/12	1,845,747.00			1,845,747.00	(1,845,747.00)					2,140,013.00	
Total Debt Service Fund						1,845,747.00	(1,845,747.00)					2,140,013.00	
Enterprise Fund:													
National School Lunch Program (State Share)	11-100-034-5120-122	7/1/10-6/30/11	27,744.18	(2.47)		2.47						27,744.18	
National School Lunch Program (State Share)	12-100-034-5120-122	7/1/11-6/30/12	30,526.21			29,153.03	(30,526.21)	(1,373.18)			1,373.18	27,744.18	
Total Enterprise Fund				(2.47)		29,155.50	(30,526.21)	(1,373.18)			1,373.18	55,488.36	
Total State Financial Assistance Subject to OMB 04-04			\$	(896,936.38)	\$	55,306,452.78	\$ (55,376,194.20)	\$ (66,307.00)	\$ (1,043,685.77)	\$	10,700.97	\$ 5,529,511.77	\$ 106,442,111.49
On Behalf TPAF Contributions Not Subject to OMB 04-04:													
On-behalf TPAF non-contributory insurance						\$161,471.00	(\$161,471.00)						
On-behalf TPAF Pension						1,504,661.00	(1,504,661.00)						
On-behalf TPAF post retirement medical						3,349,358.00	(3,349,358.00)						
Total State Financial Assistance						\$60,321,942.78	(\$60,391,684.20)						

See accompanying notes to schedules of financial assistance.

**Jackson Township School District**  
**Notes to the Schedules of Expenditures of Federal Awards**  
**and State Financial Assistance**  
**Year Ended June 30, 2012**

**NOTE 1: GENERAL**

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

**NOTE 2: BASIS OF ACCOUNTING**

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

**NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS**

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

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

**Jackson Township School District**  
**Notes to the Schedules of Expenditures of Federal Awards**  
**and State Financial Assistance**  
**Year Ended June 30, 2010**

**NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (CONTINUED)**

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$66,307.00) for the general fund. See the notes to the required supplementary information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Federal awards and state financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$1,899,658.66	58,424,737.96	\$60,324,396.62
Special Revenue Fund	2,981,461.26	156,980.03	3,138,441.29
Debt Service Fund		1,845,747.00	1,845,747.00
Food Service Fund	891,195.68	30,526.21	921,721.89
Financial Assistance	5,772,315.60	60,457,991.20	66,230,306.80
GAAP Adjustment		(66,307.00)	(66,307.00)
Total Awards & Financial Assistance	<u>\$5,772,315.60</u>	<u>\$60,391,684.20</u>	<u>\$66,163,999.80</u>

**NOTE 4: RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS**

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

**NOTE 5: OTHER**

Revenues and expenditures reported in the Food Distribution Program represent current year value received and current year distributions respectively. TPAF Social Security contributions represent the amount reimbursed by the state for the employer's share of Social Security contributions for TPAF members for the year ended June 30, 2012. The amount reported as TPAF pension contributions reported in the financial statements represents the amount paid by the state on behalf of the district for the year ended June 30, 2012.

**Jackson Township School District**  
**Schedule of Findings and Questioned Costs**  
**For the Fiscal Year Ended June 30, 2012**

**Section I – Summary of Auditor’s Results**

**Financial Statements**

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

**Federal Program(s)**

- |     |  |             |
|-----|--|-------------|
| (1) | Internal Control Over Major Federal Programs:  |             |
|     | (a) Material weakness identified?  | No          |
|     | (b) Significant deficiencies identified that are not considered to be material weaknesses?                             | N/A         |
| (2) | Type of Auditor’s Report issued on compliance for major federal program(s)?  | Unqualified |
| (3) | Any audit findings disclosed that are required to be reported in accordance with Section.510(a) of Circular OMB A-133? | No          |

**Jackson Township School District**  
**Schedule of Findings and Questioned Costs**  
**For the Fiscal Year Ended June 30, 2012**

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

**Federal Program(s) (Continued)**

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

<u>Number</u>	<u>Program</u>
84.410A	Education Jobs Fund
10.555	National School Lunch Program

(5) Program Threshold Determination:

Type A Federal Program Threshold > \$300,000.00

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

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

**Jackson Township School District**  
**Schedule of Findings and Questioned Costs**  
**For the Fiscal Year Ended June 30, 2012**

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

**State Program(s)**

- (1) Internal Control Over Major State Programs:
- (a) Material weakness identified? No
- (b) Significant deficiencies identified that are not considered to be material weaknesses? N/A
- (2) Type of Auditor’s Report issued on compliance for major state program(s)? Unqualified
- (3) Any audit findings disclosed that are required to be reported in accordance with N.J. OMB Circular 04-04? No
- (4) Identification of Major State Program(s):

<u>Grant Number</u>	<u>Program</u>
12-495-034-5120-078	Equalization Aid
12-495-034-5120-089	Categorical Special Education Aid
12-495-034-5120-084	Security Aid

**Jackson Township School District**  
**Schedule of Findings and Questioned Costs**  
**For the Fiscal Year Ended June 30, 2012**

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

**State Program(s) Continued)**

- (5) Program Threshold Determination:  
Type A State Program Threshold > \$1,661,285.83  
Type B State Program Threshold <= \$1,661,285.83
- (6) Auditee qualified as a low-risk auditee under OMB Circular A-133? Yes

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

**Internal Control Findings**

None Reported

**Compliance Findings**

None Reported

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

Federal Programs – None Reported

State Programs – None Reported

**Jackson Township School District**  
**Schedule of Prior Year Audit Findings**

Not Applicable



