

**Comprehensive Annual
Financial Report**

of the

Township of Stafford Board of Education

Manahawkin, New Jersey

For the Fiscal Year Ended June 30, 2008

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Introductory Section



September 30, 2008

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

Dear Board Members:

The comprehensive annual financial report of the Stafford Township School District for the fiscal year ended June 30, 2008, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds 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, basic financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis.

The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984 and the U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments and Non-Profit Organizations", and the state Treasury Circular Letter 04-04 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments".

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



1.) REPORTING ENTITY AND ITS SERVICES:

The Stafford Township 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 Stafford Township Board of Education and all its schools constitute the district's report entity.

The operating district provides a full range of educational services appropriate to grade levels Pre-K through 6. Stafford Township is a member of Southern Regional School District for grade levels 7 through 12. Educational services are provided for regular and special education programs for handicapped youngsters.

The Stafford Township School District (Pre-K-6) completed the 2008 fiscal year with an enrollment of 2,481. The following details the changes in the student enrollment of the district over the last ten years.

ENROLLMENT AS OF JUNE 30th		
Fiscal Year	Student Enrollment	Percent Change
2007-08	2,481	-1.66%
2006-07	2,523	0.12%
2005-06	2,520	0.20%
2004-05	2,515	2.57%
2003-04	2,452	1.16%
2002-03	2,424	5.81%
2001-02	2,291	1.37%
2000-01	2,260	5.02%
1999-00	2,152	7.22%
1998-99	2,007	5.35%

2.) ECONOMIC CONDITIONS AND OUTLOOK:

Stafford Township continues to experience a period of development and expansion. The Ocean Acres area, which is under Pinelands control, is an area that has a fixed density of 5,300 lots. Growth continues and is subject to the caveats of need, market conditions, zoning changes, Pinelands approvals and time.

The Stafford Township School District has finished building its 5th school, which will house both pre-school and kindergarten children. In addition, renovations have been completed on both the Oxycocus and Intermediate Schools. A connector between the Intermediate and McKinley Schools is completed, which allows for additional educational programs and an 800-seat art center that accommodates school and community art programs.

3.) MAJOR INITIATIVES:

The Stafford Township School District worked toward the goals set by the board of education for the 2007-2008 school year. The budget was cooperatively developed by the staff, administration and board of education.

The district continues to work toward effective differentiation of instruction to provide for the needs of every child. Professional development opportunities for all staff continued and focused to provide for the needs of all students.

Despite the continued lack of state funding, the Stafford Township School District is proud of the achievements it has accomplished in the areas of educational efficiency and effectiveness during the 2007-2008 school year. The hope continues that the state will meet its obligations under the established funding formula.

4.) INTERNAL ACCOUNTING CONTROLS:

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

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

Written control procedures have been instituted for the business operations of the district, and are monitored to conform to changing GAAP procedures. The finance committee meets monthly to review financial updates, reports and bills for payment. The district administrative team which includes the Superintendent of Schools, School Business Administrator, School Principal's and District Supervisors meet monthly, to review financial records for each department. The Superintendent of Schools and Business Administrator scrutinize each purchase order prior to processing and meet several times monthly to review the overall financial state of the district to ensure that a need exists to purchase specific goods and services, and that funds are available to pay for these items.

An encumbrance accounting system remains to be used to record outstanding purchase order commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as re-appropriations of fund balance in the subsequent year. Those amounts re-appropriated are reported as reservations of fund balance as June 30, 2008.

6.) ACCOUNTING SYSTEM AND REPORTS:

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

7.) DEBT ADMINISTRATION:

On June 30, 2008, the district's outstanding debt issues are \$21,700,000.00.

8.) CASH MANAGEMENT:

The board's cash position is stable with a cash balance of \$1,664,456.58. This cash balance is attributable to continued frugal spending and written purchasing/control procedures, administrative and Board of Education scrutinizing of all purchases.

Public funds used in the operation of the school district deposited in public depositories are protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA was enacted in 1970 to protect governmental units from loss of funds on deposit with failed banking institutions in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey where the funds are secured in accordance with the act.

9.) RISK MANAGEMENT:

The board carries various forms of insurance, including, but not limited to general liability, automobile liability and comprehensive/collision, hazard, student, and theft insurance on property and contents, and fidelity bonds.

10.) OTHER INFORMATION:

Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Ford, Scott and Associates, L.C.C., CPA's was selected by the Board of Education. 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 OMB. The auditor's report on the basic financial statements is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

11.) **ACKNOWLEDGMENTS:**

We would like to express our appreciation to the members of the Stafford Township School Board of Education for their concern, cooperation and support for the 2007-2008 school year.

Also, this report could not have been accomplished without the efficient and dedicated services of our financial and accounting staff.

Respectfully submitted,

Ronald L. Meinders

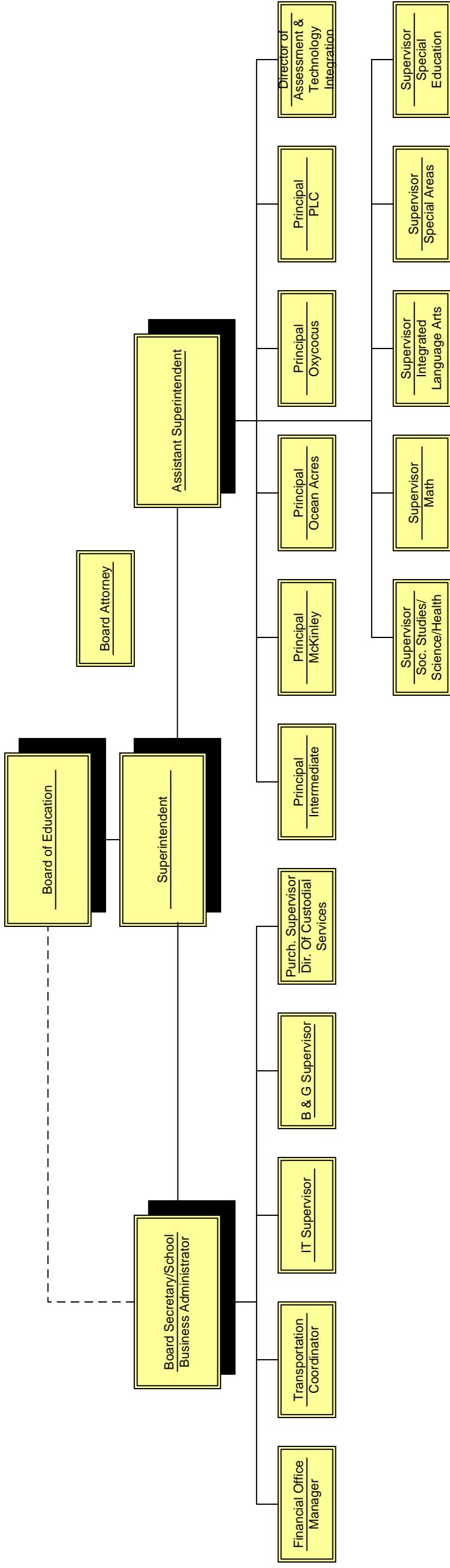
Ronald L. Meinders
Superintendent

Enrico D. Siano

Enrico D. Siano
Board Secretary/
School Business Administrator

Stafford Twp. Board of Education Organizational Chart

File Code: 2120



**STAFFORD TOWNSHIP
BOARD OF EDUCATION
MANAHAWKIN, NEW JERSEY**

**ROSTER OF OFFICIALS
JUNE 30, 2008**

Members of the Board of Education		Term
Denise Harrington	President	2011
Peter Slomkowski	Vice President	2009
Lori Wyrsh	Member	2011
Thomas Dellane	Member	2011
Tammy Nicolini	Member	2009
Scott A. Moses	Member	2010
Gregory Quille	Member	2009
Carol Williams	Member	2010
Sam Fierra	Member	2010

SUPERINTENDENT

Ronald L. Meinders

BOARD SECRETARY / SCHOOL BUSINESS ADMINISTRATOR

Enrico D. Siano

TREASURER OF SCHOOL MONIES

George J. Gotthold

IN - HOUSE COUNSEL

Tracey Schneider, Esquire

**STAFFORD TOWNSHIP
BOARD OF EDUCATION
MANAHAWKIN, NEW JERSEY**

**CONSULTANTS AND ADVISORS
JUNE 30, 2008**

INDEPENDENT AUDITOR

Ford, Scott & Associates, L.L.C.
Certified Public Accountants
1535 Haven Avenue
Ocean City, New Jersey 08223

OFFICIAL DEPOSITORIES

Wachovia Bank
First Union Bank
Commerce Bank
Sun National
Ocean First
Bank of America

Financial Section



FORD - SCOTT

& ASSOCIATES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

1535 HAVEN AVENUE • PO BOX 538 • OCEAN CITY, NJ • 08226-0538

PHONE 609.399.6333 • FAX 609.399.3710

INDEPENDENT AUDITOR'S REPORT

The Honorable President and
Members of the Board of Education
Stafford Township School District
County of Ocean
Manahawkin, 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 Board of Education of the Stafford Township School District, in the County of Ocean, State of New Jersey, as of and for the year ended June 30, 2008, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Stafford Township Board of Education's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Stafford Township Board of Education, in the County of Ocean, State of New Jersey, as of June 30, 2008, and the respective changes in financial position and cash flows, where applicable, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 30, 2008 on our consideration of the Stafford Township Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of our audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management Discussion and Analysis and Budgetary Comparison Information, as listed in the accompanying table of contents, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the Stafford Township Board of Education's basic financial statements. The accompanying introductory section, and other supplementary information such as the combining fund financial statements, long-term debt schedules and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements and long-term debt schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

The accompanying schedules of federal awards and state financial assistance are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and New Jersey OMB's Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Ford, Scott & Associates, L.L.C.

**FORD, SCOTT & ASSOCIATES, L.L.C.
CERTIFIED PUBLIC ACCOUNTANTS**



**Michael S. Garcia
Certified Public Accountant
Licensed Public School Accountant
No. 2080**

September 30, 2008

Required Supplementary Information – Part I

**STAFFORD TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008
UNAUDITED**

The discussion and analysis of Stafford Township School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2007. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the basic financial statements and notes to enhance their understanding of the School District's financial performance.

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

Financial Highlights

Key financial highlights for 2008 are as follows:

- In total, net assets increased \$679,791.97, which represents an 10 percent increase from 2007.
- General revenues accounted for \$36,562,917.40 in revenue or 93 percent of all revenues. Program specific revenues in the form of charges for services and operating grants and contributions accounted for \$2,666,736.04 or 7 percent of total revenues of \$39,229,653.44.
- Cash and cash equivalents increased by \$386,229.69, receivables and inventory decreased by \$146,595.71 and net capital assets decreased by \$1,300,506.44.
- The School District had \$37,893,240.64 in expenses; only \$2,666,736.04 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily taxes and state aid) of \$36,562,917.40 were adequate to provide for these programs.
- Among governmental funds, the General Fund had \$34,469,715.40 in revenues, and \$34,188,973.85 in expenditures. The General Fund's fund balance increased \$280,741.55 over 2007.

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 Stafford Township 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 Stafford Township School District, the General Fund is by far the most significant fund.

**STAFFORD TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008
UNAUDITED (CONTINUED)**

Reporting the School District as a Whole

Statement of Net Assets and the Statement of Activities

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School District, as a whole looks at all financial transactions and ask the question, "How did we do financially during 2008?" The Statement of Net Assets and the Statement of Activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector businesses. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

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

**STAFFORD TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008
UNAUDITED (CONTINUED)**

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

Enterprise Fund

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

Notes to the Financial Statements

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

The School District as a Whole

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

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

Table 1 provides a summary of the School District's net assets for 2008 and 2007.

**Table 1
Net Assets**

	2008	2007
Assets		
Current and Other Assets	\$ 1,882,306.87	\$ 1,642,672.89
Capital Assets	32,809,034.09	34,109,540.53
Total Assets	34,691,340.96	35,752,213.42
Liabilities		
Long-Term Liabilities	26,526,022.63	28,263,734.31
Other Liabilities	959,253.89	962,206.64
Total Liabilities	27,485,276.52	29,225,940.95
Net Assets		
Invested in Capital Assets, Net of Debt	9,540,070.26	8,898,216.24
Restricted	(197,335.46)	(274,591.68)
Unrestricted	(2,136,670.36)	(2,097,352.09)
Total Net Assets	\$ 7,206,064.44	\$ 6,526,272.47

The District's combined net assets were \$7,206,064.44 on June 30, 2008. This was an increase of 10 percent from the prior year.

**STAFFORD TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008
UNAUDITED (CONTINUED)**

The School District as a Whole (Continued)

Table 2 shows changes in net assets for fiscal year's 2008 and 2007.

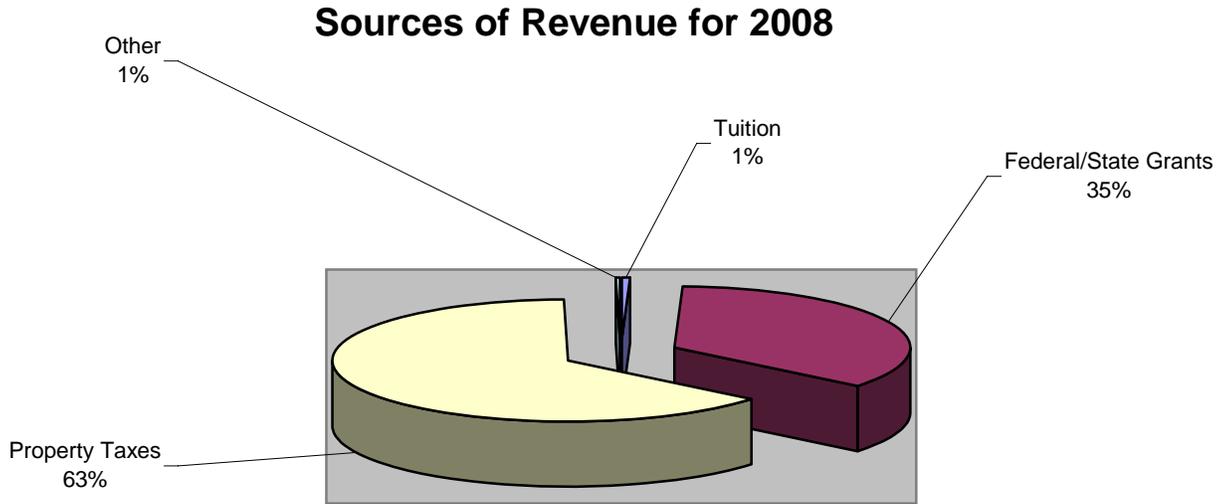
**Table 2
Changes in Net Assets**

	2008	2007
Revenues		
Program Revenues:		
Charges for Services	\$ 428,216.19	\$ 447,441.17
Operating Grants and Contributions	2,238,519.85	2,315,630.68
General Revenues:		
Property Taxes	24,635,761.00	23,730,009.00
Grants and Entitlements	11,528,484.51	10,861,740.98
Other	398,671.89	860,925.25
Total Revenues	39,229,653.44	38,215,747.08
Program Expenses		
Instruction	20,844,787.30	19,817,847.98
Support Services:		
Tuition	189,262.57	128,492.08
Related Services - Pupils and Instructional Staff	4,412,165.52	4,477,632.76
General Administration, School Administration, Central Services and Maintenance of Facilities	3,098,402.81	3,243,378.49
Pupil Transportation	5,107,855.00	5,554,502.80
Special Schools and Charter Schools	2,325,163.47	2,121,809.37
Special Schools and Charter Schools	297,147.09	314,855.44
Interest on Debt	937,619.22	896,032.41
Food Service	680,837.66	659,988.33
Total Expenses	37,893,240.64	37,214,539.66
Adjustment to Fixed Assets	(656,620.83)	-
Increases in Net Assets	\$ 679,791.97	\$ 1,001,207.42

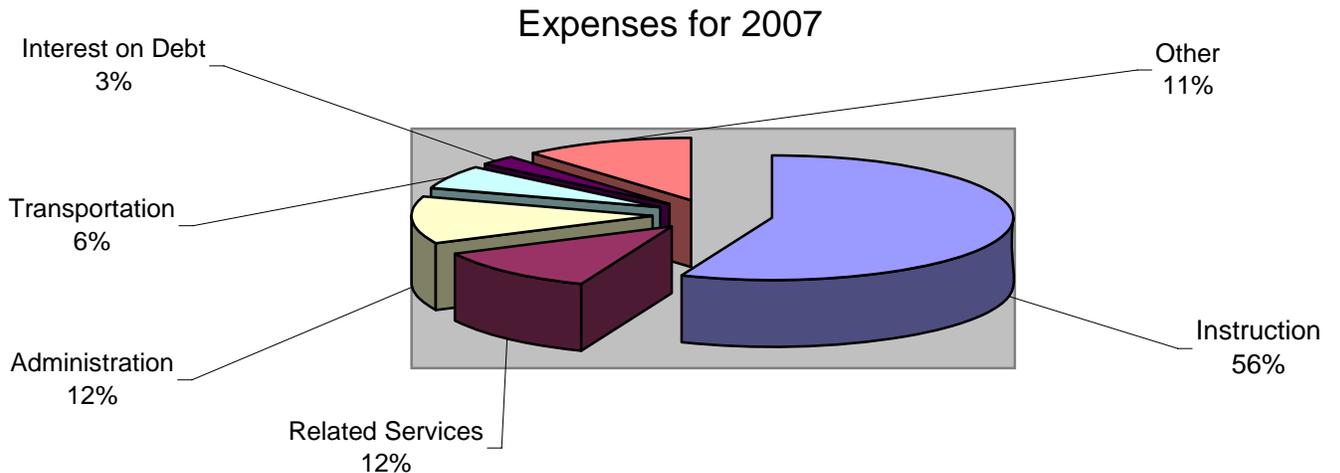
**STAFFORD TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008
UNAUDITED (CONTINUED)**

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 63 percent of revenues for governmental activities for the Stafford Township School District for fiscal year 2008. The District's total revenues were \$38,577,656.82 for the year ended June 30, 2008. Federal, state, and local grants accounted for another 35 percent of revenue.



The total cost of all program and services was \$ 37,212,402.98. Instruction comprises 56 percent of District expenses.



**STAFFORD TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008
UNAUDITED (CONTINUED)**

Business-Type Activities

Revenues for the District's business-type activities (food service program) were comprised of charges for services and federal and state reimbursements.

- Food service expenses exceeded revenues by \$ 28,841.04.
- Charges for food services represent \$ 428,216.19 of revenue. This represents amounts paid by patrons for daily food service.
- Federal and state reimbursement for meals, including payments for free and reduced lunches and breakfast, and donated commodities was \$ 223,780.43.

Governmental Activities

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

Table 3

	<u>Total Cost of Services 2008</u>	<u>Net Cost of Services 2008</u>	<u>Total Cost of Services 2007</u>	<u>Net Cost of Services 2007</u>
Instruction	\$ 20,844,787.30	19,318,655.88	\$ 19,817,847.98	\$ 18,266,621.05
Support Services:				
Tuition	189,262.57	189,262.57	128,492.08	128,492.08
Pupils and Instructional Staff	4,412,165.52	4,412,165.52	4,477,632.76	4,477,632.76
General Administration	1,765,832.36	1,765,832.36	2,014,938.40	2,014,938.40
School Administration	1,332,570.45	1,332,570.45	1,228,440.09	1,228,440.09
Central Services and Maintenance of Facilities	5,107,855.00	5,107,855.00	5,554,502.80	5,554,502.80
Pupil Transportation	2,325,163.47	2,325,163.47	2,121,809.37	2,121,809.37
Interest and Finance Charges	937,619.22	449,011.22	896,032.41	314,483.41
Other	297,147.09	297,147.09	314,855.44	314,855.44
Total Expenses	<u>\$ 37,212,402.98</u>	<u>\$ 35,197,663.56</u>	<u>\$ 36,554,551.33</u>	<u>\$ 34,421,775.40</u>

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

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

Pupils and instructional staff include the activities involved with assisting staff with the content and process of teaching to students, including curriculum and staff development.

**STAFFORD TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008
UNAUDITED (CONTINUED)**

Governmental Activities (Continued)

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

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

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

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

"Other" includes special schools and unallocated depreciation.

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 \$38,577,656.82 and expenditures were \$38,365,934.05. The net increase in fund balance for the year was \$211,722.77. This reflects the District's budgeted use of fund balance and the deferral of the final state aid payment.

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The following schedules present a summary of the revenues of the governmental funds for the fiscal year ended June 30, 2008 and the amount and percentage of increases and decreases in relation to prior year revenues.

Revenue	Amount	Percent of Total	Increase (Decrease) from 2007	Percent of Increase (Decrease)
Local Sources	\$ 25,034,432.89	64.89%	\$ 443,498.64	2.35%
State Sources	12,715,982.98	32.96%	626,935.96	5.80%
Federal Sources	827,240.95	2.14%	(78,228.94)	-6.88%
Total	<u>\$ 38,577,656.82</u>	100.00%	<u>\$ 992,205.66</u>	3.22%

Local revenues increased by \$443,498.64. The increase in local revenue was predominately due to an increase in taxes levied needed to fund the additional expenditures associated with increasing expenses.

**STAFFORD TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008
UNAUDITED (CONTINUED)**

The School District's Funds (Continued)

The following schedule represents a summary of the governmental funds expenditures for the fiscal year ended June 30, 2008, and the percentage of increases and decreases in relation to prior year amounts.

Expenditures	Amount	Percent of Total	Increase (Decrease) from 2007	Percent of Increase (Decrease)
Current expense:				
Instruction	\$ 14,537,464.78	37.89%	\$ 343,353.19	2.42%
Undistributed expenditures	19,995,540.27	52.12%	(66,655.95)	-0.33%
Capital Outlay	976,378.95	2.54%	(532,694.35)	-35.30%
Special Schools	205,721.27	0.54%	(13,258.45)	-6.05%
Debt Service	2,650,828.78	6.91%	24,796.06	0.94%
Total	<u>\$ 38,365,934.05</u>	100.00%	<u>\$ (244,459.50)</u>	-0.63%

Changes in expenditures were the results of varying factors. Current expense increased primarily due to increased teachers salaries, and increased health benefit costs. Capital Outlay decreased due to the fact that most of the expenditures related to the Capital Project fund construction project occurred in 2006 and 2007.

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 several times. 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:

- Health Benefit Costs increased, but they did not increase as much as the original budget estimated.
- Energy costs increased during the year.

**STAFFORD TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008
UNAUDITED (CONTINUED)**

Capital Assets

At the end of the fiscal year 2008, the School District had \$33,809,034.53 invested in land, building, furniture and equipment and vehicles. Table 4 shows fiscal year 2008 balances compared to 2007.

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

	<u>2008</u>	<u>2007</u>
Land	\$ 500,000.00	\$ 500,000.00
Building and Building Improvements	30,506,279.90	31,489,833.53
Machinery and Equipment	1,802,754.19	2,119,707.00
Total	<u>\$ 32,809,034.09</u>	<u>\$ 34,109,540.53</u>

Overall capital assets decreased \$1,300,506.44 from fiscal year 2007 to fiscal year 2008. The decrease in capital assets is due to depreciation charges being greater than new capital purchases. For more detailed information, please refer to the Notes to the Financial Statements.

Debt Administration

At June 30, 2008, the School District had \$26,526,022.63 of outstanding debt, net of the unamortized loss on refunding bonds in the amount of \$367,224.17. Of this amount, \$3,257,058.80 is for compensated absences; \$1,936,188.00 for various capital leases; and \$21,700,000.00 of serial bonds for school construction.

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

	<u>2008</u>	<u>2007</u>
1988 Issue	\$ 800,000.00	\$ 1,600,000.00
1998 Issue	-	460,000.00
2003 Issue	8,340,000.00	8,740,000.00
2005 Refunding Issue	6,515,000.00	6,520,000.00
2006 Refunding Issue	6,045,000.00	6,050,000.00
Total	<u>\$ 21,700,000.00</u>	<u>\$ 23,370,000.00</u>

At December 31, 2008, the School District was within its legal debt margin. For more detailed information, please refer to the Notes to the Financial Statements.

**STAFFORD TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008
UNAUDITED (CONTINUED)**

For the Future

The Stafford Township School District is in good financial condition presently. The School District is proud of its community support of the public schools. A major concern is the continued enrollment increases and essentially flat state aid, which increases reliance on local property taxes.

In conclusion, the Stafford Township School District has committed itself to financial excellence for many years. 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 challenges of the future.

Contacting the School District's Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional information, contact Enrico D. Siano Business Administrator/Board Secretary at Stafford Township School District, 775 East Bay Avenue, Manahawkin, New Jersey 08050-2895. Please visit our website at www.staffordschools.org.

Basic Financial Statements

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.

STAFFORD TOWNSHIP SCHOOL DISTRICT
Statement of Net Assets
June 30, 2008

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
ASSETS			
Cash and Cash Equivalents	\$ 1,664,456.58	\$ -	\$ 1,664,456.58
Receivables, Net	192,854.79	10,358.94	203,213.73
Internal Balances	49,743.73	(49,743.73)	-
Inventory	-	14,636.56	14,636.56
Restricted Assets:			
Capital Assets, Net (Note #6)	32,760,286.09	48,748.00	32,809,034.09
Total Assets	<u>34,667,341.19</u>	<u>23,999.77</u>	<u>34,691,340.96</u>
LIABILITIES			
Accounts Payable	437,723.31	29,914.85	467,638.16
Accrued Interest Payable	392,050.00		392,050.00
Payable to Federal Government	7,278.50		7,278.50
Payable to State Government	2,330.68		2,330.68
Deferred Revenue	79,444.63	10,511.92	89,956.55
Noncurrent Liabilities (Note #7)			
Due Within One Year	2,403,049.42		2,403,049.42
Due Beyond One Year	24,122,973.21		24,122,973.21
Total Liabilities	<u>27,444,849.75</u>	<u>40,426.77</u>	<u>27,485,276.52</u>
NET ASSETS			
Invested in Capital Assets, Net of Related Debt	9,491,322.26	48,748.00	9,540,070.26
Restricted for:			
Debt Service (Deficit)	(301,250.46)		(301,250.46)
Capital Projects	3,000.00		3,000.00
Maintenance of Plant	105,000.00		105,000.00
Other Purposes (Deficit)	(4,085.00)		(4,085.00)
Unrestricted (Deficit)	(2,071,495.36)	(65,175.00)	(2,136,670.36)
Total Net Assets	<u>\$ 7,222,491.44</u>	<u>\$ (16,427.00)</u>	<u>\$ 7,206,064.44</u>

STAFFORD TOWNSHIP SCHOOL DISTRICT
Statement of Activities
For the Year Ended June 30, 2008

Function/Programs	Expenses	Program Revenue			Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:							
Instruction:							
Regular	\$ 13,706,228.88	\$ -	\$ -	\$ -	\$ (13,706,228.88)	\$ -	\$ (13,706,228.88)
Special Education	5,676,340.22		1,526,131.42		(4,150,208.80)		(4,150,208.80)
Other Special Instruction	1,462,218.20				(1,462,218.20)		(1,462,218.20)
Support Services:							
Tuition	189,262.57				(189,262.57)		(189,262.57)
Student & Instruction Related Services	4,412,165.52				(4,412,165.52)		(4,412,165.52)
School Administrative Services	1,332,570.45				(1,332,570.45)		(1,332,570.45)
General Administrative Services	1,765,832.36				(1,765,832.36)		(1,765,832.36)
Central Services	1,394,915.64				(1,394,915.64)		(1,394,915.64)
Plant Operation and Maintenance	3,712,939.36				(3,712,939.36)		(3,712,939.36)
Pupil Transportation	2,325,163.47				(2,325,163.47)		(2,325,163.47)
Special Schools	297,147.09				(297,147.09)		(297,147.09)
Interest on Long-Term Debt	937,619.22		488,608.00		(449,011.22)		(449,011.22)
Total Governmental Activities	<u>37,212,402.98</u>	<u>-</u>	<u>2,014,739.42</u>	<u>-</u>	<u>(35,197,663.56)</u>	<u>-</u>	<u>(35,197,663.56)</u>
Business-Type Activities:							
Food Service	680,837.66	428,216.19	223,780.43			(28,841.04)	(28,841.04)
Total Business-Type Activities	<u>680,837.66</u>	<u>428,216.19</u>	<u>223,780.43</u>	<u>-</u>	<u>-</u>	<u>(28,841.04)</u>	<u>(28,841.04)</u>
Total Primary Government	<u>\$ 37,893,240.64</u>	<u>\$ 428,216.19</u>	<u>\$ 2,238,519.85</u>	<u>\$ -</u>	<u>\$ (35,197,663.56)</u>	<u>\$ (28,841.04)</u>	<u>\$ (35,226,504.60)</u>
General Revenues:							
Taxes:							
Property Taxes, Levied for General Purposes, Net					\$ 22,542,559.00	\$ -	\$ 22,542,559.00
Taxes Levied for Debt Service					2,093,202.00		2,093,202.00
Federal and State Aid not Restricted					11,528,484.51		11,528,484.51
Tuition Received					245,010.43		245,010.43
Miscellaneous Income					153,661.46		153,661.46
Disposal of Fixed Assets					(656,620.83)		(656,620.83)
Total General Revenues, Special Items, Extraordinary Items and Transfers					<u>35,906,296.57</u>	<u>-</u>	<u>35,906,296.57</u>
Change in Net Assets					<u>708,633.01</u>	<u>(28,841.04)</u>	<u>679,791.97</u>
Net Assets - Beginning					6,513,858.43	12,414.04	6,526,272.47
Net Assets - Ending					<u>\$ 7,222,491.44</u>	<u>\$ (16,427.00)</u>	<u>\$ 7,206,064.44</u>

FUND FINANCIAL STATEMENTS

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

STAFFORD TOWNSHIP SCHOOL DISTRICT
Balance Sheet
Governmental Funds
June 30, 2008

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and Cash Equivalents	\$ 1,486,576.50	\$ 135,305.54		\$ 42,574.54	\$ 1,664,456.58
Due from Other Funds	49,743.73	0.09			49,743.82
Receivables from Other Governments	146,174.79	46,680.00			192,854.79
Total Assets	<u>\$ 1,682,495.02</u>	<u>\$ 181,985.63</u>	<u>\$ -</u>	<u>\$ 42,574.54</u>	<u>\$ 1,907,055.19</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts Payable	\$ 340,706.49	\$ 97,016.82	\$ -	\$ -	\$ 437,723.31
Interfund Payable	0.09				0.09
Payable to Federal Government		7,278.50			7,278.50
Payable to State Government		2,330.68			2,330.68
Deferred Revenue		79,444.63			79,444.63
Total Liabilities	<u>340,706.58</u>	<u>186,070.63</u>	<u>-</u>	<u>-</u>	<u>526,777.21</u>
Fund Balances:					
Reserved for:					
Encumbrances	746,570.60				746,570.60
Subsequent Year's Expenditures	258,265.00				258,265.00
Capital Reserve Account	3,000.00				3,000.00
Excess Surplus	15,133.40				15,133.40
Maintenance Reserve	105,000.00				105,000.00
Unreserved, Reported in:					
General Fund	213,819.44				213,819.44
Special Revenue Fund (Deficit)		(4,085.00)			(4,085.00)
Debt Service Fund				42,574.54	42,574.54
Total Fund Balances	<u>1,341,788.44</u>	<u>(4,085.00)</u>	<u>-</u>	<u>42,574.54</u>	<u>1,380,277.98</u>
Total Liabilities and Fund Balances	<u>\$ 1,682,495.02</u>	<u>\$ 181,985.63</u>	<u>\$ -</u>	<u>\$ 42,574.54</u>	

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

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

The cost of the assets is \$44,423,835.87 and the accumulated depreciation is \$11,663,549.78. 32,760,286.09

Long - term liabilities, including bonds and capital leases payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. (26,918,072.63)

Net assets of governmental activities \$ 7,222,491.44

STAFFORD TOWNSHIP SCHOOL DISTRICT
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Year Ended June 30, 2008

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES					
Local Sources:					
Local Tax Levy	\$ 22,542,559.00	\$ -	\$ -	\$ 2,093,202.00	\$ 24,635,761.00
Tuition Charges	245,010.43				245,010.43
Miscellaneous	153,661.46				153,661.46
Total Local Sources	<u>22,941,230.89</u>	-	-	2,093,202.00	25,034,432.89
State Sources	11,514,630.94	712,744.04		488,608.00	12,715,982.98
Federal Sources	13,853.57	813,387.38			827,240.95
Total Revenues	<u>34,469,715.40</u>	<u>1,526,131.42</u>	<u>-</u>	<u>2,581,810.00</u>	<u>38,577,656.82</u>
EXPENDITURES					
Current:					
Regular Instruction	9,496,696.16				9,496,696.16
Special Education Instruction	3,228,167.86	913,478.09			4,141,645.95
Other Special Instruction	899,122.67				899,122.67
Support Services:					
Tuition	189,262.57				189,262.57
Student & Instruction Related Serv.	2,795,978.43	612,653.33			3,408,631.76
School Administrative Services	894,073.48				894,073.48
General Administrative Services	1,275,660.78				1,275,660.78
Central Services	1,006,678.54				1,006,678.54
Plant Operation and Maintenance	3,413,068.59				3,413,068.59
Pupil Transportation	1,566,293.97				1,566,293.97
Employee Benefits	8,241,870.58				8,241,870.58
Special Schools	205,721.27				205,721.27
Debt Service:					
Principal				1,670,000.00	1,670,000.00
Interest and Other Charges				980,828.78	980,828.78
Capital Outlay	976,378.95	-			976,378.95
Total Expenditures	<u>34,188,973.85</u>	<u>1,526,131.42</u>	<u>-</u>	<u>2,650,828.78</u>	<u>38,365,934.05</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>280,741.55</u>	<u>-</u>	<u>-</u>	<u>(69,018.78)</u>	<u>211,722.77</u>
OTHER FINANCING SOURCES (USES)					
Transfer in				-	-
Transfer out			-		-
Total Other Financing Sources and Uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balance	280,741.55	-	-	(69,018.78)	211,722.77
Fund Balance (Deficit) - July 1	1,061,046.89	(4,085.00)	-	111,593.32	1,168,555.21
Fund Balance (Deficit) - June 30	<u>\$ 1,341,788.44</u>	<u>\$ (4,085.00)</u>	<u>\$ -</u>	<u>\$ 42,574.54</u>	<u>\$ 1,380,277.98</u>

STAFFORD TOWNSHIP SCHOOL DISTRICT
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance
of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2008

Total Net Change in Fund Balance - Governmental Funds (from B-2)		\$ 211,722.77
<p>Amounts reported for governmental activities in the statement of activities (A-2) are different because:</p>		
<p>Capital outlays are reported in governmental funds as expenditures. However, on 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 current fiscal year.</p>		
Depreciation expense	\$ (1,228,128.13)	
Capital Outlay, Net of Deletions	<u>(56,173.31)</u>	<u>(1,284,301.44)</u>
<p>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.</p>		
Bonds		1,670,000.00
Capital Lease Payments		914,577.90
<p>Proceeds from debt issues are a financing source in the governmental funds. They are not a revenue in the statement of activities; issuing debt increases long - term liabilities in the statement of net assets.</p>		
Capital lease proceeds		(641,927.00)
<p>In the statement of activities, certain operating expenses, e.g., compensated absences (vacations and sick pay) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation; when the paid amount exceeds the earned amount, the difference is an addition to the reconciliation.</p>		
		(204,648.78)
<p>In the statement of activities, interest on long - term debt is accrued, regardless of when due. In the governmental funds, interest is reported when due. The accrued interest is a deduction in the reconciliation.</p>		
		43,209.56
Change in Net Assets of Governmental Activities		<u><u>\$ 708,633.01</u></u>

STAFFORD TOWNSHIP SCHOOL DISTRICT
Proprietary Funds
Statement of Net Assets
June 30, 2008

	Business-type Activities - Enterprise Fund Food Service
ASSETS	
Current Assets:	
Cash and Cash Equivalents	\$ -
Accounts Receivable	10,358.94
Inventory	14,636.56
Total Current Assets	24,995.50
Noncurrent Assets:	
Furniture, Machinery & Equipment	369,613.00
Less: Accumulated Depreciation	(320,865.00)
Total Noncurrent Assets	48,748.00
Total Assets	\$ 73,743.50
LIABILITIES	
Current Liabilities:	
Accounts Payable	\$ 29,914.85
Interfund Payable	49,743.73
Deferred Revenue	10,511.92
Total Current Liabilities	90,170.50
Noncurrent Liabilities:	
None	-
Total Noncurrent Liabilities	-
NET ASSETS	
Invested in Capital Assets Net of Related Debt	48,748.00
Unrestricted (Deficit)	(65,175.00)
Total Net Assets	\$ (16,427.00)

STAFFORD TOWNSHIP SCHOOL DISTRICT
Proprietary Funds
Statement of Revenues, Expenses, and Changes in Fund Net Assets
For the Year Ended June 30, 2008

	Business-type Activities - Enterprise Fund Food Service
Operating Revenues:	
Charges for Services:	
Daily Sales	\$ 428,216.19
Total Operating Revenue	428,216.19
Operating Expenses:	
Cost of Sales	256,720.26
Salaries	226,283.05
Employee Benefits	76,451.07
Management Fee	23,000.00
Insurance	11,656.18
General Supplies	29,002.59
Miscellaneous	41,519.51
Depreciation	16,205.00
Total Operating Expenses	680,837.66
Operating Income (Loss)	(252,621.47)
Nonoperating Revenues (Expenses):	
State Sources:	
State School Lunch Program	10,136.70
State Breakfast Program	4,921.60
Federal Sources:	
National School Lunch Program	141,111.05
Special Milk Program	40.39
Federal Breakfast Program	27,470.27
Snack Program	2,528.42
Food Distribution Program	37,572.00
Total Nonoperating Revenues (Expenses)	223,780.43
Income (Loss) before Contributions & Transfers	(28,841.04)
Changes in Net Assets	(28,841.04)
Total Net Assets - Beginning	12,414.04
Total Net Assets (Deficit) - Ending	\$ (16,427.00)

STAFFORD TOWNSHIP SCHOOL DISTRICT
Proprietary Funds
Statement of Cash Flows
For the Year Ended June 30, 2008

	Business-type Activities - Enterprise Fund Food Service
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from Customers	\$ 428,216.19
Payments for Operations	(670,224.30)
Net Cash Provided by (Used for) Operating Activities	(242,008.11)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
State Sources	16,748.82
Federal Sources	225,908.22
Operating Subsidies and Transfers to Other Funds	(648.93)
Net Cash Provided by (Used for) Noncapital Financing Activities	242,008.11
CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
None	
Net Cash Provided by (Used for) Capital and Related Financing Activities	-
CASH FLOW FROM INVESTING ACTIVITIES	
None	
Net Cash Provided by (Used for) Investing Activities	-
Net Increase (Decrease) in Cash and Cash Equivalents	(0.00)
Balance - Beginning of Year	-
Balance - End of Year	\$ (0.00)
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:	
Operating Income (Loss)	\$ (252,621.47)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:	
Depreciation and Net Amortization	16,205.00
(Increase) Decrease in Inventories	244.31
Increase (Decrease) in Accounts Payable	(5,835.95)
Total Adjustments	10,613.36
Net Cash Provided by (Used for) Operating Activities	\$ (242,008.11)

STAFFORD TOWNSHIP SCHOOL DISTRICT
Fiduciary Funds
Statement of Net Assets
June 30, 2008

	Unemployment Compensation	Agency Fund
ASSETS		
Cash and Cash Equivalents	\$ 158,980.20	\$ 179,897.99
Investments, at Fair Value:		
None		
Total Investments	-	-
Total Assets	158,980.20	\$ 179,897.99
LIABILITIES		
Accounts Payable	12,161.66	\$ -
Payable to Student Groups		44,269.85
Payroll Deductions and Withholdings		135,628.14
Total Liabilities	12,161.66	\$ 179,897.99
NET ASSETS		
Held in Trust for Unemployment Claims and Other Purposes	\$ 146,818.54	

STAFFORD TOWNSHIP SCHOOL DISTRICT
Fiduciary Funds
Statement of Changes in Fiduciary Net Assets
For the Year Ended June 30, 2008

	Unemployment Compensation
ADDITIONS	
Contributions:	
Plan Members	\$ 32,958.54
Total Contributions	32,958.54
Investment Earnings:	
Interest	3,834.96
Less: Investment Expense	
Net Investment Earnings	3,834.96
Total Additions	36,793.50
DEDUCTIONS	
Unemployment Claims	31,846.77
Total Deductions	31,846.77
Changes in Net Assets	4,946.73
Net Assets - Beginning of the Year	141,871.81
Net Assets - End of the Year	\$ 146,818.54

**STAFFORD TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2008**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Board of Education (Board) of Stafford Township School District (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 Board's accounting policies are described below.

A. Reporting Entity

The District is an instrumentality of the State of New Jersey, established to function as an educational institution. The Board consists of elected officials and is responsible for the fiscal control of the District. A superintendent is appointed by the Board and is responsible for the administrative control of the District. The purpose of the district is to educate students in grades K-6. The District operates three elementary schools and one intermediate school located in Manahawkin. Stafford Township is a member of the Southern Regional School District for Grades 7-12. Southern Regional School District is a separate legal entity from the Stafford Township School District.

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

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

Based on the aforementioned criteria, the Stafford Township Education Foundation is a Component Unit of the District. See Note 18 for additional information on the Stafford Township Education Foundation.

B. Basis of Presentation, Measurement Focus and Basis of Accounting

Basis of Presentation

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

District-wide Financial Statements: The statement of net assets and the statement of activities display information about the district as a whole. These statements report the financial activities of the overall District, except for fiduciary activities. Individual funds are not displayed but the statements distinguish governmental activities, generally supported by property taxes, intergovernmental revenues, and other non-exchange transactions from business-type activities, generally financed in whole or in part with fees charged to external parties.

**STAFFORD TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2008
(CONTINUED)**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

B. Basis of Presentation, Measurement Focus and Basis of Accounting - Continued

The statement of net assets presents the financial condition of the governmental and business-type activity of the School 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) charges and fees 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 requirements of a particular program. Revenues that are not classified as program revenues, including 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 School District.

Fund Financial Statements: During the fiscal year, the School District segregates transactions related to certain School District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. The fund financial statements provide information about the District's funds, including its fiduciary funds. Separate statements for each fund category – *governmental*, *proprietary*, and *fiduciary* - are presented. The New Jersey Department of Education ("Department") 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 Department believes that the presentation of all funds as major is important for public interest and to promote consistency among district financial reporting models.

Governmental Funds

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

Special Revenue Fund - The Special Revenue Fund is used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

**STAFFORD TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2008
(CONTINUED)**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

B. Basis of Presentation, Measurement Focus and Basis of Accounting - Continued

Capital Projects Fund - The Capital Projects Fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary Funds). 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 bonds issued to finance major property acquisition, construction and improvement programs.

Proprietary Funds

The District reports the following proprietary fund:

Enterprise Funds – Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business operations – where the intent of the District is that the costs of providing goods or services be financed or recovered primarily through user charges.

The District's Enterprise Funds are comprised of the Food Service Fund, which accounts for all revenues and expenses pertaining to the District's cafeteria operations and the childcare Fund, which accounts for all revenues and expenses pertaining to the District's day care operations.

Fiduciary Funds

Trust and Agency Funds - The Trust and Agency Funds are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments and/or other funds.

Expendable Trust Fund - An Expendable Trust Fund is accounted for in essentially the same manner as the governmental fund types, using the same measurement focus and basis of accounting. Expendable Trust Funds account for assets where both the principal and interest may be spent. Expendable Trust Funds include the Unemployment Compensation Insurance Trust.

Nonexpendable Trust Fund - A Nonexpendable Trust Fund is used to account for assets held under the terms of a formal trust agreement, whereby the District is under obligation to maintain the trust principal. Currently, the District does not maintain this type of fund.

Agency Funds – Agency funds are 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. Agency funds include payroll and student activities funds.

**STAFFORD TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2008
(CONTINUED)**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

B. Basis of Presentation, Measurement Focus and Basis of Accounting - Continued

Measurement Focus and Basis of Accounting

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

The District-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting as are the proprietary fund and the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year in which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Net assets (total assets less total liabilities) are used as a practical measure of economic resources and the operating statement includes all transactions and events that increased or decreased net assets. Depreciation is charged as expense against current operations and accumulated depreciation is reported on the statement of net assets.

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the fiscal year. Revenue from federal, state and other grants designated for payment of specific school district expenditures is recognized when the related expenditures are incurred; accordingly, when such funds are received, they are recorded as deferred revenues until earned. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments are recorded only when payment is due.

The District applies only those applicable pronouncements of the Financial Accounting Standards Board issued on or before November 30, 1989 in accounting and reporting for its proprietary operations.

C. 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 for approval 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, except for special revenue funds. 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(g). All budget amendments/transfers must be approved by School Board resolution. All budget amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budgets during the year).

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

**STAFFORD TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2008
(CONTINUED)**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

C. Budgets/Budgetary Control - Continued

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

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

D. Encumbrance Accounting

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

Open encumbrances in the special revenue fund 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.

E. Assets, Liabilities and Equity

Cash, Cash Equivalents and Investments

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

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

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

**STAFFORD TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2008
(CONTINUED)**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

E. Assets, Liabilities and Equity - Continued

Cash, Cash Equivalents and Investments - Continued

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

Interfund Transactions

Transfers between governmental and business-type activities on the District-wide statements are reported in the same manner as general revenues.

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating revenues/expenses in the Enterprise Fund. Repayments from funds responsible for particular expenditure/expenses to the funds that initially paid for them are not presented on the financial statements.

Inventories

Inventories, other than those recorded in the enterprise fund, are recorded as expenditures during the year of purchase. Inventories in the Enterprise Fund are recorded at cost, computed on a first-in, first out method. In the fund based financial statements, commodities received from the U.S. Department of Agriculture are recorded as deferred revenue until consumed.

Capital Assets

The District has established a formal system of accounting for its capital assets. Purchased or constructed capital assets are reported at cost. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. 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. The capitalization threshold used by school districts in the State of New Jersey is \$2,000.

All reported capital assets except for land and construction in progress are depreciated. Depreciation is computed using the straight-line method over their estimated useful lives. Useful lives vary from 20 to 50 years for land improvements and buildings, and 5 to 20 years for equipment.

The District does not possess any material amounts of infrastructure capital assets, such as sidewalks and parking lots. Such items are considered to be part of the cost of buildings or other improvable property.

**STAFFORD TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2008
(CONTINUED)**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

E. Assets, Liabilities and Equity - Continued

Compensated Absences

The District accounts for compensated absences (e.g., unused sick, vacation leave) as directed by Governmental Accounting Standards Board Statement No. 16 (GASB 16), "Accounting for Compensated Absences". A liability for compensated absences that are attributable to services already rendered, and that are not contingent on a specific event that is outside the control of the District and its employees, is accrued as the employees earn the rights to the benefits. Compensated absences that relate to future services, or that are contingent on a specific event that is outside the control of the District and its employees, are accounted for in the period in which such services are rendered or in which such events take place.

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

The liability for compensated absences was accrued using the termination payment method, whereby the liability is calculated based on the amount of sick leave that is 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. In accordance with GAAP, for the governmental funds, in the Fund Financial Statements, all of the compensated absences are considered long-term and therefore, are not a fund liability and represents a reconciling item between the fund level and District-wide presentations.

Deferred Revenue

Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Grants and entitlements received in the Special Revenue Fund before they have been earned are recorded as deferred revenue.

Accrued Liabilities and Long-Term Obligations

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

**STAFFORD TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2008
(CONTINUED)**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

E. Assets, Liabilities and Equity - 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 School District, or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The School 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

The School District reserves those portions of fund balance which are legally segregated for a specific future use or which do not represent available expendable resources and, therefore, are not available for appropriation or expenditure. Unreserved fund balance indicates that portion which is available for appropriation in future periods. A fund balance reserve has been established for encumbrances.

Revenues – Exchange and Nonexchange Transactions

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

Nonexchange transactions, in which the School District receives value without directly giving equal value in return, include property 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, entitlement, and donations is recognized in the period 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 School District must provide local resources to be used for a specific purpose; and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On the modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year end: property taxes 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 School District, these revenues are sales for food service. Operating expenses are necessary costs incurred to provide the service that is the primary activity of the enterprise fund.

**STAFFORD TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2008
(CONTINUED)**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

E. Assets, Liabilities and Equity - 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 that program. Depreciation expense, where practicable, is specifically identified by function and is included in the direct 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. Interest on long-term debt 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 in 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.

Management Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2 – CASH AND CASH EQUIVALENTS AND INVESTMENTS

GASB Statement No. 3 amended by Statement No. 40 requires disclosure of the level of custodial credit risk assumed by the District in its cash, cash equivalents and investments.

The cash deposits not covered by depository insurance held at financial institutions are categorized as follows:

- a. Deposits are uncollateralized.
- b. Deposits are collateralized with securities held by the pledging financial institution.
- c. Deposits collateralized with securities held by the pledging financial institution's trust department or agent but not in the depositor-government's name.

At June 30, 2008, the carrying amount of the District's deposits (cash and cash equivalents) was \$2,003,334.77 and the bank balance was \$2,556,579.32.

**STAFFORD TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2008
(CONTINUED)**

NOTE 2 – CASH AND CASH EQUIVALENTS AND INVESTMENTS - Continued

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The State of New Jersey has certain collateral requirements for governmental units. These requirements are disclosed in detail as part of Note 1E.

As of June 30, 2008, the District's bank balance was exposed to custodial credit risk as follows:

		<u>Cash and Cash Equivalents</u>
Insured	\$	100,000.00
Uninsured and collateral held by pledging bank's trust department not in the District's name		<u>2,456,579.32</u>
	\$	<u><u>2,556,579.32</u></u>

Bank balances of cash amounted to \$2,556,579.32 as of June 30, 2008 of which \$100,000.00 was FDIC insured. Bank balances in excess of the insured amounts are collateralized in accordance with the Governmental Deposit Protection Act (GUDPA) adopted by the State of New Jersey

Investments

The District did not have any investments at June 30, 2008.

NOTE 3 – RECEIVABLES

Receivables at June 30, 2008, consisted of accounts (rent and tuition), interfund and intergovernmental. All receivables are considered collectible in full. A summary of the principal items of intergovernmental receivables follows:

		<u>Governmental Fund Financial Statements</u>		<u>Government Wide Financial Statements</u>
State and Federal Aid	\$	172,253.36	\$	182,612.30
Tuition and Transportation		20,601.43		20,601.43
Gross Receivables		<u>192,854.79</u>		<u>203,213.73</u>
Less: Allowance for Uncollectibles				
Total Receivables, Net	\$	<u><u>192,854.79</u></u>	\$	<u><u>203,213.73</u></u>

**STAFFORD TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2008
(CONTINUED)**

NOTE 4 – INTERFUND TRANSFERS AND BALANCES

Transfers between funds are used to (1) move investment income earned in the Capital Projects Fund that is required to be expended in the Debt Service Fund or General Fund; (2) repay expenses paid by another fund; (3) make a Board contribution to the Unemployment Compensation Trust Fund; and (4) transfer federal and state food subsidies received in the General Fund to the Food Service Fund.

The following interfund balances remained on the fund financial statements at June 30, 2008:

Fund	Interfund Receivable	Interfund Payable
General Fund	\$ 49,743.73	\$ 0.09
Special Revenue Fund	0.09	
Food Service Fund		49,743.73
Total	\$ 49,743.82	\$ 49,743.82

NOTE 5 – INVENTORY

Inventory in the Food Service Enterprise Fund at June 30, 2008, consisted of the following:

Food	\$ 4,124.64
Supplies	10,511.92
	\$ 14,636.56

**STAFFORD TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2008
(CONTINUED)**

NOTE 6 – CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2008, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 500,000.00	\$ -	\$ -	\$ 500,000.00
Total capital assets not being depreciated	<u>500,000.00</u>	<u>-</u>	<u>-</u>	<u>500,000.00</u>
Capital assets being depreciated:				
Buildings and building improvements	37,265,345.92		(504,493.08)	37,769,839.00
Equipment	7,099,095.05	609,559.39	1,554,657.57	6,153,996.87
Total capital assets being depreciated at historical cost	<u>44,364,440.97</u>	<u>609,559.39</u>	<u>1,050,164.49</u>	<u>43,923,835.87</u>
Less accumulated depreciation for:				
Buildings and improvements	(5,775,512.39)	(804,426.60)	683,620.11	(7,263,559.10)
Equipment	(5,044,341.05)	(423,701.53)	(1,068,051.90)	(4,399,990.68)
Total capital assets being depreciated, net of accumulated depreciation	<u>33,544,587.53</u>	<u>(618,568.74)</u>	<u>665,732.70</u>	<u>32,260,286.09</u>
Governmental activity capital assets, net	<u>34,044,587.53</u>	<u>(618,568.74)</u>	<u>665,732.70</u>	<u>32,760,286.09</u>
Business-type activities:				
Capital assets being depreciated:				
Equipment	369,613.00			369,613.00
Less accumulated depreciation	(304,660.00)	(16,205.00)		(320,865.00)
Enterprise Fund capital assets, net	<u>64,953.00</u>	<u>(16,205.00)</u>	<u>-</u>	<u>48,748.00</u>
Entity Wide Total	<u>\$ 34,109,540.53</u>	<u>\$ (634,773.74)</u>	<u>\$ 665,732.70</u>	<u>\$ 32,809,034.09</u>

NOTE 7 – LONG-TERM OBLIGATIONS

Changes in long-term obligations for the year ended June 30, 2008 are as follows:

	<u>Balance July 1, 2007</u>	<u>Issues or Additions</u>	<u>Payments or Expenditures</u>	<u>Balance June 30, 2008</u>	<u>Amounts Due Within One Year</u>
Compensated Absences \$	3,052,410.02	\$ 204,648.78	\$ -	\$ 3,257,058.80	\$ -
Capital Leases	2,208,838.90	641,927.00	914,577.90	1,936,188.00	673,049.42
Bonds Payable	23,370,000.00		1,670,000.00	21,700,000.00	1,730,000.00
Unamortized Loss on Refunding Bonds	(367,514.61)		(290.44)	(367,224.17)	-
	<u>\$ 28,263,734.31</u>	<u>\$ 846,575.78</u>	<u>\$ 2,584,287.46</u>	<u>\$ 26,526,022.63</u>	<u>\$ 2,403,049.42</u>

Compensated absences and capital leases will be liquidated in the General Fund. Bonds Payable will be liquidated in the Debt Service Fund.

**STAFFORD TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2008
(CONTINUED)**

NOTE 7 – LONG-TERM OBLIGATIONS - Continued

Bonds Payable

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

Description of Bonds Payable

At June 30, 2008, bonds payable consisted of the following issues:

\$15,224,000 School Bonds dated August 15, 2003, originally due in annual installments through January 15, 2020, bearing interest at 4.00% through 5.25% per annum. \$5,964,000.00 of these bonds were refunded on December 13, 2006; the balance remaining as of June 30, 2008 is \$8,340,000.00 due in annual installments through January 15, 2015, bearing interest at 4.00% through 4.20% per annum.

\$12,900,000 School Bonds dated July 15, 1988, due in annual installments through July 15, 2008, bearing interest at 7.50% per annum. The balance remaining as of June 30, 2008 is \$800,000.00.

\$6,580,000 Refunding School Bonds dated July 28, 2005, due in annual installments through September 1, 2018, bearing interest at rates of 3.25% through 4.50% per annum. The balance remaining as of June 30, 2008 is \$6,515,000.00.

\$6,110,000 Refunding School Bonds dated December 13, 2006, due in annual installments through March 15, 2020, bearing interest at rates of 3.375% through 5.00% per annum. The balance remaining as of June 30, 2008 is \$6,045,000.00.

Refunding Bonds Issued

On July 28, 2005, the Board of Education issued Refunding Bonds in the amount of \$6,580,000.00 to refund the callable Series 1998 Bonds. The Debt retired in the amount of \$6,355,000.00 was replaced with the Refunding Issue. The required cash flow for the 1998 Bonds for Principal and Interest prior to the refunding was \$9,092,870.00 and the cash flow requirements after the refunding is \$8,791,424.48 resulting in net savings in the amount of \$301,445.52.

On December 13, 2006, the Board of Education issued Refunding Bonds in the amount of \$6,110,000.00 to refund the callable Series 2003 Bonds. The Debt retired in the amount of \$5,964,000.00 was replaced with the Refunding Issue. The required cash flow for the 2003 Bonds for Principal and Interest prior to the refunding was \$9,194,797.50 and the cash flow requirements after the refunding is \$9,024,827.73 resulting in net savings in the amount of \$169,969.77.

**STAFFORD TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2008
(CONTINUED)**

NOTE 7 – LONG-TERM OBLIGATIONS - Continued

Debt service requirements on serial bonds payable at June 30, 2008 are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2009	\$ 1,730,000.00	\$ 887,061.25	\$ 2,617,061.25
2010	1,755,000.00	820,311.25	2,575,311.25
2011	1,770,000.00	751,717.51	2,521,717.51
2012	1,835,000.00	682,967.50	2,517,967.50
2013	1,900,000.00	611,385.00	2,511,385.00
2014-2018	10,305,000.00	1,785,106.25	12,090,106.25
2019-2020	2,405,000.00	105,700.00	2,510,700.00
	<u>\$ 21,700,000.00</u>	<u>\$ 5,644,248.76</u>	<u>\$ 27,344,248.76</u>

Capital Leases

The District is leasing Energy Management Equipment totaling \$1,326,460.00, School Buses totaling \$206,900.00 and \$326,517.00, Equipment totaling \$2,000,000.00, Computers totaling \$306,300.00, Textbooks totaling \$315,410.00 and other Equipment totaling \$400,000.00 under capital leases. The following is a schedule of the future minimum lease payments under these capital leases and the net minimum lease payments at June 30, 2008:

Fiscal Year Ending June 30,	Payments
2009	\$ 761,114.20
2010	654,950.79
2011	586,952.26
2012	141,044.62
2013	-
Total minimum lease payments	<u>2,144,061.87</u>
Less amount representing interest	<u>207,873.87</u>
Present value of lease payments	<u>\$ 1,936,188.00</u>

NOTE 8 – PENSION PLANS

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

**STAFFORD TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2008
(CONTINUED)**

NOTE 8 – PENSION PLANS - Continued

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

Vesting and Benefit Provisions - The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A and 43.3B, and N.J.S.A. 18A:6C for TPAF. All benefits vest after eight to ten years of service, except for medical benefits that vest after 25 years of service. Retirement benefits for age and service are available at age 60 and are generally determined to be 1/60 of the final average salary for each year of service credit, as defined. Final average salary equals the average salary for the final three years of service prior to retirement (or highest three years' compensation if other than the final three years). Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving eight to ten years of service in which case benefits would begin the first day of the month after the member attains normal retirement age. The TPAF and PERS provides for specified medical benefits for members who retire after achieving 25 years of qualified service, as defined, or under the disability provisions of the System.

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

Significant Legislation - During the year ended June 30, 1997, legislation was enacted (Chapter 114, P.L. 1997) that changed the asset valuation method from market related value to full-market value. This legislation also contained a provision to reduce the employee contribution rate by 1/2 of 1% to 4.5% for calendar years 1998 and 1999, and to allow for a reduction in the employee's rate after calendar year 1999, providing excess valuation assets are available. The legislation also provided that the Districts' normal contributions to the Fund may be reduced based on the revaluation of assets.

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

**STAFFORD TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2008
(CONTINUED)**

NOTE 8 – PENSION PLANS - Continued

Three Year Trend Information for PERS			
Year Funding	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
06/30/08	\$ 273,914.00	100%	\$ -
06/30/07	144,275.00	100%	-
06/30/06	73,254.00	100%	-

Three Year Trend Information for TPAF (Paid on behalf of the District)			
Year Funding	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
06/30/08	\$ 922,829.00	100%	\$ -
06/30/07	841,315.00	100%	-
06/30/06	453,611.00	100%	-

During the fiscal year ended June 30, 2008, the State of New Jersey contributed \$1,346,611.00 to the TPAF for normal and post-retirement benefits on behalf of the District. Also, in accordance with N.J.S.A. 18A:66-66, the State of New Jersey reimbursed the District \$1,010,023.29 during the year ended June 30, 2008 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 financial statements, and the combining and individual fund statements and schedules as a revenue and expenditure in accordance with GASB Statement No. 24.

NOTE 9 – POST-RETIREMENT BENEFITS

Chapter 384 of Public Laws 1987 and Chapter 6 of Public Laws 1990 required TPAF and 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. As of June 30, 2007, there were 75,860 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 with an additional contribution beginning in fiscal year 1996 to maintain a medical reserve by one half of one percent of the active State payroll.

The State made post – retirement (PRM) contributions of \$592.7 million for TPAF and \$224.3 million for PERS in fiscal year 2007.

The State is also responsible for the cost attributable to Chapter 126, P.L. 1992, which provides free health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$110.3 toward Chapter 126 benefits for 11,747 eligible retired members in fiscal year 2007.

**STAFFORD TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2008
(CONTINUED)**

NOTE 10 – COMPENSATED ABSENCES

The liability for vested compensated absences for the governmental fund types is recorded in current and long-term liabilities. The current portion of the compensated absences balance of the governmental funds is not considered material to the applicable funds total liabilities, and therefore is not shown separately from the long-term liability of compensated absences.

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, 2008, no liability existed for compensated absences in the Food Service Enterprise Fund.

NOTE 11 – DEFERRED COMPENSATION

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

NOTE 12 – CAPITAL RESERVE ACCOUNT

A capital reserve account was established by Stafford Township Board of Education by the inclusion of \$3,000.00 in September 2000 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. There is a total balance of \$3,000.00 at June 30, 2008.

Funds placed in the capital reserve account are restricted to capital projects in the district's approved Long Range Facilities Plan (LRFP) and updated annually in the Quality Assurance Annual Report (QAAR). Upon submission of the LRFP to the department, a district may deposit funds into the capital reserve account at any time upon board resolution through the transfer of undesignated, unreserved general fund balance or of excess undesignated, unreserved general fund balance that is anticipated in the budget certified for taxes. Pursuant to N.J.A.C. 6:23A-5.1(d) 7, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its LRFP.

During the fiscal year ended June 30, 2008, the District had no actual interest earnings and no withdrawals from the capital reserve.

NOTE 13 – RISK MANAGEMENT

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

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

**STAFFORD TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2008
(CONTINUED)**

NOTE 13 – RISK MANAGEMENT - Continued

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 expendable trust fund for the current and prior year:

<u>Fiscal Year</u>	<u>Interest on Investments</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2007-2008	\$ 3,834.96	\$ 32,958.54	\$ (31,846.77)	\$ 146,818.54
2006-2007	4,309.26	35,361.79	(51,836.45)	141,871.81
2005-2006	2,553.50	22,147.57	(12,595.56)	154,037.21

NOTE 14 – CONTINGENT LIABILITIES

Federal and State Grants

The District participates in a number of federal and state grant programs. The grant programs are subject to program compliance audits by the grantors or their representatives. The District is potentially liable for expenditures which may be disallowed pursuant to the terms of these grant programs. Management is not aware of any material items of noncompliance would result in the disallowance of program expenditures.

NOTE 15 – FUND BALANCE APPROPRIATED

General Fund – Of the General Fund fund balance of \$1,341,788.44 at June 30, 2008, \$746,570.60 is reserved for encumbrances; \$3,000.00 has been reserved in the Capital Reserve Account; \$105,000.00 has been reserved in the Maintenance Reserve Account; \$15,133.40 is reserved for excess surplus; \$258,265.00 has been appropriated and included as anticipated revenue for the year ending June 30, 2009; and \$213,819.44 is unreserved and undesignated.

Special Revenue Fund Deficit – The \$4,085.00 Special Revenue Fund Deficit in Fund Balance represents the deferral, by the State of New Jersey, of the final State Aid Payment for the 2007 / 2008 school year. This deficit will be reversed in the subsequent year.

Debt Service Fund – Of the \$42,574.54 Debt Service Fund fund balance at June 30, 2008, \$42,574.00 has been utilized in the 2008 / 2009 School Budget.

NOTE 16 – CALCULATION OF EXCESS SURPLUS

In accordance with N.J.S.A. 18A:7F-7, 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 balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount of budgeted fund balance in their subsequent years' budget. There was excess fund balance in the amount of \$15,133.40 at June 30, 2008.

**STAFFORD TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2008
(CONTINUED)**

NOTE 17 – NET ASSET DEFICITS

The Statement of Net Assets on page 21 reports total Net Assets in the amount of \$7,206,064.44, but three of its sub categories contain deficits.

The Debt Service Deficit, in the amount of \$301,250.46 is due to the accrual of interest on bonds through June 30, 2008. This deficit was eliminated on July 1, 2008 through the realization of the 2008/2009 Debt Service Budget.

The Other Purposes Deficit, in the amount of \$4,085.00, represents the deferral, by the state of New Jersey, of the final Special Revenue Fund state aid payment for the 2007/2008 year. This deficit will be reversed in the subsequent year.

The Unrestricted Deficit in the amount of \$2,071,495.36 represents in part, the deferral, by the state of New Jersey, of the final General Fund state aid payment for the 2007/2008 year. This portion of the deficit will be reversed in the subsequent year. Also the accrual of compensated absences due to current employees in the future contributes to this deficit.

Required Supplementary Information – Part II

Budgetary Comparison Schedules

STAFFORD TOWNSHIP SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2008

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 22,542,559.00	\$ -	\$ 22,542,559.00	\$ 22,542,559.00	\$ -
Tuition	210,030.00		210,030.00	245,010.43	34,980.43
Miscellaneous	150,000.00		150,000.00	153,661.46	3,661.46
Total Local Sources	<u>22,902,589.00</u>	<u>-</u>	<u>22,902,589.00</u>	<u>22,941,230.89</u>	<u>38,641.89</u>
State Sources:					
Core Curriculum Standards Aid	4,049,894.00		4,049,894.00	4,049,894.00	-
School Choice Aid	23,739.00		23,739.00	23,739.00	-
Transportation Aid	960,739.00		960,739.00	960,739.00	-
Special Education Aid	2,468,856.00		2,468,856.00	2,468,856.00	-
Bilingual Education	3,504.00		3,504.00	3,504.00	-
Stabilization Aid	364,181.00		364,181.00	364,181.00	-
Consolidated Aid	271,667.00		271,667.00	271,667.00	-
Additional Formula Aid	505,881.00		505,881.00	505,881.00	-
Above Average Enrollment Growth	123,427.00		123,427.00	123,427.00	-
Full Time Kindergarten Supplemental Aid	341,034.00		341,034.00	341,034.00	-
Extraordinary Aid		58,405.00	58,405.00	58,405.00	-
Non Public Transportation Aid			-	17,171.65	17,171.65
TPAF (On-Behalf - Non-Budgeted)					
Pension Cost			-	922,829.00	922,829.00
Post Retirement Medical Contributions			-	423,782.00	423,782.00
TPAF Social Security (Reimbursed- Non-Budgeted)			-	1,010,023.29	1,010,023.29
Total State Sources	<u>9,112,922.00</u>	<u>58,405.00</u>	<u>9,171,327.00</u>	<u>11,545,132.94</u>	<u>2,373,805.94</u>
Federal Sources:					
SEMI			-	13,853.57	13,853.57
Total Federal Sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,853.57</u>	<u>13,853.57</u>
Total Revenues	<u>32,015,511.00</u>	<u>58,405.00</u>	<u>32,073,916.00</u>	<u>34,500,217.40</u>	<u>2,426,301.40</u>
EXPENDITURES:					
CURRENT EXPENSE					
REGULAR PROGRAMS - INSTRUCTION					
Preschool/Kindergarten - Salaries of Teachers	933,694.00	68,055.90	1,001,749.90	1,001,749.90	-
Grades 1 - 5 Salaries of Teachers	6,408,182.00	200,002.50	6,608,184.50	6,607,855.04	329.46
Grades 6 - 8 Salaries of Teachers	873,255.00	(47,888.50)	825,366.50	825,366.50	-
Regular Programs - Home Instruction Salaries of Teachers	75,000.00	(39,886.00)	35,114.00	34,549.40	564.60
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	322,981.00	9,384.80	332,365.80	332,365.80	-
General Supplies	514,256.00	137,694.86	651,950.86	409,075.51	242,875.35
Textbooks	155,769.00	(29,972.69)	125,796.31	112,967.69	12,828.62
Other Objects	256,289.00	(80,311.73)	175,977.27	172,766.32	3,210.95
TOTAL REGULAR PROGRAMS - INSTRUCTION	<u>9,539,426.00</u>	<u>217,079.14</u>	<u>9,756,505.14</u>	<u>9,496,696.16</u>	<u>259,808.98</u>
SPECIAL EDUCATION - INSTRUCTION					
Learning and/or Language Disabilities					
Salaries of Teachers	416,177.00	(12,018.00)	404,159.00	404,159.00	-
Other Salaries for Instruction	259,621.00	(68,275.95)	191,345.05	191,345.05	-
General Supplies	3,600.00	-	3,600.00	3,237.00	363.00
Total Learning and/or Language Disabilities	<u>679,398.00</u>	<u>(80,293.95)</u>	<u>599,104.05</u>	<u>598,741.05</u>	<u>363.00</u>
Behavioral Disabilities					
Salaries of Teachers	51,388.00	1,444.00	52,832.00	52,832.00	-
Other Salaries for Instruction	65,966.00	19,461.40	85,427.40	85,427.40	-
General Supplies	1,500.00	-	1,500.00	1,350.00	150.00
Total Behavioral Disabilities	<u>118,854.00</u>	<u>20,905.40</u>	<u>139,759.40</u>	<u>139,609.40</u>	<u>150.00</u>

STAFFORD TOWNSHIP SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2008

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Multiple Disabilities					
Salaries of Teachers	\$ 144,289.00	\$ 11,019.24	\$ 155,308.24	\$ 155,066.08	\$ 242.16
Other Salaries for Instruction	130,902.00	65,116.50	196,018.50	196,018.50	-
General Supplies	1,800.00	-	1,800.00	1,024.83	775.17
Total Multiple Disabilities	<u>276,991.00</u>	<u>76,135.74</u>	<u>353,126.74</u>	<u>352,109.41</u>	<u>1,017.33</u>
Resource Room/Resource Center					
Salaries of Teachers	1,011,272.00	54,640.40	1,065,912.40	1,065,912.40	-
Other Salaries for Instruction	257,889.00	73,871.20	331,760.20	331,270.08	490.12
General Supplies	4,400.00	(1,609.52)	2,790.48	2,790.48	-
Total Resource Room/Resource Center	<u>1,273,561.00</u>	<u>126,902.08</u>	<u>1,400,463.08</u>	<u>1,399,972.96</u>	<u>490.12</u>
Autism					
Salaries of Teachers	152,599.00	14,277.40	166,876.40	166,876.40	-
Other Salaries for Instruction	275,160.00	(54,887.25)	220,272.75	220,185.11	87.64
General Supplies	3,000.00	-	3,000.00	2,656.04	343.96
Total Autism	<u>430,759.00</u>	<u>(40,609.85)</u>	<u>390,149.15</u>	<u>389,717.55</u>	<u>431.60</u>
Preschool Disabilities - Full-Time					
Salaries of Teachers	199,585.00	3,341.00	202,926.00	202,926.00	-
Other Salaries for Instruction	108,347.00	37,426.40	145,773.40	145,091.49	681.91
General Supplies	1,500.00	(1,500.00)	-	-	-
Total Preschool Disabilities - Full -Time	<u>309,432.00</u>	<u>39,267.40</u>	<u>348,699.40</u>	<u>348,017.49</u>	<u>681.91</u>
TOTAL SPECIAL EDUCATION - INSTRUCTION	<u>3,088,995.00</u>	<u>142,306.82</u>	<u>3,231,301.82</u>	<u>3,228,167.86</u>	<u>3,133.96</u>
Basic Skills/Remedial - Instruction					
Salaries of Teachers	677,418.00	(213,674.59)	463,743.41	463,743.41	-
Other Salaries for Instruction	373,797.00	(16,417.60)	357,379.40	357,038.74	340.66
Total Basic Skills/Remedial - Instruction	<u>1,051,215.00</u>	<u>(230,092.19)</u>	<u>821,122.81</u>	<u>820,782.15</u>	<u>340.66</u>
Bilingual Education - Instruction					
General Supplies	3,504.00	-	3,504.00	3,504.00	-
Total Bilingual Education - Instruction	<u>3,504.00</u>	<u>-</u>	<u>3,504.00</u>	<u>3,504.00</u>	<u>-</u>
Other Instructional Programs - Instruction					
Salaries	71,200.00	3,740.46	74,940.46	74,836.52	103.94
Total Other Instructional Programs - Instruction	<u>71,200.00</u>	<u>3,740.46</u>	<u>74,940.46</u>	<u>74,836.52</u>	<u>103.94</u>
TOTAL INSTRUCTION	<u>13,754,340.00</u>	<u>133,034.23</u>	<u>13,887,374.23</u>	<u>13,623,986.69</u>	<u>263,387.54</u>
UNDISTRIBUTED EXPENDITURES					
Undistributed Expenditures - Instruction					
Tuition to Private Schools for the Disabled - Within State	148,770.00	44,040.00	192,810.00	189,262.57	3,547.43
Total Undistributed Expenditures - Instruction	<u>148,770.00</u>	<u>44,040.00</u>	<u>192,810.00</u>	<u>189,262.57</u>	<u>3,547.43</u>
Undistributed Expend. - Attend. & Social Worker					
Salaries	24,558.00	89.00	24,647.00	24,647.00	-
Supplies and Materials	2,711.00	(1,156.00)	1,555.00	650.22	904.78
Total Undist. Expend. - Attend. & Social Worker	<u>27,269.00</u>	<u>(1,067.00)</u>	<u>26,202.00</u>	<u>25,297.22</u>	<u>904.78</u>
Undistributed Expend. - Health Services					
Salaries	333,847.00	19,009.34	352,856.34	352,856.34	-
Purchased Professional and Technical Services	200,000.00	27,167.63	227,167.63	214,574.22	12,593.41
Supplies & Materials	6,622.00	(1,502.10)	5,119.90	4,897.11	222.79
Total Undistributed Expend. - Health Services	<u>540,469.00</u>	<u>44,674.87</u>	<u>585,143.87</u>	<u>572,327.67</u>	<u>12,816.20</u>

STAFFORD TOWNSHIP SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2008

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Undist. Expend. - Other Support Serv. Students - Related Services					
Salaries	\$ 458,331.00	\$ 9,107.90	\$ 467,438.90	\$ 467,438.90	\$ -
Purchased Professional Educational Services		5,960.00	5,960.00	5,960.00	-
Supplies & Materials	3,675.00	(2,781.00)	894.00	150.00	744.00
Total Undist. Expend. - Other Support Services Student - Related Services	<u>462,006.00</u>	<u>12,286.90</u>	<u>474,292.90</u>	<u>473,548.90</u>	<u>744.00</u>
Undist. Expend. - Other Support Serv. Students - Regular					
Salaries of Other Professional Staff	262,011.00	64,376.50	326,387.50	325,506.38	881.12
Total Undist. Expend. - Other Support Services Students - Regular	<u>262,011.00</u>	<u>64,376.50</u>	<u>326,387.50</u>	<u>325,506.38</u>	<u>881.12</u>
Undist. Expend. - Other Support Serv. Students - Special					
Salaries of Other Professional Staff	617,481.00	(44,555.81)	572,925.19	572,925.19	-
Salaries of Secretarial and Clerical Assistants	375,857.00	(18,887.91)	356,969.09	356,837.09	132.00
Total Undist. Expend. - Other Support Services Students - Special	<u>993,338.00</u>	<u>(63,443.72)</u>	<u>929,894.28</u>	<u>929,762.28</u>	<u>132.00</u>
Undist. Expend. - Improvement of Inst. Services					
Salaries of Supervisor of Instruction	83,162.00	82,173.04	165,335.04	165,335.04	-
Total Undist. Expend. - Improvement of Inst. Serv.	<u>83,162.00</u>	<u>82,173.04</u>	<u>165,335.04</u>	<u>165,335.04</u>	<u>-</u>
Undist. Expend. - Edu. Media Serv./Sch. Library					
Salaries	258,268.00	14,832.35	273,100.35	272,668.35	432.00
Supplies & Materials	38,742.00	(3,963.62)	34,778.38	29,610.03	5,168.35
Miscellaneous Purchased Services			-		-
Other Objects	2,350.00	-	2,350.00	1,922.56	427.44
Media Services - School Library	<u>299,360.00</u>	<u>10,868.73</u>	<u>310,228.73</u>	<u>304,200.94</u>	<u>6,027.79</u>
Undist. Expend. - Supp. Serv. - General Admin.					
Salaries	845,973.00	101,510.58	947,483.58	947,482.25	1.33
Legal Services	18,000.00	(13,545.33)	4,454.67	4,453.03	1.64
Audit Fees	26,497.00	50,351.00	76,848.00	50,786.81	26,061.19
Communications/Telephone	57,000.00	(11,988.16)	45,011.84	44,294.74	717.10
Other Purchased Services - Board Expenses	8,400.00	(2,276.38)	6,123.62	6,123.62	-
Supplies and Materials	135,480.00	43,477.41	178,957.41	166,589.81	12,367.60
Judgments Against the School District			-		-
Miscellaneous Expenditures	50,881.00	(9,558.53)	41,322.47	39,241.52	2,080.95
Board Memberships and Dues	17,389.00	(700.00)	16,689.00	16,689.00	-
Total Undistributed Expenditures - Support Services - General Administration	<u>1,159,620.00</u>	<u>157,270.59</u>	<u>1,316,890.59</u>	<u>1,275,660.78</u>	<u>41,229.81</u>
Undist. Expend. - Supp. Serv. - School Admin.					
Salaries of Principals/Assistance Principals	442,733.00	(8,199.72)	434,533.28	434,532.78	0.50
Salaries of Secretarial and Clerical Assistants	438,237.00	21,303.70	459,540.70	459,540.70	-
Total Undistributed Expenditures - Support Services - School Administration	<u>880,970.00</u>	<u>13,103.98</u>	<u>894,073.98</u>	<u>894,073.48</u>	<u>0.50</u>
Undist. Expend. - Central Services					
Salaries	696,462.00	54,680.84	751,142.84	751,142.84	-
Supplies and Materials	164,290.00	87,547.72	251,837.72	173,001.63	78,836.09
Miscellaneous Purchased Services			-		-
Interest on Lease Purchase Agreements	69,977.00	-	69,977.00	69,976.21	0.79
Miscellaneous	14,000.00	9,007.86	23,007.86	12,557.86	10,450.00
Total Undistributed Expenditures - Support Services - Central Services	<u>944,729.00</u>	<u>151,236.42</u>	<u>1,095,965.42</u>	<u>1,006,678.54</u>	<u>89,286.88</u>

STAFFORD TOWNSHIP SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2008

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Undist. Expend. - Required Maint. School Fac.					
Other Objects	\$ 123,924.00	\$ 1,842.57	\$ 125,766.57	\$ 116,968.73	\$ 8,797.84
Total Undistributed Expenditures - Required Maintenance for School Facilities	<u>123,924.00</u>	<u>1,842.57</u>	<u>125,766.57</u>	<u>116,968.73</u>	<u>8,797.84</u>
Undist. Expend. - Other Oper. & Maint. of Plant					
Salaries	938,348.00	206,892.47	1,145,240.47	1,142,433.16	2,807.31
Purchased Professional and Technical Services	54,344.00	(771.00)	53,573.00	51,648.00	1,925.00
Other Purchased Property Services	67,777.00	(19,368.00)	48,409.00	48,408.09	0.91
Insurance	110,000.00	(26,097.00)	83,903.00	83,903.00	-
Miscellaneous Purchased Services	290,338.00	28,841.86	319,179.86	278,070.86	41,109.00
General Supplies	100,000.00	18,974.79	118,974.79	113,868.10	5,106.69
Energy (Energy and Electricity)	1,150,000.00	151,106.91	1,301,106.91	1,298,626.76	2,480.15
Other Objects	80,120.00	318,430.98	398,550.98	279,141.89	119,409.09
Total Undistributed Expenditures - Other Operations and Maintenance of Plant	<u>2,790,927.00</u>	<u>678,011.01</u>	<u>3,468,938.01</u>	<u>3,296,099.86</u>	<u>172,838.15</u>
Total Undistributed Expenditures Operations and Maintenance of Plant	<u>2,914,851.00</u>	<u>679,853.58</u>	<u>3,594,704.58</u>	<u>3,413,068.59</u>	<u>181,635.99</u>
Undist. Expend. - Student Transportation Serv.					
Sal.- Pup. Trans. (Bet. Home & School) - Reg.	1,049,961.00	(62,128.96)	987,832.04	986,393.47	1,438.57
Other Purchased Prof. and Technical Serv.	6,000.00	(2,204.20)	3,795.80	3,756.80	39.00
Contracted Services - (Bet. Home & School)	370,000.00	(70,057.60)	299,942.40	288,361.71	11,580.69
Misc. Purchased Service - Transportation	22,000.00	(685.93)	21,314.07	21,306.00	8.07
Supplies & Materials	185,175.00	59,315.34	244,490.34	235,426.04	9,064.30
Miscellaneous			-		-
Other Objects	30,450.00	2,669.92	33,119.92	31,049.95	2,069.97
Total Undistributed Expenditures - Student Transportation Services	<u>1,663,586.00</u>	<u>(73,091.43)</u>	<u>1,590,494.57</u>	<u>1,566,293.97</u>	<u>24,200.60</u>
Other Support Services - Employee Benefits					
Other Retirement Contributions - Regular	60,000.00	(60,000.00)	-	-	-
Total Other Support Services	<u>60,000.00</u>	<u>(60,000.00)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Unallocated Benefits					
Social Security Contribution	551,000.00	(16,151.27)	534,848.73	534,848.73	-
Other Retirement Contributions - Regular	269,678.00	4,236.00	273,914.00	273,914.00	-
Worker's Compensation	225,262.00	(731.00)	224,531.00	224,530.58	0.42
Health Benefits	5,587,336.00	(732,150.38)	4,855,185.62	4,851,942.98	3,242.64
Total Unallocated Benefits	<u>6,633,276.00</u>	<u>(744,796.65)</u>	<u>5,888,479.35</u>	<u>5,885,236.29</u>	<u>3,243.06</u>
On-Behalf Contributions					
On-Behalf TPAF Contribution (non-bud)					
Normal Pension Cost			-	922,829.00	(922,829.00)
Post Retirement Medical Contributions			-	423,782.00	(423,782.00)
Reimbursed TPAF Social Security Cont. (non-bud)			-	1,010,023.29	(1,010,023.29)
Total On-Behalf Contributions	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,356,634.29</u>	<u>(2,356,634.29)</u>
Total Personal Services - Employee Benefits	<u>6,693,276.00</u>	<u>(804,796.65)</u>	<u>5,888,479.35</u>	<u>8,241,870.58</u>	<u>(2,353,391.23)</u>
TOTAL UNDISTRIBUTED EXPENDITURES	<u>17,073,417.00</u>	<u>317,485.81</u>	<u>17,390,902.81</u>	<u>19,382,886.94</u>	<u>(1,991,984.13)</u>
TOTAL GENERAL CURRENT EXPENSE	<u>30,827,757.00</u>	<u>450,520.04</u>	<u>31,278,277.04</u>	<u>33,006,873.63</u>	<u>(1,728,596.59)</u>
CAPITAL OUTLAY					
Equipment					
Undistributed Expenditures - Admin. Info Tech	268,900.00	68,229.91	337,129.91	288,919.13	48,210.78
School Buses - Regular	196,055.00	140,106.91	336,161.91	202,703.71	133,458.20
Undistributed Expenditures - Non-Inst. Serv.	100,425.00	8,400.00	108,825.00	108,824.68	0.32
Total Equipment	<u>565,380.00</u>	<u>216,736.82</u>	<u>782,116.82</u>	<u>600,447.52</u>	<u>181,669.30</u>

STAFFORD TOWNSHIP SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2008

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Facilities Acquisition and Construction Services					
Construction Services	\$ -	\$ -	\$ -		\$ -
Lease Purchase Agreements - Principal	395,041.00	(19,109.57)	375,931.43	375,931.43	-
Total Facilities Acquisition and Construction Services	<u>395,041.00</u>	<u>(19,109.57)</u>	<u>375,931.43</u>	<u>375,931.43</u>	<u>-</u>
TOTAL CAPITAL OUTLAY	<u>960,421.00</u>	<u>197,627.25</u>	<u>1,158,048.25</u>	<u>976,378.95</u>	<u>181,669.30</u>
SPECIAL SCHOOLS					
Summer School - Instruction					
Salaries of Teachers	226,133.00	(20,972.21)	205,160.79	205,160.79	-
General Supplies	1,200.00	(619.42)	580.58	560.48	20.10
Total Summer School	<u>227,333.00</u>	<u>(21,591.63)</u>	<u>205,741.37</u>	<u>205,721.27</u>	<u>20.10</u>
Total Summer School	<u>227,333.00</u>	<u>(21,591.63)</u>	<u>205,741.37</u>	<u>205,721.27</u>	<u>20.10</u>
TOTAL SPECIAL SCHOOLS	<u>227,333.00</u>	<u>(21,591.63)</u>	<u>205,741.37</u>	<u>205,721.27</u>	<u>20.10</u>
TOTAL EXPENDITURES	<u>32,015,511.00</u>	<u>626,555.66</u>	<u>32,642,066.66</u>	<u>34,188,973.85</u>	<u>(1,546,907.19)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>(568,150.66)</u>	<u>(568,150.66)</u>	<u>311,243.55</u>	<u>879,394.21</u>
Other Financing Sources:					
None	-	-	-	-	-
Total Other Financing Sources:	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)	<u>-</u>	<u>(568,150.66)</u>	<u>(568,150.66)</u>	<u>311,243.55</u>	<u>879,394.21</u>
Fund Balance July 1	<u>1,470,543.89</u>		<u>1,470,543.89</u>	<u>1,470,543.89</u>	<u>-</u>
Fund Balance June 30	<u>\$ 1,470,543.89</u>	<u>\$ (568,150.66)</u>	<u>\$ 902,393.23</u>	<u>\$ 1,781,787.44</u>	<u>\$ 879,394.21</u>
Recapitulation:					
Reserve for Encumbrances	\$ -	\$ (568,150.66)	\$ (568,150.66)	\$ (568,150.66)	\$ -
Budgeted Fund Balance	<u>-</u>	<u>(568,150.66)</u>	<u>-</u>	<u>879,394.21</u>	<u>879,394.21</u>
	<u>\$ -</u>	<u>\$ (568,150.66)</u>	<u>\$ (568,150.66)</u>	<u>\$ 311,243.55</u>	<u>\$ 879,394.21</u>
Recapitulation:					
Reserve for Encumbrances				\$ 746,570.60	
Capital Reserve				3,000.00	
Maintenance Reserve				105,000.00	
Designated for Subsequent Year's Expenditures				258,265.00	
Excess Surplus				15,133.40	
Unrestricted Fund Balance				<u>653,818.44</u>	
				<u>1,781,787.44</u>	
Reconciliation to Governmental Funds Statements (GAAP):					
Last State Aid Payment not recognized on GAAP basis				<u>439,999.00</u>	
Fund Balance per Governmental Funds (GAAP)				<u>\$ 1,341,788.44</u>	

STAFFORD TOWNSHIP SCHOOL DISTRICT
Special Revenue Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2008

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
State Sources	\$ 289,216.00	\$ 419,125.00	\$ 708,341.00	\$ 708,341.00	\$ -
Federal Sources	960,389.00	(67,791.00)	892,598.00	889,161.01	(3,436.99)
Total Revenues	<u>1,249,605.00</u>	<u>351,334.00</u>	<u>1,600,939.00</u>	<u>1,597,502.01</u>	<u>(3,436.99)</u>
EXPENDITURES:					
Instruction:					
Salaries of Teachers	81,681.00		81,681.00	81,681.00	-
Purchased Professional - Educational Services	1,046,535.00	(625,250.00)	421,285.00	421,285.00	-
Other Purchased Services (400-500 series)		226,839.36	226,839.36	223,402.37	3,436.99
Other Objects		16,800.00	16,800.00	16,800.00	-
Textbooks	18,500.00	4,974.00	23,474.00	23,474.00	-
Supplies		178,720.49	178,720.49	178,720.49	-
Total Instruction	<u>1,146,716.00</u>	<u>(197,916.15)</u>	<u>948,799.85</u>	<u>945,362.86</u>	<u>3,436.99</u>
Support Services:					
Purchased Professional - Educational Services	102,889.00	459,379.00	562,268.00	562,268.00	-
Other Purchased Services (400-500 series)		76,444.15	76,444.15	76,444.15	-
Travel		6,000.00	6,000.00	6,000.00	-
Supplies & Materials		7,427.00	7,427.00	7,427.00	-
Total Support Services	<u>102,889.00</u>	<u>549,250.15</u>	<u>652,139.15</u>	<u>652,139.15</u>	<u>-</u>

**STAFFORD TOWNSHIP SCHOOL DISTRICT
Special Revenue Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2008**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES(cont'd):					
Facilities Acquisitions and Construction Services:					
Non Instructional Equipment	\$ -	\$ -	\$ -	\$ -	\$ -
Total Facilities Acquisitions and Const. Services:	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Transfer to Charter Schools					
None	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other Financing Sources (Uses)					
None	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Outflows	<u>1,249,605.00</u>	<u>351,334.00</u>	<u>1,600,939.00</u>	<u>1,597,502.01</u>	<u>3,436.99</u>
Excess (Deficiency) of Revenues Over (Under)					
Expenditures and Other Financing Sources (Uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Notes to the Required Supplementary Information

STAFFORD TOWNSHIP SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
Note to RSI
For the Year Ended June 30, 2008

Note A - Explanation of Differences Between Budgetary Inflows and Outflows GAAP Revenue and Expenditures

	General Fund	Special Revenue Fund
Sources / inflows of resources		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	[C-1] \$ 34,500,217.40	[C-2] \$ 1,597,502.01
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		(71,370.59)
The Final State Aid payment for the Year Ended June 30, 2007 that was delayed until July 2007 was recorded as budgetary revenue for the Year Ended June 30, 2007 but is not recognized under GAAP until the Year Ended June 30, 2008.	409,497.00	4,085.00
The Final State Aid payment for the Year Ended June 30, 2008 that was delayed until July 2008 was recorded as budgetary revenue for the Year Ended June 30, 2008 but is not recognized under GAAP until the Year Ended June 30, 2009.	(439,999.00)	(4,085.00)
Total revenues as reported on the statement of revenues, expenditures and changes in fund balance - governmental funds	[B-2] <u>\$ 34,469,715.40</u>	[B-2] <u>\$ 1,526,131.42</u>
Uses / outflows of resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1] \$ 34,188,973.85	[C-2] \$ 1,597,502.01
Difference - budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for GAAP financial reporting purposes.		(71,370.59)
Total expenditures as reported on the statement of revenues, expenditures and changes in fund balance - governmental funds	[B-2] <u>\$ 34,188,973.85</u>	[B-2] <u>\$ 1,526,131.42</u>

Other Supplementary Information

SPECIAL REVENUE FUND DETAIL STATEMENTS

Special revenue funds are used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specific purposes.

STAFFORD TOWNSHIP SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Year Ended June 30, 2008

	Title I	Title IIA	Title IIIA	Title IID	Title V	Title IV
REVENUES:						
State Sources						
Federal Sources	\$ 136,892.00	\$ 87,056.00	\$ 58,151.00	\$ 1,051.00	\$ 3,468.00	\$ 8,703.00
Total Revenues	<u>136,892.00</u>	<u>87,056.00</u>	<u>58,151.00</u>	<u>1,051.00</u>	<u>3,468.00</u>	<u>8,703.00</u>
EXPENDITURES:						
Instruction:						
Salaries of Teachers						
Purchased Professional Services						
Other Purchased Services (400-500 series)			1,839.36			
Textbooks						
Other Objects						
Supplies	80,951.00	13,705.00	53,523.49		3,468.00	6,573.00
Total Instruction	<u>80,951.00</u>	<u>13,705.00</u>	<u>55,362.85</u>	<u>-</u>	<u>3,468.00</u>	<u>6,573.00</u>
Support Services:						
Purchased Professional - Educational Services	29,750.00	13,510.00				2,130.00
Other Purchased Services (400-500 series)	25,441.00	47,841.00	2,288.15	874.00		
Travel		6,000.00				
Supplies & Materials	750.00	6,000.00	500.00	177.00		
Total Support Services	<u>55,941.00</u>	<u>73,351.00</u>	<u>2,788.15</u>	<u>1,051.00</u>	<u>-</u>	<u>2,130.00</u>
Facilities Acquisitions and Construction Services:						
Non - Instructional Equipment						
Total Facilities Acquisitions and Const. Services:	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Transfer to Charter Schools						
None						
Other Financing Sources (Uses)						
None						
Total Outflows	<u>136,892.00</u>	<u>87,056.00</u>	<u>58,151.00</u>	<u>1,051.00</u>	<u>3,468.00</u>	<u>8,703.00</u>
Excess (Deficiency) of Revenues Over (Under)						
Expenditures and Other Financing Sources (Uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

STAFFORD TOWNSHIP SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Year Ended June 30, 2008

	IDEA	IDEA Preschool	NJ SSI	Textbooks	Non Public Corrective Speech	Compensatory Education
REVENUES:						
State Sources	\$ -	\$ -	\$ 15,000.00	\$ 23,474.00	\$ 71,610.00	\$ 143,328.00
Federal Sources	552,269.01	41,571.00				
Total Revenues	<u>552,269.01</u>	<u>41,571.00</u>	<u>15,000.00</u>	<u>23,474.00</u>	<u>71,610.00</u>	<u>143,328.00</u>
EXPENDITURES:						
Instruction:						
Salaries of Teachers						
Purchased Professional Services	227,292.00	34,899.00			71,610.00	
Other Purchased Services (400-500 series)	221,563.01					
Textbooks				23,474.00		
Other Objects						
Supplies			3,750.00			
Total Instruction	<u>448,855.01</u>	<u>34,899.00</u>	<u>3,750.00</u>	<u>23,474.00</u>	<u>71,610.00</u>	<u>-</u>
Support Services:						
Purchased Professional - Educational Services	103,414.00	6,672.00	11,250.00			143,328.00
Other Purchased Services (400-500 series)						
Travel						
Supplies & Materials						
Total Support Services	<u>103,414.00</u>	<u>6,672.00</u>	<u>11,250.00</u>	<u>-</u>	<u>-</u>	<u>143,328.00</u>
Facilities Acquisitions and Construction Services:						
Non - Instructional Equipment						
Total Facilities Acquisitions and Const. Services:	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Transfer to Charter Schools						
None						
Other Financing Sources (Uses)						
None	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Outflows	<u>552,269.01</u>	<u>41,571.00</u>	<u>15,000.00</u>	<u>23,474.00</u>	<u>71,610.00</u>	<u>143,328.00</u>
Excess (Deficiency) of Revenues Over (Under)						
Expenditures and Other Financing Sources (Uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

STAFFORD TOWNSHIP SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Year Ended June 30, 2008

	E.L.L.I.	NJ Healthy Schools	Non Public		193 Supplemental Instruction	Examination & Classification
			Nursing	Technology		
REVENUES:						
State Sources	\$ 191,400.00	\$ 2,500.00	\$ 32,424.00	\$ 16,800.00	\$ 49,560.00	\$ 75,064.00
Federal Sources						
Total Revenues	<u>191,400.00</u>	<u>2,500.00</u>	<u>32,424.00</u>	<u>16,800.00</u>	<u>49,560.00</u>	<u>75,064.00</u>
EXPENDITURES:						
Instruction:						
Salaries of Teachers						
Purchased Professional Services			32,424.00		49,560.00	
Other Purchased Services (400-500 series)						
Textbooks				16,800.00		
Other Objects						
Supplies	15,000.00	1,750.00				
Total Instruction	<u>15,000.00</u>	<u>1,750.00</u>	<u>32,424.00</u>	<u>16,800.00</u>	<u>49,560.00</u>	<u>-</u>
Support Services:						
Purchased Professional - Educational Services	176,400.00	750.00				75,064.00
Other Purchased Services (400-500 series)						
Travel						
Supplies & Materials						
Total Support Services	<u>176,400.00</u>	<u>750.00</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>75,064.00</u>
Facilities Acquisitions and Construction Services:						
Non - Instructional Equipment						
Total Facilities Acquisitions and Const. Services:	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Transfer to Charter Schools						
None						
Other Financing Sources (Uses)						
None	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Outflows	<u>191,400.00</u>	<u>2,500.00</u>	<u>32,424.00</u>	<u>16,800.00</u>	<u>49,560.00</u>	<u>75,064.00</u>
Excess (Deficiency) of Revenues Over (Under)						
Expenditures and Other Financing Sources (Uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

STAFFORD TOWNSHIP SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Year Ended June 30, 2008

	AIE	Instructional Supplemental Aid	Totals 2008
REVENUES:			
State Sources	\$ 5,500.00	\$ 81,681.00	\$ 708,341.00
Federal Sources			889,161.01
Total Revenues	5,500.00	81,681.00	1,597,502.01
EXPENDITURES:			
Instruction:			
Salaries of Teachers		81,681.00	81,681.00
Purchased Professional Services	5,500.00		421,285.00
Other Purchased Services (400-500 series)			223,402.37
Textbooks			23,474.00
Other Objects			16,800.00
Supplies			178,720.49
Total Instruction	5,500.00	81,681.00	945,362.86
Support Services:			
Purchased Professional - Educational Services			562,268.00
Other Purchased Services (400-500 series)			76,444.15
Travel			6,000.00
Supplies & Materials			7,427.00
Total Support Services	-	-	652,139.15
Facilities Acquisitions and Construction Services:			
Non - Instructional Equipment			-
Total Facilities Acquisitions and Const. Services:	-	-	-
Transfer to Charter Schools			
None			-
Other Financing Sources (Uses)			
None			-
Total Outflows	5,500.00	81,681.00	1,597,502.01
Excess (Deficiency) of Revenues Over (Under)			
Expenditures and Other Financing Sources (Uses)	\$ -	\$ -	\$ -

STAFFORD TOWNSHIP SCHOOL DISTRICT
Special Revenue Fund
Instructional Supplement Aid Schedule of Expenditures
Budgetary Basis
For the Year Ended June 30, 2008

	Total		
	Budgeted	Actual	Variance
EXPENDITURES:			
Instruction:			
Salaries of Teachers	\$ 81,681.00	81,681.00	\$ -
Total Instruction	<u>81,681.00</u>	<u>81,681.00</u>	<u>-</u>
Support Services:			
None			-
Total Support Services	<u>-</u>	<u>-</u>	<u>-</u>
Contribution to Charter Schools			
None			-
Total Expenditures	<u>\$ 81,681.00</u>	<u>\$ 81,681.00</u>	<u>\$ -</u>

CALCULATION OF BUDGET & CARRYOVER

Total Revised 2007-08 Instructional Supplement Allocation	\$ 81,681.00
Adjustments	-
Actual Instructional Supplement Carryover June 30, 2007	<u>81,681.00</u>
Less: 2007-08 Budgeted Instructional Supplement Aid (Including prior year budgeted carryover)	<u>(81,681.00)</u>
Available & Unbudgeted ISA Funds as of June 30, 2008	-
Add: 2007-08 Unexpended ISA	-
2007-08 Actual Carryover Available for Transfer to the G/F	<u>\$ -</u>
2007-08 ISA Carryover Budgeted in 2008-09	<u>\$ -</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 Service Fund - This fund provides for the operation of food services in all schools within the school district.

**THIS SECTION HAS ALREADY BEEN INCLUDED IN STATEMENTS
B-4, B-5 AND B-6.**

FIDUCIARY FUNDS DETAIL STATEMENTS

Fiduciary Funds are used to account for funds received by the school district for a specific purpose.

Unemployment Compensation Fund - This Trust Fund is an expendable trust fund and limits expenses set aside for this purpose in current and prior budgets and contributions from employee withholding in prior years.

Agency funds are used to account for assets held by the school district as an agent for individuals, private organizations, other governments and/or other funds.

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

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

STAFFORD TOWNSHIP SCHOOL DISTRICT
Fiduciary Funds
Combining Statement of Fiduciary Net Assets
June 30, 2008

	<u>Unemployment Compensation Trust</u>	<u>Agency Funds</u>	<u>Totals</u>
ASSETS			
Cash and Cash Equivalents	\$ <u>158,980.20</u>	\$ <u>179,897.99</u>	\$ <u>338,878.19</u>
Investments, at Fair Value:			
Certificate of Deposit	<u> </u>	<u> </u>	<u> </u>
Total Investments	<u> </u>	<u> </u>	<u> </u>
Other Receivables			
None			-
Total Assets	<u>158,980.20</u>	<u>179,897.99</u>	<u>338,878.19</u>
LIABILITIES			
Accounts Payable	12,161.66		12,161.66
Payable to Student Groups		44,269.85	44,269.85
Payroll Deductions & Withholdings		135,628.14	135,628.14
Total Liabilities	<u>12,161.66</u>	<u>179,897.99</u>	<u>192,059.65</u>
NET ASSETS			
Held in Trust for Unemployment Claims and Other Purposes	\$ <u>146,818.54</u>		146,818.54
Total Net Assets			<u>146,818.54</u>
Total Liabilities and Net Assets			\$ <u>338,878.19</u>

STAFFORD TOWNSHIP SCHOOL DISTRICT
Fiduciary Funds
Combining Statement of Changes in Fiduciary Net Assets
For the Year Ended June 30, 2008

	<u>Unemployment Compensation Trust</u>	<u>Totals</u>
ADDITIONS		
Contributions:		
Plan Members	\$ 32,958.54	\$ 32,958.54
Total Contributions	<u>32,958.54</u>	<u>32,958.54</u>
Investments Earnings:		
Interest	3,834.96	3,834.96
Net Investment Earnings	<u>3,834.96</u>	<u>3,834.96</u>
Total Additions	<u>36,793.50</u>	<u>36,793.50</u>
Deductions		
Unemployment Claims	31,846.77	31,846.77
Total Deductions	<u>31,846.77</u>	<u>31,846.77</u>
Change in Net Assets	4,946.73	4,946.73
Net Assets - Beginning of the Year	<u>141,871.81</u>	<u>141,871.81</u>
Net Assets - End of the Year	<u>\$ 146,818.54</u>	<u>\$ 146,818.54</u>

STAFFORD TOWNSHIP SCHOOL DISTRICT
Student Activity Agency Fund
Schedule of Receipts and Disbursements
As of June 30, 2008

	<u>Balance</u> <u>July 1, 2007</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2008</u>
Oxycocus	\$ 1,957.27	\$ 5,148.82	\$ 5,438.87	\$ 1,667.22
McKinley	5,309.68	5,255.73	4,343.61	6,221.80
PLC	398.18	25,493.88	18,778.77	7,113.29
Ocean Acres	8,678.19	15,566.74	13,985.23	10,259.70
Intermediate School	11,973.15	36,233.75	29,199.06	19,007.84
Total Assets	\$ <u>28,316.47</u>	\$ <u>87,698.92</u>	\$ <u>71,745.54</u>	\$ <u>44,269.85</u>

**STAFFORD TOWNSHIP SCHOOL DISTRICT
Payroll Agency Fund
Schedule of Receipts and Disbursements
As of June 30, 2008**

	<u>Balance July 1, 2007</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2008</u>
ASSETS:				
Cash and Cash Equivalents	\$ 8,742.42	\$ 30,574,597.97	\$ 30,447,712.25	\$ 135,628.14
Total Assets	<u>\$ 8,742.42</u>	<u>\$ 30,574,597.97</u>	<u>\$ 30,447,712.25</u>	<u>\$ 135,628.14</u>
 LIABILITIES:				
Payroll Deductions & Withholding	\$ 8,742.42	\$ 8,558,182.52	8,431,296.80	\$ 135,628.14
Net Pay	-	22,016,415.45	22,016,415.45	-
Total Liabilities	<u>\$ 8,742.42</u>	<u>\$ 30,574,597.97</u>	<u>\$ 30,447,712.25</u>	<u>\$ 135,628.14</u>

LONG-TERM DEBT SCHEDULES

The long-term debt schedules are used to reflect the outstanding principal balance of the general long-term liabilities of the school district. This includes serial bonds outstanding, the outstanding principal balance on capital leases.

STAFFORD TOWNSHIP SCHOOL DISTRICT
Schedule of General Serial Bonds
As of June 30, 2008

Improvement Description	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding June 30, 2008		Interest Rate	Balance June 30, 2007	Decreased	Balance June 30, 2008
			Date	Amount				
New Elementary School	2/15/98	\$ 10,000,000		\$	4.600%	\$ 460,000.00	\$ 460,000.00	\$ -
New School and Renovations to Existing Elementary School	7/15/1988	12,900,000	7/15/2008	800,000.00	7.500%	1,600,000.00	800,000.00	800,000.00
Alterations to Existing Buildings, Construction of New Buildings & Furnishing of Buildings	8/15/2003	15,224,000	1/15/2009	500,000.00	4.000%	8,740,000.00	400,000.00	8,340,000.00
			1/15/2010	1,220,000.00	4.000%			
			1/15/2011	1,220,000.00	4.000%			
			1/15/2012	1,270,000.00	4.000%			
			1/15/2013	1,320,000.00	4.000%			
			1/15/2014	1,380,000.00	4.100%			
			1/15/2015	1,430,000.00	4.200%			
Refunding School Bonds	7/28/2005	6,580,000	9/1/2008	425,000.00	3.250%	6,520,000.00	5,000.00	6,515,000.00
			9/1/2009	255,000.00	3.250%			
			9/1/2009	275,000.00	4.000%			
			9/1/2010	245,000.00	3.250%			
			9/1/2010	300,000.00	4.000%			
			9/1/2011	560,000.00	3.500%			
			9/1/2012	375,000.00	3.500%			
			9/1/2012	200,000.00	4.250%			
			9/1/2013	250,000.00	3.500%			
			9/1/2013	340,000.00	4.250%			
			9/1/2014	615,000.00	4.500%			
			9/1/2015	225,000.00	3.750%			
			9/1/2015	410,000.00	4.250%			
			9/1/2016	85,000.00	3.625%			
			9/1/2016	125,000.00	3.875%			
			9/1/2016	450,000.00	5.000%			
			9/1/2017	180,000.00	3.750%			
			9/1/2017	500,000.00	4.000%			
9/1/2018	400,000.00	3.750%						
9/1/2018	300,000.00	4.000%						

STAFFORD TOWNSHIP SCHOOL DISTRICT
Schedule of General Serial Bonds
As of June 30, 2008

Improvement Description	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding June 30, 2008		Interest Rate	Balance June 30, 2007	Decreased	Balance June 30, 2008
			Date	Amount				
Refunding School Bonds	12/13/2006	\$ 6,110,000	3/15/2009	\$ 5,000.00	4.000%	\$ 6,050,000.00	\$ 5,000.00	\$ 6,045,000.00
			3/15/2010	5,000.00	3.375%			
			3/15/2011	5,000.00	3.375%			
			3/15/2012	5,000.00	3.400%			
			3/15/2013	5,000.00	3.400%			
			3/15/2014	5,000.00	3.500%			
			3/15/2015	5,000.00	3.500%			
			3/15/2016	1,475,000.00	5.000%			
			3/15/2017	1,455,000.00	5.000%			
			3/15/2018	1,375,000.00	4.000%			
			3/15/2019	1,105,000.00	4.000%			
			3/15/2020	600,000.00	4.000%			
						\$ 23,370,000.00	\$ 1,670,000.00	\$ 21,700,000.00

STAFFORD TOWNSHIP SCHOOL DISTRICT
Schedule of Obligations Under Capital Lease
As of June 30, 2008

Description	Amount of Original Issue	Balance July 1, 2007	Issued Current Year	Retired Current Year	Balance June 30, 2008
1998 Energy Management System - District Wide	\$ 1,326,460	\$ 225,612.89	\$	\$ 207,594.88	\$ 18,018.01
5 School Buses 03/04	206,900	44,340.50		44,340.50	-
WAN Installation	400,000	163,623.54		81,605.09	82,018.45
150 Computers	306,300	170,302.94		67,998.53	102,304.41
Equipment	2,000,000	1,604,959.03		375,931.43	1,229,027.60
3 School Buses	326,517		326,517.00	69,739.89	256,777.11
Textbook Lease	315,410		315,410.00	67,367.58	248,042.42
		\$ <u>2,208,838.90</u>	\$ <u>641,927.00</u>	\$ <u>914,577.90</u>	\$ <u>1,936,188.00</u>

STAFFORD TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
Debt Service Fund
For the Year Ended June 30, 2008

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 2,093,202.00	\$	\$ 2,093,202.00	\$ 2,093,202.00	\$ -
State Sources:					
Debt Service Aid Type II	488,608.00		488,608.00	488,608.00	-
Total - State Sources	488,608.00	-	488,608.00	488,608.00	-
Total Revenues	2,581,810.00	-	2,581,810.00	2,581,810.00	-
EXPENDITURES:					
Regular Debt Service:					
Interest	980,828.75	0.03	980,828.78	980,828.78	-
Redemption of Principal	1,670,000.00		1,670,000.00	1,670,000.00	-
Total Regular Debt Service	2,650,828.75	0.03	2,650,828.78	2,650,828.78	-
Total Expenditures	2,650,828.75	0.03	2,650,828.78	2,650,828.78	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(69,018.75)	(0.03)	(69,018.78)	(69,018.78)	-
Other Financing Sources (Uses):					
Operating Transfers In:	-	-	-	-	-
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	(69,018.75)	(0.03)	(69,018.78)	(69,018.78)	-
Fund Balance, July 1	111,593.32		111,593.32	111,593.32	-
Fund Balance, June 30	\$ 42,574.57	\$ (0.03)	\$ 42,574.54	\$ 42,574.54	\$ -

Statistical Section

STAFFORD TOWNSHIP SCHOOL DISTRICT

Exhibit J-1

Net Assets by Component,

Last Five Fiscal Years

(accrual basis of accounting)

	Fiscal Year Ending June 30,					
	2003	2004	2005	2006	2007	2008
Governmental activities						
Invested in capital assets, net of related debt	\$ 2,910,561.68	\$ 2,909,743.05	\$ 4,656,934.95	\$ 6,803,241.49	\$ 8,833,263.24	\$ 9,491,322.26
Restricted	(1,267,131.16)	(517,557.89)	662,076.93	(396,964.50)	(274,591.68)	(197,335.46)
Unrestricted	(907,389.97)	(1,271,141.86)	(2,103,968.12)	(923,318.39)	(2,044,813.13)	(2,071,495.36)
Total governmental activities net assets	<u>\$ 736,040.55</u>	<u>\$ 1,121,043.30</u>	<u>\$ 3,215,043.76</u>	<u>\$ 5,482,958.60</u>	<u>\$ 6,513,858.43</u>	<u>\$ 7,222,491.44</u>
Business-type activities						
Invested in capital assets, net of related debt	\$ 50,038.25	\$ 40,575.75	\$ 34,101.25	\$ 81,158.00	\$ 64,953.00	\$ 48,748.00
Restricted						
Unrestricted	32,835.50	105,143.91	(27,458.03)	(39,051.55)	(52,538.96)	(65,175.00)
Total business-type activities net assets	<u>\$ 82,873.75</u>	<u>\$ 145,719.66</u>	<u>\$ 6,643.22</u>	<u>\$ 42,106.45</u>	<u>\$ 12,414.04</u>	<u>\$ (16,427.00)</u>
District-wide						
Invested in capital assets, net of related debt	\$ 2,960,599.93	\$ 2,950,318.80	\$ 4,691,036.20	\$ 6,884,399.49	\$ 8,898,216.24	\$ 9,540,070.26
Restricted	(1,267,131.16)	(517,557.89)	662,076.93	(396,964.50)	(274,591.68)	(197,335.46)
Unrestricted	(874,554.47)	(1,165,997.95)	(2,131,426.15)	(962,369.94)	(2,097,352.09)	(2,136,670.36)
Total district net assets	<u>\$ 818,914.30</u>	<u>\$ 1,266,762.96</u>	<u>\$ 3,221,686.98</u>	<u>\$ 5,525,065.05</u>	<u>\$ 6,526,272.47</u>	<u>\$ 7,206,064.44</u>

Source: CAFR Schedule A-1

STAFFORD TOWNSHIP SCHOOL DISTRICT
Changes in Net Assets,
Last Six Fiscal Years
(accrual basis of accounting)

Exhibit J-2

	Fiscal Year Ending June 30,					
	2003	2004	2005	2006	2007	2008
Expenses						
Governmental activities:						
Instruction:						
Regular	\$ 8,981,080.48	\$ 9,870,380.06	\$ 10,095,863.50	\$ 11,324,573.49	\$ 13,046,765.82	\$ 13,706,228.88
Special education	3,977,080.27	4,389,107.99	4,832,822.90	5,186,734.17	5,308,742.34	5,676,340.22
Other special education	676,867.45	751,260.47	748,826.64	1,032,127.74	1,462,339.82	1,462,218.20
Support Services:						
Tuition	285,806.53	219,547.55	72,583.46	89,492.05	128,492.08	189,262.57
Student & instruction related services	3,884,595.68	4,800,580.24	3,463,651.07	4,172,502.12	4,477,632.76	4,412,165.52
General administrative services	898,272.30	831,338.39	1,984,397.01	1,573,624.86	2,014,938.40	1,765,832.36
School administrative services	960,712.35	1,083,419.06	844,699.52	1,404,851.36	1,228,440.09	1,332,570.45
Central services	366,990.17	500,295.54	1,002,505.73	1,355,978.57	1,484,771.32	1,394,915.64
Plant operations and maintenance	2,362,542.22	2,264,511.24	2,338,255.70	2,910,112.60	4,069,731.48	3,712,939.36
Pupil transportation	1,202,815.22	1,676,623.12	1,553,863.58	1,863,361.12	2,121,809.37	2,325,163.47
Special Schools	239,492.46	263,049.10	277,615.90	319,432.44	314,855.44	297,147.09
Interest on long-term debt	1,108,025.00	989,735.00	1,550,713.74	1,080,450.18	896,032.41	937,619.22
Total governmental activities expenses	<u>24,944,280.13</u>	<u>27,639,847.76</u>	<u>28,765,798.75</u>	<u>32,313,240.70</u>	<u>36,554,551.33</u>	<u>37,212,402.98</u>
Business-type activities:						
Food service	537,643.44	579,624.39	661,688.62	638,122.12	659,988.33	680,837.66
Other	422,164.86	466,337.28	230,962.21	-	-	-
Total business-type activities expenses	<u>959,808.30</u>	<u>1,045,961.67</u>	<u>892,650.83</u>	<u>638,122.12</u>	<u>659,988.33</u>	<u>680,837.66</u>
Total district expenses	<u>\$ 25,904,088.43</u>	<u>\$ 28,685,809.43</u>	<u>\$ 29,658,449.58</u>	<u>\$ 32,951,362.82</u>	<u>\$ 37,214,539.66</u>	<u>\$ 37,893,240.64</u>

STAFFORD TOWNSHIP SCHOOL DISTRICT
Changes in Net Assets,
Last Six Fiscal Years
(accrual basis of accounting)

Exhibit J-2

	Fiscal Year Ending June 30,					
	2003	2004	2005	2006	2007	2008
Program Revenues						
Governmental activities:						
Charges for services:						
None	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Operating grants and contributions	1,813,298.38	2,214,767.35	2,278,775.64	2,421,914.91	2,132,775.93	2,014,739.42
Total governmental activities program revenues	<u>1,813,298.38</u>	<u>2,214,767.35</u>	<u>2,278,775.64</u>	<u>2,421,914.91</u>	<u>2,132,775.93</u>	<u>2,014,739.42</u>
Business-type activities:						
Charges for services:						
Food service	353,589.83	395,434.26	449,436.59	469,707.11	447,441.17	428,216.19
Other	438,853.24	536,675.30	281,981.05	-		
Operating grants and contributions	151,448.69	176,698.02	186,655.11	174,493.22	182,854.75	223,780.43
Total business-type activities program revenue	<u>943,891.76</u>	<u>1,108,807.58</u>	<u>918,072.75</u>	<u>644,200.33</u>	<u>630,295.92</u>	<u>651,996.62</u>
Total district program revenue	<u>\$ 2,757,190.14</u>	<u>\$ 3,323,574.93</u>	<u>\$ 3,196,848.39</u>	<u>\$ 3,066,115.24</u>	<u>\$ 2,763,071.85</u>	<u>\$ 2,666,736.04</u>
Net (Expense)/Revenue						
Governmental activities	\$ (23,130,981.75)	\$ (25,425,080.41)	\$ (26,487,023.11)	\$ (29,891,325.79)	\$ (34,421,775.40)	\$ (35,197,663.56)
Business-type activities	(15,916.54)	62,845.91	25,421.92	6,078.21	(29,692.41)	(28,841.04)
Total district-wide net expense	<u>\$ (23,146,898.29)</u>	<u>\$ (25,362,234.50)</u>	<u>\$ (26,461,601.19)</u>	<u>\$ (29,885,247.58)</u>	<u>\$ (34,451,467.81)</u>	<u>\$ (35,226,504.60)</u>

STAFFORD TOWNSHIP SCHOOL DISTRICT
Changes in Net Assets,
Last Six Fiscal Years
(accrual basis of accounting)

Exhibit J-2

	Fiscal Year Ending June 30,					
	2003	2004	2005	2006	2007	2008
General Revenues and Other Changes in Net Assets						
Governmental activities:						
Property taxes levied for general purposes, net	\$ 12,861,722.00	\$ 14,391,605.00	\$ 15,454,056.00	\$ 17,762,249.00	\$ 21,740,992.00	\$ 22,542,559.00
Taxes levied for debt service	1,258,061.00	1,288,566.00	2,197,969.00	2,026,453.00	1,989,017.00	2,093,202.00
Unrestricted grants and contributions	8,386,502.26	9,284,566.56	9,686,863.78	10,050,484.21	10,861,740.98	11,528,484.51
Tuition revenue	624,700.04	532,210.76	607,589.99	267,722.70	239,608.40	245,010.43
Miscellaneous income	96,942.73	313,134.84	634,544.80	2,168,220.08	621,316.85	153,661.46
Adjustment to Fixed Assets				(115,888.36)		(656,620.83)
Total governmental activities	<u>23,227,928.03</u>	<u>25,810,083.16</u>	<u>28,581,023.57</u>	<u>32,159,240.63</u>	<u>35,452,675.23</u>	<u>35,906,296.57</u>
Business-type activities:						
Adjustment to Fixed Assets	38,839.07	-	-	29,385.02	-	-
Transfers	-	-	(164,498.36)	-	-	-
Total business-type activities	<u>38,839.07</u>	<u>-</u>	<u>(164,498.36)</u>	<u>29,385.02</u>	<u>-</u>	<u>-</u>
Total district-wide	<u>\$ 23,266,767.10</u>	<u>\$ 25,810,083.16</u>	<u>\$ 28,416,525.21</u>	<u>\$ 32,188,625.65</u>	<u>\$ 35,452,675.23</u>	<u>\$ 35,906,296.57</u>
Changes in Net Assets						
Governmental activities	\$ 96,946.28	\$ 385,002.75	\$ 2,094,000.46	\$ 2,267,914.84	\$ 1,030,899.83	\$ 708,633.01
Business-type activities	22,922.53	62,845.91	(139,076.44)	35,463.23	(29,692.41)	(28,841.04)
Total district	<u>\$ 119,868.81</u>	<u>\$ 447,848.66</u>	<u>\$ 1,954,924.02</u>	<u>\$ 2,303,378.07</u>	<u>\$ 1,001,207.42</u>	<u>\$ 679,791.97</u>

Source: CAFR Schedule A-2

STAFFORD TOWNSHIP SCHOOL DISTRICT
Fund Balances, Governmental Funds,
Last Six Fiscal Years

Exhibit J-3

(modified accrual basis of accounting)

	Fiscal Year Ending June 30,					
	2003	2004	2005	2006	2007	2008
General Fund						
Reserved	\$ 652,337.65	\$ 287,221.81	\$ 1,570,347.03	\$ 1,988,524.61	\$ 743,882.89	\$ 1,127,969.00
Unreserved	238,202.94	834,372.37	213,796.48	110,037.49	317,164.00	213,819.44
Total general fund	<u>\$ 890,540.59</u>	<u>\$ 1,121,594.18</u>	<u>\$ 1,784,143.51</u>	<u>\$ 2,098,562.10</u>	<u>\$ 1,061,046.89</u>	<u>\$ 1,341,788.44</u>
All Other Governmental Funds						
Reserved	\$ 1.00	\$ 11,503,327.24	\$ 5,526,900.33	\$ 316,120.33	\$ 69,019.00	\$ -
Unreserved, reported in:						
Special revenue fund	(8,991.25)	(4,066.00)	(4,085.00)	(4,085.00)	(4,085.00)	(4,085.00)
Capital projects fund	1,046,608.37	1,647,535.05	(4,354,240.38)	(316,120.33)	-	-
Debt service fund	0.72	30,001.72	30,001.98	99,020.50	42,574.32	42,574.54
Total all other governmental funds	<u>\$ 1,037,618.84</u>	<u>\$ 13,176,798.01</u>	<u>\$ 1,198,576.93</u>	<u>\$ 94,935.50</u>	<u>\$ 107,508.32</u>	<u>\$ 38,489.54</u>

Source: CAFR Schedule B-1

STAFFORD TOWNSHIP SCHOOL DISTRICT
Changes in Fund Balances, Governmental Funds,
Last Ten Fiscal Years

Exhibit J-4

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Revenues										
Tax Levy	\$ 10,900,212	\$ 11,298,172	\$ 11,792,749	\$ 13,345,628	\$ 14,119,783	\$ 15,680,171	\$ 17,652,025	\$ 19,788,702	\$ 23,730,009	\$ 24,635,761
Miscellaneous	307,709	450,426	748,752	789,711	721,643	845,346	1,254,170	2,435,943	860,925	398,672
State sources	5,343,389	8,214,667	8,697,852	9,418,666	9,463,640	10,358,801	10,816,025	15,373,091	12,089,047	12,715,983
Federal sources	444,810	575,771	506,685	614,949	736,161	1,139,608	1,137,580	1,137,428	905,470	827,241
Total revenue	<u>16,996,120</u>	<u>20,539,036</u>	<u>21,746,039</u>	<u>24,168,954</u>	<u>25,041,226</u>	<u>28,023,926</u>	<u>30,859,799</u>	<u>38,735,164</u>	<u>37,585,451</u>	<u>38,577,657</u>
Expenditures										
Instruction:										
Regular instruction	4,579,575	5,774,469	5,902,348	6,122,841	6,432,510	6,737,977	7,395,859	8,189,390	9,277,395	9,496,696
Special education instruction	2,354,190	2,785,418	3,071,482	3,418,384	2,963,203	3,143,867	3,663,489	3,862,592	3,907,650	4,141,646
Other special education instruction	116,058	43,110	231,816	482,101	480,734	507,254	537,466	715,571	1,009,066	899,123
Support Services:										
Tuition	275,097	300,660	288,215	286,523	285,807	219,548	72,583	89,492	128,492	189,263
Student & instruction related services	1,488,542	1,674,567	1,937,166	2,062,548	2,946,126	3,541,936	2,636,340	3,115,357	3,389,382	3,408,632
General administrative services	380,456	506,899	463,473	537,671	681,072	692,597	1,653,967	1,076,391	1,490,094	1,275,661
School administrative services	457,424	517,728	550,908	587,078	775,223	730,067	605,311	957,719	817,106	894,073
Business / Central services	210,895	255,465	230,459	273,231	295,614	337,127	700,945	984,597	1,080,523	1,006,679
Plant operations and maintenance	1,373,240	1,705,902	1,811,428	1,876,341	2,125,107	2,108,783	2,241,950	2,799,797	3,717,323	3,413,069
Pupil transportation	846,565	995,399	953,252	1,043,207	1,054,379	1,229,626	1,628,921	1,344,570	1,511,900	1,566,294
Unallocated employee benefits	2,785,560	3,155,681	3,604,190	4,115,914	4,958,369	5,826,372	5,283,162	6,341,537	7,927,376	8,241,871
Special Schools	51,423	83,949	119,727	133,196	169,782	177,396	199,150	223,334	218,980	205,721
Capital outlay	904,375	961,554	1,286,547	856,193	1,800,856	2,302,784	12,737,815	7,265,426	1,509,073	976,379
Debt service:										
Principal	700,000	1,055,000	1,065,000	1,080,000	1,190,000	1,205,000	1,235,000	1,485,000	1,610,000	1,670,000
Interest and other charges	1,096,258	1,014,813	946,113	876,850	803,275	725,185	1,583,514	1,073,614	1,016,033	980,829
Total Expenditures	<u>17,619,658</u>	<u>20,830,614</u>	<u>22,462,125</u>	<u>23,752,078</u>	<u>26,962,055</u>	<u>29,485,518</u>	<u>42,175,471</u>	<u>39,524,387</u>	<u>38,610,394</u>	<u>38,365,934</u>
Excess (Deficiency) of revenues over (under) expenditures	(623,538)	(291,578)	(716,085)	416,876	(1,920,828)	(1,461,592)	(11,315,672)	(789,223)	(1,024,942)	211,723
Other Financing Sources (Uses)										
Capital Leases / Bond Proceeds			435,000	140,048	2,250,000	13,831,825				
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>435,000</u>	<u>140,048</u>	<u>2,250,000</u>	<u>13,831,825</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	\$ (623,538)	\$ (291,578)	\$ (281,085)	\$ 556,924	\$ 329,172	\$ 12,370,233	\$ (11,315,672)	\$ (789,223)	\$ (1,024,942)	\$ 211,723
Debt service as a percentage of noncapital expenditures	10.75%	10.42%	9.50%	8.55%	7.92%	7.10%	9.57%	7.93%	7.08%	7.09%

Source: CAFR Schedule B-2

STAFFORD TOWNSHIP SCHOOL DISTRICT
General Fund Other Local Revenue by Source,
Last Ten Fiscal Years
Unaudited

Exhibit J-5

<u>Fiscal Year Ended June 30,</u>	<u>Interest on Investments</u>	<u>Tuition Revenue</u>	<u>Legal Settlement</u>	<u>Lease Purchase Proceeds</u>	<u>Miscellaneous</u>	<u>Totals</u>
1999	\$ 114,149.00	\$ 193,560.00	\$ -	\$ -	\$ -	\$ 307,709.00
2000	59,959.89	370,170.00			20,295.86	450,425.75
2001	56,712.95	659,008.43			27,606.71	743,328.09
2002	33,133.49	635,088.65			121,304.89	789,527.03
2003	26,231.25	624,700.04			68,218.75	719,150.04
2004	16,780.72	532,210.76			173,623.25	722,614.73
2005	91,919.63	607,589.99	297,000.00		56,085.82	1,052,595.44
2006	181,405.31	267,722.70		1,744,306.82	56,562.67	2,249,997.50
2007	203,578.14	239,608.40		255,693.18	94,005.99	792,885.71
2008	123,765.95	245,010.43			29,895.51	398,671.89

Source: District Records

STAFFORD TOWNSHIP SCHOOL DISTRICT
Assessed Value and Actual Value of Taxable Property,
Last Ten Fiscal Years

Exhibit J-6

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Regular	Q Farm	Commercial	Industrial	Apartment	Total Assessed Value	Memo Only Tax-exempt Property	Public Utilities	Net Valuation Taxable	Total District School Tax Rate	Estimated County Equalized Value
1999	\$ 94,547,000	\$ 1,222,172,700	\$ 769,900	\$ 65,000	\$ 160,113,153	\$ 874,400	\$ 3,049,600	\$ 1,481,591,753	\$ 136,785,200	\$ 8,342,648	\$ 1,489,934,401	\$ 0.770	\$ 1,550,554,335
2000	82,351,500	1,278,124,500	867,200	65,600	174,582,353	874,400	3,049,600	1,539,915,153	138,339,300	5,708,389	1,545,623,542	0.758	1,671,003,584
r 2001	92,881,900	1,606,141,100	1,190,100	113,100	189,784,300	1,040,100	3,530,000	1,894,680,600	148,225,500	6,599,067	1,901,279,667	0.759	1,825,313,940
2002	80,522,400	1,663,986,200	1,144,700	121,100	206,269,000	1,040,100	3,530,000	1,956,613,500	168,364,000	6,664,736	1,963,278,236	0.701	2,067,005,924
2003	73,296,500	1,730,430,400	1,124,400	121,100	209,802,500	1,040,100	3,530,000	2,019,345,000	178,054,400	6,353,761	2,025,698,761	0.719	2,314,075,397
2004	64,110,200	1,791,707,300	687,400	95,300	226,970,300	1,040,100	3,530,000	2,088,140,600	180,195,700	5,103,247	2,093,243,847	0.774	2,877,333,500
r 2005	181,471,900	3,542,196,500	1,573,200	98,500	357,989,000	3,834,600	4,230,600	4,091,394,300	268,457,700	6,653,431	4,098,047,731	0.843	3,510,966,298
2006	172,223,900	3,625,285,400	1,073,200	97,400	388,225,500	3,834,600	4,693,600	4,195,433,600	277,659,800	6,191,967	4,201,625,567	0.483	4,267,005,500
2007	164,068,700	3,671,707,400	1,067,900	60,100	402,267,300	1,116,400	4,965,400	4,245,253,200	278,042,500	5,646,437	4,250,899,637	0.564	4,885,060,787
2008	158,577,700	3,703,660,100	1,061,000	60,200	414,723,900	1,116,400	4,965,400	4,284,164,700	283,626,900	5,775,343	4,289,940,043	0.580	5,099,786,071

r = reassessment

Source: County Abstract of Ratables & Municipal Tax Assessor

STAFFORD TOWNSHIP SCHOOL DISTRICT
Direct and Overlapping Property Tax Rates,
Last Ten Fiscal Years
(rate per \$100 of assessed value)

Exhibit J-7

Fiscal Year Ended June 30,	STAFFORD TOWNSHIP SCHOOL DISTRICT			Overlapping Rates						Total Direct and Overlapping Tax Rate
	Basic Rate	General Obligation Debt Service	Total Direct	County General	County Library	County Health	County Open Space	Southern Regional	* Municipal Local Purpose	
1999	\$ 0.696	\$ 0.074	0.770	\$ 0.468	\$ 0.050	\$ 0.019	\$ 0.013	\$ 0.330	\$ 0.670	\$ 2.320
2000	0.696	0.062	0.758	0.494	0.050	0.019	0.013	0.359	0.712	2.405
2001	0.673	0.086	0.759	0.514	0.051	0.019	0.013	0.333	0.761	2.450
2002	r 0.620	0.081	0.701	0.457	0.045	0.018	0.012	0.295	0.727	2.255
2003	0.646	0.073	0.719	0.475	0.049	0.019	0.013	0.278	0.784	2.337
2004	0.702	0.072	0.774	0.470	0.050	0.021	0.013	0.293	0.818	2.439
2005	0.783	0.060	0.843	0.497	0.054	0.023	0.017	0.357	0.857	2.648
2006	r 0.452	0.031	0.483	0.276	0.029	0.013	0.011	0.171	0.504	1.487
2007	0.516	0.048	0.564	0.288	0.031	0.013	0.012	0.174	0.543	1.625
2008	0.533	0.047	0.580	0.294	0.035	0.015	0.014	0.190	0.581	1.709

* = Includes Municipal Open Space Tax of \$0.01 effective in 2003 and every year thereafter.

r = reassessment

Source: District Records and Municipal Tax Collector

STAFFORD TOWNSHIP SCHOOL DISTRICT
Principal Property Tax Payers,
Current Year and Nine Years Ago

Exhibit J-8

Taxpayer	2008			1999		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
72 Associates - Shoprite	\$ 23,888,500	1	0.56%	\$ 17,059,800	1	1.15%
ACI Manahawkin LLC	16,632,500	2	0.39%	10,703,600	3	0.72%
81 Associates	14,859,500	3	0.35%	7,270,100	4	0.49%
JAM Properties, LLC - Holiday Inn	13,618,100	4	0.32%			
Wal-Mart	11,600,000	5	0.27%			
HD Development of Md.	11,182,500	6	0.26%			
Davis and Associates	11,137,300	7	0.26%			
ACI Manahawkin LLC - K-Mart	10,490,000	8	0.24%			
Stafford Associates of NJ	8,680,500	9	0.20%	13,355,503	2	0.90%
Carol Van Stuart - Pathmark	6,875,500	10	0.16%			
H.W. of Manahawkin, LLC				5,744,800	5	0.39%
Van Stuart Corporation				4,860,000	6	0.33%
Manahawkin Plaza				4,054,900	7	0.27%
AT & T				3,700,000	8	0.25%
Individual Taxpayer #1				2,824,600	9	0.19%
LTD Realty Investments				2,637,200	10	0.18%
Totals	<u>\$ 128,964,400</u>		<u>3.01%</u>	<u>\$ 72,210,503</u>		<u>4.85%</u>
	District Assessed Value		<u>\$ 4,289,940,043</u>			<u>\$ 1,489,934,401</u>

Source: District CAFR & Municipal Tax Assessor

STAFFORD TOWNSHIP SCHOOL DISTRICT
Property Tax Levies and Collections,
Last Ten Fiscal Years

Exhibit J-9

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
1999	\$ 10,900,212.00	\$ 10,900,212.00	100%	\$ -
2000	11,298,172.00	11,298,172.00	100%	-
2001	11,792,749.00	11,792,749.00	100%	-
2002	13,345,628.00	13,345,628.00	100%	-
2003	14,119,783.00	14,119,783.00	100%	-
2004	15,680,171.00	15,680,171.00	100%	-
2005	17,652,025.00	17,652,025.00	100%	-
2006	19,788,702.00	19,788,702.00	100%	-
2007	23,730,009.00	23,730,009.00	100%	-
2008	24,635,761.00	24,635,761.00	100%	-

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

STAFFORD TOWNSHIP SCHOOL DISTRICT
Ratios of Outstanding Debt by Type,
Last Ten Fiscal Years

Exhibit J-10

Fiscal Year Ended June 30,	Governmental Activities			Business-Type Activities		Percentage of Personal Income	* Per Capita Personal Income
	General Obligation Bonds	Capital Leases	Bond / Grant Anticipation Notes (BANs)	Capital Leases	Total District		
1999	\$ 17,600,000	\$ 1,526,051	\$ -	\$ -	\$ 19,126,051	0.13%	\$ 25,397
2000	16,645,000	1,529,051	-	-	18,174,051	0.14%	25,397
2001	15,580,000	1,745,353	-	-	17,325,353	0.15%	25,397
2002	14,500,000	1,568,659	-	-	16,068,659	0.16%	25,397
2003	13,310,000	1,456,198	2,000,000	-	16,766,198	0.15%	25,397
2004	27,329,000	1,552,449	-	-	28,881,449	0.09%	25,397
2005	26,094,000	1,108,624	-	-	27,202,624	0.09%	25,397
2006	24,834,000	2,995,147	7,000,000	-	34,829,147	0.07%	25,397
2007	23,370,000	2,208,839	-	-	25,578,839	0.10%	25,397
2008	21,700,000	1,936,188	-	-	23,636,188	0.11%	25,397

* = This data is only available for the year 1999.

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

STAFFORD TOWNSHIP SCHOOL DISTRICT
Ratios of Net General Bonded Debt Outstanding,
Last Ten Fiscal Years

Exhibit J-11

Fiscal Year Ended June 30,	Governmental Activities		Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value of Property	Per Capita Personal Income
	General Obligation Bonds	Deductions			
1999	\$ 17,600,000	\$ -	\$ 17,600,000	1.18%	\$ 25,397
2000	16,645,000		16,645,000	1.08%	25,397
2001	15,580,000		15,580,000	0.82%	25,397
2002	14,500,000		14,500,000	0.74%	25,397
2003	13,310,000		13,310,000	0.66%	25,397
2004	27,329,000		27,329,000	1.31%	25,397
2005	26,094,000		26,094,000	0.64%	25,397
2006	24,834,000		24,834,000	0.59%	25,397
2007	23,370,000		23,370,000	0.55%	25,397
2008	21,700,000		21,700,000	0.51%	25,397

STAFFORD TOWNSHIP SCHOOL DISTRICT
Direct and Overlapping Governmental Activities Debt,
As of December 31, 2007

Exhibit J-12

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Local Municipality	\$ 63,082,427.42	100.00%	\$ 63,082,427.42
Other debt			
Southern Regional School District	14,800,000.00	23.09%	3,417,815.84
County of Ocean	457,507,604.69	4.35%	19,885,804.42
			<hr/>
Subtotal, overlapping debt			86,386,047.68
Stafford Township School District Direct Debt		100.00%	<u>22,105,000.00</u>
Total direct and overlapping debt			<u><u>\$ 108,491,047.68</u></u>

Sources: Annual Debt Statement

STAFFORD TOWNSHIP SCHOOL DISTRICT
Demographic and Economic Statistics,
Last Ten Fiscal Years

Exhibit J-14

<u>Fiscal Year Ended June 30,</u>	<u>Population</u>	<u>Personal Income (thousands of dollars)</u>	<u>Per Capita Personal Income</u>	<u>Unemployment Rate</u>
1999	17,572	\$ 446,276	\$ 25,397	4.9%
2000	18,189	461,946	25,397	4.1%
2001	22,685	576,131	25,397	4.3%
2002	23,301	591,775	25,397	5.7%
2003	23,917	607,420	25,397	5.3%
2004	24,371	618,950	25,397	5.2%
2005	24,944	633,503	25,397	3.8%
2006	25,522	648,182	25,397	4.3%
2007	26,092	662,659	25,397	3.9%
2008	26,282	667,484	25,397	N/A

* = This data is only available for the year 1999.

STAFFORD TOWNSHIP SCHOOL DISTRICT
Principal Employers,
Current Year and Nine Years Ago

Exhibit J-15

Employer	2008			1999		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
Southern Ocean County Hospital	1,200	1	Not Available	524		Not Available
Southern Regional School District	555	2	Not Available	530		Not Available
Stafford Township School District	461	3	Not Available	455		Not Available
Wal-Mart	340	4	Not Available	263		Not Available
Home Depot	340	5	Not Available	250		Not Available
Perlmart	185	6	Not Available	185		Not Available
Pathmark	180	7	Not Available	180		Not Available
Verizon	178	8	Not Available	178		Not Available
Southern Ocean Rehab	167	9	Not Available	167		Not Available
K-Mart	135	10	Not Available	159		Not Available
Totals	3,741		Not Available	2,891		Not Available

STAFFORD TOWNSHIP SCHOOL DISTRICT
Full-time Equivalent District Employees by Function/Program,
Last Ten Fiscal Years

Exhibit J-16

	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
<u>Function/Program</u>										
Instruction:										
Regular instruction	101	116	123	123	124	132	142	145	145	152
Special education instruction	35	47	48	60	58	59	55	57	56	54
Support Services:										
Student & instruction related services	82	101	129	120	115	124	126	138	136	132
General administrative services	3	5	4	4	4	5	6	5	4	5
School administrative services	20	25	22	25	50	41	38	33	32	40
Business administrative services	10	11	12	15	17	17	18	19	19	17
Plant operations and maintenance / Security	19	25	21	21	20	19	20	20	18	27
Pupil transportation	40	47	43	39	38	35	40	38	38	34
Total	<u>310.0</u>	<u>377</u>	<u>402</u>	<u>407</u>	<u>426</u>	<u>432</u>	<u>445</u>	<u>455</u>	<u>448</u>	<u>461</u>

Source: District Personnel Records

STAFFORD TOWNSHIP SCHOOL DISTRICT
Operating Statistics,
Last Ten Fiscal Years

Exhibit J-17

Fiscal Year Ended June 30,	Enrollment	Operating Expenditures	Cost per Pupil	% Change	Teaching Staff	Pupil/Teacher Ratio			Average Daily Enrollment (ADE)	Average Daily Attendance (ADE)	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary School	Middle School	High School				
1999	2,007	\$ 14,919,025	\$ 7,433	7.67%	136	1:12	1:14	Not Applicable	2,000	1,899	5.99%	94.95%
2000	2,152	17,799,247	8,271	11.27%	163	1:12	1:12	Not Applicable	2,145	2,039	7.25%	95.06%
2001	2,260	19,164,465	8,480	2.52%	171	1:12	1:12	Not Applicable	2,224	2,108	3.68%	94.78%
2002	2,291	20,939,035	9,140	7.78%	183	1:12	1:12	Not Applicable	2,289	2,141	2.92%	93.53%
2003	2,424	23,167,924	9,558	4.57%	182	1:12	1:12	Not Applicable	2,424	2,295	5.90%	94.68%
2004	2,452	25,252,549	10,299	7.75%	191	1:12	1:12	Not Applicable	2,447	2,319	0.95%	94.77%
2005	2,515	26,619,142	10,584	2.77%	197	1:14	1:14	Not Applicable	2,515	2,383	2.78%	94.75%
2006	2,520	29,700,346	11,786	11.35%	202	1:14	1:14	Not Applicable	2,518	2,385	0.12%	94.70%
2007	2,523	34,475,288	13,664	15.94%	221	1:14	1:14	Not Applicable	2,510	2,392	-0.32%	95.30%
2008	2,481	34,738,726	14,002	2.47%	222	1:14	1:14	Not Applicable	2,481	2,366	-1.16%	95.36%

Source: District records

STAFFORD TOWNSHIP SCHOOL DISTRICT
School Building Information,
Last Ten Fiscal Years

Exhibit J-18

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
<u>District Buildings</u>										
<u>Elementary</u>										
Oxycocus School										
Square Feet	56,528	56,528	56,528	56,528	56,528	56,528	56,528	56,528	56,528	56,528
Capacity (students)	307	307	307	307	307	307	307	307	307	307
Enrollment		244	262	275	315	321	313	330	234	233
Ocean Acres School										
Square Feet	110,000	110,000	110,000	110,000	110,000	110,000	110,000	110,000	110,000	110,000
Capacity (students)	744	744	744	744	744	744	744	744	744	744
Enrollment		675	697	667	705	706	710	745	497	522
McKinley School										
Square Feet	65,000	65,000	65,000	65,000	65,000	65,000	132,500	132,500	132,500	132,500
Capacity (students)	726	726	726	726	726	726	726	726	726	726
Enrollment		592	622	599	688	699	713	706	722	703
RLM - PLC										
Square Feet	-	-	-	-	-	-	-	-	49,262	49,262
Capacity (students)	-	-	-	-	-	-	-	-	339	339
Enrollment	-	-	-	-	-	-	-	-	325	289
<u>Middle School</u>										
Intermediate School										
Square Feet	98,102	98,102	98,102	98,102	98,102	98,102	110,000	110,000	110,000	110,000
Capacity (students)	734	734	734	734	734	734	734	734	734	734
Enrollment		588	646	617	659	693	735	732	735	734
<u>Other</u>										
Administration										
Square Feet	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000
Curriculum Center										
Square Feet	2,476	2,476	2,476	2,476	2,476	2,476	2,476	2,476	2,476	2,476
Transportation										
Square Feet	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500
Number of Schools at June 30, 2008										
Elementary - 4										
Middle - 1										
Other - 3										

Source: District Records, ASSA

STAFFORD TOWNSHIP SCHOOL DISTRICT

Exhibit J-19

General Fund

Schedule of Required Maintenance for School Facilities,

Last Seven Fiscal Years

(Unaudited)

Undistributed Expenditures - Required Maintenance for School Facilities

School Facilities	Project # (s)	2002	2003	2004	2005	2006	2007	2008
Ocean Acres Elementary	N/A	\$ 30,652	\$ 36,219	\$ 26,851	\$ 25,705	\$ 26,860	\$ 30,793	\$ 25,462
Oxycocus Elementary	N/A	19,025	26,472	16,601	16,071	16,618	19,051	14,618
McKinley Elementary	N/A	21,139	28,620	18,967	18,884	18,972	21,750	35,992
Stafford Intermediate	N/A	24,865	34,942	25,749	25,674	25,765	29,537	26,481
Ronald L. Meinders PLC	N/A	-	-	-	-	14,089	16,152	12,090
Total School Facilities		<u>95,681</u>	<u>126,253</u>	<u>88,168</u>	<u>86,334</u>	<u>102,304</u>	<u>117,283</u>	<u>114,643</u>
Other Facilities		<u>42,278</u>	<u>33,781</u>	<u>2,578</u>	<u>2,458</u>	<u>2,593</u>	<u>2,973</u>	<u>2,326</u>
Grand Total		<u>\$ 137,959</u>	<u>\$ 160,034</u>	<u>\$ 90,746</u>	<u>\$ 88,792</u>	<u>\$ 104,897</u>	<u>\$ 120,256</u>	<u>\$ 116,969</u>

Source: District Records

STAFFORD TOWNSHIP SCHOOL DISTRICT
Insurance Schedule
For the Fiscal Year Ended June 30, 2008
(Unaudited)

Exhibit J-20

Company	Type of Coverage	Amount of Coverage	Deductible
School Package Policy			
	Property	\$ 2,500,000,000	\$ 500.00
	Newly Acquired Property	5,000,000	
	Contractors Mobile Equipment	5,000,000	
	Comprehensive Automotive Liability	1,000,000	
	Earthquake	10,000,000	
	Flood	10,000,000	
	Blanket Dishonesty Bond	25,000	
	Workers Compensation	Statutory	
	School Board Legal Liability	1,000,000	

Statistical Section



FORD - SCOTT

& ASSOCIATES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

1535 HAVEN AVENUE • PO BOX 538 • OCEAN CITY, NJ • 08226-0538

PHONE 609.399.6333 • FAX 609.399.3710

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

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

We have audited the basic financial statements of the Board of Education of the Stafford Township School District, State of New Jersey, as of and for the fiscal year ended June 30, 2008, and have issued our report thereon dated September 30, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements 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 Stafford Township Board of Education's 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 Stafford Township Board of Education's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Stafford Township Board of Education's internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Stafford Township Board of Education'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 financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey.

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

Ford, Scott & Associates, L.L.C.
FORD, SCOTT & ASSOCIATES, L.L.C.
CERTIFIED PUBLIC ACCOUNTANTS



Michael S. Garcia
Certified Public Accountant
Licensed Public School Accountant
No. 2080

September 30, 2008



FORD - SCOTT

& ASSOCIATES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

1535 HAVEN AVENUE • PO BOX 538 • OCEAN CITY, NJ • 08226-0538

PHONE 609.399.6333 • FAX 609.399.3710

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

The Honorable President and
Members of Board of Education
Stafford Township School District
County of Ocean
Manahawkin, New Jersey

Compliance

We have audited the compliance of the Board of Education of the Stafford Township School District in the County of Ocean, with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement and the New Jersey State Grant Compliance Supplement that are applicable to each of its major federal and state programs for the year ended June 30, 2008. Stafford Township Board of Education'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 Stafford Township Board of Education's management. Our responsibility is to express an opinion on Stafford Township Board of Education's compliance based on our audit.

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

In our opinion Stafford Township Board of Education School District, in the County of Ocean, State of New Jersey, complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal and state programs for the year ended June 30, 2008.

Internal Control Over Compliance

The management of Stafford Township Board of Education 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 Stafford Township Board of Education's internal control over compliance with requirements that could have a direct and material effect on a major federal or state program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Stafford Township Board of Education's internal control over compliance.

A control deficiency in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal or state program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal or state program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal or state program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented or detected by the entity's internal control.

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

This report is intended for the information of the management of the Stafford Township Board of Education, the New Jersey State Department of Education (cognizant audit agency), other state and federal awarding agencies and pass-through entities, and is not intended and should not be used by anyone other than these parties.

Ford, Scott, & Associates, L.L.C.
FORD, SCOTT & ASSOCIATES, L.L.C.
CERTIFIED PUBLIC ACCOUNTANTS



Michael S. Garcia
Certified Public Accountant
Licensed Public School Accountant
No. 2080

September 30, 2008

STAFFORD TOWNSHIP SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards
for the Fiscal Year ended June 30, 2008

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2007	Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	(Accounts Receivable) at June 30, 2008	Deferred Revenue	Due to Grantor at June 30, 2008
				From	To									
U.S. Department of Education														
General Fund:														
Medical Assistance Program (SEMI)	93.778	N/A	\$ 13,853.57	9/1/2007	8/31/2008	\$ -	\$ -	\$ 13,853.57	\$ (13,853.57)	\$ -	\$ -	\$ -	\$ -	\$ -
U.S. Department of Education Passed-Through State Department Education:														
Special Revenue Fund:														
Title I	84.010	NCLB 08	136,892.00	9/1/2007	8/31/2008			136,892.00	(136,892.00)					
I.D.E.A. Part B, Basic Regular	84.027	FT 04	437,698.00	9/1/2003	8/31/2004	4,088.14								4,088.14
I.D.E.A. Part B, Basic Regular	84.027	FT 03	351,084.00	9/1/2002	8/31/2003	1,305.05								1,305.05
I.D.E.A. Part B, Basic Regular	84.027	FT 99	200,430.00	9/1/1998	8/31/1999	1,873.88								1,873.88
I.D.E.A. Part B, Basic Regular	84.027	FT 08	555,706.00	9/1/2007	8/31/2008			555,706.00	(552,269.01)			3,436.99		
I.D.E.A. Part B, Preschool	84.173	FT 08	41,571.00	9/1/2007	8/31/2008			41,571.00	(41,571.00)					
Title IIA	84.367A	NCLB 08	87,056.00	9/1/2007	8/31/2008			87,056.00	(87,056.00)					
Title IID	84.367	NCLB 08	1,051.00	9/1/2007	8/31/2008			1,051.00	(1,051.00)					
Title IIIA	84.365	NCLB 04	19,192.00	9/1/2003	8/31/2004	11.43								11.43
Title IIIA	84.365	NCLB 08	58,151.00	9/1/2007	8/31/2008			58,151.00	(58,151.00)					
Title V	84.298	NCLB 08	3,468.00	9/1/2007	8/31/2008			3,468.00	(3,468.00)					
Drug Free Schools	84.186	NCLB 08	8,703.00	9/1/2007	8/31/2008			8,703.00	(8,703.00)					
Learn and Serve America	94.004	N/A	25,000.00	9/1/2003	8/31/2004	(0.09)				0.09				
Americorp Reading	94.003	N/A	102,687.39	9/1/2005	8/31/2006	(35,784.82)		35,784.82						
Technology Literacy Challenge	84.318	N/A	95,000.00	9/1/1998	8/31/1999	134.87						134.87		
Total Special Revenue Fund						<u>(28,371.54)</u>	<u>-</u>	<u>928,382.82</u>	<u>(889,161.01)</u>	<u>0.09</u>	<u>-</u>	<u>-</u>	<u>3,571.86</u>	<u>7,278.50</u>
U.S. Department of Education Passed-through State Department of Education:														
Enterprise Fund:														
National School Lunch Program	10.555	N/A	141,111.05	7/1/2007	6/30/2008			133,792.73	(141,111.05)		(7,318.32)			
National School Lunch Program	10.555	N/A	118,874.51	7/1/2006	6/30/2007	(22,243.07)		22,243.07						
National School Breakfast Program	10.553	N/A	27,470.27	7/1/2007	6/30/2008			25,457.63	(27,470.27)		(2,012.64)			
National School Breakfast Program	10.553	N/A	19,238.49	7/1/2006	6/30/2007	(4,064.07)		4,064.07						
Special Milk Program	10.556	N/A	40.39	7/1/2007	6/30/2008			40.39	(40.39)					
Special Milk Program	10.556	N/A	669.03	7/1/2006	6/30/2007	(127.07)		127.07						
National School Snack Program	10.555	N/A	1,262.44	7/1/2006	6/30/2007	(241.28)		241.28						
National School Snack Program	10.555	N/A	2,528.42	7/1/2007	6/30/2008			2,369.98	(2,528.42)		(158.44)			
Food Distribution Program	10.550	N/A	37,572.00	7/1/2006	6/30/2008	6,958.62		41,125.30	(37,572.00)			10,511.92		
Total Enterprise Fund						<u>(19,716.87)</u>	<u>-</u>	<u>229,461.52</u>	<u>(208,722.13)</u>	<u>-</u>	<u>(9,489.40)</u>	<u>10,511.92</u>	<u>-</u>	<u>-</u>
Total Federal Financial Awards						\$ <u>(48,088.41)</u>	\$ <u>-</u>	\$ <u>1,171,697.91</u>	\$ <u>(1,111,736.71)</u>	\$ <u>0.09</u>	\$ <u>(9,489.40)</u>	\$ <u>14,083.78</u>	\$ <u>7,278.50</u>	\$ <u>-</u>

STAFFORD TOWNSHIP SCHOOL DISTRICT
Schedule of Expenditures of State Financial Assistance
for the Fiscal Year ended June 30, 2008

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2007				Adjustments / Repayment of Prior Years' Balances	Balance at June 30, 2008			MEMO		
			From	To	Deferred Revenue (Accounts Receivable)	Due to Grantor	Carryover (Walkover) Amount	Cash Received		Budgetary Expenditures	(Accounts Receivable)	Deferred Revenue/	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures
State Department of Education															
General Fund:															
Core Curriculum Standards Aid	08-495-034-5120-022	\$ 4,049,894	7/1/2007	6/30/2008	\$	\$	\$	\$ 3,845,035.00	\$ (4,049,894.00)	\$	\$	\$	\$	\$ (204,859.00)	\$ 4,049,894.00
School Choice Aid	08-495-034-506-8001	23,739	7/1/2007	6/30/2008				22,614.00	(23,739.00)					(1,125.00)	23,739.00
Transportation Aid	08-495-034-5120-014	960,739	7/1/2007	6/30/2008				913,714.00	(960,739.00)					(47,025.00)	960,739.00
Special Education Aid	08-495-034-5120-011	2,468,856	7/1/2007	6/30/2008				2,348,006.00	(2,468,856.00)					(120,850.00)	2,468,856.00
Bilingual Education Aid	08-495-034-5120-008	3,504	7/1/2007	6/30/2008				3,329.00	(3,504.00)					(175.00)	3,504.00
Stabilization Aid	08-495-034-5120-030	364,181	7/1/2007	6/30/2008				346,356.00	(364,181.00)					(17,825.00)	364,181.00
Consolidated Aid	08-495-034-5120-057	271,667	7/1/2007	6/30/2008				258,367.00	(271,667.00)					(13,300.00)	271,667.00
Additional Formula Aid	08-495-034-5120-058	505,881	7/1/2007	6/30/2008				493,781.00	(505,881.00)					(12,100.00)	505,881.00
Above Average Enrollment Growth	08-495-034-5120-059	123,427	7/1/2007	6/30/2008				117,387.00	(123,427.00)					(6,040.00)	123,427.00
Full Time Kindergarten Supplemental Aid	08-495-034-5120-074	341,034	7/1/2007	6/30/2008				324,334.00	(341,034.00)					(16,700.00)	341,034.00
Non Public Transportation Aid	08-495-034-506-8001	17,172	7/1/2007	6/30/2008					(17,171.65)		(17,171.65)			(17,171.65)	17,171.65
Non Public Transportation Aid	07-495-034-506-8001	20,518	7/1/2006	6/30/2007	(20,518.00)			20,518.00						-	20,518.00
Extraordinary Aid	07-495-034-5120-044	62,253	7/1/2006	6/30/2007	(62,253.00)			62,253.00						-	62,253.00
Extraordinary Aid	08-495-034-5120-044	58,405	7/1/2007	6/30/2008					(58,405.00)		(58,405.00)			(58,405.00)	58,405.00
Reimbursed TPAF Social Security Contributions	07-495-034-5095-002	980,309	7/1/2006	6/30/2007	(49,082.66)			49,082.66						-	980,309.03
Reimbursed TPAF Social Security Contributions	08-495-034-5095-002	1,010,023	7/1/2007	6/30/2008				960,026.58	(1,010,023.29)		(49,996.71)			(49,996.71)	1,010,023.29
Total General Fund					(131,853.66)	-	-	9,764,803.24	(10,198,521.94)	-	(125,573.36)	-	-	(565,572.36)	11,261,601.97
Special Revenue Fund:															
Distance Learning Aid	03-100-034-5120-348	98,144	7/1/2002	6/30/2008	13.08							13.08		-	98,130.92
Instructional Supplemental Aid	08-100-034-5120-348	81,681	7/1/2007	6/30/2008				77,596.00	(81,681.00)					(4,085.00)	81,681.00
Early Launch to Learning Initiative (ELLI)	07-495-034-5120-062	184,800	7/1/2006	6/30/2007	(33,600.00)			33,600.00						-	184,800.00
Early Launch to Learning Initiative (ELLI)	08-495-034-5120-062	191,400	7/1/2007	6/30/2008				159,720.00	(191,400.00)		(31,680.00)			(31,680.00)	191,400.00
Character Education Grant	04-100-034-5120-418	6,322	7/1/2003	6/30/2004	19.15							19.15		-	6,322.00
N.J. Nonpublic Aid:															
Nursing	08-100-034-5120-070	32,424	7/1/2007	6/30/2008				32,424.00	(32,424.00)					-	32,424.00
Textbook Aid	08-100-034-5120-064	23,474	7/1/2007	6/30/2008				23,474.00	(23,474.00)					-	23,474.00
Technology Aid	08-100-034-5120-037	16,800	7/1/2007	6/30/2008				16,800.00	(16,800.00)					-	16,800.00
Auxiliary Services:															
Compensatory Education	08-100-034-5120-061	143,328	7/1/2007	6/30/2008				143,328.00	(143,328.00)					-	143,328.00
Compensatory Education	06-100-034-5120-061	119,875	7/1/2005	6/30/2006		8,058.73				(8,058.73)				-	119,875.00
Handicapped Services:															
Supplemental Instruction	08-100-034-5120-066	49,560	7/1/2007	6/30/2008				49,560.00	(49,560.00)					-	49,560.00
Examination & Classification	08-100-034-5120-066	75,064	7/1/2007	6/30/2008				75,064.00	(75,064.00)					-	75,064.00
Corrective Speech	08-100-034-5120-067	71,610	7/1/2007	6/30/2008				71,610.00	(71,610.00)					-	71,610.00
NJ Healthy Schools	N/A	2,500	7/1/2006	6/30/2008	2,500.00				(2,500.00)					-	2,500.00
AIE	N/A	5,500	7/1/2007	6/30/2008				5,500.00	(5,500.00)					-	5,500.00
NJ SSI - Systemic Initiative Grant	N/A	15,000	7/1/2007	6/30/2008					(15,000.00)		(15,000.00)			(15,000.00)	15,000.00
NJ SSI - Systemic Initiative Grant	N/A	20,000	7/1/2001	6/30/2002		2,331.31				(0.63)		2,330.68		-	17,669.32
Total Special Revenue Fund					(31,067.77)	10,390.04	-	688,676.00	(708,341.00)	(8,059.36)	(46,680.00)	32.23	2,330.68	(50,765.00)	1,135,138.24
Debt Service Fund:															
Debt Service Aid	08-495-034-5120-017	488,608	7/1/2007	6/30/2008				488,608.00	(488,608.00)					-	488,608.00
Total Debt Service Fund					-	-	-	488,608.00	(488,608.00)	-	-	-	-	-	488,608.00
State Department of Agriculture:															
Enterprise Fund:															
National School Lunch Program (State Share)	08-100-010-3360-067	10,137	7/1/2007	6/30/2008				9,629.16	(10,136.70)		(507.54)			(507.54)	10,136.70
National School Lunch Program (State Share)	07-100-010-3360-067	9,754	7/1/2006	6/30/2007	(1,772.06)			1,772.06						-	9,753.78
Breakfast Program (State Share)	08-100-010-3360-067	4,922	7/1/2007	6/30/2008				4,559.60	(4,921.60)		(362.00)			(362.00)	4,921.60
Breakfast Program (State Share)	07-100-010-3360-067	3,835	7/1/2006	6/30/2007	(788.00)			788.00						-	3,834.50
Total Enterprise Fund					(2,560.06)	-	-	16,748.82	(15,058.30)	-	(869.54)	-	-	(869.54)	28,646.58
Total State Financial Assistance					\$ (165,481.49)	\$ 10,390.04	\$ -	\$ 10,958,836.06	\$ (11,410,529.24)	\$ (8,059.36)	\$ (173,122.90)	\$ 32.23	\$ 2,330.68	\$ (617,206.90)	\$ 12,913,994.79

STAFFORD TOWNSHIP SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF EXPENDITURES OF AWARDS
AND FINANCIAL ASSISTANCE
JUNE 30, 2008

NOTE 1. GENERAL

The accompanying schedules of financial assistance present the activity of all federal and state financial assistance programs of the Board of Education, Township of Stafford School District. The Board of Education is defined in Note 1 (A) to the Board's basic financial statements. All federal assistance received directly from federal agencies, as well as federal financial assistance passed through other government agencies is included on the schedule of federal financial assistance.

NOTE 2. BASIS OF ACCOUNTING

The accompanying schedules of financial assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the enterprise fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Notes 1 (C) and 1 (D) to the Board's basic financial statements.

NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of revenue recognition of the last state aid payment in the current budget year, which is mandated pursuant to P.L. 2003,c.97.(A3521). For GAAP purposes that payment is not recognized until the subsequent budget year due to the state deferral and recording of the last state aid payment in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis, which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$30,502.00) for the general fund and (\$71,370.59) for the special revenue fund. See the Notes to Required Supplementary Information for a reconciliation of the budgetary basis to the GAAP basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as follows:

	<u>Federal</u>		<u>State</u>		<u>TPAF Pension</u>		<u>Total</u>
General Fund	\$ 13,853.57	\$	11,514,630.94	\$	(1,346,611.00)	\$	10,181,873.51
Special Revenue Fund	813,387.38		712,744.04				1,526,131.42
Debt Service Fund			488,608.00				488,608.00
Food Service Fund	<u>208,722.13</u>		<u>15,058.30</u>				<u>223,780.43</u>
	<u>\$ 1,035,963.08</u>	<u>\$</u>	<u>12,731,041.28</u>	<u>\$</u>	<u>(1,346,611.00)</u>	<u>\$</u>	<u>12,420,393.36</u>

The On-Behalf Pension Contributions made for the district by the State of New Jersey are recognized as revenue in the basic financial statements, but are not considered in the major program determination.

STAFFORD TOWNSHIP SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF EXPENDITURES OF AWARDS
AND FINANCIAL ASSISTANCE
JUNE 30, 2008
(CONTINUED)

NOTE 4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5. OTHER

Revenues and expenditures reported under the U.S.D.A. Commodities Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the district for the year ended June 30, 2008. TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2008.

STAFFORD TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDING JUNE 30, 2008

I. SUMMARY OF AUDITORS RESULTS

Financial Statements

Type of auditor's report issued:	Unqualified Opinion
Internal control over financial reporting:	
1) Material weakness identified?	No
2) Significant deficiencies identified that are not considered to be a material weakness?	None reported
Noncompliance material to the Basic Financial Statements noted?	No

Federal Awards

Internal control over major programs:	
1) Material weakness identified?	No
2) Significant deficiencies identified that are not considered to be a material weakness?	None reported
Type of auditor's report issued on compliance for major programs:	Unqualified Opinion
Any audit findings disclosed that are required to be reported in accordance with section .510(a) of Circular A-133?	No

Identification of major programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
84.027	Special Education Cluster - IDEA
84.173	Special Education Cluster – IDEA, Preschool

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

STAFFORD TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDING JUNE 30, 2008
(CONTINUED)

I. SUMMARY OF AUDITORS RESULTS - Continued

State Awards

Dollar threshold used to distinguish between type A and Type B Programs:	\$342,315
Auditee qualified as low-risk auditee?	Yes
Type of auditor's report issued on compliance for major programs:	Unqualified Opinion
Internal Control over major programs:	
1) Material weakness identified?	No
2) Significant deficiencies identified that are not considered to be material weaknesses?	None reported
Any audit findings disclosed that are required to be reported in accordance with NJ OMB Circular Letter 04-04?	No

Identification of major programs:

<u>GMIS Numbers</u>	<u>Name of State Program</u>
495-034-5120-014	Transportation Aid
<u>State Aid Public Cluster of Programs</u>	
495-034-5120-022	Core Curriculum Standards Aid
495-034-5120-011	Special Education Aid
495-034-5120-058	Additional Formula Aid
495-034-5120-059	Above Average Enrollment Growth
495-034-5120-008	Bilingual Education Aid
495-034-5120-030	Stabilization Aid
495-034-5120-057	Consolidated Aid
495-034-5068-001	School Choice Aid
495-034-5120-074	Full Time Kindergarten Aid

STAFFORD TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDING JUNE 30, 2008
(CONTINUED)

II. FINDINGS RELATING TO THE FINANCIAL STATEMENTS WHICH ARE REQUIRED TO BE REPORTED IN ACCORDANCE WITH GENERALLY ACCEPTED GOVERNMENTAL AUDITING STANDARDS

In accordance with Government Auditing Standards, our audit disclosed no findings relating to the financial statements that are required to be reported under this section.

III. FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE FINDINGS AND QUESTIONED COSTS

Federal:

Our audit disclosed no material Findings or Questioned Costs.

State:

Our audit disclosed no material Findings or Questioned Costs.

STAFFORD TOWNSHIP SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR-YEAR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

STATUS OF PRIOR YEAR FINDINGS

There were no Prior Year Findings.