



Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2011

BOROUGH OF BELLMAWR SCHOOL DISTRICT
Table of Contents

	<u>Page</u>
INTRODUCTORY SECTION	
Letter of Transmittal	2
Organizational Chart	6
Roster of Officials	7
Consultants and Advisors	8
 FINANCIAL SECTION	
Independent Auditor's Report	10
Required Supplementary Information – Part I Management's Discussion and Analysis	15
Basic Financial Statements	
A. District-Wide Financial Statements:	
A-1 Statement of Net Assets	29
A-2 Statement of Activities	30
B. Fund Financial Statements:	
Governmental Funds:	
B-1 Balance Sheet	32
B-2 Statement of Revenues, Expenditures and Changes in Fund Balances	35
B-3 Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	37
Proprietary Funds:	
B-4 Statement of Net Assets	38
B-5 Statement of Revenues, Expenses and Changes in Fund Net Assets	39
B-6 Statement of Cash Flows	40
Fiduciary Funds:	
B-7 Statement of Fiduciary Net Assets	41
B-8 Statement of Changes in Fiduciary Net Assets	42
Notes to the Financial Statements	43
Required Supplementary Information – Part II	
C. Budgetary Comparison Schedules	
C-1 Budgetary Comparison Schedule – General Fund	65
C-1a Combining Schedule of Revenues, Expenditures and Changes In Fund Balance – Budget and Actual	N/A
C-2 Budgetary Comparison Schedule – Special Revenue Fund	76
Notes to the Required Supplementary Information	
C-3 Budgetary Comparison Schedule – Note to RSI	77

BOROUGH OF BELLMAWR SCHOOL DISTRICT
Table of Contents (Cont'd)

	<u>Page</u>
Other Supplementary Information	
D. School Based Budget Schedules:	
D-1 Combining Balance Sheet	N/A
D-2 Blended Resource Fund – Schedule of Expenditures Allocated by Resource Type – Actual	N/A
D-3 Blended Resource Fund – Schedule of Blended Expenditures – Budget and Actual	N/A
E. Special Revenue Fund:	
E-1 Combining Schedule of Program Revenues and Expenditures – Budgetary Basis	80
E-2 Preschool Education Aid Schedule(s) of Expenditures – Budgetary Basis	82
F. Capital Projects Fund:	
F-1 Summary Schedule of Project Expenditures	84
F-2 Summary Schedule of Revenues, Expenditures and Changes In Fund Balance – Budgetary Basis	85
F-2a Schedules of Revenues, Expenditures, Project Balance and Project -2f Status – Budgetary Basis	86
G. Proprietary Funds:	
Enterprise Fund:	
G-1 Combining Statement of Net Assets	93
G-2 Combining Statement of Revenues, Expenses and Changes in Fund Net Assets	94
G-3 Statement of Cash Flows	95
Internal Service Fund:	
G-4 Combining Statement of Net Assets	N/A
G-5 Combining Statement of Revenues, Expenses and Changes in Fund Net Assets	N/A
G-6 Combining Statement of Cash Flows	N/A
H. Fiduciary Funds:	
H-1 Combining Statement of Fiduciary Net Assets	97
H-2 Combining Statement of Changes in Fiduciary Net Assets	98
H-3 Student Activity Agency Fund Schedule of Receipts and Disbursements	99
H-4 Payroll Agency Fund Schedule of Receipts and Disbursements	100

BOROUGH OF BELLMAWR SCHOOL DISTRICT
Table of Contents (Cont'd)

	<u>Page</u>
Other Supplementary Information (Cont'd)	
I. Long-Term Debt:	
I-1 Schedule of Serial Bonds	102
I-2 Schedule of Obligations under Capital Leases	N/A
I-3 Debt Service Fund Budgetary Comparison Schedule	103
 STATISTICAL SECTION (Unaudited)	
Introduction to the Statistical Section	
Financial Trends	
J-1 Net Assets by Component	106
J-2 Changes in Net Assets	107
J-3 Fund Balances, Governmental Funds	110
J-4 Changes in Fund Balances, Governmental Funds	111
J-5 General Fund – Other Local Revenue by Source	112
Revenue Capacity	
J-6 Assessed Value and Actual Value of Taxable Property	114
J-7 Direct and Overlapping Property Tax Rates	115
J-8 Principal Property Taxpayers	116
J-9 Property Tax Levies and Collections	117
Debt Capacity Information	
J-10 Ratios of Outstanding Debt by Type	119
J-11 Ratios of Net General Bonded Debt Outstanding	120
J-12 Direct and Overlapping Governmental Activities Debt	121
J-13 Legal Debt Margin Information	122
Demographic and Economic Information	
J-14 Demographic and Economic Statistics	124
J-15 Principal Employers	125
Operating Information	
J-16 Full-time Equivalent District Employees by Function/Program	127
J-17 Operating Statistics	128
J-18 School Building Information	129
J-19 Schedule of Required Maintenance	130
J-20 Insurance Schedule	131
 SINGLE AUDIT SECTION	
K-1 Report on Internal Control Over Financial Reporting and on Compliance And Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	12
K-2 Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133 and State of New Jersey Circular 04-04-OMB	135
K-3 Schedule of Expenditures of Federal Awards, Schedule A	137
K-4 Schedule of Expenditures of State Financial Assistance, Schedule B	141
K-5 Notes to the Schedules of Awards and Financial Assistance	143
K-6 Schedule of Findings and Questioned Costs	145
K-7 Summary Schedule of Prior Audit Findings	153

INTRODUCTORY SECTION



October 31, 2011

The Honorable President and
Members of the Board of Education
Borough of Bellmawr School District
Bellmawr, New Jersey

Dear Board Members:

The comprehensive annual financial report of the Bellmawr School District (District) for the fiscal year ended June 30, 2011, 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 (Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the 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 OMB Circular A-133, Audits of States, Local Government, and Non-Profit Organizations, and State of New Jersey Circular 04-04-OMB, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

1) REPORTING ENTITY AND ITS SERVICES: The Bellmawr 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 Bellmawr Board of Education and all its schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels Pre-Kindergarten through eight. These services include regular, special education for students with disabilities, as well as basic skills improvement for lower functioning

students. A variety of extra curricular activities are offered to all students. The District completed the 2010-2011 year with an enrollment of 1,144 students, which is 4 students more than the previous year's enrollment. The following details the changes in the student enrollment of the District over the last five years.

<u>Fiscal Year</u>	<u>Student Enrollment as of June 30th</u>	<u>Percent Change</u>
10-11	1144	1%
09-10	1140	4.78%
08-09	1088	3.34%
07-08	1054	(.47%)
06-07	1059	2.02%

2) ECONOMIC CONDITION AND OUTLOOK: Although the Bellmawr community is essentially fully developed, enrollments have been generally stable. There is a trend toward younger families moving into the community as homes become available.

There is a major "light" industrial park located in the Borough, which includes a regional office of the United States Postal Service and sixty-two other wholesale and industrial businesses.

The Borough is situated directly between the N.J. Turnpike, Interstate 295 and Routes 42, 30 and 168, making this a bustling area of commerce.

3) MAJOR INITIATIVES: For the first time, the district has identified five goals in which staff and administration will focus and four Board goals which the Board of Education will focus.

The Four District Goals are:

- To develop an informed community that is aware of the importance of supporting a school district budget
- To create a systematic procedure for the collection and analysis of student data
- To ensure that the members of the Bellmawr Learning Community are familiar with the Common Core Standards
- To develop a core of teacher leaders who can assist the Board and administration in developing a comprehensive teacher evaluation program

The Four Board Goals are:

- To increase Community/Parental Involvement by establishing a Parent Center, and developing marketing plan
- To provide rigorous, relevant instruction to all by providing advanced placement classes, district wide skills programs and extended year activities to all
- To improve the quality of existing programs and services
- To create an environment that fosters the emotional and physical well being of the staff and student body

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 recognized that: (1) the costs 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 recipient of Federal and State financial aid, the District also is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is also subject to periodic evaluation by the District management.

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

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance at June 30, 2011.

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. The funds and account groups are explained in "Notes to Financial Statement", Note 1.

7) CASH MANAGEMENT: The investment policy of the District is guided in large part by State statute as detailed in "Notes to Financial Statements", Note 2. The District has adopted a cash management plan, which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with 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.

8) RISK MANAGEMENT: The Board carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision, worker's compensation, hazard and theft insurance on property and contents, and surety bonds.

9) OTHER INFORMATION:

Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Bowman and Company LLP, was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of OMB Circular A-133, Audits of States, Local Governments and Non-Profit Organizations and State of New Jersey Circular 04-04-OMB, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. The auditor's report on the basic financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

10) ACKNOWLEDGMENTS:

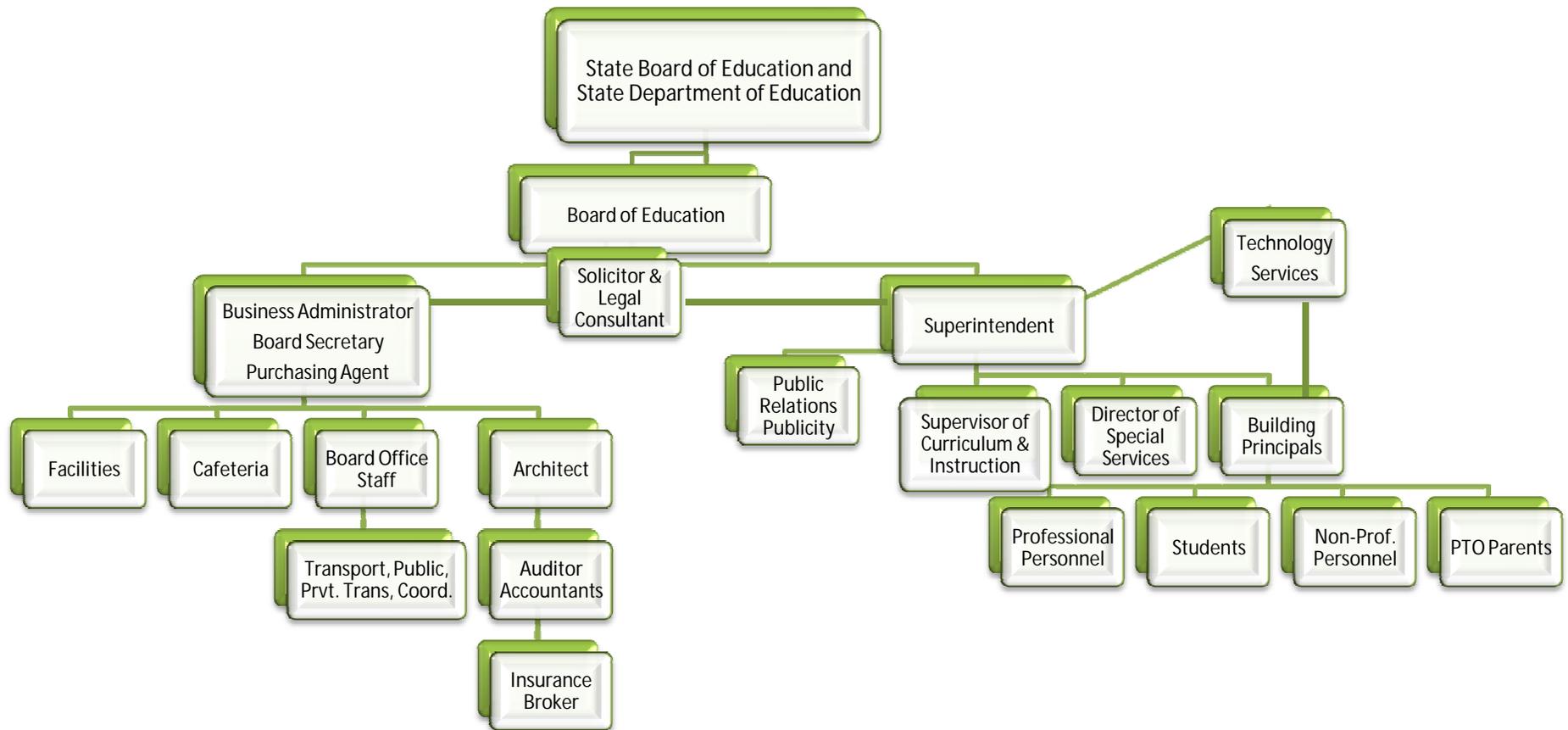
We would like to express our appreciation to the members of the Bellmawr School Board for their concern in providing fiscal accountability to the citizens and taxpayers of the School District and thereby contributing their full support to the development and maintenance of our financial operation. The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

Respectfully submitted,


Ms. Annette Castiglione
Superintendent of Schools


Christopher Rodia
Board Secretary
School Business Administrator

Bellmawr Board of Education Organization Chart



BOROUGH OF BELLMAWR SCHOOL DISTRICT
BELLMAWR, NEW JERSEY
ROSTER OF OFFICIALS
JUNE 30, 2011

<u>Members of the Board of Education</u>	<u>Term Expires</u>
James Casey, President	2012
Jody Mangus, Vice President	2014
Jeffrey Brickner	2012
Eric Hoban	2013
William Murray	2013
Ed Legenski, III	2014

Other Officials

Annette Castiglione, Superintendent

Christopher M. Rodia, Interim Board Secretary/ Business Administrator

**BOROUGH OF BELLMAWR SCHOOL DISTRICT
BELLMAWR, NEW JERSEY**

Consultants and Advisors

Architect

Garrison Architects
14000F Commerce Pkwy
Mount Laurel, NJ 08054

Audit Firm

Bowman & Company LLP
601 White Horse Road
Voorhees, New Jersey 08043

Insurance Agent

Hardenbergh Insurance Group
Main Street, Plaza 1000
Voorhees, NJ 08043

Attorneys

Ronald W. Sahli, Esquire
1145 South White Horse Pike
Hammonton, NJ 08037-0601

Official Depositories

TD Bank North
180 N. Black Horse Pike
Bellmawr, NJ 08031

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

The Honorable President and
Members of the Board of Education
Borough of Bellmawr School District
Bellmawr, New Jersey 08031

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 Borough of Bellmawr School District, in the County of Camden, State of New Jersey, as of and for the fiscal year ended June 30, 2011, which collectively comprise the School District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Borough of Bellmawr's School District'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 in compliance with 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 consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control over financial reporting. Accordingly, we express no such opinion. 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 the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Borough of Bellmawr School District in the County of Camden, State of New Jersey as of June 30, 2011, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated October 31, 2011 on our consideration of the Borough of Bellmawr School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

The accompanying management's discussion and analysis and budgetary comparison information as listed in the 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 conducted for the purpose of forming opinions on the financial statements that collectively comprise the Borough of Bellmawr School District's basic financial statements. The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and State of New Jersey Circular 04-04-OMB, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, and are not a required part of the basic financial statements. In addition, the introductory section, combining statements and related major fund supporting statements and schedules, and statistical section listed in the table of contents are also presented for purposes of additional analysis and are not a required part of the basic financial statements. The Schedules of Expenditures of Federal Awards and State Financial Assistance, combining statements and related major fund supporting statements and 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 and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we express no opinion on them.

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



John F. Dailey, Jr.
Certified Public Accountant
Public School Accountant No. CS 00140

Voorhees, New Jersey
October 31, 2011

**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**

The Honorable President and
Members of the Board of Education
Borough of Bellmawr School District
Bellmawr, New Jersey 08031

We have audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Borough of Bellmawr School District, in the County of Camden, State of New Jersey, as of and for the fiscal year ended June 30, 2011, and have issued our report thereon dated October 31, 2011. 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 in compliance with audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey.

Internal Control Over Financial Reporting

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

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies or material weaknesses have been identified. However, as described in the accompanying Schedule of Findings and Questioned Costs and Independent Auditor's Management Report on Administrative Findings—Financial, Compliance and Performance we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses and another deficiency that we consider to be a significant deficiency.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the school district's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the following deficiency described in the accompanying Schedule of Findings and Questioned Costs and Independent Auditor's Management Report on Administrative Findings—Financial, Compliance and Performance to be material weakness: 2011-1

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the following deficiency described in the accompanying Schedule of Findings and Questioned Costs and Independent Auditor's Management Report on Administrative Findings—Financial, Compliance and Performance to be a significant deficiency: 2011-2.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Borough of Bellmawr School District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed 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 which are described in the accompanying Schedule of Findings and Questioned Costs and Independent Auditor's Management Report on Administrative Findings-- Financial, Compliance and Performance as findings no.: 2011-1 and 2011-2.

The Borough of Bellmawr School District's response to the findings identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. We did not audit the School District's response and, accordingly, we express no opinion on it.

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

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



John F. Dailey, Jr.
Certified Public Accountant
Public School Accountant No. CS 00140

Voorhees, New Jersey
October 31, 2011

REQUIRED SUPPLEMENTARY INFORMATION
PART I

Borough of Bellmawr School District

Management's Discussion and Analysis Fiscal Year Ended June 30, 2011

This section of the Borough of Bellmawr School District annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2011. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statements, which immediately follows this section.

The Management's Discussion and Analysis (MD&A) is an element of Required Supplementary Information specified in the Governmental Accounting Standard Board's (GASB) Statement No. 34- Basic Financial Statements- and Management's Discussion and Analysis – for State and Local Governments issued in June 1999. Certain comparative information between the current year (2010-11) and the prior year (2009-10) is required to be presented in the MD&A.

FINANCIAL HIGHLIGHTS

Key financial highlights for the 2010-11 fiscal year include the following:

- Net Assets for Governmental and Business-Type activities were \$4,517,053.32 and \$119,973.83, respectively.
- The General Fund, fund balance as of June 30, 2011 was \$1,002,458.04, an increase of \$7,839.49 when compared with the balance as of June 30, 2010 of \$994,618.55.

OVERVIEW OF THE FINANCIAL STATEMENTS

The financial section of the annual report consists of four parts – Independent Auditor's Report, required supplementary information which includes the management's discussion and analysis (this section), the basic financial statements, and supplemental information. The basic financial statements include two kinds of statements that present different views of the Bellmawr School District.

- The first two statements are district-wide financial statements that provide both short-term and long-term information about the Bellmawr School District's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the Bellmawr School District, reporting operations in more detail than the district-wide statements.
- The governmental funds statements tell how basic services such as regular and special education were financed in short term as well as what remains for future spending.
- Proprietary funds statements offer short-term and long-term financial information about the activities that the Bellmawr School District operates like businesses.
- Fiduciary funds statements provide information about the financial relationships in which the District acts solely as a trustee or agent for the benefit of others to whom the resources belong.

Borough of Bellmawr School District Bellmawr, New Jersey

Management's Discussion and Analysis (continued) Fiscal Year Ended June 30, 2011

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The table below summarizes the major features of the Bellmawr School District's financial statements, including the portion of the District's activities they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis highlights the structure and contents of each of the statements.

MAJOR FEATURES OF THE DISTRICT-WIDE AND FUND FINANCIAL STATEMENTS

		Fund Financial Statements	
	District-wide Statements	Governmental Funds	Proprietary Funds
Scope	Entire district (except fiduciary funds)	The activities of the district that are not proprietary or fiduciary, such as regular and special education, building maintenance and transportation	Activities the district operates similar to private businesses: Food Service Fund, Community Education and Recreation Fund
Required Financial Statements	Statements of net assets Statement of Activities	Balance Sheet Statement of revenue, Expenditures and changes in fund balances	Statement of net assets Statement of revenue, Expenses and changes in fund net assets Statement of cash flows
Accounting Basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both financial and capital, and short-term and long-term
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All revenue and expenses during the year, regardless of when cash is received or paid

Borough of Bellmawr School District Bellmawr, New Jersey

Management's Discussion and Analysis (continued) Fiscal Year Ended June 30, 2011

District-wide Statements

The district-wide statements report information about the Bellmawr School District as a whole using accounting methods similar to those used by private-sector companies. The statement of net assets includes all of the district's assets and liabilities. All of the current year's revenue and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two district-wide statements report the Bellmawr School District's net assets and how they have changed. Net assets – the difference between the district's assets and liabilities – are a measure of the District's financial health or position.

- Over time, increases or decreases in the District's net assets are an indicator of whether the financial position is improving or deteriorating, respectively.
- To assess the overall health of the district you need to consider additional non-financial factors such as changes in the District's property tax base and the condition of school buildings and other facilities.

In the district-wide financial statements the district's activities are shown in two categories:

- *Governmental activities*- Most of the District's basic services are included here, such as regular and special education, transportation, administration, and maintenance. Aid from the State of New Jersey and from the Federal government along with local property taxes finances most of these activities.
- *Business-type activities*-The District charges fees to customers to help it cover the costs of certain services it provides. The District's Food Service Fund is included here.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's funds – focusing on the most significant or "major" funds – not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs:

- Some funds are required by State law and by bond covenants.
- The District uses other funds, established in accordance with the State of New Jersey Uniform Chart of Accounts, to control and manage money for particular purposes (e.g., repaying its long-term debts) or to show that it is properly using certain revenues (e.g., federal funds).

The District has three kinds of funds:

- **Governmental funds** - Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the district-wide statements, we provide additional information at the bottom of the governmental funds statements that explain the relationship (or differences) between them.

Borough of Bellmawr School District Bellmawr, New Jersey

Management's Discussion and Analysis (continued) Fiscal Year Ended June 30, 2011

- **Proprietary funds** - Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the district-wide statements.
- **Fiduciary funds** – The District is the trustee, or fiduciary, for assets that belong to others. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. All of the District's fiduciary activities are reported in a separate statement of fiduciary net assets and a statement of changes in fiduciary net assets. We exclude these activities from the district-wide financial statements because the District cannot use these assets to finance its operations.

FINANCIAL ANALYSIS OF THE BELLMAWR SCHOOL DISTRICT AS A WHOLE

Net Assets The District's net assets for **governmental and business-type activities** were \$4,517,053.32 and \$119,973.83, respectively, as of June 30, 2011. (See Table A-1)

Table A-1

	<u>Governmental</u> <u>Activities</u>		<u>Business-Type</u> <u>Activities</u>		<u>Total</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Current and Other Assets	\$1,890,532.31	\$1,288,022.09	\$164,294.36	\$151,493.57	\$2,054,826.67	\$1,439,515.66
Capital Assets	4,808,144.05	4,407,684.03	29,812.72	36,115.87	4,837,956.77	4,443,799.90
Total Assets	<u>6,698,676.36</u>	<u>5,695,706.12</u>	<u>194,107.08</u>	<u>187,609.44</u>	<u>6,892,783.44</u>	<u>5,883,315.56</u>
Noncurrent Liabilities	1,770,666.66	1,978,239.81	3,051.43	14,666.56	1,773,718.09	\$1,992,906.37
Other Liabilities	410,956.38	285,519.92	71,081.82	79,356.02	482,038.20	\$364,875.94
Total Liabilities	<u>2,181,623.04</u>	<u>2,263,759.73</u>	<u>74,133.25</u>	<u>94,022.58</u>	<u>2,255,756.29</u>	<u>2,357,782.31</u>
Net Assets						
Invested in capital assets, net of related	4,230,246.05	3,699,786.03	26,761.29	21,449.31	4,257,007.34	3,721,235.34
Restricted	1,160,438.05	560,977.17			1,160,438.05	560,977.17
Unrestricted	(873,630.78)	(828,816.81)	93,212.54	72,137.55	(780,418.24)	(756,679.26)
Total Net Assets	<u>\$4,517,053.32</u>	<u>\$3,431,946.39</u>	<u>\$119,973.83</u>	<u>\$ 93,586.86</u>	<u>\$4,637,027.15</u>	<u>\$3,525,533.25</u>

Borough of Bellmawr School District Bellmawr, New Jersey

Management's Discussion and Analysis (continued) Fiscal Year Ended June 30, 2011

The District's financial positions for governmental and business-type activities are the product of the following factors:

- Program revenues were \$3,120,483.90.
 - ✓ Operating Grants & Contributions--\$2,289,888.97.
 - ✓ Charges for Services--\$243,778.93.
 - ✓ Capital Grants & Contributions – \$586,816.
- General revenues were \$15,406,499.08.
- Net Expenditures were \$14,295,005.18.
- Total District revenues & beginning assets are adjusted by net adjusted expenditures resulting in a calculation of net assets of \$4,265,324.63 as of June 30, 2011.
- Beginning net assets (\$3,172,583.51) + Revenues (\$15,387,746.30) – Net expenditures (\$14,295,005.18) = Net Assets of \$4,265,324.63.

Change in Net Assets. The net assets for **governmental and business-type activities** increased by \$1,092,741.12 from July 01, 2010 to June 30, 2011. (See Table A-2)

Table A-2
Change in Net Assets
Governmental and Business-Type Activities
For the Fiscal Years Ended June 30, 2011 and 2010

	Governmental		Business-Type		Total	
	Activities		Activities			
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Revenues						
Program revenues:						
Charges for services			\$243,778.93	\$252,803.19	\$243,778.93	\$ 252,803.19
Operating Grants and Contributions	\$2,062,678.46	\$2,065,327.85	227,210.51	239,655.37	2,289,888.97	2,304,983.22
Capital Grants and Contributions	586,816.00	60,540.00			586,816.00	60,540.00
General revenues:						
Taxes:						
Property Taxes, Levied for						
General Purposes, net	7,582,611.26	7,331,358.00			7,582,611.26	7,331,358.00
Taxes Levied for Debt Service	206,287.74	203,744.00			206,287.74	203,744.00
Federal and State Aid not Restricted	4,392,181.14	4,903,977.60			4,392,181.14	4,903,977.60
Federal and State Aid Restricted	18,752.78	-			18,752.78	-
Unrestricted Investment Earnings	3,284.25	22,171.38	199.05	347.84	3,483.30	22,519.22
Miscellaneous Income	97,897.96	10,348.12			97,897.96	10,348.12
Cancellation of Prior Year Accounts Rec	(15,199.00)	8,281.15			(15,199.00)	8,281.15
Total revenues	<u>\$14,935,310.59</u>	<u>\$14,605,748.10</u>	<u>\$471,188.49</u>	<u>\$492,806.40</u>	<u>\$15,406,499.08</u>	<u>\$15,098,554.50</u>

(Continued)

Borough of Bellmawr School District Bellmawr, New Jersey

Management's Discussion and Analysis (continued) Fiscal Year Ended June 30, 2011

Table A-2 (Cont'd)

	Governmental		Business-Type		Total	
	<u>Activities</u>		<u>Activities</u>			
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Expenses						
Instruction						
Regular	\$5,129,290.93	\$5,241,432.33			\$5,129,290.93	\$5,241,432.33
Special Education	1,326,955.97	1,330,485.79			1,326,955.97	1,330,485.79
Other Special Education	76,190.14	104,993.73			76,190.14	104,993.73
Other Instruction	73,067.43	69,815.47			73,067.43	69,815.47
Support Services:						
Tuition	616,387.21	636,621.00			616,387.21	636,621.00
Student & Instruction Related						
Services	1,427,507.78	1,551,926.97			1,427,507.78	1,551,926.97
School Administrative Services	403,143.86	456,772.46			403,143.86	456,772.46
Other Administrative Services	554,520.72	514,627.83			554,520.72	514,627.83
Plant Operations and Maintenance	1,247,031.77	1,176,342.39			1,247,031.77	1,176,342.39
Pupil Transportation	212,323.96	264,519.34			212,323.96	264,519.34
Unallocated Benefits	2,741,012.04	2,780,023.00			2,741,012.04	2,780,023.00
Interest on Long Term Debt	32,753.85	45,831.35			32,753.85	45,831.35
Amortization of Bond Issuance						
Costs	10,018.00	10,018.00			10,018.00	10,018.00
Food Services			\$444,801.52	\$467,958.47	444,801.52	467,958.47
Total Expenses	<u>\$13,850,203.66</u>	<u>\$14,183,409.66</u>	<u>\$444,801.52</u>	<u>\$467,958.47</u>	<u>\$14,295,005.18</u>	<u>\$14,651,368.13</u>
Net Increase/Decrease in Net Assets	1,085,106.93	422,338.44	26,386.97	24,847.93	1,111,493.90	447,186.37
Net Assets Beginning July 1	<u>3,074,016.08</u>	<u>2,651,677.64</u>	<u>98,567.43</u>	<u>73,719.50</u>	<u>3,172,583.51</u>	<u>2,725,397.14</u>
End of Year Net Assets June 30	<u>\$4,159,123.01</u>	<u>\$3,074,016.08</u>	<u>\$124,954.40</u>	<u>\$98,567.43</u>	<u>\$4,284,077.41</u>	<u>\$3,172,583.51</u>

Total revenues for the District were \$15,406,499.08. Government funding was the source of 48% of the district's revenues. This includes the State of New Jersey and Federal sources.

Property taxes provided 50 % of revenues.

Other miscellaneous revenues represent 2% of the district revenues.

Borough of Bellmawr School District Bellmawr, New Jersey

Management's Discussion and Analysis (continued) Fiscal Year Ended June 30, 2011

The District's expenses for government activities are predominantly related to instruction and support services. Instruction together with tuition totaled 50% of total expenditures. All other support services including student services, administration, plant operations, transportation, employee benefits and interest and amortization of debt totaled 50% of total expenditures. (See Table A-3.)

Total revenues exceeded expenditures for governmental activities, increasing net assets \$1,066,354.15 from the beginning balance as of July 01, 2010.

**Table A-3
Bellmawr School District
Net Cost of Governmental Activities**

Governmental Activities:	Source	2011		2010	
		Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
Instruction:					
Regular	A-2	\$ 5,129,290.93	4,195,299.50	\$ 5,241,432.33	4,278,108.53
Special Education	A-2	1,326,955.97	1,326,955.97	1,330,485.79	1,330,485.79
Other Special Instruction	A-2	76,190.14	76,190.14	104,993.73	104,993.73
Other Instruction	A-2	73,067.43	73,067.43	69,815.47	69,815.47
Support Services:					
Tuition	A-2	616,387.21	616,387.21	636,621.00	636,621.00
Student & Instruction Related					
Services	A-2	1,427,507.78	1,297,060.78	1,551,926.97	1,395,709.95
School Administrative	A-2	403,143.86	403,143.86	456,772.46	456,772.46
Other Administrative	A-2	554,520.72	554,520.72	514,627.83	514,627.83
Plant Operations and	A-2	1,247,031.77	660,215.77	1,176,342.39	1,176,342.39
Maintenance	A-2				
Pupil Transportation	A-2	212,323.96	212,323.96	264,519.34	264,519.34
Unallocated Benefits	A-2	2,741,012.04	1,746,609.23	2,780,023.00	1,779,245.59
Interest on Long Term Debt	A-2	32,753.85	28,916.63	45,831.35	40,281.73
Amortization of Bond Issuance	A-2	10,018.00	10,018.00	10,018.00	10,018.00
Costs	A-2				
Total Governmental Activities		<u>\$13,850,203.66</u>	<u>\$11,200,709.20</u>	<u>\$14,183,409.66</u>	<u>\$12,057,541.81</u>

Activity Descriptions

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

Tuition expenses include the cost to the District to send pupils with special needs living within the District to private schools and/or schools outside the District area.

Borough of Bellmawr School District Bellmawr, New Jersey

Management's Discussion and Analysis (continued) Fiscal Year Ended June 30, 2011

Student and instruction related services include the activities designed to assess and improve the well being of students and to supplement the teaching process.

School Administrative and General and Business Administrative services include expenses associated with establishing and administering policy for the District including financial supervision.

Plant operation and maintenance of plant activities involve keeping the school grounds, buildings and equipment in a safe and effective working condition.

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

Unallocated benefits includes the cost of benefits for the District staff for social security, retirement contributions, worker's compensation, health benefits and other employee benefits.

Interest on long-term debt and amortization of bond issuance costs involve the transactions associated with the payment of interest and other related charges to the debt of the District.

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT'S FUNDS

The financial performance of the Bellmawr School District as a whole is also reflected in the governmental funds which are accounted for by using the modified accrual basis of accounting. As the District completed the year, its governmental funds reported a combined fund balance of \$1,464,632.12. In 2009-10 the fund balance was \$983,664.53. The governmental fund balance increased by \$480,967.59.

All governmental funds had total revenues of \$15,406,499.08 and total expenditures of \$14,183,409.66.

GENERAL FUND BUDGETING HIGHLIGHTS

The 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.

The General Fund includes the primary operations of the District in providing educational services to students from pre-kindergarten through grade 8 including pupil transportation activities and capital outlay projects.

The following schedule (Table A-4) presents a summary of General Fund Revenues. The summary reflects the dollar and percent increase (decrease) from the prior year.

Borough of Bellmawr School District Bellmawr, New Jersey

Management's Discussion and Analysis (continued) Fiscal Year Ended June 30, 2011

**Table A-4
Summary of General Fund Revenues
For the Years Ended June 30, 2011 and 2010**

	<u>June 30, 2011</u>	<u>June 30, 2010</u>	<u>Amount of Increase (Decrease)</u>	<u>Percent Increase (Decrease)</u>
REVENUES				
Local sources:				
Local tax levy	\$7,582,611.26	\$7,331,358.00	\$251,253.26	3.4%
Miscellaneous	<u>101,182.21</u>	<u>18,629.27</u>	<u>82,552.94</u>	<u>443.1%</u>
Total - Local Sources	<u>7,683,793.47</u>	<u>7,349,987.27</u>	<u>315,322.95</u>	<u>4.3%</u>
Federal Sources	13,406.74	750,616.60	(737,209.86)	100.0%
State Sources	<u>5,286,512.33</u>	<u>5,078,017.41</u>	<u>208,494.92</u>	<u>4.1%</u>
Total - Govt Sources	<u>5,299,919.07</u>	<u>5,828,634.01</u>	<u>-528,714.94</u>	<u>-9.1%</u>
Total Revenues	<u><u>\$12,983,712.54</u></u>	<u><u>\$13,178,621.28</u></u>	<u><u>\$(194,908.74)</u></u>	<u><u>-1.5%</u></u>

One of the primary sources of funding for the district is received from local property taxes and accounted for 58% of total revenues. State aid accounted for 41% of total revenues. Federal aid accounted for 1% of total revenues.

The following schedule (Table A-5) presents a summary of General Fund expenditures. The summary reflects the dollar and percent increases (decreases) from the prior year.

Borough of Bellmawr School District Bellmawr, New Jersey

Management's Discussion and Analysis (continued) Fiscal Year Ended June 30, 2011

**Table A-5
Summary of General Fund Expenditures
For the Years Ended June 30, 2011 and 2010**

	<u>2011</u>	<u>2010</u>	<u>Amount of Increase/ (Decrease)</u>	<u>Percent Increase/ (Decrease)</u>
Current:				
Regular Instruction	4,169,584.53	4,325,466.06	\$ (155,881.53)	-3.60%
Special Education Instruction	1,326,955.97	1,330,485.79	(3,529.82)	-0.27%
Other Special Instruction	76,190.14	104,993.73	(28,803.59)	-27.43%
Other Instruction	73,067.43	69,815.47	3,251.96	4.66%
Support Services and Undistributed Costs:				
Tuition	616,387.21	636,621.00	(20,233.79)	-3.18%
Student & Instruction Related Services	1,312,577.44	1,402,811.63	(90,234.19)	-6.43%
School Administrative Services	403,443.86	452,102.46	(48,658.60)	-10.76%
Other Administrative Services	547,896.42	511,730.20	36,166.22	7.07%
Plant Operations and Maintenance	660,215.77	900,295.12	(17,567.22)	-1.95%
Pupil Transportation	212,323.96	273,369.34	(54,620.38)	-19.98%
Unallocated Employee Benefits	1,746,609.23	2,703,902.00	(49,544.84)	-1.83%
Capital Outlay	219,630.53	160,725.21	58,905.32	36.65%
Total Expenditures	<u>\$12,501,557.55</u>	<u>\$12,872,318.01</u>	<u>\$(370,760.46)</u>	<u>-2.88%</u>

Total General Fund expenditures decreased \$1,490,982.91 from the previous year. Increases in instruction, student & instruction related services, employee benefits and capital outlay offset by decreases in tuition, administrative services, plant operations and maintenance and pupil transportation are the primary reasons for this increase.

The Bellmawr School District values its fund balances as a vehicle for addressing unbudgeted and emergent needs that occur during the school year. The amounts of budgeted fund balance designated to support the subsequent year's budgets and provide tax relief were \$346,268.27 for the 2011-12 school year and \$54,467.36 for the 2010-11 school year.

During the course of fiscal year 2011 the District modified the General Fund Budget as needed to ensure no line item was projected to be over-expended.

DEBT SERVICE FUND

The current year obligations for payment of debt service principal and interest amounted to \$228,878.02, of which \$206,287.74 in funding was provided by local tax levy, \$22,590.00 was received as aid from the state.

FOOD SERVICE FUND

The Food Service Fund had net assets of \$119,973.83 as of June 30, 2011. This reflects an increase of \$26,386.97 from June 30, 2010.

Borough of Bellmawr School District Bellmawr, New Jersey

Management's Discussion and Analysis (continued) Fiscal Year Ended June 30, 2011

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

Capital Assets are individual items purchased at a cost exceeding \$2,000.00, have an extended useful life of one year or more and maintain their identity and structure when placed into service.

At June 30, 2011, the district had capital assets with a book value of \$4,837,956.77. This consists of a broad range of capital assets, including land, school buildings, computer, audio-visual equipment and other equipment. (See Table A-6.) Total depreciation expense for the year was \$277,283.06.

Table A-6
Capital Assets (Net of Accumulated Depreciation)
As of June 30, 2011 and 2010

	Governmental		Business-Type		Total	
	<u>Activities</u>		<u>Activities</u>			
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Land	\$ 854,200.00	\$ 854,200.00			\$ 854,200.00	\$ 854,200.00
Buildings & Bldg Improvements	5,384,961.58	4,844,388.02			5,384,961.58	4,844,388.02
Equipment	836,511.46	705,461.94	\$ 93,118.72	\$ 92,634.84	929,630.18	798,096.78
Land Improvements	<u>905,190.91</u>	<u>899,070.91</u>			<u>905,190.91</u>	<u>899,070.91</u>
Total Capital Assets	<u>7,980,863.95</u>	<u>7,303,120.87</u>	<u>93,118.72</u>	<u>92,634.84</u>	<u>8,073,982.67</u>	<u>7,395,755.71</u>
Less: Accumulated Depreciation	<u>3,172,719.90</u>	<u>2,895,436.84</u>	<u>63,306.00</u>	<u>56,518.96</u>	<u>3,236,025.90</u>	<u>2,951,955.80</u>
Net Capital Assets	<u>\$ 4,808,144.05</u>	<u>\$ 4,407,684.03</u>	<u>\$ 29,812.72</u>	<u>\$ 36,115.88</u>	<u>\$ 4,837,956.77</u>	<u>\$ 4,443,799.91</u>

Increases in capital assets resulted from capital outlay in the general fund and purchases or leases of equipment in the food services enterprise fund.

Long-term Obligations

At fiscal year-end, the District had \$707,898.00 in general obligation bonds outstanding, a decrease of \$190,000.00 from last fiscal year – as shown in Table A-7.

The District also had a \$1,062,768.66 liability for compensated absences. This liability represents the District's contractual obligation to compensate employees for accumulated unused sick leave entitlements upon retirement.

Borough of Bellmawr School District Bellmawr, New Jersey

Management's Discussion and Analysis (continued) Fiscal Year Ended June 30, 2011

**Table A-7
Long Term Debt Schedule**

<u>Governmental Activity</u>	<u>Balance at June 30, 2011</u>	<u>Balance at June 30, 2010</u>	<u>Decrease</u>
General Obligation Bonds Payable	\$ 707,898.00	\$ 897,898.00	\$ 190,000.00
Compensated Absences	<u>1,062,768.66</u>	<u>1,080,341.81</u>	<u>17,573.15</u>
Total	<u>\$ 1,770,666.66</u>	<u>\$ 1,978,239.81</u>	<u>\$ 207,573.15</u>

THE FUTURE OUTLOOK

The Bellmawr School District is presently in a strong financial condition. However, the future financing of public schools in the State of New Jersey is becoming very unpredictable and unsettling. This was demonstrated in recent years by the withholding of one or more state aid payment until after the close of the fiscal year, the state refusing to fully fund the educational formulas created by law imposing more unfunded mandates.

The over-reliance on property taxes to support the schools in Bellmawr is a concern faced by the Board of Education and Administration each year. The District has been committed to financial excellence for many years. The District's system for financial planning, budgeting and internal controls are well regarded. The District is committed to continuing its sound fiscal management to meet the challenges of the future.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives.

If you have questions about this report or need additional financial information, contact the School Business Administrator/Board Secretary at Bellmawr Board of Education, 256 Anderson Avenue, Bellmawr, New Jersey 08031.

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

BOROUGH OF BELLMAWR SCHOOL DISTRICT
Statement of Net Assets
June 30, 2011

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
ASSETS:			
Cash and Cash Equivalents	\$ 194,846.11	\$ 139,062.53	\$ 333,908.64
Interfund Accounts Receivable	201,276.91		201,276.91
Accounts Receivable (Note 4)	865,597.57	8,462.28	874,059.85
Inventory (Note 5)		16,769.55	16,769.55
Deferred Assets:			
Bond Issuance Costs	29,202.67		29,202.67
Restricted Assets:			
Restricted Cash and Cash Equivalents	142,015.16		142,015.16
Capital Reserve Cash	457,593.89		457,593.89
Capital Assets, net (Note 6)	<u>4,808,144.05</u>	<u>29,812.72</u>	<u>4,837,956.77</u>
Total Assets	<u>6,698,676.36</u>	<u>194,107.08</u>	<u>6,892,783.44</u>
LIABILITIES:			
Accounts Payable	44,785.07	15,037.00	59,822.07
Interfund Accounts Payable	104,001.00	56,044.82	160,045.82
Accrued Interest Payable	14,258.86		14,258.86
Deferred Revenue	247,911.45		247,911.45
Noncurrent Liabilities (Note 7):			
Due within One Year	276,752.01	3,051.43	279,803.44
Due beyond One Year	<u>1,493,914.65</u>		<u>1,493,914.65</u>
Total Liabilities	<u>2,181,623.04</u>	<u>74,133.25</u>	<u>2,255,756.29</u>
NET ASSETS:			
Invested in Capital Assets, Net of Related Debt	4,230,246.05	26,761.29	4,257,007.34
Restricted for:			
Other Purposes	198,595.88		198,595.88
Capital Projects	961,842.17		961,842.17
Unrestricted	<u>(873,630.78)</u>	<u>93,212.54</u>	<u>(780,418.24)</u>
Total Net Assets	<u>\$ 4,517,053.32</u>	<u>\$ 119,973.83</u>	<u>\$ 4,637,027.15</u>

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

BOROUGH OF BELLMAWR SCHOOL DISTRICT
Statement of Activities
For the Fiscal Year Ended June 30, 2011

Functions / Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	
Governmental Activities:							
Instruction:							
Regular	\$ 5,129,290.93		\$ 933,991.43		\$ (4,195,299.50)		\$ (4,195,299.50)
Special Education	1,326,955.97				(1,326,955.97)		(1,326,955.97)
Other Special Instruction	76,190.14				(76,190.14)		(76,190.14)
Other Instruction	73,067.43				(73,067.43)		(73,067.43)
Support Services:							
Tuition	616,387.21				(616,387.21)		(616,387.21)
Student and Instruction Related Services	1,427,507.78		130,447.00		(1,297,060.78)		(1,297,060.78)
School Administrative Services	403,143.86				(403,143.86)		(403,143.86)
Other Administrative Services	554,520.72				(554,520.72)		(554,520.72)
Plant Operations and Maintenance	1,247,031.77			\$ 586,816.00	(660,215.77)		(660,215.77)
Pupil Transportation	212,323.96				(212,323.96)		(212,323.96)
Unallocated Benefits	2,741,012.04		994,402.81		(1,746,609.23)		(1,746,609.23)
Interest on Long-Term Debt	32,753.85		3,837.22		(28,916.63)		(28,916.63)
Amortization of Bond Issuance Costs	10,018.00				(10,018.00)		(10,018.00)
Total Governmental Activities	13,850,203.66	-	2,062,678.46	586,816.00	(11,200,709.20)	-	(11,200,709.20)
Business-Type Activities:							
Food Service	444,801.52	\$ 243,778.93	227,210.51			\$ 26,187.92	26,187.92
Total Business-Type Activities	444,801.52	243,778.93	227,210.51	-	-	26,187.92	26,187.92
Total Primary Government	\$ 14,295,005.18	\$ 243,778.93	\$ 2,289,888.97	586,816.00	(11,200,709.20)	26,187.92	(11,174,521.28)
General Revenues:							
Taxes:							
Property Taxes, Levied for General Purposes, net					7,582,611.26		7,582,611.26
Taxes Levied for Debt Service					206,287.74		206,287.74
Federal and State Aid not Restricted					4,392,181.14		4,392,181.14
Federal and State Aid Restricted					18,752.78		18,752.78
Unrestricted Investment Earnings					3,284.25	199.05	3,483.30
Miscellaneous Income					97,897.96		97,897.96
Cancellation of Prior Year Accounts Receivable					(15,199.00)		(15,199.00)
Total General Revenues, Special Items, Extraordinary Items and Transfers					12,285,816.13	199.05	12,286,015.18
Change in Net Assets					1,085,106.93	26,386.97	1,111,493.90
Net Assets, July 1					3,431,946.39	93,586.86	3,525,533.25
Net Assets, June 30					\$ 4,517,053.32	\$ 119,973.83	\$ 4,637,027.15

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

FUND FINANCIAL STATEMENTS

BOROUGH OF BELLMAWR SCHOOL DISTRICT

Balance Sheet
 Governmental Funds
 June 30, 2011

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Permanent Fund</u>	<u>Total Governmental Funds</u>
ASSETS:						
Cash and Cash Equivalents	\$ 194,846.11	\$ 91,587.38	\$ 50,427.78			\$ 336,861.27
Capital Reserve Cash	457,593.89					457,593.89
Interfunds Account Receivable:						
Capital Projects Fund	59,817.50					59,817.50
Debt Service Fund	1,001.00					1,001.00
Enterprise Fund	56,044.82					56,044.82
Trust and Agency Fund	145,232.09					145,232.09
Intergovernmental Accounts Receivable:						
State	102,814.29		513,638.00			616,452.29
Federal		114,666.08				114,666.08
Other	133,478.20			\$ 1,001.00		134,479.20
Total Assets	<u>\$ 1,150,827.90</u>	<u>\$ 206,253.46</u>	<u>564,065.78</u>	<u>\$ 1,001.00</u>	<u>-</u>	<u>\$ 1,922,148.14</u>
LIABILITIES AND FUND BALANCES:						
Liabilities:						
Accounts Payable	\$ 44,368.86	\$ 416.21				\$ 44,785.07
Interfunds Account Payable:						
General Fund			\$ 59,817.50	\$ 1,001.00		60,818.50
Trust and Agency Fund	104,001.00					104,001.00
Deferred Revenue		247,911.45				247,911.45
Total Liabilities	<u>148,369.86</u>	<u>248,327.66</u>	<u>59,817.50</u>	<u>1,001.00</u>	<u>-</u>	<u>457,516.02</u>

(Continued)

BOROUGH OF BELLMAWR SCHOOL DISTRICT

Balance Sheet
 Governmental Funds
 June 30, 2011

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Permanent Fund</u>	<u>Total Governmental Funds</u>
LIABILITIES AND FUND BALANCES (CONT'D):						
Fund Balances (Cont'd):						
Restricted:						
Capital Reserve	\$ 457,593.89					\$ 457,593.89
Capital Projects Fund			\$ 504,248.28			504,248.28
Committed:						
Other Purposes	22,395.57					22,395.57
Assigned:						
Subsequent Year's Expenditures	346,268.27					346,268.27
Other Purposes	176,200.31					176,200.31
Unassigned:						
Special Revenue Fund		\$ (42,074.20)				(42,074.20)
Total Fund Balances	<u>1,002,458.04</u>	<u>(42,074.20)</u>	<u>504,248.28</u>	<u>-</u>	<u>-</u>	<u>1,464,632.12</u>
Total Liabilities and Fund Balances	<u>\$ 1,150,827.90</u>	<u>\$ 206,253.46</u>	<u>564,065.78</u>	<u>\$ 1,001.00</u>	<u>-</u>	

(Continued)

BOROUGH OF BELLMAWR SCHOOL DISTRICT
 Balance Sheet
 Governmental Funds
 June 30, 2011

	<u>Total Governmental Funds</u>
Amounts reported for <i>governmental activities</i> 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 \$7,980,863.95 and the accumulated depreciation is \$3,172,719.90.	\$ 4,808,144.05
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	29,202.67
Accrued interest payable is not due and payable in the current period and therefore is not reported as liabilities in the funds.	(14,258.86)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds.	<u>(1,770,666.66)</u>
Net assets of governmental activities	<u><u>\$ 4,517,053.32</u></u>

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

BOROUGH OF BELLMAWR SCHOOL DISTRICT
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2011

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Permanent Fund</u>	<u>Total Governmental Funds</u>
REVENUES:						
Local Tax Levy	\$ 7,582,611.26			\$ 206,287.74		\$ 7,788,899.00
Interest on Investments	3,284.25					3,284.25
Unrestricted Miscellaneous Revenues	97,897.96					97,897.96
Federal Sources	13,406.74	\$ 761,774.15				775,180.89
State Sources	5,286,512.33	389,329.16	\$ 586,816.00	22,590.00		6,285,247.49
Total Revenues	12,983,712.54	1,151,103.31	586,816.00	228,877.74	-	14,950,509.59
EXPENDITURES:						
Current:						
Regular Instruction	4,169,584.53	936,043.83				5,105,628.36
Special Education Instruction	1,326,955.97					1,326,955.97
Other Special Instruction	76,190.14					76,190.14
Other Instruction	73,067.43					73,067.43
Support Services and Undistributed Costs:						
Tuition	616,387.21					616,387.21
Student and Instruction Related Services	1,312,577.44	130,447.00				1,443,024.44
School Administrative Services	403,443.86					403,443.86
Other Administrative Services	547,896.42					547,896.42
Plant Operations and Maintenance	882,727.90					882,727.90
Pupil Transportation	218,748.96					218,748.96
Unallocated Benefits	2,654,347.16	86,664.88				2,741,012.04
Debt Service:						
Principal				190,000.00		190,000.00
Interest and Other Charges				38,878.02		38,878.02
Capital Outlay	219,630.53		570,751.72			790,382.25
Total Expenditures	12,501,557.55	1,153,155.71	570,751.72	228,878.02	-	14,454,343.00
Excess (Deficiency) of Revenues over Expenditures	482,154.99	(2,052.40)	16,064.28	(0.28)	-	496,166.59

(Continued)

BOROUGH OF BELLMAWR SCHOOL DISTRICT
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2011

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Permanent Fund</u>	<u>Total Governmental Funds</u>
OTHER FINANCING SOURCES (USES):						
Cancellation of Intergovernmental Accounts Receivable			\$ (15,199.00)			\$ (15,199.00)
Capital Reserve Transferred to Capital Projects Fund	\$ (488,184.00)		488,184.00			
Capital Projects Fund Transferred to Capital Reserve	13,868.50		(13,868.50)			
Capital Outlay Transferred to Capital Reserve	(400,000.00)					(400,000.00)
Capital Reserve Transferred from Capital Outlay	400,000.00					400,000.00
Total Other Financing Sources and Uses	<u>(474,315.50)</u>	<u>-</u>	<u>459,116.50</u>	<u>-</u>	<u>-</u>	<u>(15,199.00)</u>
Net Change in Fund Balances	7,839.49	\$ (2,052.40)	475,180.78	\$ (0.28)	-	\$ 480,967.59
Fund Balance, July 1	<u>994,618.55</u>	<u>(40,021.80)</u>	<u>29,067.50</u>	<u>0.28</u>		<u>983,664.53</u>
Fund Balance, June 30	<u>\$ 1,002,458.04</u>	<u>\$ (42,074.20)</u>	<u>\$ 504,248.28</u>	<u>-</u>	<u>-</u>	<u>\$ 1,464,632.12</u>

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

BOROUGH OF BELLMAWR SCHOOL DISTRICT
 Reconciliation of the Statement of Revenues, Expenditures,
 and Changes in Fund Balances of Governmental Funds
 to the Statement of Activities
 For the Fiscal Year Ended June 30, 2011

Total Net Change in Fund Balances - Governmental Funds	\$	480,967.59
<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, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.</p>		
Depreciation expense	\$	(277,283.06)
Capital outlay expensed in accordance with District's policies		(125,372.37)
Other expenses capitalized in accordance with District's policies		12,733.20
Capital outlays		<u>790,382.25</u>
		400,460.02
<p>Repayment of long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities.</p>		
		190,000.00
<p>Governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences.</p>		
		(10,018.00)
<p>Interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. This amount is the net effect of the difference in the treatment of interest on long-term debt.</p>		
		6,124.17
<p>In the statement of activities, certain operating expenses, (e.g., compensated absences) 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 reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).</p>		
		<u>17,573.15</u>
Change in Net Assets of Governmental Activities	\$	<u>1,085,106.93</u>

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

BOROUGH OF BELLMAWR SCHOOL DISTRICT
Statement of Net Assets
Proprietary Funds
June 30, 2011

	Business-Type Activities -- Enterprise <u>Fund</u>
ASSETS:	
Current Assets:	
Cash and Cash Equivalents	\$ 139,062.53
Accounts Receivable:	
Federal	8,253.05
State	209.23
Inventories	<u>16,769.55</u>
Total Current Assets	<u>164,294.36</u>
Noncurrent Assets:	
Equipment	93,118.72
Less: Accumulated Depreciation	<u>(63,306.00)</u>
Total Noncurrent Assets	<u>29,812.72</u>
Total Assets	<u>194,107.08</u>
LIABILITIES:	
Current Liabilities:	
Accounts Payable	15,037.00
Capital Leases Payable - Current Portion	3,051.43
Interfund payable -- General Fund	<u>56,044.82</u>
	<u>74,133.25</u>
Noncurrent Liabilities -- Capital Leases Payable	<u>-</u>
Total Liabilities	<u>74,133.25</u>
NET ASSETS:	
Invested in Capital Assets Net of Related Debt	26,761.29
Unrestricted	<u>93,212.54</u>
Total Net Assets	<u>\$ 119,973.83</u>

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

BOROUGH OF BELLMAWR SCHOOL DISTRICT
Statement of Revenues, Expenses, and Changes in Fund Net Assets
Proprietary Funds
For the Fiscal Year Ended June 30, 2011

	Business-Type Activities -- Enterprise <u>Fund</u>
OPERATING REVENUES:	
Charges for Services:	
Daily Sales - Reimbursable Programs	\$ 109,559.49
Daily Sales - Non-Reimbursable Programs	31,331.49
Daily Sales - Vending	9,428.16
Rebates	418.60
Other School District	81,618.51
Special Functions	<u>11,422.68</u>
Total Operating Revenues	<u>243,778.93</u>
OPERATING EXPENSES:	
Cost of Sales	202,999.40
Salaries	136,511.77
Employee Benefits	28,368.15
Purchased Professional Services	19,660.20
Other Purchased Services	11,273.16
Supplies and Materials	36,590.95
Miscellaneous	2,610.86
Depreciation	<u>6,787.03</u>
Total Operating Expenses	<u>444,801.52</u>
Operating Income (Loss)	<u>(201,022.59)</u>
NONOPERATING REVENUES:	
State Sources:	
State School Lunch Program	5,417.86
Federal Sources:	
National School Lunch Program	195,211.46
National School Breakfast Program	6,288.36
Special Milk Program	149.32
Food Distribution Program	20,143.51
Interest	<u>199.05</u>
Total Nonoperating Revenues	<u>227,409.56</u>
Change in Net Assets	26,386.97
Net Assets, July 1	<u>93,586.86</u>
Net Assets, June 30	<u><u>\$ 119,973.83</u></u>

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

BOROUGH OF BELLMAWR SCHOOL DISTRICT
Statement of Cash Flows
Proprietary Fund
For the Fiscal Year Ended June 30, 2011

	<u>Business-Type Activities -- Enterprise Fund</u>
CASH FLOWS FROM OPERATING ACTIVITIES:	
Receipts from Customers	\$ 243,778.93
Payments to Employees	(136,511.77)
Payments for Employee Benefits	(28,368.15)
Payments to Suppliers	<u>(262,054.11)</u>
Net Cash Provided by (used for) Operating Activities	<u>(183,155.10)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:	
Federal Sources	205,548.23
State Sources	<u>5,784.69</u>
Net Cash Provided by (used for) Non-Capital Financing Activities	<u>211,332.92</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Payments on Capital Lease	(11,615.13)
Purchase of Capital Assets	<u>(483.88)</u>
Net Cash Provided by (used for) Capital and Related Financing Activities	<u>(12,099.01)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Interest	<u>199.05</u>
Net Cash Provided by (used for) Investing Activities	<u>199.05</u>
Net Increase (Decrease) in Cash and Cash Equivalents	16,277.86
Cash and Cash Equivalents, July 1	<u>122,784.67</u>
Cash and Cash Equivalents, June 30	<u><u>\$ 139,062.53</u></u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:	
Operating Income (Loss)	(201,022.59)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities:	
Depreciation	6,787.03
Food Distribution Program	20,143.51
(Increase) Decrease in Accounts Receivable	
(Increase) Decrease in Inventory	(788.85)
Increase (Decrease) in Interfund Payable	(9,311.20)
Increase (Decrease) in Accounts Payable	<u>1,037.00</u>
Total Adjustments	<u>17,867.49</u>
Net Cash Provided by (used for) Operating Activities	<u><u>\$ (183,155.10)</u></u>

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

BOROUGH OF BELLMAWR SCHOOL DISTRICT

Statement of Fiduciary Net Assets

Fiduciary Funds

June 30, 2011

	<u>Trust Funds</u>			<u>Agency Funds</u>	
	<u>Mary E. Hare Memorial Scholarship Fund</u>	<u>Betty Sheppard Memorial Fund</u>	<u>Unemployment Compensation Trust Fund</u>	<u>Student Activity</u>	<u>Payroll</u>
ASSETS:					
Cash and Cash Equivalents	\$ 6,987.93	\$ 2,730.28	\$ 72,827.15	\$ 28,245.18	\$ 215,648.87
Total Assets	<u>6,987.93</u>	<u>2,730.28</u>	<u>72,827.15</u>	<u>\$ 28,245.18</u>	<u>\$ 215,648.87</u>
LIABILITIES:					
Interfund Accounts Payable:					
General Fund					\$ 41,231.09
Intergovernmental Accounts Payable - State					104,001.00
Payable to Student Groups				\$ 28,245.18	
Payroll Deductions and Withholdings					70,416.78
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ 28,245.18</u>	<u>\$ 215,648.87</u>
NET ASSETS:					
Held in Trust for Unemployment Claims and Other Purposes			72,827.15		
Reserve for Program Expenditures Reserved for Scholarships	<u>6,987.93</u>	<u>1,663.27</u>			
Total Net Assets	<u>\$ 6,987.93</u>	<u>\$ 1,663.27</u>	<u>\$ 72,827.15</u>		

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

BOROUGH OF BELLMAWR SCHOOL DISTRICT
Statement of Changes in Fiduciary Net Assets
Fiduciary Funds
For the Fiscal Year Ended June 30, 2011

	Mary E. Hare Memorial Scholarship <u>Fund</u>	Betty Sheppard Memorial <u>Fund</u>	Unemployment Compensation Trust <u>Fund</u>
ADDITIONS:			
Contributions:			
Donations		\$ 2,988.27	
Employee Salary Deductions			\$ 8,583.92
Investment Earnings:			
Interest	\$ 13.15		105.72
Total Additions	<u>13.15</u>	<u>2,988.27</u>	<u>8,689.64</u>
DEDUCTIONS:			
Program Expenditures		4,725.00	
Scholarships Awarded	<u>1,000.00</u>		
Total Deductions	<u>1,000.00</u>	<u>4,725.00</u>	<u>-</u>
Change in Net Assets	(986.85)	(1,736.73)	8,689.64
Net Assets, July 1	<u>7,974.78</u>	<u>3,400.00</u>	<u>64,137.51</u>
Net Assets, June 30	<u>\$ 6,987.93</u>	<u>\$ 1,663.27</u>	<u>\$ 72,827.15</u>

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

BOROUGH OF BELLMAWR SCHOOL DISTRICT

Notes to Financial Statements
For the Fiscal Year Ended June 30, 2011

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of the Reporting Entity - The Borough of Bellmawr School District (hereafter referred to as the "School District") is a Type II district located in the County of Camden, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The Board is comprised of nine members elected to three-year terms. These terms are staggered so that three member's terms expire each year. The purpose of the School District is to educate students in grades Pre-K through 8th at its three schools. The School District has an approximate enrollment at June 30, 2011 of 1,144.

The primary criterion for including activities within the School District's reporting entity, as set forth in Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards, is the degree of oversight responsibility maintained by the School District. Oversight responsibility includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters. The combined financial statements include all funds of the School District over which the Board exercises operating control. There were no additional entities required to be included in the reporting entity under the criteria as described above, in the current fiscal year. Furthermore, the School District is not includable in any other reporting entity on the basis of such criteria.

Component Units - GASB Statement No. 14, *The Financial Reporting Entity*, provides guidance that all entities associated with a primary government are potential component units and should be evaluated for inclusion in the financial reporting entity. A primary government is financially accountable not only for the organizations that make up its legal entity, but also for legally separate organizations that meet the criteria established by GASB Statement No. 14, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*. At June 30, 2011, there are no organizations considered to be component units. Furthermore, the School District is not includable in any other reporting entity on the basis of such criteria.

Basis of Presentation - The financial statements of the School 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 School District also applies Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or before November 30, 1989, to its governmental and business-type activities, and to its proprietary funds, provided they do not conflict with or contradict GASB pronouncements. The more significant of the School District's accounting policies are described in this note.

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Basis of Presentation (Cont'd)**

Government-wide Financial Statements - The statement of net assets and the statement of activities display information about the School District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the School District that are governmental and those that are considered business-type activities. The statement of net assets presents the financial condition of the governmental and business-type activities of the School District at fiscal year end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the School District's governmental activities and for the business-type activities of the School District. Direct expenses are those that are specifically associated with a service, program, or department and, therefore, clearly identifiable to a particular function. The policy of the School District is to not allocate indirect expenses to functions in the statement of activities. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants, and contributions that are restricted to meeting the operational or capital requirements of a particular program, and interest earned on grants that is required to be used to support a particular program. Revenues, which are not classified as program revenues, are presented as general revenues of the School District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function 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. Fund financial statements are designed to present financial information of the School District at this more detailed level. The focus of governmental and enterprise fund financial statements is on major funds. Each major fund is presented in a single column. The fiduciary fund is reported by type. The School District uses funds to maintain its financial records during the fiscal year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. There are three categories of funds: governmental, proprietary, and fiduciary.

Governmental Funds - Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the School District's major governmental funds:

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

As required by the New Jersey State Department of Education, the School District includes budgeted capital outlay in this fund. Accounting principles generally accepted in the United States of America, 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 which result in the acquisition of or additions to capital assets for land, existing buildings, improvements of grounds, construction of buildings, additions to, or remodeling of buildings, and the purchase of built-in equipment.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Governmental Funds (Cont'd)**

General Fund (Cont'd) - In addition to the capital outlay sub-fund, the School District is accountable for an additional sub-fund, the Education Jobs Fund ("Ed Jobs"), resulting from federal legislation signed into law on August 10, 2010. The Ed Jobs program was created to provide funding assistance to states in order to save or create education jobs for the 2010-2011 school year, through September 30, 2012. Jobs funded under this program include those that provide educational and related services for early childhood, elementary, and secondary education. Ed Jobs revenues and expenditures are recorded in the general fund (fund 18) on a reimbursement basis. As such, revenue is not included in the fiscal year surplus, and no portion of general fund balance at June 30, 2011 is considered to be attributable to Ed Jobs. Ed Jobs expenditures at June 30, 2011 are included as a component of overall general fund expenditures, and also are included in total general fund expenditures for purposes of the excess surplus calculation. For the fiscal year 2011, the School District did not participate in the ED Jobs fund.

Special Revenue Fund - The special revenue fund is used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service, capital projects, and local appropriations that are legally restricted to expenditures for specified purposes.

Capital Projects Fund - The capital projects fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets, other than those financed by proprietary funds. The financial resources are derived from New Jersey Economic Development Authority grants, temporary notes, or serial bonds which 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 and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

Permanent Fund - The permanent fund is used to account for and report resources that are restricted to the extent that only earnings, and not principal, may be used for purposes that support the School District's programs, that is, for the benefit of the School District or its students as a whole. At June 30, 2011, the School District does not maintain any permanent funds.

Proprietary Funds - Proprietary funds are used to account for the School District's ongoing activities, which are similar to those found in the private sector.

Enterprise Funds - The enterprise funds are used to account for operations

1. that are financed and operated in a manner similar to private business enterprises, where the intent of the School District is that the costs (expenses, including depreciation) of providing goods or services to the students on a continuing basis be financed or recovered primarily through user charges; or
2. where the School District has decided that periodic determination of revenues earned, expenses incurred, and / or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

The School District's enterprise fund is:

Food Service Fund - This fund accounts for the financial transactions related to the food service operations of the School District.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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

Depreciation of all exhaustive fixed assets used by proprietary funds is charged as an expense against their operations. Accumulated depreciation is reported on proprietary fund balance sheets. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Equipment	15 Years
Light Trucks and Vehicles	4 Years
Heavy Trucks and Vehicles	6 Years

Fiduciary Funds - Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds, and agency funds. Pension trust funds are used to account for resources held in trust for employees and their beneficiaries based on defined benefit pension agreements, defined contribution agreements, other postemployment benefit agreements, and other employee benefit arrangements. Investment trust funds are used to report the external portion of an investment pool as defined in GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. Private-purpose trust funds are used to account for the principal and income for all other trust arrangements that benefit individuals, private organizations, or other governments. Agency funds are used to account for assets held by the School District in a trustee capacity or as an agent for individuals, private organizations, other governments, and / or other funds (i.e., payroll and student activities). They are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

The School District has five fiduciary funds, an unemployment compensation trust fund, a private-purpose scholarship fund, a memorial fund, a student activity fund, and a payroll fund.

Measurement Focus

Government-wide Financial Statements - The government-wide financial statements are prepared using the economic resources measurement focus. All assets and all liabilities associated with the operation of the School District are included on the statement of net assets.

Fund Financial Statements - All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements, therefore, include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Like the government-wide statements, all proprietary fund types are accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of these funds are included on the statement of net assets. The statement of changes in fund net assets presents increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. The statement of cash flows provides information about how the School District finances and meets the cash flow needs of its proprietary activities. Fiduciary funds are reported using the economic resources measurement focus.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Basis of Accounting**

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Proprietary and fiduciary funds also use the accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures.

Revenues -- Exchange and Non-Exchange Transactions - Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that 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 School District, available means expected to be received within sixty days after fiscal year end.

Non-exchange transactions, in which the School District receives value without directly giving equal value in return, include Ad Valorem (property) taxes, grants, entitlements, and donations. Ad Valorem (property) taxes are susceptible to accrual. As under New Jersey State Statute, a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The School District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year since the revenue is both measurable and available. The School District is entitled to receive moneys under the established payment schedule and the unpaid amount is considered to be an "accounts receivable". With the exception of the restricted formula aids recorded in the special revenue fund, revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the fiscal 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 specified purpose, and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. Restricted formula aids, which includes Preschool Education Aid, are recorded in the special revenue fund in accordance with *The Audit Program* promulgated by the New Jersey Department of Education, which requires that these grants be realized in an amount equal to program expenditures.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year end: tuition, grants, fees, and rentals.

Expenses / Expenditures - On the accrual basis of accounting, expenses are recognized at the time they are incurred. The fair value of donated commodities used during the fiscal year is reported in the operating statement as an expense. Unused donated commodities are reported as deferred revenue. The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

Budgets / Budgetary Control - Annual appropriated budgets are prepared in the spring of each fiscal year for the general, special revenue, and debt service funds. The budgets are submitted to the county office and are voted upon at the annual school election on the third Tuesday in April. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23A-16.2(f)1. Transfers of appropriations may be made by school board resolution at any time during the fiscal year in accordance with N.J.A.C. 6A:23A-13.3.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Budgets / Budgetary Control (Cont'd) - Formal budgetary integration into the accounting system is employed as a management control device during the fiscal year. For governmental funds there are no substantial differences between the budgetary basis of accounting and accounting principles generally accepted in the United States of America with the exception of the legally mandated revenue recognition of the one or more June state aid payments for budgetary purposes only and the special revenue fund. 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 budgetary basis. The budgetary basis differs from GAAP in that the budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.

The budget, as detailed on Exhibit C-1, Exhibit C-2, and Exhibit I-3 includes all amendments to the adopted budget, if any.

Exhibit C-3 presents a reconciliation of the general fund revenues and special revenue fund revenues and expenditures from the budgetary basis of accounting, as presented in the general fund budgetary comparison schedule and the special revenue fund budgetary comparison schedule, to the GAAP basis of accounting as presented in the statement of revenues, expenditures and changes in fund balances - governmental funds. Note that the School District does not report encumbrances outstanding at fiscal year end as expenditures in the general fund since the general fund budget follows modified accrual basis, with the exception of the revenue recognition policy for the one or more June state aid payments.

Encumbrances - Under encumbrance accounting, purchase orders, contracts, and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Encumbrances are a component of fund balance 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 governmental funds, other than the special revenue fund, which have not been previously restricted, committed, or assigned, should be included within committed or assigned fund balance, as appropriate.

Open encumbrances in the special revenue fund, however, for which the School District has received advances of grant awards, are reflected on 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.

Cash, Cash Equivalents and Investments - Cash and cash equivalents, for all funds, include petty cash, change funds, cash in banks and all highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest. Such is the definition of cash and cash equivalents used in the statement of cash flows for the proprietary funds. 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. N.J.S.A. 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey school districts.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Cash, Cash Equivalents and Investments (Cont'd) - 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 Governmental Unit Deposit Protection Act ("GUDPA"), a multiple financial institutional collateral pool, which was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. Public depositories include State or federally chartered banks, savings banks or associations located in or having a branch office in the State of New Jersey, 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 amount of their deposits to the governmental units.

Tuition Receivable - Tuition charges were established by the School District based on estimated costs. The charges are subject to adjustment when the final costs are determined. The School District had no tuition charges for the fiscal year ended June 30, 2011.

Tuition Payable - Tuition charges for the fiscal years ended June 30, 2011 and 2010 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

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

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

Inventories recorded on the government-wide financial statements and in the proprietary fund types are recorded as expenditures when consumed rather than when purchased.

Prepaid Expenses - Prepaid expenses recorded on the government-wide financial statements and in the proprietary fund types represent payments made to vendors for services that will benefit periods beyond June 30, 2011.

In the governmental fund types, however, payments for prepaid items are fully recognized as an expenditure in the fiscal year of payment. No asset for the prepayment is created, and no expenditure allocation to future accounting periods is required. This is consistent with the basic governmental concept that only expendable financial resources are reported by a specific fund.

Deferred Expenditures - Deferred expenditures are disbursements that are made in one period, but are more accurately reflected as an expenditure / expense in the next fiscal period. Unlike prepaid expenses, deferred expenditures are not regularly recurring costs of operations.

Short-Term Interfund Receivables / Payables - Short-term interfund receivables / payables represent amounts that are owed, other than charges for goods or services rendered to / from a particular fund in the School District and that are due within one year. These amounts are eliminated in the governmental and business-type columns of the statement of net assets, except for the net residual amounts due between governmental and business-type activities, which are presented as interfunds receivable and / or interfunds payable.

Capital Assets - General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net assets but are not reported in the fund financial statements. Capital assets utilized by the proprietary funds are reported both in the business-type activities column of the government-wide statement of net assets and the proprietary fund statement of net assets.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Capital Assets (Cont'd) - All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the fiscal year. Donated fixed assets are recorded at their fair market value as of the date received. The School District maintains a capitalization threshold of \$2,000.00. The School District does not possess any infrastructure. Improvements are capitalized; the cost of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. All reported capital assets, except land and construction in progress, are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets.

Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Governmental Activities Estimated Lives</u>	<u>Business-Type Activities Estimated Lives</u>
Land Improvements	20 Years	N/A
Buildings and Improvements	5-50 Years	N/A
Furniture and Equipment	5-20 Years	15 Years
Vehicles	5-10 Years	4-6 Years

Accrued Salaries and Wages - Certain School District employees who provide services to the School District over the ten-month academic year have the option to have their salaries evenly disbursed during the entire twelve-month year. New Jersey statutes require that these earned but undisbursed amounts be retained in a separate bank account. As of June 30, 2011, the amounts earned by these employees were disbursed to the employees' own financial institution.

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

The entire compensated absence liability is reported on the government-wide financial statements.

For governmental funds, the current portion of unpaid compensated absences is the amount that is normally expected to be paid with expendable available financial resources. In proprietary funds, the entire amount of compensated absences is recorded as a fund liability.

Deferred Revenue - Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

Accrued Liabilities and Long-Term Obligations - All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements, and all payables, accrued liabilities, and long-term obligations payable from proprietary funds are reported on the proprietary fund 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, claims and judgments, compensated absences, special termination benefits, and contractually required pension contributions that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are normally expected to be paid with expendable available financial resources. Bonds are recognized as a liability on the fund financial statements when due.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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 balances of any borrowings 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.

It is the School District's policy to apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

Fund Balance - The School District reports fund balance in classifications that comprise a hierarchy based primarily on the extent to which the School District is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The School District's classifications, and policies for determining such classifications, are as follows:

Nonspendable - The nonspendable fund balance classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, such as inventories and prepaid amounts.

Restricted - The restricted fund balance classification includes amounts that are restricted to specific purposes. Such restrictions, or constraints, are placed on the use of resources either by being (1) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (2) imposed by law through constitutional provisions or enabling legislation.

Committed - The committed fund balance classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the School District's highest level of decision-making authority, which, for the School District, is the Board of Education. Such formal action consists of an affirmative vote by the Board of Education, memorialized by the adoption of a resolution. Once committed, amounts cannot be used for any other purpose unless the Board of Education removes, or changes, the specified use by taking the same type of action (resolution) it employed to previously commit those amounts.

Assigned - The assigned fund balance classification includes amounts that are constrained by the School District's *intent* to be used for specific purposes, but are neither restricted nor committed. *Intent* is expressed by either the Board of Education or by the business administrator, to which the Board of Education has delegated the authority to assign amounts to be used for specific purposes. Such authority of the business administrator is established by way of a formal job description for the position, approved by the Board of Education.

Unassigned - The unassigned fund balance classification is the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. The general fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds, if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balances are available, it is the policy of the School District to spend restricted fund balances first. Moreover, when an expenditure is incurred for purposes for which amounts in any of the unrestricted fund balance classifications can be used, it is the policy of the School District to spend fund balances, if appropriate, in the following order: committed, assigned, then unassigned.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Operating and Non-Operating Revenues and Expenses - Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the School District, these revenues are sales for the food service program. Non-operating revenues principally consist of interest income earned on various interest-bearing accounts and federal and state Child Nutrition program revenues in the proprietary fund.

Operating expenses are necessary costs incurred to provide the goods or services that are the primary activity of the fund. The School District has no non-operating expenses.

Interfund Activity - Transfers between governmental and business-type activities on the government-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 proprietary funds. Reimbursements from funds responsible for particular expenditures / expenses to the funds that initially paid for them are not presented on the financial statements.

Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

Note 2: CASH AND CASH EQUIVALENTS

Custodial Credit Risk Related to Deposits - Custodial credit risk is the risk that, in the event of a bank failure, the School District's deposits might not be recovered. Although the School District does not have a formal policy regarding custodial credit risk, N.J.S.A. 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). Under the Act, the first \$250,000.00 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the School District in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, athletic and student activity funds, or funds that may pass to the School District relative to the happening of a future condition. Of the School District's bank balances of \$1,776,845.41 as of June 30, 2011, \$173,549.26 was uninsured and uncollateralized.

Note 3: CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the School District by inclusion of \$1.00 on September 26, 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.

Funds placed in the capital reserve account are restricted to capital projects in the School District's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the Department, a school district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at fiscal year-end (June 1 to June 30) of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A school district may also appropriate additional amounts when the express approval of the voters has been obtained by either a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6A:23A-14.1(g), the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

Note 3: CAPITAL RESERVE ACCOUNT(CONT'D)

The activity of the capital reserve for the July 1, 2010 to June 30, 2011 fiscal year is as follows:

Beginning Balance July 1, 2010	\$ 531,909.39
Increased by:	
Board Resolution Adopted as of June 25, 2011	400,000.00
Unexpended Local Share from Capital Project Fund	<u>13,868.50</u>
	945,777.89
Decreased by:	
Transfer to Capital Projects Fund - Local Share	<u>\$ 488,184.00</u>
Ending Balance June 30, 2011	<u><u>\$ 457,593.89</u></u>

The June 30, 2011 LRFP balance of local support costs of uncompleted projects at June 30, 2011 is \$1,621,880.00. The withdrawals from the capital reserve were for use in a DOE approved facilities projects, consistent with the School District's LRFP.

Note 4: ACCOUNTS RECEIVABLE

Accounts receivable at June 30, 2011 consisted of accounts (fees) and intergovernmental grants. All receivables are considered collectible in full due to the stable condition of state programs and the current fiscal year guarantee of federal funds.

Accounts receivable as of fiscal year end for the School District's individual major and fiduciary funds, in the aggregate, are as follows:

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Proprietary Fund</u>	<u>Total</u>
Intergovernmental	<u>\$ 236,292.49</u>	<u>\$ 114,666.08</u>	<u>\$ 513,638.00</u>	<u>\$ 1,001.00</u>	<u>\$ 8,462.28</u>	<u>\$ 874,059.85</u>

At June 30, 2011, there is no accounts receivable in the Fiduciary Funds.

Note 5: INVENTORY

Inventory in the food service fund at June 30, 2011 consisted of the following:

Food	\$ 14,426.07
Supplies	<u>2,343.48</u>
	<u><u>\$ 16,769.55</u></u>

Note 6: CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2011 was as follows:

	Balance <u>July 1, 2010</u>	<u>Additions</u>	<u>Retirements</u>	Balance <u>June 30, 2011</u>
Government Activities:				
Capital Assets that are not being Depreciated:				
Land	\$ 854,200.00			\$ 854,200.00
Total Capital Assets not being Depreciated	<u>854,200.00</u>		-	<u>854,200.00</u>
Land Improvements	899,070.91	\$ 6,120.00		905,190.91
Building and Improvements	4,844,388.02	540,573.56		5,384,961.58
Equipment	705,461.94	131,049.52		836,511.46
Totals at Historical Cost	<u>6,448,920.87</u>	<u>677,743.08</u>	-	<u>7,126,663.95</u>
Less: Accumulated Depreciation for:				
Land Improvements	(479,254.47)	(59,167.16)		(538,421.63)
Building and Improvements	(2,054,718.50)	(136,740.20)		(2,191,458.70)
Equipment	(361,463.87)	(81,375.70)		(442,839.57)
Total Accumulated Depreciation	<u>(2,895,436.84)</u>	<u>(277,283.06) *</u>	-	<u>(3,172,719.90)</u>
Total Capital Assets being Depreciated, net of Accumulated Depreciation	<u>3,553,484.03</u>	<u>400,460.02</u>		<u>3,953,944.05</u>
Government Activities Capital Assets, net	<u>\$ 4,407,684.03</u>	<u>\$ 400,460.02</u>	-	<u>\$ 4,808,144.05</u>
Business-Type Activities:				
Equipment	\$ 92,634.84	\$ 483.88	-	\$ 93,118.72
Less: Accumulated Depreciation	<u>(56,518.96)</u>	<u>(6,787.04)</u>		<u>(63,306.00)</u>
Business-Type Activities Capital Assets, net	<u>\$ 36,115.88</u>	<u>\$ (6,303.16)</u>	-	<u>\$ 29,812.72</u>

* Depreciation expense was charged to governmental functions as follows:

Instruction	\$ 34,327.26
General and Business Administrative Services	5,224.30
Plant Operations and Maintenance	<u>237,731.50</u>
Total Depreciation Expense	<u>\$ 277,283.06</u>

Note 7: LONG-TERM OBLIGATIONS

During the fiscal year ended June 30, 2011, the following changes occurred in long-term obligations:

	<u>Principal Outstanding July 1, 2010</u>	<u>Additions</u>	<u>Reductions</u>	<u>Principal Outstanding June 30, 2011</u>	<u>Due Within One Year</u>
Governmental Activities:					
General Obligation Bonds	\$ 897,898.00		\$ (190,000.00)	\$ 707,898.00	\$ 205,000.00
Compensated Absences	1,080,341.81	\$ 129,150.00	(146,723.15)	1,062,768.66	71,752.01
Governmental Activity Long-term Liabilities	<u>\$ 1,978,239.81</u>	<u>\$ 129,150.00</u>	<u>\$ (336,723.15)</u>	<u>\$ 1,770,666.66</u>	<u>\$ 276,752.01</u>
Business Type Activities:					
Capital Leases Payable	<u>\$ 14,666.56</u>		<u>\$ (11,615.13)</u>	<u>\$ 3,051.43</u>	<u>\$ 3,051.43</u>

Bonds Payable - Bonds and loans 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 School District are general obligation bonds.

On January 15, 1994, the School District issued \$1,400,000.00 general obligation bonds at interest rate varying to 5.20% for renovation projects. The final maturity of these bonds is January 15, 2014.

On March 27, 2003, the School District issued \$560,000.00 general obligation bonds to fund an early retirement incentive program at interest rates varying to 5.40%. The final maturity of these bonds is July 15, 2012.

On August 15, 2005, the School District issued \$492,898.00 general obligation bonds at interest rates varying to 3.9% for local share of renovation projects partially funded by grants from the State of New Jersey. The final maturity of these bonds is August 1, 2015.

Principal and interest due on bonds outstanding is as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 205,000.00	\$ 29,646.77	\$ 234,646.77
2013	210,000.00	19,758.02	229,758.02
2014	155,000.00	11,174.27	166,174.27
2015	70,000.00	3,978.02	73,978.02
2016	<u>67,898.00</u>	<u>1,324.01</u>	<u>69,222.01</u>
	<u>\$ 707,898.00</u>	<u>\$ 65,881.09</u>	<u>\$ 773,779.09</u>

Bonds Authorized but not Issued - As of June 30, 2011, the School District had no authorizations to issue additional bonded debt.

Compensated Absences - Compensated absences will be paid from the fund from which the employee's salaries are paid.

Note 7: LONG-TERM OBLIGATIONS (CONT'D)

Capital Leases Payable - In the Food Service Enterprise Fund, the School District is leasing dishwashers totaling \$21,999.84 under a capital lease. The capital lease is for a term of two years and is non interest bearing. The following is a schedule of the future minimum lease payments under the capital lease, and the present value of the net minimum lease payments at June 30, 2011.

Fiscal Year Ending June 30,	Principal	Interest (1)	Total
2012	\$ 3,666.64	_____	\$ 3,666.64
	<u>\$ 3,666.64</u>	<u>_____</u>	<u>\$ 3,666.64</u>

(1) Non-interest bearing lease.

Note 8: OPERATING LEASES

At June 30, 2011, the School District had operating lease agreements in effect for copy machines, mail machines, and textbooks. The future minimum rental payments under the operating lease agreements are as follows:

Year Ending June 30,	Amount
2012	\$ 41,588.16
2013	38,382.48
2014	<u>2,340.00</u>
	<u>\$ 82,310.64</u>

Rental payments under operating leases for the fiscal year ended June 30, 2011 were \$41,588.16.

Note 9: PENSION PLANS

A substantial number of the School District's employees participate in one of the following defined benefit pension plans: the Teachers' Pension and Annuity Fund and the Public Employees' Retirement System, which are administered by the New Jersey Division of Pensions and Benefits. In addition, there is the Defined Contribution Retirement Program, which is a defined contribution pension plan. This too is administered by the New Jersey Division of Pensions and Benefits. There are no employees participating in this plan. Each plan has a Board of Trustees that is primarily responsible for its administration. The Division issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to:

State of New Jersey
Division of Pensions and Benefits
P.O. Box 295
Trenton, New Jersey 08625-0295

Note 9: PENSION PLANS (CONT'D)

Teachers' Pension and Annuity Fund - The Teachers' Pension and Annuity Fund (TPAF) is a cost-sharing contributory defined benefit pension plan which was established as of January 1, 1955, under the provisions of N.J.S.A. 18A:66. The TPAF provides retirement, death, and disability, and medical benefits to qualified members. Vesting and benefit provisions are established by N.J.S.A. 18A:66.

The contribution requirements of plan members are determined by State statute. In accordance with Chapters 113, 114 and 115, P.L. 1997, plan members enrolled in the TPAF were required to contribute 5% of their annual covered salary. Effective July 1, 2007, however, in accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members were required to contribute 5.5% of their annual covered salary. For employees who were enrolled in the retirement system prior to July 1, 2007, the increase was effective with the payroll period that began immediately after July 1, 2007. The State Treasurer has the right under the current law to make temporary reductions in member rates based on the existence of surplus pension assets in the retirement system; however, statute also requires the return to the normal rate when such surplus pension assets no longer exist.

Teachers' Pension and Annuity Fund (Cont'd) - Under current statute, all employer contributions are made by the State of New Jersey on-behalf of the School District and all other related non-contributing employers. No normal or accrued liability contribution by the district has been required over several preceding fiscal years.

Public Employees' Retirement System - The Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan which was established as of January 1, 1955. The PERS provides retirement, death, and disability, and medical benefits to qualified members. Vesting and benefit provisions are established by N.J.S.A. 43:15A and 43:3B.

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 62, P.L. 1994, plan members enrolled in the Public Employees' Retirement System were required to contribute 5% of their annual covered salary. Effective July 1, 2007, however, in accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members were required to contribute 5.5% of their annual covered salary. For employees who were enrolled in the retirement system prior to July 1, 2007, the increase was effective with the payroll period that began immediately after July 1, 2007. The State Treasurer has the right under the current law to make temporary reductions in member rates based on the existence of surplus pension assets in the retirement system; however, statute also requires the return to the normal rate when such surplus pension assets no longer exist.

The School District is billed annually for its normal contribution plus any accrued liability. The School District's contributions, equal to the required contribution for each fiscal year, were as follows:

<u>Fiscal Year</u>	<u>Normal Contribution</u>	<u>Accrued Liability</u>	<u>Total Liability</u>	<u>Paid by School District</u>
2011	\$ 44,612.00	\$ 59,389.00	\$ 104,001.00	\$ 104,001.00
2010	43,102.00	42,055.00	85,157.00	85,157.00
2009	37,229.00	33,958.00	71,187.00	71,187.00

Defined Contribution Retirement Program - The Defined Contribution Retirement Program (DCRP) is a cost-sharing multiple-employer defined contribution pension fund which was established on July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 (N.J.S.A. 43:15C-1 et. seq.), and expanded under the provisions of Chapter 89, P.L. 2008 and Chapter 1, P.L. 2010. The Defined Contribution Retirement Program Board oversees the DCRP, which is administered for the Division of Pensions and Benefits by Prudential Financial. The DCRP provides eligible members, and their beneficiaries, with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting and benefit provisions are established by N.J.S.A. 43:15C-1 et. seq.

Note 9: PENSION PLANS (CONT'D)

Defined Contribution Retirement Program (Cont'd) - The contribution requirements of plan members are determined by State statute. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. In addition to the employee contributions, the School District's contribution amounts for each pay period are transmitted to Prudential Financial not later than the fifth business day after the date on which the employee is paid for that pay period.

At June 30, 2011, the School District had no participants in the DCRP.

Note 10: POST-RETIREMENT BENEFITS

P.L. 1987, c.384 of P.L. 1990, c.6 required Teachers' Pensions and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of postemployment medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of postemployment medical benefits for retired State employees and retired educational employees. As of June 30, 2010, there were 87,288 retirees eligible for postemployment medical benefits. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post-retirement medical premiums changed from a pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

The State is also responsible for the cost attributable to P.L. 1992 c.126, which provides free health benefits to members of PERS and the Alternate Benefit Program who retire from a board of education or county college with 25 years of service. The State paid \$126.3 million toward Chapter 126 benefits for 14,050 eligible retired members in fiscal year 2010.

Note 11: ON-BEHALF PAYMENTS

For the fiscal year ended June 30, 2011, the School District has recognized as revenues and expenditures on-behalf payments made by the State for normal costs and post-retirement costs related to TPAF. The amounts recognized as revenues and expenditures for normal costs and post-retirement costs were \$19,718.00 and \$418,803.00, respectively.

Note 12: RISK MANAGEMENT

The School 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 School 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.

New Jersey Unemployment Compensation Insurance - The School District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the School 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 School District is billed quarterly for amounts due to the State.

Note 12: RISK MANAGEMENT (CONT'D)

New Jersey Unemployment Compensation Insurance (Cont'd) - The following is a summary of School District contributions, reimbursements to the State for benefits paid and the ending balance of the School District's expendable trust fund for the current and previous two fiscal years:

<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>School</u> <u>District</u> <u>Contributions</u>	<u>Employee</u> <u>Contributions</u>	<u>Ending</u> <u>Balance</u>
2011		\$ 8,583.92	\$ 72,827.15
2010		12,267.22	64,137.51
2009		11,184.68	51,529.96

Joint Insurance Pool - The School District is a member of the School Alliance Insurance Fund. The Fund provides its members with the following coverage:

Workers' Compensation and Employer's Liability
 Liability other than Motor Vehicles
 Property Damage other than Motor Vehicles
 Motor Vehicles

Contributions to the Fund, including a reserve for contingencies, are payable in two installments and are based on actuarial assumptions determined by the Fund's actuary. The Commissioner of Insurance may order additional assessments to supplement the Fund's claim, loss retention, or administrative accounts to assure the payment of the Fund's obligations.

The Fund provides the School District with the following coverage:

Property (Including Crime and Auto Physical Damage)
 Boiler and Machinery
 Crime and Fidelity
 Comprehensive General Liability
 Automobile Liability
 Workers' Compensation
 Supplemental Indemnity
 Foreign Travel Liability
 School Leaders Professional Liability
 Student Accident Insurance
 Environmental Impairment Liability
 Security Guard Liability
 Excess Liability

Contributions to the Fund, are payable in an annual premium and is based on actuarial assumptions determined by the Fund's actuary. The School District's agreement with the Pool provides that the Pool will be self-sustaining through member premiums and will reinsure through the Municipal Excess Liability Joint Insurance Fund for claims in excess of \$50,000.00 to \$200,000.00 based on the line of coverage for each insured event.

The Fund publishes its own financial report for the fiscal year ended June 30, 2011, which can be obtained from:

School Alliance Insurance Fund
 c/o PEGAS
 51 Everett Drive
 Lawrenceville, New Jersey 08648

Note 13: DEFERRED COMPENSATION

The School District offers its employees a choice of eight deferred compensation plans created in accordance with Internal Revenue Code Sections 403(b) and 457. The plans, which are administered by the entities listed below, 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. The plan administrators are as follows:

Lincoln Investment Planning, Inc.
The Equitable Life Assurance Company
Oppenheimer Funds
Mutual of Omaha Insurance Company
American Funds Group
Syracusa Benefits Program
Thomas Seely Agency Inc.
Met Life

Note 14: COMPENSATED ABSENCES

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

School District employees who are employed for ten months are entitled to ten paid sick leave days per fiscal school year. School District employees who are employed for twelve months are entitled to twelve paid sick leave days per fiscal school year. Unused sick leave may be accumulated and carried forward to the subsequent years. School District employees are entitled to two personal days which may be carried forward to subsequent years. Vacation days not used during the year may not be accumulated and carried forward. Benefits paid in any future year will be calculated according to formulas outlined in the School Districts' agreements with the various employee unions and included in the current years' budget.

The liability for vested compensated absences is recorded within those funds as the benefits accrue to employees. As of June 30, 2011, the liability for compensated absences in the governmental activities and proprietary fund types was \$1,062,768.66.

Note 15: INTERFUND BALANCES AND TRANSFERS

The following interfund balances were recorded on the various balance sheets as June 30, 2011:

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
General	\$ 262,095.41	\$ 104,001.00
Capital Projects		59,817.50
Debt Service Fund		1,001.00
Proprietary		56,044.82
Fiduciary		41,231.09
	<u>\$ 262,095.41</u>	<u>\$ 262,095.41</u>

Note 16: DEFICIT FUND BALANCES

The School District has a deficit fund balance of \$42,074.20 in the special revenue fund as of June 30, 2011 as reported in the fund statements (modified accrual basis). N.J.S.A. 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, school districts must record the delayed one or more June state aid payments as revenue, for budget purposes only, in the current school budget year. The statute provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the June state aid payments in the subsequent fiscal year, the School District cannot recognize the June state aid payment on the GAAP financial statements until the year the State records the payable. Due to the timing difference of recording the June state aid payments, the special revenue fund balance deficit does not alone indicate that the School District is facing financial difficulties.

Note 17: DEFICIT UNRESTRICTED NET ASSETS

The Governmental Funds had a deficit in unrestricted net assets of \$873,630.78 as of June 30, 2011. This deficit is attributable to the allocation of compensated absences payable, and bonds payable on the early retirement incentive plan to unrestricted net assets.

Note 18: FUND BALANCES**RESTRICTED**

As stated in note 1, the restricted fund balance classification includes amounts that are restricted to specific purposes. Such restrictions, or constraints, are placed on the use of resources by either of the following: (1) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (2) imposed by law through constitutional provisions or enabling legislation. Specific restrictions of the School District's fund balance are summarized as follows:

General Fund -

For Capital Reserve Account - As of June 30, 2011, the balance in the capital reserve account is \$457,593.89. These funds are restricted for future capital outlay expenditures for capital projects in the School District's approved Long Range Facilities Plan (LRFP).

Capital Projects Fund - As of June 30, 2011, the balance in the capital projects fund is \$504,248.28. These funds are restricted for future capital outlay expenditures for capital projects in the School District's approved Long Range Facilities Plan (LRFP).

COMMITTED

As stated in note 1, the committed fund balance classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the School District's highest level of decision-making authority, which is the Board of Education. Specific commitments of the School District's fund balance are summarized as follows:

General Fund – For the year ending June 30, 2011 the Board of Education entered into various contract agreements that had not been paid in full at year end. These amounts were encumbered to commit a portion of unassigned balance for the future payment of these contract agreements. As of June 30, 2011, \$22,395.57 has been committed for this purpose.

Note 18: FUND BALANCES (CONT'D)**ASSIGNED**

As stated in note 1, the assigned fund balance classification includes amounts that are constrained by the School District's *intent* to be used for specific purposes, but are neither restricted nor committed. Specific assignments of the School District's fund balance are summarized as follows:

General Fund -

For Subsequent Year's Expenditures - The School District has appropriated and included as an anticipated revenue for the fiscal year ending June 30, 2012 \$346,268.27 of general fund balance at June 30, 2011.

Other Purposes - As of June 30, 2011, the School District had \$176,200.31 of encumbrances outstanding for purchase orders signed by the School District, but not completed, as of the close of the fiscal year.

REQUIRED SUPPLEMENTARY INFORMATION
PART II

BUDGETARY COMPARISON SCHEDULES

BOROUGH OF BELLMAWR SCHOOL DISTRICT
GENERAL FUND
 Required Supplementary Information
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2011

	Original <u>Budget</u>	Budget Modifications/ <u>Transfers</u>	Final <u>Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
REVENUES					
Local Sources:					
Local Tax Levy	\$ 7,582,612.00		\$ 7,582,612.00	\$ 7,582,611.26	\$ (0.74)
Interest Income	10,000.00		10,000.00	3,284.25	(6,715.75)
Unrestricted Miscellaneous Revenues				97,897.96	97,897.96
Total - Local Sources	7,592,612.00	-	7,592,612.00	7,683,793.47	91,181.47
State Sources:					
Equalization Aid	4,032,762.00	\$ (272,044.00)	3,760,718.00	3,760,718.00	
Categorical Special Education Aid	289,237.00	272,044.00	561,281.00	561,281.00	
Extraordinary Aid				42,913.00	42,913.00
Additional Non-Public Transportation Aid				13,050.00	13,050.00
On - behalf TPAF Pension Contributions				19,718.00	19,718.00
On - behalf TPAF Pension Contributions-Post Retirement Medical				418,803.00	418,803.00
Reimbursed TPAF Social Security Contributions				469,216.93	469,216.93
Total - State Sources	4,321,999.00	-	4,321,999.00	5,285,699.93	963,700.93
Federal Sources:					
SEMI Medicaid	14,000.00		14,000.00	13,406.74	(593.26)
Total - Federal Sources	14,000.00	-	14,000.00	13,406.74	(593.26)
Total Revenues	11,928,611.00	-	11,928,611.00	12,982,900.14	1,054,289.14

(Continued)

BOROUGH OF BELLMAWR SCHOOL DISTRICT
GENERAL FUND
 Required Supplementary Information
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2011

	Original Budget	Budget Modifications/ Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
EXPENDITURES					
General Current Expense:					
Regular Programs - Instruction:					
Salaries of Teachers:					
Kindergarden	\$ 326,504.00	\$ 9,000.00	\$ 335,504.00	\$ 334,802.54	\$ 701.46
Kindergarden - Para Professionals		19,076.00	19,076.00	19,000.00	76.00
Grades 1-5	2,168,400.00	(75,000.00)	2,093,400.00	2,076,864.73	16,535.27
Grades 6-8	1,478,346.00	30,000.00	1,508,346.00	1,504,803.07	3,542.93
Regular Programs - Home Instruction:					
Salaries of Teachers	8,000.00	13,800.00	21,800.00	21,769.49	30.51
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction					
Purchased Professional - Educational Services	6,000.00		6,000.00		6,000.00
Other Purchased Services (400-500 series)	80,411.00	(20,500.00)	59,911.00	51,651.76	8,259.24
General Supplies	67,400.00	104,842.96	172,242.96	103,066.77	69,176.19
Textbooks	26,000.00	20,152.07	46,152.07	33,269.42	12,882.65
Other Objects	34,000.00	14,500.00	48,500.00	24,356.75	24,143.25
Total Regular Programs - Instruction	4,195,061.00	115,871.03	4,310,932.03	4,169,584.53	141,347.50
Special Education Instruction:					
Learning and / or Language Disabilities:					
Salaries of Teachers	142,620.00		142,620.00	138,505.00	4,115.00
Other Salaries for Instruction	41,111.00	59,000.00	100,111.00	99,959.05	151.95
General Supplies	8,000.00	1,770.66	9,770.66	3,544.76	6,225.90
Textbooks	500.00		500.00		500.00
Total Learning and / or Language Disabilities	192,231.00	60,770.66	253,001.66	242,008.81	10,992.85

(Continued)

BOROUGH OF BELLMAWR SCHOOL DISTRICT
GENERAL FUND
 Required Supplementary Information
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2011

	Original <u>Budget</u>	Budget Modifications/ <u>Transfers</u>	Final <u>Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
<u>EXPENDITURES (CONT'D)</u>					
General Current Expense (Cont'd):					
Special Education Instruction:					
Multiple Disabilities:					
Salaries of Teachers	\$ 355,028.00	\$ 14,000.00	\$ 369,028.00	\$ 368,483.52	\$ 544.48
Other Salaries for Instruction	148,088.00	(39,000.00)	109,088.00	99,290.02	9,797.98
General Supplies	8,500.00	6,078.27	14,578.27	10,911.29	3,666.98
Textbooks	2,000.00		2,000.00		2,000.00
Other Objects	500.00	500.00	1,000.00	696.80	303.20
Total Multiple Disabilities	514,116.00	(18,421.73)	495,694.27	479,381.63	16,312.64
Resource Room / Resource Center:					
Salaries of Teachers	493,386.00	(74,576.00)	418,810.00	418,330.00	480.00
Other Salaries for Instruction	112,036.00	(23,300.00)	88,736.00	88,444.50	291.50
General Supplies	9,500.00	3,079.99	12,579.99	8,382.71	4,197.28
Textbooks	3,000.00		3,000.00		3,000.00
Other Objects	500.00		500.00		500.00
Total Resource Room / Resource Center	618,422.00	(94,796.01)	523,625.99	515,157.21	8,468.78
Preschool Disabilities - Full Time:					
Salaries of Teachers	53,697.00		53,697.00	51,832.00	1,865.00
Other Salaries for Instruction	38,638.00		38,638.00	38,576.32	61.68
Total Preschool Disabilities - Part-Time	92,335.00	-	92,335.00	90,408.32	1,926.68
Total Special Education - Instruction	1,417,104.00	(52,447.08)	1,364,656.92	1,326,955.97	37,700.95

(Continued)

BOROUGH OF BELLMAWR SCHOOL DISTRICT
GENERAL FUND
 Required Supplementary Information
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2011

	Original Budget	Budget Modifications/ Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
EXPENDITURES (CONT'D)					
General Current Expense (Cont'd):					
Bilingual Education - Instruction:					
Salaries of Teachers	\$ 105,897.00	\$ (30,000.00)	\$ 75,897.00	\$ 74,084.96	\$ 1,812.04
Purchased Professional - Educational Services	900.00	2,560.00	3,460.00	2,105.18	1,354.82
Purchased Technical Services	200.00		200.00		200.00
General Supplies	750.00		750.00		750.00
Textbooks	200.00		200.00		200.00
Total Bilingual Education - Instruction	107,947.00	(27,440.00)	80,507.00	76,190.14	4,316.86
School - Sponsored Cocurricular Activities - Instruction:					
Salaries	45,587.00		45,587.00	38,859.00	6,728.00
Supplies and Materials		4,200.00	4,200.00	2,738.02	1,461.98
Other Objects		1,900.00	1,900.00	1,508.00	392.00
Total School - Sponsored Cocurricular Activities - Instruction	45,587.00	6,100.00	51,687.00	43,105.02	8,581.98
School - Sponsored Athletics - Instruction:					
Salaries	26,215.00		26,215.00	24,415.00	1,800.00
Supplies and Materials		5,000.00	5,000.00	1,469.41	3,530.59
Other Objects		5,000.00	5,000.00	4,078.00	922.00
Total School - Sponsored Athletics - Instruction	26,215.00	10,000.00	36,215.00	29,962.41	6,252.59
Total Instruction	5,791,914.00	52,083.95	5,843,997.95	5,645,798.07	198,199.88
Undistributed Expenditures - Instruction:					
Tuition to Other LEA's Within the State - Special	25,000.00	81,000.00	106,000.00	88,027.79	17,972.21
Tuition to County Special Services School Districts and Regional Day Schools	367,332.00	(145,000.00)	222,332.00	218,896.55	3,435.45
Tuition to Private Schools for the Handicapped - Within State	423,688.00	(74,100.00)	349,588.00	309,462.87	40,125.13
Total Undistributed Expenditures - Instruction	816,020.00	(138,100.00)	677,920.00	616,387.21	61,532.79

(Continued)

BOROUGH OF BELLMAWR SCHOOL DISTRICT
GENERAL FUND
 Required Supplementary Information
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2011

	Original <u>Budget</u>	Budget Modifications/ <u>Transfers</u>	Final <u>Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
<u>EXPENDITURES (CONT'D)</u>					
General Current Expense (Cont'd):					
Undistributed Expenditures - Attendance and Social Work:					
Salaries	\$ 2,000.00		\$ 2,000.00	\$ 2,000.00	
Purchased Professional and Technical Services		\$ 15,000.00	15,000.00	9,240.00	\$ 5,760.00
Total Undistributed Expenditures - Attendance and Social Work	2,000.00	15,000.00	17,000.00	11,240.00	5,760.00
Undistributed Expenditures - Health Services:					
Salaries	99,864.00	(5,500.00)	94,364.00	94,262.93	101.07
Purchased Professional and Technical Services	105,000.00	5,000.00	110,000.00	109,941.92	58.08
Other Purchased Services (400-500 series)	1,500.00		1,500.00		1,500.00
Supplies and Materials	10,000.00		10,000.00	7,768.31	2,231.69
Other Objects	250.00		250.00	180.00	70.00
Total Undistributed Expenditures - Health Services	216,614.00	(500.00)	216,114.00	212,153.16	3,960.84
Undistributed Expenditures - Other Support Service Students - Related Services:					
Salaries	97,005.00	9,000.00	106,005.00	105,108.65	896.35
Purchased Professional - Educational Services	100,000.00	11,700.00	111,700.00	110,120.41	1,579.59
Purchased Nursing Services		85,000.00	85,000.00	81,282.50	3,717.50
Other Objects	500.00		500.00		500.00
Total Undistributed Expenditures - Other Support Service Students - Related Services	197,505.00	105,700.00	303,205.00	296,511.56	6,693.44

(Continued)

BOROUGH OF BELLMAWR SCHOOL DISTRICT
GENERAL FUND
 Required Supplementary Information
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2011

	Original Budget	Budget Modifications/ Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<u>EXPENDITURES (CONT'D)</u>					
General Current Expense (Cont'd):					
Undistributed Expenditures - Other Support Service Students -					
Special:					
Salaries of Other Professional Staff	\$ 366,973.00	\$ 1,000.00	\$ 367,973.00	\$ 367,705.62	\$ 267.38
Salaries of Secretarial and Clerical Assistants	23,400.00	6,300.00	29,700.00	28,767.69	932.31
Supplies and Materials	8,500.00	3,872.00	12,372.00	11,863.91	508.09
Other Objects	2,500.00	900.00	3,400.00	3,353.32	46.68
Total Undistributed Expenditures - Other Support Service Students - Special	401,373.00	12,072.00	413,445.00	411,690.54	1,754.46
Undistributed Expenditures - Improvement of Instructional Services:					
Salary of Supervisor of Instruction	83,597.00	5,000.00	88,597.00	86,264.96	2,332.04
Purchased Prof- Educational Services	26,263.00	(9,975.00)	16,288.00	10,225.10	6,062.90
Supplies and Materials	18,250.00	46,085.21	64,335.21	23,866.81	40,468.40
Other Objects	37,500.00	24,229.63	61,729.63	61,602.91	126.72
Total Undistributed Expenditures - Improvement of Instructional Services	165,610.00	65,339.84	230,949.84	181,959.78	48,990.06
Undistributed Expenditures - Educational Media Services / School					
Library:					
Salaries	156,150.00	(20,400.00)	135,750.00	131,529.00	4,221.00
Purchased Prof - Educational Services	27,040.00	29,000.00	56,040.00	55,583.32	456.68
Supplies and Materials	15,500.00	5,475.60	20,975.60	11,910.08	9,065.52
Other Objects	8,000.00	(700.00)	7,300.00	7,300.00	7,300.00
Total Undistributed Expenditures - Educational Media Services / School Library	206,690.00	13,375.60	220,065.60	199,022.40	21,043.20

(Continued)

BOROUGH OF BELLMAWR SCHOOL DISTRICT
GENERAL FUND
 Required Supplementary Information
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2011

	Original <u>Budget</u>	Budget Modifications/ <u>Transfers</u>	Final <u>Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
<u>EXPENDITURES (CONT'D)</u>					
General Current Expense (Cont'd):					
Undistributed Expenditures - Support Services - General Administration:					
Salaries	\$ 177,685.00		\$ 177,685.00	\$ 174,033.12	\$ 3,651.88
Legal Services	25,000.00	\$ 22,863.17	47,863.17	45,224.11	2,639.06
Audit Fees	45,000.00	5,500.00	50,500.00	50,500.00	
Other Purchased Professional Services	20,000.00	(3,300.00)	16,700.00	9,931.53	6,768.47
Communications / Telephone	20,000.00	15,300.00	35,300.00	35,074.50	225.50
BOE Other Purchased Services	7,500.00		7,500.00	192.50	7,307.50
Miscellaneous Purchased Services	5,000.00		5,000.00	1,028.20	3,971.80
General Supplies	1,500.00		1,500.00	1,260.54	239.46
Board of Education Supplies	5,000.00	2,984.36	7,984.36	7,191.07	793.29
Miscellaneous Expenditures	1,000.00	2,000.00	3,000.00	2,413.02	586.98
BOE Membership Dues and Fees	10,000.00		10,000.00	9,976.85	23.15
Total Undistributed Expenditures - Support Services - General Administration	317,685.00	45,347.53	363,032.53	336,825.44	26,207.09
Undistributed Expenditures - Support Services - School Administration:					
Salaries of Principals / Assistant Principals	235,651.00	20,000.00	255,651.00	245,323.59	10,327.41
Salaries of Secretarial and Clerical Assistants	159,920.00	3,500.00	163,420.00	145,440.63	17,979.37
Other Purchased Services	5,000.00	(1,000.00)	4,000.00	4,000.00	
Supplies and Materials	1,000.00	3,594.27	4,594.27	2,380.54	2,213.73
Other Objects	8,000.00		8,000.00	6,299.10	1,700.90
Total Undistributed Expenditures - Support Services - School Administration	409,571.00	26,094.27	435,665.27	403,443.86	32,221.41

(Continued)

BOROUGH OF BELLMAWR SCHOOL DISTRICT
GENERAL FUND
 Required Supplementary Information
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2011

	Original <u>Budget</u>	Budget Modifications/ <u>Transfers</u>	Final <u>Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
<u>EXPENDITURES (CONT'D)</u>					
General Current Expense (Cont'd):					
Undistributed Expenditures - Central Services:					
Salaries	\$ 164,018.00	\$ (45,000.00)	\$ 119,018.00	\$ 114,618.96	\$ 4,399.04
Purchased Professional Services	8,000.00	56,450.00	64,450.00	62,305.00	2,145.00
Purchased Technical Services	15,000.00		15,000.00	14,195.00	805.00
Miscellaneous Purchased Services	5,000.00		5,000.00	5,000.00	
Supplies and Materials	4,000.00		4,000.00	3,767.07	232.93
Miscellaneous Expenditures	9,500.00	2,000.00	11,500.00	11,184.95	315.05
Total Undistributed Expenditures - Central Services	205,518.00	13,450.00	218,968.00	211,070.98	7,897.02
Undistributed Expenditures - Required Maintenance for School Facilities:					
Salaries	89,894.00	6,000.00	95,894.00	89,461.48	6,432.52
Cleaning, Repair and Maintenance Services	86,032.00	9,219.02	95,251.02	87,325.36	7,925.66
General Supplies	19,850.00	(1,928.60)	17,921.40	1,958.41	15,962.99
Other Objects	3,065.00		3,065.00	276.91	2,788.09
Total Undistributed Expenditures - Required Maintenance for School Facilities	198,841.00	13,290.42	212,131.42	179,022.16	33,109.26
Undistributed Expenditures - Other Operation and Maintenance of Plant:					
Salaries	274,465.00	4,000.00	278,465.00	278,329.73	135.27
Purchased Professional and Technical Services	12,000.00	(500.00)	11,500.00	2,065.00	9,435.00
Cleaning, Repair and Maintenance Services	16,500.00	4,663.00	21,163.00	17,902.08	3,260.92
Other Purchased Property Services	34,500.00	(1,300.00)	33,500.00	29,645.65	3,854.35
Insurance	45,000.00	2,500.00	47,500.00	47,281.00	219.00
Miscellaneous Purchased Services	3,500.00		3,500.00		3,500.00
General Supplies	31,000.00	27,318.59	58,318.59	35,387.29	22,931.30
Energy (Heat and Electricity)	300,000.00	(1,300.00)	298,700.00	285,837.57	12,862.43
Other Objects	6,000.00	1,956.30	7,956.30	4,920.42	3,035.88
Total Undistributed Expenditures - Operation and Maintenance of Plant Services	722,965.00	37,637.89	760,602.89	701,368.74	59,234.15

(Continued)

BOROUGH OF BELLMAWR SCHOOL DISTRICT
GENERAL FUND
 Required Supplementary Information
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2011

	Original Budget	Budget Modifications/ Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
EXPENDITURES (CONT'D)					
General Current Expense (Cont'd):					
Undistributed Expenditures - Care and Upkeep of Grounds:					
General Supplies		\$ 2,337.00	\$ 2,337.00	\$ 2,337.00	
Total Care and Upkeep of Grounds	-	2,337.00	2,337.00	2,337.00	-
Undistributed Expenditures - Student Transportation Services:					
Management Fee - ESC and CTSA Transportation Program	\$ 500.00		500.00		\$ 500.00
Contracted Services - Aid in Lieu of Payments - Nonpublic Schools	90,000.00		90,000.00	64,368.55	25,631.45
Contracted Services (Other than Between Home and School) - Vendors	8,000.00		8,000.00	3,888.00	4,112.00
Contracted Services (Special Education Students) - Vendors	41,000.00		41,000.00	38,610.00	2,390.00
Contracted Services (Special Education Students) - ESC's and CTSA's	225,000.00	31,428.69	256,428.69	111,882.41	144,546.28
Total Undistributed Expenditures - Student Transportation Services	364,500.00	31,428.69	395,928.69	218,748.96	177,179.73
Unallocated Benefits - Employee Benefits:					
Social Security Contributions	161,642.00	20,816.97	182,458.97	122,269.68	60,189.29
Other Retirement Contributions	125,000.00	16,191.00	141,191.00	138,873.67	2,317.33
Unemployment Compensation	100,000.00	(36,491.00)	63,509.00		63,509.00
Workers' Compensation	70,000.00	8,300.00	78,300.00	73,652.00	4,648.00
Health Benefits	1,377,063.00	65,000.00	1,442,063.00	1,387,758.16	54,304.84
Tuition Reimbursement	30,000.00		30,000.00	24,055.72	5,944.28
Total Unallocated Benefits - Employee Benefits	1,863,705.00	73,816.97	1,937,521.97	1,746,609.23	190,912.74
On - behalf TPAF Pension Contributions				19,718.00	(19,718.00)
On - behalf TPAF Pension Contributions-Post Retirement Medical				418,803.00	(418,803.00)
Reimbursed TPAF Social Security Contributions				469,216.93	(469,216.93)
	-	-	-	907,737.93	(907,737.93)

(Continued)

BOROUGH OF BELLMAWR SCHOOL DISTRICT
GENERAL FUND
 Required Supplementary Information
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2011

	Original <u>Budget</u>	Budget Modifications/ <u>Transfers</u>	Final <u>Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
<u>EXPENDITURES (CONT'D)</u>					
Total Undistributed Expenditures	\$ 6,088,597.00	\$ 316,290.21	\$ 6,404,887.21	\$ 6,636,128.95	\$ (231,241.74)
Total General Current Expense	11,880,511.00	368,374.16	12,248,885.16	12,281,927.02	(33,041.86)
Capital Outlay:					
Equipment:					
Grades 1-5	40,000.00	(8,745.00)	31,255.00	12,899.97	18,355.03
Grades 6-8	40,000.00	121,257.64	161,257.64	125,923.68	35,333.96
Undistributed Expenditures - Central Services	50,000.00	(50,000.00)			
Operation of Plant		48,610.00	48,610.00	47,437.73	1,172.27
Non-Instructional Equipment		13,745.00	13,745.00	11,580.15	2,164.85
Total Equipment	130,000.00	124,867.64	254,867.64	197,841.53	57,026.11
Facilities Acquisition and Construction Services:					
Construction Services	218,000.00	(85,000.00)	133,000.00	21,789.00	111,211.00
Total Facilities Acquisition and Construction Services	218,000.00	(85,000.00)	133,000.00	21,789.00	111,211.00
Total Capital Outlay	348,000.00	39,867.64	387,867.64	219,630.53	168,237.11
Total Expenditures	12,228,511.00	408,241.80	12,636,752.80	12,501,557.55	135,195.25
Excess (Deficiency) of Revenues Over (Under) Expenditures	(299,900.00)	(408,241.80)	(708,141.80)	481,342.59	1,189,484.39

(Continued)

BOROUGH OF BELLMAWR SCHOOL DISTRICT
GENERAL FUND
 Required Supplementary Information
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2011

	Original <u>Budget</u>	Budget Modifications/ <u>Transfers</u>	Final <u>Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
Other Financing Sources (Uses):					
Capital Reserve Transferred to Capital Projects Fund		\$ (500,000.00)	\$ (500,000.00)	\$ (488,184.00)	\$ (11,816.00)
Capital Projects Fund Transferred to Capital Reserve				13,868.50	(13,868.50)
Capital Outlay Transferred to Capital Reserve				(400,000.00)	400,000.00
Capital Reserve Transferred from Capital Outlay				400,000.00	(400,000.00)
Transfer to Enterprise Fund	\$ (100.00)		(100.00)		(100.00)
Total Other Financing Sources (Uses)	<u>(100.00)</u>	<u>(500,000.00)</u>	<u>(500,100.00)</u>	<u>(474,315.50)</u>	<u>(25,784.50)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	\$ (300,000.00)	\$ (908,241.80)	\$ (1,208,241.80)	\$ 7,027.09	\$ 1,215,268.89
Fund Balances, July 1				1,403,779.75	1,403,779.75
Fund Balances, June 30	\$ (300,000.00)	\$ (908,241.80)	\$ (1,208,241.80)	\$ 1,410,806.84	\$ 2,619,048.64
Recapitulation:					
Recapitulation:					
Restricted Fund Balance:					
Capital Reserve				\$ 457,593.89	
Committed Fund Balance:					
Year-End Encumbrances				22,395.57	
Assigned Fund Balance:					
Year-End Encumbrances				176,200.31	
Designated for Subsequent Year's Expenditures				458,395.00	
Unassigned Fund Balance				296,222.07	
				<u>1,410,806.84</u>	
Reconciliation to Governmental Funds Statements (GAAP):					
Last State Aid Payment not Recognized on GAAP Basis				<u>(408,348.80)</u>	
Fund Balance per Governmental Funds (GAAP)				<u>\$ 1,002,458.04</u>	

BOROUGH OF BELLMAWR SCHOOL DISTRICT
 Required Supplementary Information
 Special Revenue Fund
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2011

	<u>Original Budget</u>	<u>Budget Transfers / Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
REVENUES:					
Federal Sources:					
Title I	\$ 305,638.00	\$ 26,182.50	\$ 331,820.50	\$ 275,628.51	\$ (56,191.99)
Title I, ARRA		36,678.68	36,678.68	27,979.68	(8,699.00)
Title II - A	47,864.00	48,101.00	95,965.00	30,198.22	(65,766.78)
Title II - D	704.00	3,025.00	3,729.00	3,729.00	
Title III	12,358.00		12,358.00	12,358.00	
Title IV	5,018.00		5,018.00		(5,018.00)
I.D.E.I.A., Part B	223,299.00	50,849.00	274,148.00	274,376.00	228.00
I.D.E.I.A., Part B ARRA		127,250.92	127,250.92	96,948.75	(30,302.17)
I.D.E.I.A., Part B, Preschool	12,358.00		12,358.00	12,130.00	(228.00)
I.D.E.I.A., Part B, Preschool ARRA		2,388.07	2,388.07	2,615.92	227.85
Total - Federal Sources	607,239.00	294,475.17	901,714.17	735,964.08	(165,750.09)
State Sources:					
PreSchool Education Aid	420,742.00		420,742.00	420,311.59	(430.41)
Total - State Sources	420,742.00	-	420,742.00	420,311.59	(430.41)
Total Revenues	1,027,981.00	294,475.17	1,322,456.17	1,156,275.67	(166,180.50)
EXPENDITURES:					
Instruction:					
Salaries of Teachers	357,701.00	43,027.60	400,728.60	400,728.60	
Other Salaries for Instruction	63,091.00	(1,232.83)	61,858.17	61,858.17	
Purchased Professional and Technical Services	97,864.00	54,368.50	152,232.50	37,390.72	114,841.78
Purchased Professional and Educational Services		118,234.40	118,234.40	90,548.15	27,686.25
Other Purchased Services (400-500 series)	245,657.00	40,849.00	286,506.00	286,506.00	
General Supplies	41,795.00	7,784.21	49,579.21	35,056.15	14,523.06
Other Objects	13,489.00	(7,489.00)	6,000.00	6,000.00	
Total Instruction	819,597.00	255,541.88	1,075,138.88	918,087.79	157,051.09
Support Services:					
Salaries of Program Directors	80,871.00		80,871.00	80,871.00	
Salaries of Secretarial and Clerical Assistants	30,810.00	(20.00)	30,790.00	30,790.00	
Personal Services - Employee Benefits	89,641.00	(2,976.12)	86,664.88	86,664.88	
Other Purchased Services		8,699.00	8,699.00		8,699.00
Supplies and Materials	704.00		704.00	704.00	
Other Objects	6358.00		6,358.00	6,358.00	
Total Support Services	208,384.00	5,702.88	214,086.88	205,387.88	8,699.00
Facilities Acquisition and Construction Services:					
Instructional Equipment		33,230.41	33,230.41	32,800.00	430.41
Construction Services					
Total Facilities Acquisition and Construction Services	-	33,230.41	33,230.41	32,800.00	430.41
Total Expenditures	1,027,981.00	294,475.17	1,322,456.17	1,156,275.67	166,180.50
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-

BOROUGH OF BELLMAWR SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 Note to RSI
 For the Fiscal Year Ended June 30, 2011

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources / Inflows of Resources:		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule (C-series)	\$ 12,982,900.14	\$ 1,156,275.67
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized		(3,119.96)
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes, and State aid payment recognized as revenue for budgetary purposes, not recognized for GAAP statements until the subsequent year	<u>812.40</u>	<u>(2,052.40)</u>
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (B-2)	<u>\$ 12,983,712.54</u>	<u>\$ 1,151,103.31</u>
Uses / Outflows of Resources:		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 12,501,557.55	\$ 1,156,275.67
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		<u>(3,119.96)</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (B-2)	<u>\$ 12,501,557.55</u>	<u>\$ 1,153,155.71</u>

OTHER SUPPLEMENTARY INFORMATION

SPECIAL REVENUE FUND

BOROUGH OF BELLMAWR SCHOOL DISTRICT
SPECIAL REVENUE FUND
Combining Schedules of Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2011

	<u>Total</u>	NCLB							<u>Total Brought Forward</u>	
		<u>Title I</u>		ARRA	<u>Title II - A</u>		<u>Title II - D</u>			<u>Title III</u>
		<u>2009-10</u>	<u>2010-11</u>	<u>2009-11</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2010-11</u>	
REVENUES:										
Federal Sources	\$ 735,964.08	\$ 26,182.50	\$ 249,446.01	\$ 27,979.68	\$ 10,387.50	\$ 19,810.72	\$ 3,025.00	\$ 704.00	\$ 12,358.00	\$ 386,070.67
State Sources	420,311.59									420,311.59
Total Revenues	1,156,275.67	26,182.50	249,446.01	27,979.68	10,387.50	19,810.72	3,025.00	704.00	12,358.00	806,382.26
EXPENDITURES:										
Instruction:										
Salaries of Teachers	400,728.60	22,940.00	169,956.00	2,791.80						205,040.80
Other Salaries for Instruction	61,858.17									61,858.17
Purchased Professional and Technical Services	37,390.72	3,242.50	3,950.00		10,387.50	19,810.72				
Purchased Professional Educational Services	90,548.15			18,234.40						72,313.75
Other Purchased Services (400-500 series)	286,506.00									286,506.00
General Supplies	35,056.15		1,635.01	6,953.48			3,025.00			23,442.66
Textbooks										
Other Objects	6,000.00								6,000.00	
Total Instruction	918,087.79	26,182.50	175,541.01	27,979.68	10,387.50	19,810.72	3,025.00	-	6,000.00	649,161.38
Support Services:										
Salaries of Program Directors	80,871.00		25,657.00							55,214.00
Salaries of Secretarial and Clerical Assistants	30,790.00		14,257.00							16,533.00
Personal Services - Employee Benefits	86,664.88		33,991.00							52,673.88
Purchased Professional and Technical Services	-									
Supplies and Materials	704.00							704.00		
Other Objects	6,358.00								6,358.00	
Total Support Services	205,387.88	-	73,905.00	-	-	-	-	704.00	6,358.00	124,420.88
Facilities Acquisition and Construction Services:										
Instructional Equipment	32,800.00									32,800.00
Construction Services										
	32,800.00	-	-	-	-	-	-	-	-	32,800.00
Total Expenditures	1,156,275.67	26,182.50	249,446.01	27,979.68	10,387.50	19,810.72	3,025.00	704.00	12,358.00	806,382.26
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-	-	-	-	-	-

(Continued)

BOROUGH OF BELLMAWR SCHOOL DISTRICT
SPECIAL REVENUE FUND
Combining Schedules of Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2011

	Total Carried Forward	I.D.E.I.A. Part B				Preschool Educator Aid 2010-11
		Basic		ARRA		
		2010-11	2009-11	2010-11	2009-11	
REVENUES:						
Federal Sources	\$ 386,070.67	\$ 274,376.00	\$ 96,948.75	\$ 12,130.00	\$ 2,615.92	
State Sources	420,311.59					\$ 420,311.59
Total Revenues	806,382.26	274,376.00	96,948.75	12,130.00	2,615.92	420,311.59
EXPENDITURES:						
Instruction:						
Salaries of Teachers	205,040.80		20,000.00			185,040.80
Other Salaries for Instruction	61,858.17					61,858.17
Purchased Professional and Technical Services						
Purchased Professional Educational Services	72,313.75		72,313.75			
Other Purchased Services (400-500 series)	286,506.00	274,376.00		12,130.00		
General Supplies	23,442.66		4,635.00		2,615.92	16,191.74
Textbooks						
Other Objects						
Total Instruction	649,161.38	274,376.00	96,948.75	12,130.00	2,615.92	263,090.71
Support Services:						
Salaries of Program Directors	55,214.00					55,214.00
Salaries of Secretarial and Clerical Assistants	16,533.00					16,533.00
Personal Services - Employee Benefits	52,673.88					52,673.88
Purchased Professional and Technical Services						
Supplies and Materials						
Other Objects						
Total Support Services	124,420.88	-	-	-	-	124,420.88
Facilities Acquisition and Construction Services:						
Instructional Equipment	32,800.00					32,800.00
Construction Services						
	32,800.00	-	-	-	-	32,800.00
Total Expenditures	806,382.26	274,376.00	96,948.75	12,130.00	2,615.92	420,311.59
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-	-

BOROUGH OF BELLMAWR SCHOOL DISTRICT
SPECIAL REVENUE FUND
 Statement of Preschool Education Aid
 Budgetary Basis
 For the Fiscal Year Ended June 30, 2011

	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
EXPENDITURES:			
Instruction:			
Salaries of Teachers	\$ 185,040.80	\$ 185,040.80	
Other Salaries for Instruction	61,858.17	61,858.17	
Supplies and Materials	<u>16,191.74</u>	<u>16,191.74</u>	
Total Instruction	<u>263,090.71</u>	<u>263,090.71</u>	-
Support Services:			
Salaries of Program Directors	55,214.00	55,214.00	
Salaries of Secretarial and Clerical Assistants	16,533.00	16,533.00	
Personal Services - Employee Benefits	<u>52,673.88</u>	<u>52,673.88</u>	
Total Support Services	<u>124,420.88</u>	<u>124,420.88</u>	-
Facilities Acquisition and Construction Services:			
Instructional Equipment	<u>33,230.41</u>	<u>32,800.00</u>	430.41
Total Expenditures	<u>\$ 420,742.00</u>	<u>\$ 420,311.59</u>	<u>\$ 430.41</u>

Calculation of Budget and Carryover

Total revised 2010-11 Preschool Education Aid	\$ 420,742.00
Add: Actual ECPA Carryover (June 30, 2010)	<u>28,350.86</u>
Total Preschool Education Funds Available for 2008-09 Budget	449,092.86
Less: 2010-11 Budgeted Preschool Education Aid (Including Prior Year Budget Carryover)	<u>420,742.00</u>
Available and Unbudgeted Preschool Education Aid Funds as of June 30, 2010	28,350.86
Add: June 30, 2011 Unexpended Preschool Education Aid	<u>430.41</u>
2010-11 Carryover - Preschool Education Aid/Preschool	<u>\$ 28,781.27</u>
2010-11 Preschool Education Aid Carryover Budgeted for Preschool Programs 2011-12	<u>-</u>

CAPITAL PROJECTS FUND

BOROUGH OF BELLMAWR SCHOOL DISTRICT
 CAPITAL PROJECTS FUND
 Summary Schedule of Project Expenditures
 For the Fiscal Year Ended June 30, 2011

<u>Project Title/Issue</u>	<u>Original Date</u>	<u>Apropiations</u>	<u>Expenditures to Date</u>		<u>Unexpended Balance June 30, 2011</u>
			<u>Prior Years</u>	<u>Current Year</u>	
Bell Oaks Middle School Security System (G5-4140)	2/26/2009	\$ 50,203.50	\$ 50,203.50		
Bellmawr Park Elementary School Security System (G5-3141)	2/26/2009	44,010.50	44,010.50		
Ethel Burke Elementary School Security System (G5-3142)	2/26/2009	46,718.50	46,718.50		
Ethel Burke Elementary School New Windows	8/30/2010	343,750.00		\$ 248,304.81	\$ 95,445.19
Bellamwr Park Elementary School New Windows	8/30/2010	368,750.00		31,503.14	337,246.86
Bellmawr Park Elementary School Electrical New Electrical System	8/30/2010	362,500.00		290,943.77	71,556.23
		<u>\$ 1,215,932.50</u>	<u>140,932.50</u>	<u>570,751.72</u>	<u>\$ 504,248.28</u>
Recapitulation:					
Restricted:					
Year-End Encumbrances					\$ 489,680.25
Fund Balance					<u>14,568.03</u>
					<u>\$ 504,248.28</u>

BOROUGH OF BELLMAWR SCHOOL DISTRICT
CAPITAL PROJECTS FUND
 Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budgetary Basis
 For the Fiscal Year Ended June 30, 2011

Revenues and Other Financing Sources

State Sources - Educational Facilities Grant	\$ 586,816.00
Local Sources - Capital Reserve Transfer to Capital Projects Fund	<u>488,184.00</u>
	<u>1,075,000.00</u>

Expenditures and Other Financing Uses**Expenditures:**

Architecture	85,935.19
Construction Services	<u>484,816.53</u>
	<u>570,751.72</u>

Other Financing Uses:

Excess Local Sources Transfer to Capital Reserve	13,868.50
Cancel State Share Receivable	<u>15,199.00</u>
	<u>29,067.50</u>

Total Expenditures and Other Financing Uses	<u>599,819.22</u>
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Excess (Deficiency) of Revenues Over (Under) Expenditures	475,180.78
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Fund Balance, July 1	<u>29,067.50</u>
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Fund Balance, June 30	<u><u>\$ 504,248.28</u></u>
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BOROUGH OF BELLMAWR SCHOOL DISTRICT
CAPITAL PROJECTS FUND
 Schedule of Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis
 Bell Oaks Middle School Security System (G5-4140)
 From Inception and for the Fiscal Year Ended June 30, 2011

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - Educational Facilities Grant	\$ 31,371.00	\$ (5,040.00)	\$ 26,331.00	\$ 26,331.00
Capital Reserve Transfer to Capital Projects Fund	28,629.00	(4,756.50)	23,872.50	23,872.50
Total Revenues	60,000.00	(9,796.50)	50,203.50	50,203.50
Expenditures and Other Financing Uses				
Construction Services	15,682.50		15,682.50	15,682.50
Non-Instructional Equipment	34,521.00		34,521.00	34,521.00
Total Expenditures	50,203.50	-	50,203.50	50,203.50
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 9,796.50	\$ (9,796.50)	-	-

Additional Project Information

Project Number	0260-015-09-1001
Grant Date	2/26/2009
Bond Authorization Date	NA
Bonds Authorized	NA
Bonds Issued	NA
Original Authorized Cost	\$ 60,000.00
Additional Authorized Cost	(9,796.50)
Revised Authorized Cost	50,203.50
Percentage Increase over Original Authorized Cost	
Percentage Completion	100%
Original Target Completion Date	6/30/2009
Revised Target Completion Date	Complete

BOROUGH OF BELLMAWR SCHOOL DISTRICT
CAPITAL PROJECTS FUND

Schedule of Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis
 Bellmawr Park Elementary School Security System (G5-3141)
 From Inception and for the Fiscal Year Ended June 30, 2011

	<u>Prior</u> <u>Periods</u>	<u>Current</u> <u>Year</u>	<u>Totals</u>	<u>Revised</u> <u>Authorized</u> <u>Cost</u>
Revenues and Other Financing Sources				
State Sources - Educational Facilities Grant	\$ 26,143.00	\$ (3,263.00)	\$ 22,880.00	\$ 22,880.00
Capital Reserve Transfer to Capital Projects Fund	23,857.00	(2,726.50)	21,130.50	21,130.50
Total Revenues	50,000.00	(5,989.50)	44,010.50	44,010.50
Expenditures and Other Financing Uses				
Construction Services	10,606.50		10,606.50	10,606.50
Non-Instructional Equipment	33,404.00		33,404.00	33,404.00
Total Expenditures	44,010.50	-	44,010.50	44,010.50
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 5,989.50	\$ (5,989.50)	-	-

Additional Project Information

Project Number	0260-015-09-1002
Grant Date	2/26/2009
Bond Authorization Date	NA
Bonds Authorized	NA
Bonds Issued	NA
Original Authorized Cost	\$ 50,000.00
Additional Authorized Cost	(5,989.50)
Revised Authorized Cost	44,010.50
Percentage Increase over Original Authorized Cost	
Percentage Completion	100%
Original Target Completion Date	6/30/2009
Revised Target Completion Date	Complete

BOROUGH OF BELLMAWR SCHOOL DISTRICT
CAPITAL PROJECTS FUND

Schedule of Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis
 Ethel Burke Elementary School Security System (G5-3142)
 From Inception and for the Fiscal Year Ended June 30, 2011

	<u>Prior</u> <u>Periods</u>	<u>Current</u> <u>Year</u>	<u>Totals</u>	<u>Revised</u> <u>Authorized</u> <u>Cost</u>
Revenues and Other Financing Sources				
State Sources - Educational Facilities Grant	\$ 31,371.00	\$ (6,896.00)	\$ 24,475.00	\$ 24,475.00
Capital Reserve Transfer to Capital Projects Fund	28,629.00	(6,385.50)	22,243.50	22,243.50
Total Revenues	60,000.00	(13,281.50)	46,718.50	46,718.50
Expenditures and Other Financing Uses				
Construction Services	17,067.50		17,067.50	17,067.50
Non-Instructional Equipment	29,651.00		29,651.00	29,651.00
Total Expenditures	46,718.50	-	46,718.50	46,718.50
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 13,281.50	\$ (13,281.50)	-	-

Additional Project Information

Project Number	0260-015-09-1003
Grant Date	2/26/2009
Bond Authorization Date	NA
Bonds Authorized	NA
Bonds Issued	NA
Original Authorized Cost	\$ 60,000.00
Additional Authorized Cost	(13,281.50)
Revised Authorized Cost	46,718.50
Percentage Increase over Original Authorized Cost	-
Percentage Completion	100%
Original Target Completion Date	6/30/2009
Revised Target Completion Date	Complete

BOROUGH OF BELLMAWR SCHOOL DISTRICT
CAPITAL PROJECTS FUND
 Schedule of Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis
 Ethel Burke Elementary School New Windows
 From Inception and for the Fiscal Year Ended June 30, 2011

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - Educational Facilities Grant		\$ 191,671.00	\$ 191,671.00	\$ 191,671.00
Capital Reserve Transfer to Capital Projects Fund		152,079.00	152,079.00	152,079.00
Total Revenues	-	343,750.00	343,750.00	343,750.00
Expenditures and Other Financing Uses				
Architecture		25,850.45	25,850.45	25,850.45
Construction Services		222,454.36	222,454.36	317,899.55
Total Expenditures	-	248,304.81	248,304.81	343,750.00
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	\$ 95,445.19	\$ 95,445.19	-

Additional Project Information	
Project Number	0260-030-10-1002
Grant Date	8/30/2010
Bond Authorization Date	NA
Bonds Authorized	NA
Bonds Issued	NA
Original Authorized Cost	\$ 343,750.00
Additional Authorized Cost	-
Revised Authorized Cost	343,750.00
Percentage Increase over Original Authorized Cost	-
Percentage Completion	72%
Original Target Completion Date	9/30/2011
Revised Target Completion Date	N/A

BOROUGH OF BELLMAWR SCHOOL DISTRICT
CAPITAL PROJECTS FUND
 Schedule of Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis
 Bellamwr Park Elementary School New Windows
 From Inception and for the Fiscal Year Ended June 30, 2011

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - Educational Facilities Grant		\$ 205,611.00	\$ 205,611.00	\$ 205,611.00
Capital Reserve Transfer to Capital Projects Fund		163,139.00	163,139.00	163,139.00
Total Revenues	-	368,750.00	368,750.00	368,750.00
Expenditures and Other Financing Uses				
Architecture		28,184.72	28,184.72	28,184.72
Construction Services		3,318.42	3,318.42	340,565.28
Total Expenditures	-	31,503.14	31,503.14	368,750.00
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	\$ 337,246.86	\$ 337,246.86	-

Additional Project Information

Project Number	0260-020-10-1001
Grant Date	8/30/2010
Bond Authorization Date	NA
Bonds Authorized	NA
Bonds Issued	NA
Original Authorized Cost	\$ 368,750.00
Additional Authorized Cost	-
Revised Authorized Cost	368,750.00
Percentage Increase over Original Authorized Cost	-
Percentage Completion	9%
Original Target Completion Date	9/30/2011
Revised Target Completion Date	N/A

BOROUGH OF BELLMAWR SCHOOL DISTRICT
CAPITAL PROJECTS FUND

Schedule of Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis
 Bellmawr Park Elementary School New Electrical System
 From Inception and for the Fiscal Year Ended June 30, 2011

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - Educational Facilities Grant		\$ 189,534.00	\$ 189,534.00	\$ 189,534.00
Capital Reserve Transfer to Capital Projects Fund		172,966.00	172,966.00	172,966.00
Total Revenues	-	362,500.00	362,500.00	362,500.00
Expenditures and Other Financing Uses				
Architecture		31,900.02	31,900.02	31,900.02
Construction Services		259,043.75	259,043.75	330,599.98
Total Expenditures	-	290,943.77	290,943.77	362,500.00
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	\$ 71,556.23	\$ 71,556.23	-

Additional Project Information

Project Number	0260-020-09-1004
Grant Date	8/30/2010
Bond Authorization Date	NA
Bonds Authorized	NA
Bonds Issued	NA
Original Authorized Cost	\$ 362,500.00
Additional Authorized Cost	-
Revised Authorized Cost	362,500.00
Percentage Increase over Original Authorized Cost	-
Percentage Completion	80%
Original Target Completion Date	9/30/2011
Revised Target Completion Date	N/A

PROPRIETARY FUNDS

BOROUGH OF BELLMAWR SCHOOL DISTRICT

Enterprise Fund

Combining Statement of Net Assets

June 30, 2011

	<u>Food Service</u>
ASSETS:	
Current Assets:	
Cash and Cash Equivalents	\$ 139,062.53
Accounts Receivable:	
Federal	8,253.05
State	209.23
Inventories	<u>16,769.55</u>
Total Current Assets	<u>164,294.36</u>
Noncurrent Assets:	
Equipment	93,118.72
Less: Accumulated Depreciation	<u>(63,306.00)</u>
Total Noncurrent Assets	<u>29,812.72</u>
Total Assets	<u>194,107.08</u>
LIABILITIES:	
Current Liabilities:	
Accounts Payable	15,037.00
Capital Leases Payable - Current Portion	3,051.43
Interfund payable -- General Fund	<u>56,044.82</u>
Total Liabilities	<u>74,133.25</u>
NET ASSETS:	
Invested in Capital Assets Net of Related Debt	26,761.29
Unrestricted	<u>93,212.54</u>
Total Net Assets	<u>\$ 119,973.83</u>

BOROUGH OF BELLMAWR SCHOOL DISTRICT
 Enterprise Fund
 Combining Statement of Revenues, Expenses and Changes in Fund Net Assets
 For the Fiscal Year Ended June 30, 2011

	<u>Food Service</u>
OPERATING REVENUES:	
Charges for Services:	
Daily Sales - Reimbursable Programs	\$ 109,559.49
Daily Sales - Non-Reimbursable Programs	31,331.49
Daily Sales - Vending	9,428.16
Rebates	418.60
Other School District	81,618.51
Special Functions	11,422.68
	<u>243,778.93</u>
Total Operating Revenues	<u>243,778.93</u>
OPERATING EXPENSES:	
Cost of Sales	202,999.40
Salaries	136,511.77
Employee Benefits	28,368.15
Purchased Professional Services	19,660.20
Other Purchased Services	11,273.16
Supplies and Materials	36,590.95
Miscellaneous	2,610.86
Depreciation	6,787.03
	<u>444,801.52</u>
Total Operating Expenses	<u>444,801.52</u>
Operating Income (Loss)	<u>(201,022.59)</u>
NONOPERATING REVENUES:	
State Sources:	
State School Lunch Program	5,417.86
Federal Sources:	
National School Lunch Program	195,211.46
National School Breakfast Program	6,288.36
Special Milk Program	149.32
Food Distribution Program	20,143.51
Interest	199.05
	<u>227,409.56</u>
Total Nonoperating Revenues	<u>227,409.56</u>
Change in Net Assets	26,386.97
Net Assets (Deficit), July 1	<u>93,586.86</u>
Net Assets, June 30	<u><u>\$ 119,973.83</u></u>

BOROUGH OF BELLMAWR SCHOOL DISTRICT
 Enterprise Fund
 Statement of Cash Flows
 For the Fiscal Year Ended June 30, 2011

	<u>Food Service</u>
CASH FLOWS FROM OPERATING ACTIVITIES:	
Receipts from Customers	\$ 243,778.93
Payments to Employees	(136,511.77)
Payments for Employee Benefits	(28,368.15)
Payments to Suppliers	<u>(262,054.11)</u>
Net Cash Provided by (used for) Operating Activities	<u>(183,155.10)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:	
Federal Sources	205,548.23
State Sources	<u>5,784.69</u>
Net Cash Provided by (used for) Non-Capital Financing Activities	<u>211,332.92</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Payments on Capital Lease	(11,615.13)
Purchase of Capital Assets	<u>(483.88)</u>
Net Cash Provided by (used for) Capital and Related Financing Activities	<u>(12,099.01)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Interest	<u>199.05</u>
Net Cash Provided by (used for) Investing Activities	<u>199.05</u>
Net Increase (Decrease) in Cash and Cash Equivalents	16,277.86
Cash and Cash Equivalents, July 1	<u>122,784.67</u>
Cash and Cash Equivalents, June 30	<u>\$ 139,062.53</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:	
Operating Income (Loss)	\$ (201,022.59)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities:	
Depreciation	6,787.03
Food Distribution Program	20,143.51
(Increase) Decrease in Inventory	(788.85)
Increase (Decrease) in Interfund Payable	(9,311.20)
Increase (Decrease) in Accounts Payable	<u>1,037.00</u>
Total Adjustments	<u>17,867.49</u>
Net Cash Provided by (used for) Operating Activities	<u>\$ (183,155.10)</u>

FIDUCIARY FUNDS

BOROUGH OF BELLMAWR SCHOOL DISTRICT
 Fiduciary Funds
 Combining Statement of Fiduciary Net Assets
 June 30, 2011

	<u>Trust Funds</u>			<u>Agency Funds</u>		<u>Total</u>
	Mary E. Hare Memorial Scholarship <u>Fund</u>	Betty Sheppard Memorial <u>Fund</u>	Unemployment Compensation Trust <u>Fund</u>	Student Activity	Payroll	
ASSETS:						
Cash and Cash Equivalents	\$ 6,987.93	\$2,730.28	\$ 72,827.15	\$ 28,245.18	\$ 215,648.87	\$ 326,439.41
Total Assets	<u>6,987.93</u>	<u>2,730.28</u>	<u>72,827.15</u>	<u>\$ 28,245.18</u>	<u>\$ 215,648.87</u>	<u>326,439.41</u>
LIABILITIES:						
Interfund Accounts Payable:						
General Fund					\$ 41,231.09	41,231.09
Intergovernmental Accounts Payable - State					104,001.00	104,001.00
Payable to Student Groups				\$ 28,245.18		28,245.18
Payroll Deductions and Withholdings					70,416.78	70,416.78
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ 28,245.18</u>	<u>\$ 215,648.87</u>	<u>243,894.05</u>
NET ASSETS:						
Held in Trust for Unemployment Claims and Other Purposes			72,827.15			72,827.15
Reserved for Program Expenditures		2,730.28				2,730.28
Reserved for Scholarships	<u>6,987.93</u>					<u>6,987.93</u>
Total Net Assets	<u>\$ 6,987.93</u>	<u>\$2,730.28</u>	<u>\$ 72,827.15</u>			<u>\$ 82,545.36</u>

BOROUGH OF BELLMAWR SCHOOL DISTRICT
 Fiduciary Funds
 Combining Statement of Changes in Fiduciary Net Assets
 For the Fiscal Year Ended June 30, 2011

	Mary E. Hare Memorial Scholarship <u>Fund</u>	Betty Sheppard Memorial <u>Fund</u>	Unemployment Compensation Trust <u>Fund</u>	<u>Total</u>
ADDITIONS:				
Contributions:				
Donations		\$ 2,988.27		\$ 2,988.27
Employee Salary Deductions			\$ 8,583.92	8,583.92
Investment Earnings:				
Interest	\$ 13.15		105.72	118.87
Total Additions	<u>13.15</u>	<u>2,988.27</u>	<u>8,689.64</u>	<u>8,702.79</u>
DEDUCTIONS:				
Program Expenditures		4,725.00		4,725.00
Scholarships Awarded	1,000.00			1,000.00
Total Deductions	<u>1,000.00</u>	<u>4,725.00</u>	<u>-</u>	<u>5,725.00</u>
Change in Net Assets	(986.85)	(1,736.73)	8,689.64	2,977.79
Net Assets, July 1	<u>7,974.78</u>	<u>4,467.01</u>	<u>64,137.51</u>	<u>76,579.30</u>
Net Assets, June 30	<u>\$ 6,987.93</u>	<u>\$ 2,730.28</u>	<u>\$ 72,827.15</u>	<u>\$ 79,557.09</u>

BOROUGH OF BELLMAWR SCHOOL DISTRICT
 Fiduciary Funds
 Student Activity Agency Fund Schedule of Receipts and Disbursements
 For the Fiscal Year Ended June 30, 2011

	Balance <u>June 30, 2010</u>	Cash <u>Receipts</u>	Cash <u>Disbursements</u>	Balance <u>June 30, 2011</u>
ELEMENTARY SCHOOLS:				
Ethel M. Burke	\$ 2,164.52	\$ 4,842.12	\$ 5,509.08	\$ 1,497.56
Bellmawr Park	<u>1,376.09</u>	<u>22,498.44</u>	<u>8,766.25</u>	<u>15,108.28</u>
Total Elementary Schools	<u>3,540.61</u>	<u>27,340.56</u>	<u>14,275.33</u>	<u>16,605.84</u>
JUNIOR HIGH SCHOOLS:				
Bell Oaks	<u>16,621.14</u>	<u>77,831.14</u>	<u>82,812.94</u>	<u>11,639.34</u>
Total Junior High School	<u>16,621.14</u>	<u>77,831.14</u>	<u>82,812.94</u>	<u>11,639.34</u>
Total All Schools	<u><u>\$ 20,161.75</u></u>	<u><u>\$ 105,171.70</u></u>	<u><u>\$ 97,088.27</u></u>	<u><u>\$ 28,245.18</u></u>

BOROUGH OF BELLMAWR SCHOOL DISTRICT
 Fiduciary Funds
 Payroll Agency Fund Schedule of Receipts and Disbursements
 For the Fiscal Year Ended June 30, 2011

	<u>Balance June 30, 2010</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2011</u>
ASSETS:				
Cash and Cash Equivalents	\$ 128,102.17	\$ 8,951,539.63	\$ 8,863,992.93	\$ 215,648.87
Total Assets	<u>\$ 128,102.17</u>	<u>\$ 8,951,539.63</u>	<u>\$ 8,863,992.93</u>	<u>\$ 215,648.87</u>
LIABILITIES:				
Payroll Deductions and Withholdings	\$ 84,582.85	\$ 3,677,047.89	\$ 3,691,213.96	\$ 70,416.78
Net Payroll		5,068,104.19	5,068,104.19	
Intergovernmental Accounts Payable - State		104,001.00		104,001.00
Interfund Accounts Payable: Due General Fund	<u>43,519.32</u>	<u>102,386.55</u>	<u>104,674.78</u>	<u>41,231.09</u>
Total Liabilities	<u>\$ 128,102.17</u>	<u>\$ 8,951,539.63</u>	<u>\$ 8,863,992.93</u>	<u>\$ 215,648.87</u>

LONG-TERM DEBT

BOROUGH OF BELLMAWR SCHOOL DISTRICT
 Schedule of Serial Bonds
 For the Fiscal Year Ended June 30, 2011

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities</u>		<u>Interest Rate</u>	<u>Balance June 30, 2010</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance June 30, 2011</u>
			<u>Date</u>	<u>Amount</u>					
Serial Bonds:									
School District Bonds, Series of 1994	1/15/94	\$ 1,400,000.00	2012 to 2014	\$ 90,000.00	5.20%	\$ 360,000.00		\$ 90,000.00	\$ 270,000.00
School Refunding Bonds, Series of 2003	3/27/03	560,000.00	2012 2013	65,000.00 65,000.00	5.05% 5.40%	190,000.00		60,000.00	130,000.00
School District Bonds, Series of 2005	8/1/05	492,898.00	2012 2013 2014 2015 2016	50,000.00 55,000.00 65,000.00 70,000.00 67,898.00	3.40% 3.50% 3.65% 3.80% 3.90%	347,898.00		40,000.00	307,898.00
						<u>\$ 897,898.00</u>	<u>-</u>	<u>\$ 190,000.00</u>	<u>\$ 707,898.00</u>

BOROUGH OF BELLMAWR SCHOOL DISTRICT
 Budgetary Comparison Schedule
 Debt Service Fund
 For the Fiscal Year Ended June 30, 2011

	Original Budget	Budget Modifications / Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 206,287.00		\$ 206,287.00	\$ 206,287.74	\$ 0.74
State Sources:					
Debt Service Aid Type II	22,590.00		22,590.00	22,590.00	-
Total - State Sources	22,590.00	-	22,590.00	22,590.00	-
Total Revenues	228,877.00	-	228,877.00	228,877.74	0.74
EXPENDITURES:					
Regular Debt Service:					
Redemption of Principal	190,000.00		190,000.00	190,000.00	
Interest	38,878.00		38,878.00	38,878.02	(0.02)
Total Regular Debt Service	228,878.00	-	228,878.00	228,878.02	(0.02)
Total Expenditures	228,878.00	-	228,878.00	228,878.02	(0.02)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1.00)		(1.00)	(0.28)	0.72
Fund Balance, July 1	0.28		0.28	0.28	
Fund Balance, June 30	\$ (0.72)	-	\$ (0.72)	-	\$ 0.72

STATISTICAL SECTION

Financial Trends Information

Financial trends information is intended to assist the user in understanding and assessing how the School District's financial position has changed over time. Please refer to the following exhibits for a historical view of the School District's financial performance. Note that Exhibits J-1, J-2 and J-3 are only presented for the last eight fiscal years as the School District's first year of implementation of the Governmental Accounting Standards Board Statement No. 34 was for the fiscal year ended June 30, 2004; thus, ten year comparative financial information is unavailable.

BOROUGH OF BELLMAWR SCHOOL DISTRICT
 Net Assets by Component
 Last Eight Fiscal Years (accrual basis of accounting)
 Unaudited

	Fiscal Year Ending June 30,							
	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Governmental Activities								
Invested in Capital Assets, Net of Related Debt	\$ 4,230,246.05	\$ 3,699,786.03	\$ 3,601,902.51	\$ 3,423,941.72	\$ 3,460,935.38	\$ 3,328,264.53	\$ 3,190,404.60	\$ 3,053,576.43
Restricted	1,160,438.05	560,977.17	35,160.80	290,330.21	180,403.99	668,727.68	675,859.79	162,266.78
Unrestricted	<u>(873,630.78)</u>	<u>(828,816.81)</u>	<u>(627,455.36)</u>	<u>(1,062,594.29)</u>	<u>(979,300.34)</u>	<u>(1,613,863.54)</u>	<u>(1,476,771.95)</u>	<u>(1,812,769.16)</u>
Total Governmental Activities Net Assets	<u>\$ 4,517,053.32</u>	<u>\$ 3,431,946.39</u>	<u>\$ 3,009,607.95</u>	<u>\$ 2,651,677.64</u>	<u>\$ 2,662,039.03</u>	<u>\$ 2,383,128.67</u>	<u>\$ 2,389,492.44</u>	<u>\$ 1,403,074.05</u>
Business-type Activities								
Invested in Capital Assets, Net of Related Debt	\$ 26,761.29	\$ 21,449.31	\$ 2,808.22	\$ 3,873.42	\$ 5,112.62	18,711.25	19,950.25	26,021.00
Unrestricted	<u>93,212.54</u>	<u>72,137.55</u>	<u>65,930.71</u>	<u>69,846.08</u>	<u>78,640.39</u>	<u>82,492.88</u>	<u>79,213.09</u>	<u>76,987.50</u>
Total Business-type Activities Net Assets	<u>\$ 119,973.83</u>	<u>\$ 93,586.86</u>	<u>\$ 68,738.93</u>	<u>\$ 73,719.50</u>	<u>\$ 83,753.01</u>	<u>\$ 101,204.13</u>	<u>\$ 99,163.34</u>	<u>\$ 103,008.50</u>
District-wide								
Invested in Capital Assets, Net of Related Debt	\$ 4,257,007.34	\$ 3,721,235.34	\$ 3,604,710.73	\$ 3,427,815.14	\$ 3,466,048.00	\$ 3,346,975.78	\$ 3,210,354.85	\$ 3,079,597.43
Restricted	1,160,438.05	560,977.17	35,160.80	290,330.21	180,403.99	668,727.68	675,859.79	162,266.78
Unrestricted	<u>(780,418.24)</u>	<u>(756,679.26)</u>	<u>(561,524.65)</u>	<u>(992,748.21)</u>	<u>(900,659.95)</u>	<u>(1,531,370.66)</u>	<u>(1,397,558.86)</u>	<u>(1,735,781.66)</u>
Total District-wide Net Assets	<u>\$ 4,637,027.15</u>	<u>\$ 3,525,533.25</u>	<u>\$ 3,078,346.88</u>	<u>\$ 2,725,397.14</u>	<u>\$ 2,745,792.04</u>	<u>\$ 2,484,332.80</u>	<u>\$ 2,488,655.78</u>	<u>\$ 1,506,082.55</u>

Source: District Records

BOROUGH OF BELLMAWR SCHOOL DISTRICT
 Changes in Net Assets
 Last Eight Fiscal Years (accrual basis of accounting)
 Unaudited

	<u>Fiscal Year Ending June 30,</u>							
	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Expenses								
Governmental Activities								
Instruction								
Regular	\$ 5,129,290.93	\$ 5,241,432.33	\$ 4,877,512.45	\$ 4,640,402.70	\$ 4,860,980.99	\$ 4,762,934.17	\$ 4,643,032.05	\$ 4,467,895.81
Special Education	1,326,955.97	1,330,485.79	1,268,916.31	1,042,056.45	764,783.93	685,979.05	825,153.03	721,147.49
Other Special Education	76,190.14	104,993.73	115,408.05	65,999.94	62,805.15	11,670.26	10,562.03	8,160.86
Other Instruction	73,067.43	69,815.47	70,512.59	69,097.18	68,154.75	65,192.35	62,754.77	49,398.95
Support Services:								
Tuition	616,387.21	636,621.00	749,854.53	917,190.22	746,552.40	726,504.71	524,106.74	626,133.48
Student & Instruction Related Services	1,427,507.78	1,551,926.97	1,329,130.12	1,306,492.80	1,338,677.45	1,347,268.02	1,103,043.57	1,292,780.12
School Administrative Services	403,143.86	456,772.46	501,159.73	305,709.71	408,705.57	364,577.23	371,003.15	366,477.81
General and Business Administrative Services	554,520.72	514,627.83	551,218.40	570,382.99	562,728.37	466,783.92	492,159.69	522,451.02
Plant Operations and Maintenance	1,247,031.77	1,176,342.39	1,137,806.32	958,769.77	959,866.04	872,560.73	729,941.36	696,973.35
Pupil Transportation	212,323.96	264,519.34	343,684.74	428,241.75	335,107.21	319,968.45	243,012.16	236,560.68
Unallocated Benefits	2,741,012.04	2,780,023.00	2,466,661.29	3,084,676.40	3,060,534.86	2,437,306.39	2,242,930.05	1,878,206.26
Transfer to Charter School							2,360.00	7,684.00
Interest on Long-term Debt	32,753.85	45,831.35	51,889.48	59,214.49	66,131.75	62,563.77	60,609.16	64,704.25
Unallocated Depreciation and Amortization	10,018.00	10,018.00	10,018.00	10,018.00	10,018.00	9,851.33	8,018.00	8,018.00
Total Governmental Activities Expenses	<u>13,850,203.66</u>	<u>14,183,409.66</u>	<u>13,473,772.01</u>	<u>13,458,252.40</u>	<u>13,245,046.47</u>	<u>12,133,160.38</u>	<u>11,318,685.76</u>	<u>10,946,592.08</u>
Business-type Activities:								
Food Service	<u>444,801.52</u>	<u>467,958.47</u>	<u>378,899.92</u>	<u>379,081.85</u>	<u>369,472.95</u>	<u>332,330.33</u>	<u>329,271.74</u>	<u>313,293.85</u>
Total Business-type Activities Expense	<u>444,801.52</u>	<u>467,958.47</u>	<u>378,899.92</u>	<u>379,081.85</u>	<u>369,472.95</u>	<u>332,330.33</u>	<u>329,271.74</u>	<u>313,293.85</u>
Total District Expenses	<u>\$ 14,295,005.18</u>	<u>\$ 14,651,368.13</u>	<u>\$ 13,852,671.93</u>	<u>\$ 13,837,334.25</u>	<u>\$ 13,614,519.42</u>	<u>\$ 12,465,490.71</u>	<u>\$ 11,647,957.50</u>	<u>\$ 11,259,885.93</u>

(Continued)

BOROUGH OF BELLMAWR SCHOOL DISTRICT
 Changes in Net Assets
 Last Eight Fiscal Years (accrual basis of accounting)
 Unaudited

	<u>Fiscal Year Ending June 30,</u>							
	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Program Revenues								
Governmental Activities:								
Operating Grants and Contributions								
Instruction:								
Regular	\$ 933,991.43	\$ 902,783.80	\$ 817,396.94	\$ 1,131,532.45	\$ 1,118,577.59	\$ 1,126,987.49	\$ 1,222,305.63	\$ 1,059,807.97
Support Services:								
Student and Instruction Related Services	130,447.00	156,217.02	49,849.00	233,028.18	233,783.74	287,378.59	230,954.85	443,030.54
School Administrative Services			8,266.00	24,902.69	31,800.00	30,434.00	29,234.00	
Unallocated Benefits	994,402.81	1,000,777.41	99,256.00	1,771,239.57	1,723,647.09	1,238,099.23	1,079,277.43	776,419.86
Interest on Long-Term Debt	3,837.22	5,549.62	6,442.85	7,313.20	8,463.07	9,046.73	9,939.93	
	<u>2,062,678.46</u>	<u>2,065,327.85</u>	<u>981,210.79</u>	<u>3,168,016.09</u>	<u>3,116,271.49</u>	<u>2,691,946.04</u>	<u>2,571,711.84</u>	<u>2,279,258.37</u>
Capital Grants and Contributions	<u>586,816.00</u>	<u>60,540.00</u>	<u>114,576.00</u>	-	<u>2,212.66</u>	<u>3,186.53</u>	-	-
Total Governmental Activities Program Revenues	<u>2,649,494.46</u>	<u>2,125,867.85</u>	<u>1,095,786.79</u>	<u>3,168,016.09</u>	<u>3,118,484.15</u>	<u>2,695,132.57</u>	<u>2,571,711.84</u>	<u>2,279,258.37</u>
Business-type activities:								
Charges for services	243,778.93	252,803.19	165,598.04	168,322.48	169,778.28	161,419.43	169,713.79	166,243.85
Operating Grants and Contributions	<u>227,210.51</u>	<u>239,655.37</u>	<u>207,489.69</u>	<u>198,686.71</u>	<u>180,077.00</u>	<u>171,363.24</u>	<u>154,905.95</u>	<u>142,384.74</u>
Total Business-type Activities Program Revenues	<u>470,989.44</u>	<u>492,458.56</u>	<u>373,087.73</u>	<u>367,009.19</u>	<u>349,855.28</u>	<u>332,782.67</u>	<u>324,619.74</u>	<u>308,628.59</u>
Total District Program Revenues	<u>\$ 3,120,483.90</u>	<u>\$ 2,618,326.41</u>	<u>\$ 1,468,874.52</u>	<u>\$ 3,535,025.28</u>	<u>\$ 3,468,339.43</u>	<u>\$ 3,027,915.24</u>	<u>\$ 2,896,331.58</u>	<u>\$ 2,587,886.96</u>
Net (Expense)/Revenue								
Governmental Activities	\$ (11,200,709.20)	\$ (12,057,541.81)	\$ (12,377,985.22)	\$ (10,290,236.31)	\$ (10,126,562.32)	\$ (9,438,027.81)	\$ (8,746,974.04)	\$ (8,667,333.71)
Business-type Activities	<u>26,187.92</u>	<u>24,500.09</u>	<u>(5,812.19)</u>	<u>(12,072.66)</u>	<u>(19,617.67)</u>	<u>452.34</u>	<u>(4,652.00)</u>	<u>(4,665.26)</u>
Total District-wide Net Expense	<u>\$ (11,174,521.28)</u>	<u>\$ (12,033,041.72)</u>	<u>\$ (12,383,797.41)</u>	<u>\$ (10,302,308.97)</u>	<u>\$ (10,146,179.99)</u>	<u>\$ (9,437,575.47)</u>	<u>\$ (8,751,626.04)</u>	<u>\$ (8,671,998.97)</u>

(Continued)

BOROUGH OF BELLMAWR SCHOOL DISTRICT
 Changes in Net Assets
 Last Eight Fiscal Years (accrual basis of accounting)
 Unaudited

	<u>Fiscal Year Ending June 30.</u>							
	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
General Revenues and Other Changes in Net Assets								
Governmental Activities:								
Property Taxes Levied for General Purposes, Net	\$ 7,582,611.26	\$ 7,331,358.00	\$ 7,068,613.00	\$ 6,878,474.00	\$ 7,035,727.00	\$ 6,105,709.00	\$ 6,190,202.00	\$ 5,993,805.00
Taxes Levied for Debt Service	206,287.74	203,744.00	205,047.00	52,013.00	204,856.00	151,376.00	133,010.00	157,788.00
Unrestricted Grants and Contributions	4,392,181.14	4,903,977.60	5,334,080.43	3,258,893.00	3,025,090.60	3,036,890.00	3,353,560.65	2,926,444.27
Restricted Grants and Contributions	18,752.78	22,171.38	19,831.15	19,938.80	20,719.93	20,136.27	20,181.27	
Investment Income	3,284.25	10,348.12	12,832.17	45,884.13	76,846.19	60,916.19	31,742.72	7,517.00
Contributions - Capital Assets					6,277.03			
Miscellaneous Income	82,698.96	8,281.15	95,511.78	24,671.99	35,956.02	56,636.58	4,695.99	8,198.68
Total Governmental Activities	<u>12,285,816.13</u>	<u>12,479,880.25</u>	<u>12,735,915.53</u>	<u>10,279,874.92</u>	<u>10,405,472.77</u>	<u>9,431,664.04</u>	<u>9,733,392.63</u>	<u>8,953,752.95</u>
Business-type Activities:								
Investment Earnings	199.05	347.84	831.62	2,039.15	2,166.55	1,588.45	806.84	223.83
Total Business-type Activities	<u>199.05</u>	<u>347.84</u>	<u>831.62</u>	<u>2,039.15</u>	<u>2,166.55</u>	<u>1,588.45</u>	<u>806.84</u>	<u>223.83</u>
Total District-wide	<u>\$ 12,286,015.18</u>	<u>\$ 12,480,228.09</u>	<u>\$ 12,736,747.15</u>	<u>\$ 10,281,914.07</u>	<u>\$ 10,407,639.32</u>	<u>\$ 9,433,252.49</u>	<u>\$ 9,734,199.47</u>	<u>\$ 8,953,976.78</u>
Change in Net Assets								
Governmental Activities	\$ 1,085,106.93	\$ 422,338.44	\$ 357,930.31	\$ (10,361.39)	\$ 278,910.45	\$ (6,363.77)	\$ 986,418.59	\$ 286,419.24
Business-type Activities	26,386.97	24,847.93	(4,980.57)	(10,033.51)	(17,451.12)	2,040.79	(3,845.16)	(4,441.43)
Total District	<u>\$ 1,111,493.90</u>	<u>\$ 447,186.37</u>	<u>\$ 352,949.74</u>	<u>\$ (20,394.90)</u>	<u>\$ 261,459.33</u>	<u>\$ (4,322.98)</u>	<u>\$ 982,573.43</u>	<u>\$ 281,977.81</u>

Source: District Records

BOROUGH OF BELLMAWR SCHOOL DISTRICT
Fund Balances, Governmental Funds
Last Eight Fiscal Years (modified accrual basis of accounting)
Unaudited

	Fiscal Year Ending June 30.							
	<u>2011(a)</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
General Fund								
Restricted	\$ 457,593.89	\$ 940,151.19	\$ 588,987.66	\$ 461,488.83	\$ 37,701.87	\$ 376,123.55	\$ 379,160.69	\$ 162,266.78
Committed	22,395.57							
Assigned	522,468.58							
Unassigned								
Unreserved		54,467.36	99,327.82	175,087.80	609,272.69	336,505.14	499,987.47	310,813.66
Total General Fund	\$ 1,002,458.04	\$ 994,618.55	\$ 688,315.48	\$ 636,576.63	\$ 646,974.56	\$ 712,628.69	\$ 879,148.16	\$ 473,080.44
All Other Governmental Funds								
Restricted	\$ 504,248.28							
Reserved							\$ 529,075.00	
Unreserved, Reported in:								
Special Revenue Fund	(42,074.20)	\$ (40,021.80)	\$ (14,694.80)	\$ (35,488.80)	\$ (39,367.80)	(39,367.80)	(39,367.80)	\$ (39,367.80)
Capital Projects Fund		29,067.50	29,067.50			166,945.38	(232,375.90)	
Debt Service Fund		0.28	6,093.30		153,090.84	1.00	7,317.00	7,316.50
Total All Other Governmental Funds	\$ 462,174.08	\$ (10,954.02)	\$ 20,466.00	\$ (35,488.80)	\$ 113,723.04	\$ 127,578.58	\$ 264,648.30	\$ (32,051.30)

(a) Beginning for the fiscal year ended June 30, 2011, the School District began reporting fund balances under GASB 54.

Source: District Records

BOROUGH OF BELLMAWR SCHOOL DISTRICT
 Changes in Fund Balances, Governmental Funds
 Last Ten Fiscal Years (modified accrual basis of accounting)
 Unaudited

	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Revenues										
Tax levy	\$ 7,788,899.00	\$ 7,535,102.00	\$ 7,273,660.00	\$ 6,930,487.00	\$ 7,240,583.00	\$ 6,257,085.00	\$ 6,323,212.00	6,151,593.00	5,896,442.00	5,341,667.00
Interest on Capital Reserve Funds								16.87	103.33	
Interest on Investments	3,284.25	10,348.12	12,832.17	45,884.13	76,846.19	60,916.19	31,742.72	7,500.13	8,861.83	18,681.68
Miscellaneous	97,897.96	8,281.15	74,717.78	10,417.99	35,956.02	56,448.91	4,695.99	8,198.68	32,296.44	17,328.90
Local Sources - Restricted		25,000.00	16,105.00	14,254.00						
State sources	6,285,247.49	5,470,928.87	5,887,287.96	5,937,892.96	5,532,393.18	5,146,808.04	5,274,576.37	4,656,300.32	4,343,331.64	4,175,039.85
Federal sources	775,180.89	1,556,087.98	567,099.41	508,954.93	631,901.50	605,350.80	670,877.19	549,402.32	544,510.18	440,029.16
Total Revenue	14,950,509.59	14,605,748.12	13,831,702.32	13,447,891.01	13,517,679.89	12,126,608.94	12,305,104.27	11,373,011.32	10,825,545.42	9,992,746.59
Expenditures										
Instruction										
Regular Instruction	5,105,628.36	5,253,576.86	4,881,058.89	4,712,326.12	4,945,105.58	4,826,063.44	4,673,851.23	4,444,874.98	4,409,418.54	4,587,004.48
Special Education Instruction	1,326,955.97	1,330,485.79	1,268,916.31	1,042,056.45	764,783.93	685,979.05	825,153.03	721,147.49	796,881.07	674,785.87
Other Special Instruction	76,190.14	104,993.73	115,408.05	65,999.94	62,805.24	11,670.26	10,562.15	8,160.86	9,277.26	21,549.36
Other Instruction	73,067.43	69,815.47	70,512.59	69,097.18	68,154.75	65,192.35	62,754.77	49,398.95	69,583.00	60,100.26
Support Services:										
Tuition	616,387.21	636,621.00	749,854.53	917,190.22	746,552.40	726,504.71	524,106.74	626,133.48	724,210.60	493,817.50
Student and Instruction Related Services	1,443,024.44	1,559,028.65	1,335,951.13	1,300,375.30	1,370,084.95	1,319,180.52	1,097,356.07	1,291,842.62	1,122,039.41	1,091,986.98
School administrative services	403,443.86	452,102.46	485,754.66	301,597.21	398,814.66	394,924.06	361,253.15	357,040.31	347,428.53	376,086.03
Other Adm Services	547,896.42	511,730.20	546,158.40	614,198.82	495,070.52	496,672.25	473,336.39	497,806.82	219,435.40	219,506.28
Plant operations and maintenance	882,727.90	900,295.12	940,141.50	769,077.90	801,138.46	727,146.82	696,831.88	674,364.80	650,439.04	633,150.81
Pupil transportation	218,748.96	273,369.34	343,684.74	428,241.75	335,107.21	319,968.45	243,012.16	236,560.68	268,835.62	226,160.61
Business and Other Support Services									228,872.44	222,803.37
Unallocated benefits	2,741,012.04	2,780,023.00	2,466,661.29	3,084,676.40	3,060,534.86	2,437,306.39	2,242,930.05	1,878,206.26	1,726,274.15	1,405,325.28
Special Schools									3,499.00	
Capital outlay	790,382.25	221,265.21	294,679.08	70,307.65	215,255.30	724,800.50	196,001.83	120,655.42	254,802.52	135,216.18
Transfer to Charter School							2,360.00	7,684.00		
Debt service:										
Principal	190,000.00	190,000.00	170,000.00	170,000.00	165,000.00	130,000.00	130,000.00	115,000.00	65,000.00	65,000.00
Interest and other charges	38,878.02	47,558.02	55,230.52	62,353.02	69,038.02	62,827.50	62,827.50	62,688.50	49,460.00	52,580.00
Total Expenditures	14,454,343.00	14,330,864.85	13,724,011.69	13,607,497.96	13,497,445.88	11,602,336.95	11,602,336.95	11,091,565.17	10,945,456.58	10,265,073.01
Excess (Deficiency) of Revenues Over (Under) Expenditures	496,166.59	274,883.25	107,690.63	(159,606.95)	20,234.01	702,767.32	702,767.32	281,446.15	(119,911.16)	(272,326.42)
Other Financing Sources (Uses)										
Capital Leases (Non-budgeted)										
Budgeted Increase in Capital Reserve	(400,000.00)					(162,861.00)				
Increase in Capital Reserve	400,000.00					162,861.00				
Bond Proceeds						492,898.00				
Prior Year Bills					(52,349.66)					
Accrued Interest						187.67				
Canceled Receivables	(15,199.00)				(47,394.02)					
Capital Reserve transferred to Capital Outlay										
Transfers In			81,115.00	372,284.00	525,372.86	344,741.00	293,306.00	243,743.00	328,489.45	122,000.00
Transfers Out			(81,115.00)	(372,284.00)	(525,372.86)	(344,741.00)	(293,306.00)	(243,743.00)	(328,489.45)	
Total Other Financing Sources (Uses)	(15,199.00)		-	-	(99,743.68)	493,085.67	-	-	-	122,000.00
Net Change in Fund Balances	\$ 480,967.59		\$ 107,690.63	\$ (159,606.95)	\$ (79,509.67)	\$ (303,589.19)	\$ 702,767.32	\$ 281,446.15	\$ (119,911.16)	\$ (150,326.42)
Debt Service as a Percentage of Noncapital Expenditures	1.6%	1.7%	1.6%	1.7%	1.7%	1.5%	1.69%	1.62%	1.07%	1.16%

Source: District Records

BOROUGH OF BELLMAWR SCHOOL DISTRICT
 General Fund - Other Local Revenue by Source
 Last Ten Fiscal Years (modified accrual basis of accounting)
 Unaudited

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
Book Reimbursements		\$ 278.11	\$ 606.45	\$ 678.85	\$ 2,541.13	\$ 3,954.27	\$ 276.14	\$ 754.93	\$ 512.18	\$ 353.68
Class Refunds									90.00	230.92
Cobra Refunds						1,122.65				
Donations			3,150.00		155.76					
E-Rate Reimbursements						4,355.99				
Facilities Use	\$ 8,351.00									
Field Trip Refunds										
Insurance Refunds						8,908.23		3,290.00	8,057.00	2,594.00
Jury Duty Reimbursements				9.00	11.00					
Miscellaneous	14,693.61	2,282.20	7,331.98	8,199.17	31,708.99	5,860.65	1,693.42	3,343.97	7,676.16	846.69
Postage Reimbursements										
Proceeds From Sale of Assets						1,174.00				3,500.00
Refunds of Prior Year Expenses	0.20		63,461.04			18,865.04		398.28		4,632.95
Telephone Reimbursements										
Tuition & Tuition Refunds	74,852.95	5,720.84	91.49	1,339.58	1,329.00	11,617.08			14,466.17	3,935.08
Vendor Rebates			77.02	191.39	210.14	591.00	2,726.43	411.50	1,494.93	1,235.58
	<u>\$ 97,897.76</u>	<u>\$ 8,281.15</u>	<u>\$ 74,717.98</u>	<u>\$ 10,417.99</u>	<u>\$ 35,956.02</u>	<u>\$ 56,448.91</u>	<u>\$ 4,695.99</u>	<u>\$ 8,198.68</u>	<u>\$ 32,296.44</u>	<u>\$ 17,328.90</u>

Source: District Records.

Revenue Capacity Information

Revenue capacity information is intended to assist users in understanding and assessing the factors affecting the School District's ability to generate revenues. Please refer to the following exhibits for a historical view of these factors and how they relate to the School District's ability to generate revenues.

BOROUGH OF BELLMAWR SCHOOL DISTRICT
Assessed Value and Actual Value of Taxable Property
Last Ten Fiscal Years
Unaudited

Year Ended Dec. 31,	Vacant Land	Residential	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities (1)	Net Valuation Taxable	Tax Exempt Property	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate (2)
2011	\$ 8,763,100.00	\$ 578,671,900.00	\$ 80,294,900.00	\$ 99,163,600.00	\$ 65,702,600.00	\$ 832,596,100.00	\$ 1,147,259.00	\$ 833,743,359.00	\$ 126,285,800.00	\$ 858,904,057.00	\$ 0.920
2010	8,439,300.00	577,285,300.00	83,073,000.00	99,602,300.00	65,702,600.00	834,102,500.00	1,337,997.00	835,440,497.00	126,273,500.00	855,123,775.00	0.92
2009 (3)	8,672,800.00	576,086,300.00	84,801,500.00	106,056,000.00	66,014,700.00	841,631,300.00	1,380,914.00	843,012,214.00	123,216,600.00	848,773,063.00	1.651
2008	4,030,800.00	297,552,200.00	40,861,800.00	58,522,900.00	28,582,600.00	429,550,300.00	659,045.00	430,209,345.00	53,829,800.00	865,270,803.00	1.651
2007	4,180,700.00	296,793,900.00	41,060,700.00	58,522,900.00	28,553,300.00	429,111,500.00	695,909.00	429,807,409.00	53,653,500.00	784,806,639.00	1.648
2006	4,209,600.00	296,354,500.00	40,121,500.00	58,816,900.00	28,584,700.00	428,087,200.00	808,116.00	428,895,316.00	50,735,200.00	676,241,841.00	1.573
2005	3,893,600.00	295,053,800.00	39,445,400.00	58,431,100.00	28,561,500.00	425,385,400.00	1,024,390.00	426,409,790.00	50,742,700.00	567,366,344.00	1.475
2004	3,574,900.00	294,887,400.00	40,145,200.00	58,538,500.00	28,508,700.00	425,654,700.00	1,121,810.00	426,776,510.00	50,969,300.00	503,150,139.00	1.462
2003	3,779,100.00	293,452,700.00	40,658,100.00	58,635,100.00	28,537,000.00	425,062,000.00	1,250,890.00	426,312,890.00	50,930,500.00	487,910,710.00	1.413
2002	3,828,500.00	292,377,500.00	41,352,000.00	58,593,900.00	28,471,500.00	424,623,400.00	1,284,191.00	425,907,591.00	50,023,800.00	474,280,006.00	1.320

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

(2) Tax Rates are per \$100.00 of Assessed Valuation

(3) Revaluation

Source: Municipal Tax Assessor

BOROUGH OF BELLMAWR SCHOOL DISTRICT

Direct and Overlapping Property Tax Rates

Last Ten (Fiscal) Years

(rate per \$100 of assessed value)

Unaudited

Year Ended Dec. 31	District Direct Rate			Overlapping Rates			Total Direct and Overlapping Tax Rate
	Basic Rate (1)	General Obligation Debt Service (2)	Total Direct School Tax Rate	Regional School District	Borough of Bellmawr	County of Camden	
2011	\$ 0.897	\$ 0.025	\$ 0.920	\$ 0.464	\$ 0.934	\$ 0.665	\$ 2.982
2010	0.895	0.025	0.920	0.464	0.934	0.665	2.982
2009 (3)	0.854	0.024	0.878	0.433	0.858	0.625	2.794
2008	1.621	0.030	1.651	0.877	1.608	1.280	5.416
2007	1.618	0.030	1.648	0.885	1.435	1.283	5.251
2006	1.532	0.041	1.573	0.858	1.310	1.278	5.019
2005	1.441	0.034	1.475	0.842	1.231	1.103	4.651
2004	1.427	0.035	1.462	0.775	1.151	1.037	4.425
2003	1.384	0.029	1.413	0.709	1.043	1.019	4.184
2002	1.298	0.022	1.320	0.646	0.995	0.991	3.952

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

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

(3) Revaluation

Note: NJSA 18A:7F-5d limits the amount that the district can submit for a general fund tax levy . The levy when added to other components of the district's net budget may not exceed the prebudget year net budget by more than the spending growth limitation calculated as follows: the prebudget year net budget increased by the cost of living or 2,5 percent, whichever is greater, plus any growth adjustments.

Source: Municipal Tax Collector

BOROUGH OF BELLMAWR SCHOOL DISTRICT

Principal Property Tax Payers
Current Year and Nine Years Ago
Unaudited

Taxpayer	2011			2002		
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
Mutual Housing Corp.	\$ 27,775,500.00	1	3.33%	\$ 12,989,300.00	2	3.06%
The Korman Co.	27,268,000.00	2	3.27%	16,604,400.00	1	3.91%
East Coast Hyde Park Apts. LLC	18,391,900.00	3	2.21%			
Interstate Holding Corp.	11,735,400.00	4	1.41%	7,129,000.00	3	1.68%
South Penn Associates	9,600,600.00	5	1.15%			
Houghton Mifflin Harcourt Publishing	a 6,250,000.00	6	0.75%	6,762,800.00	4	1.59%
International Paper Company	7,104,200.00	7	0.85%			
J&J Snack Foods Corp. of N.J.	4,873,700.00	8	0.58%			
Spruce Manor Enterprises LLC	4,687,500.00	9	0.56%			
Barnard Development Company	4,548,300.00	10	0.55%			
Extra Space of Bellmawr LLC	4,507,500.00	11	0.54%			
John Rogers CS Ellis Investors LLC	4,313,900.00	12	0.52%			
45 Heller Road, LLC	4,195,700.00	13	0.50%	2,350,000.00	10	0.55%
Browning Square Inc.	4,000,000.00	14	0.48%	2,789,700.00	9	0.66%
Albert E. Price Inc.	3,704,800.00	15	0.44%			
Hyde Park Apartments				5,929,900.00	5	1.40%
Williamette Industries				4,679,000.00	6	1.10%
Bellmawr Manor LLC				4,269,700.00	7	1.01%
Walgreens				2,972,400.00	8	0.70%
Total	<u>\$ 142,957,000.00</u>		<u>17.15%</u>	<u>\$ 66,476,200.00</u>		<u>15.66%</u>

a. Nine years ago, this property was owned by Holt, Reinhart & Winston

Source: Municipal Tax Assessor

BOROUGH OF BELLMAWR SCHOOL DISTRICT
 Property Tax Levies and Collections
 Last Ten Fiscal Years
 Unaudited

<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>School Taxes</u> <u>Levied for the</u> <u>Fiscal Year</u>	<u>Collected within the Fiscal Year of the Levy (1)</u>		<u>Collections in</u> <u>Subsequent Years</u>
		<u>Amount</u>	<u>Percentage</u> <u>of Levy</u>	
2011	\$ 7,788,899.00	\$ 7,683,271.00	98.64%	\$ 105,628.00
2010	7,535,102.00	7,535,102.00	100.00%	
2009	7,273,660.00	7,273,660.00	100.00%	
2008	6,930,487.00	6,930,487.00	100.00%	
2007	7,240,583.00	7,240,583.00	100.00%	
2006	6,257,085.00	6,257,085.00	100.00%	
2005	6,323,212.00	6,323,212.00	100.00%	
2004	6,151,593.00	6,151,593.00	100.00%	
2003	5,896,442.00	5,896,442.00	100.00%	
2002	5,341,667.00	5,341,667.00	100.00%	

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

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

Debt Capacity Information

Debt capacity information is intended to assist users in understanding and assessing the School District's debt burden and its ability to issue additional debt. Please refer to the following exhibits for a historical view of the School District's outstanding debt and its debt capacity.

BOROUGH OF BELLMAWR SCHOOL DISTRICT
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
Unaudited

Fiscal Year Ended June 30,	<u>Governmental Activities</u>			<u>Business-Type Activities</u>		<u>Total District</u>	Percentage of Personal Income (2)	<u>Per Capita (3)</u>
	<u>General Obligation Bonds (1)</u>	<u>Certificates of Participation</u>	<u>Capital Leases (2)</u>	<u>Bond Anticipation Notes (BANs)</u>	<u>Capital Leases</u>			
2011	\$ 707,898.00				\$ 3,051.43	\$ 710,949.43	Unavailable	Unavailable
2010	897,898.00				14,666.56	912,564.56	Unavailable	Unavailable
2009	1,087,898.00					1,087,898.00	0.24%	93.92
2008	1,257,898.00					1,257,898.00	0.27%	112.21
2007	1,422,898.00					1,422,898.00	0.32%	127.18
2006	1,592,898.00					1,592,898.00	0.37%	142.25
2005	1,230,000.00		\$ 4,078.77			1,234,078.77	0.31%	110.27
2004	1,360,000.00		27,596.43			1,387,596.43	0.36%	124.81
2003	1,475,000.00		65,333.93			1,540,333.93	0.41%	138.31
2002	980,000.00		100,327.29			1,080,327.29	0.30%	96.54

Sources:

- (1) District's Records. Includes Early Retirement Incentive Plan (ERIP) refunding
- (2) Personal income has been estimated based upon the municipal population and per capita
- (3) Per capita personal income by municipality-estimated based upon 2000 census published

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

BOROUGH OF BELLMAWR SCHOOL DISTRICT
 Ratios of Net General Bonded Debt Outstanding
 Last Ten Fiscal Years
 Unaudited

<u>General Bonded Debt Outstanding</u>					
<u>Fiscal Year</u> <u>Ended June 30.</u>	<u>General</u> <u>Obligation</u> <u>Bonds</u>	<u>Deductions</u>	<u>Net General</u> <u>Bonded Debt</u> <u>Outstanding</u>	<u>Percentage of</u> <u>Actual Taxable</u> <u>Value of Property</u>	<u>Per Capita (2)</u>
2011	\$ 707,898.00		707,898.00	0.08%	Unavailable
2010	897,898.00		897,898.00	0.11%	77.52
2009	1,087,898.00		1,087,898.00	0.13%	97.05
2008	1,257,898.00		1,257,898.00	0.29%	112.43
2007	1,422,898.00		1,422,898.00	0.33%	127.07
2006	1,592,898.00		1,592,898.00	0.37%	142.34
2005	1,230,000.00		1,230,000.00	0.29%	110.63
2004	1,360,000.00		1,360,000.00	0.32%	122.12
2003	1,475,000.00		1,475,000.00	0.35%	131.81
2002	980,000.00		980,000.00	0.23%	87.28

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

- (1) See Exhibit NJ J-6 for property tax data.
- (2) Population data can be found in Exhibit NJ J-14.

Source: District Records.

BOROUGH OF BELLMAWR SCHOOL DISTRICT
 Direct and Overlapping Governmental Activities Debt
 As of December 31, 2010
Unaudited

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Statutory Net Debt Outstanding</u>	<u>Net Debt Outstanding Allocated to Borough of Bellmawr</u>
Municipal Debt: (1)				
Borough of Bellmawr School District	\$ 2,604,045.80	\$ 2,604,045.80		
Black Horse Pike Regional School District	3,739,571.90	3,739,571.90		
Borough of Bellmawr Water & Sewer Utility	442,828.00	442,828.00		
Borough of Bellmawr	<u>13,831,065.00</u>	<u>284,248.00</u> (3)	\$ 13,546,817.00	\$ 13,546,817.00
	<u>20,617,510.70</u>	<u>7,070,693.70</u>	<u>13,546,817.00</u>	<u>13,546,817.00</u>
Overlapping Debt Apportioned to the Municipality:				
County of Camden: (2)				
General:				
Bonds	37,661,151.00	12,379,642.00 (4)	25,281,509.00	(6)
Loan Agreement	128,370,000.00		128,370,000.00	
Bonds Issued by Other Public Bodies Guaranteed by the County	<u>721,218,197.00</u>	<u>721,218,197.00</u> (5)		
	<u>887,249,348.00</u>	<u>733,597,839.00</u>	<u>153,651,509.00</u>	
	<u>\$ 907,866,858.70</u>	<u>\$ 740,668,532.70</u>	<u>\$ 167,198,326.00</u>	<u>\$ 13,546,817.00</u>

Sources:

- (1) 2010 Annual Debt Statement as revised
- (2) County's 2010 Audit Report
- (3) Includes Reserve for Payment of Bonds.
- (4) Includes Reserve for Payment of Bonds, Other Accounts Receivable and General Obligation Pension Refunding Bonds.
- (5) Deductible in accordance with N.J.S. 40:37A-80.
- (6) Such debt is allocated as a proportion of the Borough's share of the total 2010 Equalized Value, which is 2.06%.

The source for this computation was the 2010 Table of Equalized Valuations, which is supplied by the New Jersey Division of Taxation.

BOROUGH OF BELLMAWR SCHOOL DISTRICT
 Legal Debt Margin Information
 Last Ten Fiscal Years
 Unaudited

Legal Debt Margin Calculation for Fiscal Year 2011

	Equalized valuation basis (1)	
	2010	\$ 854,875,986
	2009	856,796,600
	2008	<u>841,760,337</u>
	[A]	<u>\$ 2,553,432,923</u>
	Average equalized valuation of taxable property	[A/3] \$ 851,144,308
	Debt limit (3 % of average equalization value) (2)	[B] 25,534,329
	Total Net Debt Applicable to Limit	[C] <u>707,898</u>
	Legal Debt Margin	[B-C] <u>\$ 24,826,431</u>

	Fiscal Year									
	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
Debt limit	\$ 25,534,329.23	\$ 25,586,721.91	\$ 24,803,574.97	\$ 23,068,117.37	\$ 20,106,269.28	\$ 17,306,929.93	\$ 15,457,738.86	\$ 14,502,521.19	\$ 13,944,909.00	\$ 13,633,448.70
Total net debt applicable to limit (3)	<u>707,898.00</u>	<u>897,898.00</u>	<u>1,087,898.00</u>	<u>1,257,898.00</u>	<u>1,422,898.00</u>	<u>1,592,898.00</u>	<u>1,230,000.00</u>	<u>1,360,000.00</u>	<u>1,475,000.00</u>	<u>980,000.00</u>
Legal debt margin	<u>\$ 24,826,431.23</u>	<u>\$ 23,715,676.97</u>	<u>\$ 21,645,219.37</u>	<u>\$ 18,683,371.28</u>	<u>\$ 15,714,031.93</u>	<u>\$ 14,227,738.86</u>	<u>\$ 13,142,521.19</u>	<u>\$ 12,469,909.00</u>	<u>\$ 12,653,448.70</u>	<u>\$ 12,347,917.85</u>
Total net debt applicable to the limit as a percentage of debt limit	2.77%	3.51%	6.17%	7.08%	9.20%	7.96%	9.38%	10.58%	7.19%	7.80%

Sources:

- (1) Equalized valuation bases were provided by the Annual Report of the State of New Jersey, Department of Treasury, Division of Taxation.
- (2) Limit set by NJSA 18A:24-19 for a K through 8 district.
- (3) District Records

Demographic and Economic Information

Demographic and economic information is intended (1) to assist users in understanding the socioeconomic environment within which the School District operates and (2) to provide information that facilitates comparisons of financial statement information over time and among school districts. Please refer to the following exhibits for a historical view of the demographic and economic statistics and factors prevalent in the location in which the School District operates.

BOROUGH OF BELLMAWR SCHOOL DISTRICT
Demographic and Economic Statistics
Last Ten Fiscal Years
Unaudited

<u>Year</u>	<u>Population (1)</u>	<u>Personal Income (2)</u>	<u>Per Capita Personal Income (3)</u>	<u>Unemployment Rate (4)</u>
2011	Unavailable	Unavailable	Unavailable	Unavailable
2010	11,583	Unavailable	Unavailable	9.10%
2009	11,210	\$ 462,771,220.00	\$ 41,282.00	8.70%
2008	11,188	461,325,992.00	41,234.00	5.50%
2007	11,198	448,502,296.00	40,052.00	4.20%
2006	11,191	430,674,444.00	38,484.00	4.50%
2005	11,118	401,671,104.00	36,128.00	4.20%
2004	11,137	387,857,162.00	34,826.00	4.90%
2003	11,190	376,845,630.00	33,677.00	4.50%
2002	11,228	364,674,212.00	32,479.00	5.30%

Source:

- (1) Population information provided by the NJ Dept of Labor and Workforce Development (July 1)
- (2) Personal income has been estimated based upon the municipal population and per capita personal income presented
- (3) Per Capita personal income by municipality-estimated based upon the 2000 Census published by the US Bureau of Economic Analysis.
- (4) Unemployment data provided by the NJ Dept of Labor and Workforce Development

BOROUGH OF BELLMAWR SCHOOL DISTRICT

Principal Employers
Current Year and Nine Years Ago
Unaudited

<u>Employer</u>	<u>2011</u>			<u>2002 (1)</u>		
	<u>Employees</u>	<u>Rank (Optional)</u>	<u>Percentage of Total Employment</u>	<u>Employees</u>	<u>Rank (Optional)</u>	<u>Percentage of Total Employment</u>
Country Home Bakers, LLC	250	1	4.01%	N/A	N/A	N/A
ServiceMaster, Inc	200	3	3.21%	N/A	N/A	N/A
Vertis Mailing LLC	160	4	2.56%	N/A	N/A	N/A
J&J Snack Foods Corp.	150	5	2.40%	N/A	N/A	N/A
Green Force Media LLC (Evergreen Printing Co.)	141	2	2.26%	N/A	N/A	N/A
International Paper Company	137	6	2.20%	N/A	N/A	N/A
Houghton Mifflin Harcourt Publishing Co.	125	7	2.00%	N/A	N/A	N/A
Red Line Officials	124	8	1.99%	N/A	N/A	N/A
U.S. Logistics, Inc	105	9	1.68%	N/A	N/A	N/A
Albert E. Price Inc.	70	10	1.12%	N/A	N/A	N/A
D'Orazio Foods Inc.	70	11	1.12%	N/A	N/A	N/A
	<u>1,532</u>		<u>24.56%</u>	<u>-</u>		<u>-</u>

Source: D&B Regional Business Directory published by Dun & Bradstreet, Inc.

(1) The data for 9 years ago was not available from resources contacted.

Operating Information

Operating information is intended to provide contextual information about the School District's operations and resources to assist readers in using financial statement information to understand and assess the School District's economic condition. Please refer to the following exhibits for a historical view of the factors and statistics pertinent to the School District's operations.

BOROUGH OF BELLMAWR SCHOOL DISTRICT
 Full-time Equivalent District Employees by Function/Program
 Last Ten Fiscal Years
 Unaudited

<u>Function/Program</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
Instruction										
Regular	69	68	69	67	66	69	69	69	69	71
Special education	21	20	21	21	20	19	19	19	27	16
Other special education										
Vocational										
Other instruction										
Nonpublic school programs										
Adult/continuing education programs										
Support Services:										
Tuition										
Student & instruction related services										
General administrative services	1	1	1	2	2	2	2	2	2	2
School administrative services	10.5	10.5	10.5	10.5	9.5	5	5	5	5	5
Business administrative services	3	3	3	3	3	3	3	3	3	3
Plant operations and maintenance	8.5	8.5	8.5	8.5	8.5	8	8	8	7	7
Pupil transportation										
Special Schools										
Food Service										
Child Care										
Total	113	111	113	112	109	106	106	106	113	104

Source: District Personnel Records

BOROUGH OF BELLMAWR SCHOOL DISTRICT
 Operating Statistics
 Last Ten Fiscal Years
 Unaudited

Fiscal Year	Enrollment	Operating Expenditures (1)	Cost Per Pupil	Percentage Change	Teaching Staff (2)	Pupil/Teacher Ratio		Average Daily Enrollment (ADE) (3)	Average Daily Attendance (ADA) (3)	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School				
2011	1,144	\$ 13,435,082.73	\$ 11,743.95	-5.27%	90	1:13	1:12	1,139.1	1,081.7	3.12%	94.96%
2010	1,119	13,872,041.62	12,396.82	6.84%	88	1:13	1:12	1,116.6	1,049.0	1.69%	93.95%
2009	1,138	13,204,102.09	11,602.90	-8.34%	90	1:12	1:13	1,088.0	1,031.6	3.57%	94.82%
2008	1,051	13,304,837.29	12,659.22	2.74%	88	1:10	1:11	1,054.0	996.0	-1.81%	94.50%
2007	1,059	13,048,152.56	12,321.20	6.48%	86	1:13	1:12	1,059.4	1,014.4	1.70%	95.75%
2006	1,038	12,010,608.30	11,570.91	11.34%	76	1:14	1:14	1,038.7	997.4	-1.24%	96.02%
2005	1,079	11,213,507.62	10,392.50	2.06%	76	1:15	1:14	1,081.2	1,009.9	1.50%	93.41%
2004	1,060	10,793,221.25	10,182.28	-2.18%	75	1:14	1:14	1,056.0	995.0	8.90%	94.22%
2003	1,016	10,576,194.06	10,409.64	0.85%	73	1:14	1:24	971.9	913.7	0.77%	94.01%
2002	970	10,012,276.83	10,321.93	0.64%	76	1:13	1:14	957.7	906.7	0.97%	94.67%

Sources: District records

Note: Enrollment based on annual October district count.

- (1) Operating expenditures equal total expenditures less debt service and capital outlay; Schedule J-4
- (2) Teaching staff includes only full-time equivalents of certificated staff.
- (3) Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

BOROUGH OF BELLMAWR SCHOOL DISTRICT
 School Building Information
 Last Ten Fiscal Years
 Unaudited

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
<u>District Building</u>										
<u>Middle School</u>										
Bell Oaks School (1969)										
Square Feet	68,587	68,587	68,587	68,587	68,587	68,587	68,587	68,587	68,587	68,587
Capacity (students)	1,057	1,057	1,057	1,057	1,057	1,057	1,057	1,057	1,057	1,057
Enrollment	482	482	502	456	455	458	467	454	436	413
<u>Elementary Schools</u>										
Bellmawr Park School (1943)										
Square Feet	36,900	36,900	36,900	36,900	36,900	36,900	36,900	36,900	36,900	36,900
Capacity (students)	762	762	762	762	762	762	762	762	762	762
Enrollment	362	362	365	332	361	348	380	371	359	340
Ethel M. Burke School (1889)										
Square Feet	24,397	24,397	24,397	24,397	24,397	24,397	24,397	24,397	24,397	24,397
Capacity (students)	451	451	451	451	451	451	451	451	451	451
Enrollment	275	275	271	263	262	232	232	235	221	217
Number of Schools at June 30, 2011										
Elementary = 2										
Middle School = 1										

Source: District records, ASSA

BOROUGH OF BELLMAWR SCHOOL DISTRICT
 Schedule of Required Maintenance
 Last Ten Fiscal Years
 Unaudited

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

<u>School Facilities</u>	<u>Project #(s)</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
Bell Oaks School	N/A	\$ 106,136.21	\$ 98,479.15	\$ 114,536.25	\$ 51,549.33	\$ 63,850.41	\$ 63,273.26	\$ 37,769.36	\$ 43,665.02	\$ 32,794.73	\$ 41,533.26
Bellmawr Park School	N/A	36,728.79	42,344.63	47,248.61	20,679.01	27,090.13	15,128.51	22,143.33	19,222.94	17,973.58	22,087.42
Ethel M. Burke School	N/A	36,157.16	37,818.34	30,858.27	22,366.62	33,773.37	18,814.17	20,654.81	19,222.39	23,213.46	15,944.96
Total School Facilities		<u>179,022.16</u>	<u>178,642.12</u>	<u>192,643.13</u>	<u>94,594.96</u>	<u>124,713.91</u>	<u>97,215.94</u>	<u>80,567.50</u>	<u>82,110.35</u>	<u>73,981.77</u>	<u>79,565.64</u>
Other Facilities		-	-	-	-	-	-	-	-	-	-
Grand Total		<u>\$ 179,022.16</u>	<u>\$ 178,642.12</u>	<u>192,643.13</u>	<u>\$ 94,594.96</u>	<u>\$ 124,713.91</u>	<u>\$ 97,215.94</u>	<u>\$ 80,567.50</u>	<u>\$ 82,110.35</u>	<u>\$ 73,981.77</u>	<u>\$ 79,565.64</u>

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

Source: District Records

BOROUGH OF BELLMAWR SCHOOL DISTRICT

Insurance Schedule

June 30, 2011

Unaudited

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy (School Alliance Insurance Fund)		
Property:		
Limit of liability (per occurrence)	\$ 250,000,000.00	\$ 1,000.00
SAIF Self Insured Retention (SIR) (per occurrence)	100,000.00	
Fund Aggregate Retention: 100% of Property/BM/GL/AL Loss Fund		
Perils included. Coverage written on an "All Risk" basis, including flood and earthquake.		
Property Included (Sub-Limits):		
Buildings, Contents, Valuable Papers	250,000,000.00	
Extra Expense	50,000,000.00	
Newly Acquired Property	25,000,000.00	
Builders Risk (new construction)	25,000,000.00	
Property in transit	25,000,000.00	
Automobile Physical Damage	Included	
Unnamed Locations	25,000,000.00	
Demolition and Increased Cost of Construction	25,000,000.00	
Earthquake (per occurrence/per member/annual	25,000,000.00	
Flood:		
Excluding Zones A&V (per occurrence/per member)	10,000,000.00	
Fund annual aggregate sublimited (excluding Zones A&V)	100,000,000.00	
Zones A&V (per occurrence/per member)	25,000,000.00	
Fund annual aggregate sublimited for Zones A&V	50,000,000.00	
Accounts receivable	2,500,000.00	
Fine Arts	2,500,000.00	
Loss of Rents	500,000.00	
Aggregate	2,500,000.00	
Terrorism (per occurrence)	100,000,000.00	
Annual Aggregate	200,000,000.00	
Boiler and Machinery:		
Limit of liability (per occurrence)	100,000,000.00	1,000.00
SAIF Self Insured Retention (SIR)	NIL	
Crime and Fidelity:		
Limit of liability (per occurrence)		
Money and Securities:		
Loss Inside (each loss)	50,000.00	1,000.00
Loss Outside (each loss)	50,000.00	1,000.00
Blanket Dishonesty Bond including Faithful Performance for elected officials (Statutory bond positions excluded) (per loss)	500,000.00	1,000.00
SAIF Self Insured Retention (SIR)	NIL	

(Continued)

BOROUGH OF BELLMAWR SCHOOL DISTRICT

Insurance Schedule

June 30, 2011

Unaudited

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy (School Alliance Insurance Fund) (Cont'd)		
Comprehensive General Liability and Automobile Liability: (Including employee benefits liability)		
Limit of liability (per occurrence per member)	\$ 5,000,000.00	
SAIF Self Insured Retention (SIR) (per occurrence)	100,000.00	
Fund Aggregate Retention: 100% of Property/BM/GL/AL Loss Fund		
Sub-limit applicable to Sexual Molestation Coverage (per occurrence/aggregate per member)	3,000,000.00	
Workers' Compensation:		
Limit of liability:		
Workers' Compensation	Statutory	NIL
Employer's Liability (per occurrence/aggregate)	5,000,000.00	NIL
SAIF Specific Self Insured Retention:		
Workers' Compensation (per occurrence)	250,000.00	NIL
Employer's Liability (per occurrence)	250,000.00	NIL
Supplemental Indemnity:		
Limit of liability	Statutory	NIL
SAIF Self Insured Retention (SIR)	NIL	
Foreign Travel Liability (including general liability, automobile liability, foreign workers' compensation/employers liability):		
Limit of liability (per incident)	1,000,000.00	None
Annual Aggregate	1,000,000.00	None
SAIF Self Insured Retention (SIR)	NIL	
Environmental Impairment Liability:		
Limit of liability (per incident)	1,000,000.00	\$ 10,000.00
Fund Annual Aggregate	25,000,000.00	10,000.00
SAIF Self Insured Retention (SIR)	NIL	
Student Accident Insurance:		
Limit of liability (per accident/ 3 year benefit) Compulsory/Full Excess	1,000,000.00	NIL
SAIF Self Insured Retention (SIR)	NIL	
School Leaders Professional Liability:		
Limit of liability (per claim/ aggregate per member)	5,000,000.00	5,000.00
Aggregate per occurrence	10,000,000.00	
SAIF Self Insured Retention (per claim)	25,000.00	

(Continued)

BOROUGH OF BELLMAWR SCHOOL DISTRICT

Insurance Schedule

June 30, 2011

Unaudited

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy (School Alliance Insurance Fund) (Cont'd)		
Security Guard Liability:		
Limit of liability (Each person/ per claim)	\$ 1,000,000.00	\$ 5,000.00
Annual Aggregate	1,000,000.00	
SAIF Self Insured Retention	NIL	
Excess Liability:		
Limit of liability (per occurrence/aggregate per member)	5,000,000	
SAIF Self Insured Retention	NIL	
Member Retention:		
Maintenance of auto & general liability combined single limit	5,000,000.00	
Maintenance School Leaders professional liability per claim/ annual aggregate	5,000,000.00	
Surety Bonds:		
Treasurer (Selective Insurance Company of America)	200,000.00	
Board Secretary/ Business Administrator (Ohio Insurance Co.)	200,000.00	

Source: District Records

SINGLE AUDIT SECTION

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

The Honorable President and
Members of the Board of Education
Borough of Bellmawr School District
Bellmawr, New Jersey 08031

Compliance

We have audited Borough of Bellmawr School District's compliance with the types of compliance requirements described in the OMB Circular A-133 Compliance Supplement and the New Jersey State Grant Compliance Supplement that could have a direct and material effect on each of the School District's major federal and state programs for the fiscal year ended June 30, 2011. The School District's major federal and state programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal and state programs is the responsibility of the School District's management. Our responsibility is to express an opinion on the School District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; 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 State of New Jersey Circular 04-04-OMB, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Those standards, OMB Circular A-133, and State of New Jersey Circular 04-04-OMB, 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 the Borough of Bellmawr School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the School District's compliance with those requirements.

In our opinion, Borough of Bellmawr School District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2011. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and New Jersey Circular 04-04-OMB, which are described in the accompanying Schedule of Findings and Questioned Costs and Independent Auditor's Management Report on Administrative Findings—Financial, Compliance and Performance as findings no.: 2011-3 and 2011-4.

Internal Control Over Compliance

Management of the Borough of Bellmawr 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 School District's internal control over compliance with requirements that could have a direct and material effect on a major federal or state program in order to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133 and State of New Jersey Circular 04-04-OMB, 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 School District's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies as described in the accompanying Schedule of Findings and Questioned Costs as finding no. 2011-3 and 2011-4. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

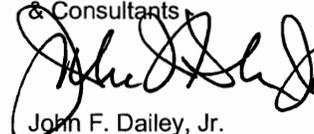
The Borough of Bellmawr School District's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. We did not audit the School District's responses and, accordingly, we express no opinion on the responses.

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

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



John F. Dailey, Jr.
Certified Public Accountant
Public School Accountant No. CS 00140

Voorhees, New Jersey
October 31, 2011

BOROUGH OF BELLMAWR SCHOOL DISTRICT
 Schedule of Expenditures of Federal Awards, Schedule A
 For the Fiscal Year Ended June 30, 2011

Federal Grantor / Pass-through Grantor / Program Title	Federal CFDA Number	Grant or State Project Number	Program or Award Amount	Grant Period		Balance June 30, 2010
				From	To	
General Fund						
U.S. Department of Health and Human Services: Medical Assistance Program	93.778	N/A	\$ 13,406.74	09/01/10	08/31/11	-
Total General Fund						-
Special Revenue Fund:						
U.S. Department of Education: Passed-through State Department of Education: No Child Left Behind (NCLB):						
Title I, Part A Cluster:						
Title I, Part A	84.010	NCLB026009	304,974.00	09/01/08	08/31/09	\$ 434.87
Title I, Part A	84.010	NCLB026010	303,707.00	09/01/09	08/31/10	(63,481.50)
Title I, Part A	84.010	NCLB026011	305,638.00	09/01/10	08/31/11	
ARRA, Title I, Part A	84.389	NCLB026010	117,719.00	07/01/09	08/31/11	(89,739.32)
Total Title I, Part A Cluster						(152,785.95)
Title II, Part A, Improving Teacher Quality, Carryover						
Title II, Part A, Improving Teacher Quality	84.367	NCLB026009	48,066.00	09/01/08	08/31/09	33,738.00
Title II, Part A, Improving Teacher Quality	84.367	NCLB026010	48,101.00	09/01/09	08/31/10	2,242.00
Title II, Part A, Improving Teacher Quality	84.367	NCLB026011	47,864.00	09/01/10	08/31/11	
Total Title II, Part A						35,980.00
Title II, Part D, Enhancing Education through Technology,						
Title II, Part D, Enhancing Education through Technology,	84.318	NCLB026010	3,025.00	09/01/09	08/31/10	-
Title II, Part D, Enhancing Education through Technology,	84.318	NCLB026011	704.00	09/01/10	08/31/11	
Total Title II, Part D						-
Title III, Part A, English Language						
Title III, Part A, English Language	84.365	NCLB026011	12,358.00	09/01/10	08/31/11	
Total Title III, Part A						-
Title IV, Part A, Safe and Drug-Free Schools, Carryover						
Title IV, Part A, Safe and Drug-Free Schools	84.186	NCLB026009	5,116.00	09/01/08	08/31/09	4,738.52
Title IV, Part A, Safe and Drug-Free Schools	84.186	NCLB026010	5,018.00	09/01/09	08/31/10	5,018.00
Total Title IV, Part A						9,756.52
Total No Child Left Behind (NCLB)						(107,049.43)
I.D.E.I.A. Part B Cluster:						
Basic, Carryover	84.027	IDEA026009	265,601.00	09/01/08	08/31/09	(66,019.57)
Basic	84.027	IDEA026010	272,664.00	09/01/09	08/31/10	(44,443.00)
Basic	84.027	IDEA026011	274,376.00	09/01/10	08/31/11	
ARRA, Basic	84.391	IDEA026010	274,883.00	07/01/09	08/31/11	88,201.00
Preschool Incentive, Carryover	84.173	IDEA026009	11,643.00	09/01/08	08/31/09	72.78
Preschool Incentive	84.173	IDEA026011	12,130.00	09/01/10	08/31/11	
ARRA, Preschool Incentive	84.392	IDEA026010	9,898.00	07/01/09	08/31/11	2,615.92
Total I.D.E.I.A. Part B Cluster						(19,572.87)
Total U.S. Department of Education						(126,622.30)
Total Special Revenue Fund						(126,622.30)

BOROUGH OF BELLMAWR SCHOOL DISTRICT
 Schedule of Expenditures of Federal Awards, Schedule A
 For the Fiscal Year Ended June 30, 2011

Federal Grantor / Pass-through Grantor / Program Title Enterprise Fund:	Federal CFDA Number	Grant or State Project Number	Program or Award Amount	Grant Period		Balance June 30, 2010
				From	To	
U.S. Department of Agriculture:						
Passed-through State Department of Education:						
Child Nutrition Cluster:						
Non-Cash Assistance (Food Distribution):						
National School Lunch Program	10.555	N/A	\$ 37,720.03	07/01/09	06/30/10	\$ 5,444.75
National School Lunch Program	10.555	N/A	20,143.51	07/01/10	06/30/11	
Non-Cash Assistance Subtotal						<u>5,444.75</u>
Cash Assistance:						
National School Lunch Program	10.555	N/A	179,399.58	07/01/09	06/30/10	(11,606.83)
National School Lunch Program	10.555	N/A	195,211.46	07/01/10	06/30/11	
Special Milk Program	10.556	N/A	149.21	07/01/09	06/30/10	(8.47)
Special Milk Program	10.556	N/A	149.32	07/01/10	06/30/11	
School Breakfast Program	10.553	N/A	7,000.96	07/01/09	06/30/10	(536.84)
School Breakfast Program	10.553	N/A	6,288.36	07/01/10	06/30/11	
Cash Assistance Subtotal						<u>(12,152.14)</u>
Total U.S. Department of Agriculture						<u>(6,707.39)</u>
Total Enterprise Fund						<u>(6,707.39)</u>
Total Federal Financial Assistance						<u>\$ (133,329.69)</u>

(A) See Note 5 to the Schedules of Expenditures of Federal and State Financial Assistance (if applicable)

The accompanying Notes to Financial Statements and Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance are an integral part of this schedule.

Carryover / (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments (A)	Repayment of Prior Years' Balances	Balance June 30, 2011		
					(Accounts Receivable)	Deferred Revenue	Due to Grantor at June 30, 2011
-	\$ 13,406.74	\$ (13,406.74)	-	-	-	-	-
-	13,406.74	(13,406.74)	-	-	-	-	-
	73,213.00					\$ 73,647.87	
	68,437.00	(26,182.50)			\$ (21,227.00)		
	217,788.00	(249,446.01)			(31,658.01)		
	117,719.00	(27,979.68)					
-	477,157.00	(303,608.19)	-	-	(52,885.01)	73,647.87	-
	6,041.00	(10,387.50)				39,779.00	
	46,269.00	(19,810.72)			(8,145.50)	26,458.28	
-	52,310.00	(30,198.22)	-	-	(8,145.50)	66,237.28	-
-		(3,025.00)	-	-	(3,025.00)		-
		(704.00)			(704.00)		
-	-	(3,729.00)	-	-	(3,729.00)	-	-
		(12,358.00)			(12,358.00)	-	
-	-	(12,358.00)	-	-	(12,358.00)	-	-
						4,738.52	
						5,018.00	
-	-	-	-	-	-	9,756.52	-
-	529,467.00	(349,893.41)	-	-	(77,117.51)	149,641.67	-
	40,601.00				(25,418.57)		
	44,443.00						
	274,376.00	(274,376.00)				21,583.25	
	30,331.00	(96,948.75)				72.78	
		(12,130.00)			(12,130.00)		
		(2,615.92)	\$ 2,567.34			2,567.34	
-	389,751.00	(386,070.67)	2,567.34	-	(37,548.57)	24,223.37	-
-	919,218.00	(735,964.08)	2,567.34	-	(114,666.08)	173,865.04	-
-	919,218.00	(735,964.08)	2,567.34	-	(114,666.08)	173,865.04	-

(Continued)

Carryover / (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments (A)	Repayment of Prior Years' Balances	Balance June 30, 2011		
					(Accounts Receivable)	Deferred Revenue	Due to Grantor at June 30, 2011
	\$ 18,835.78	\$ (5,444.75) (14,698.76)				\$ 4,137.02	
-	18,835.78	(20,143.51)	-	-	-	4,137.02	-
	11,606.83 187,402.30	(195,211.46)			\$ (7,809.16)		
	8.47 141.23	(149.32)			(8.09)		
	536.84 5,852.56	(6,288.36)			(435.80)		
-	205,548.23	(201,649.14)	-	-	(8,253.05)	-	-
-	224,384.01	(221,792.65)	-	-	(8,253.05)	4,137.02	-
-	224,384.01	(221,792.65)	-	-	(8,253.05)	4,137.02	-
-	\$ 1,157,008.75	\$ (971,163.47)	\$ 2,567.34	-	\$ (122,919.13)	\$ 178,002.06	-

BOROUGH OF BELLMAWR SCHOOL DISTRICT
 Schedule of Expenditures of State Financial Assistance, Schedule B
 For the Fiscal Year Ended June 30, 2011

State Grantor / Program Title	Grant or State Project Number	Program or Award Amount	Grant Period		Balance June. 30, 2010	
			From	To	Deferred Revenue / (Accounts Receivable)	Due to Grantor
General Fund:						
Current Expense:						
Equalization Aid	10-495-034-5120-078	\$ 3,278,296.00	07/01/09	06/30/10	\$ (328,960.33)	
Equalization Aid	11-495-034-5120-078	3,760,718.00	07/01/10	06/30/11		
Transportation Aid	10-495-034-5120-014	67,647.00	07/01/09	06/30/10	(6,788.03)	
Additional Non Public School Transportation Aid	10-495-034-5120-014	11,839.00	07/01/09	06/30/10	(11,839.00)	
Additional Non Public School Transportation Aid	11-495-034-5120-014	13,050.00	07/01/10	06/30/11		
Special Education Categorical Aid	10-495-034-5120-089	571,938.00	07/01/09	06/30/10	(57,391.07)	
Special Education Categorical Aid	11-495-034-5120-089	561,281.00	07/01/10	06/30/11		
Security Aid	10-495-034-5120-084	159,667.00	07/01/09	06/30/10	(16,021.77)	
Extraordinary Special Education Costs Aid	10-100-034-5120-473	52,562.00	07/01/09	06/30/10	(52,562.00)	
Extraordinary Special Education Costs Aid	11-100-034-5120-473	42,913.00	07/01/10	06/30/11		
Reimbursed TPAF Social Security Contributions	10-495-034-5095-002	503,089.41	07/01/09	06/30/10	(24,874.46)	
Reimbursed TPAF Social Security Contributions	11-495-034-5095-002	469,216.93	07/01/10	06/30/11		
Total General Fund					(498,436.66)	-
Special Revenue Fund:						
Preschool Education Aide	10-495-034-5120-086	400,218.00	07/01/09	06/30/10	(12,240.76)	
Preschool Education Aide	11-495-034-5120-086	420,742.00	07/01/10	06/30/11		
Total Special Revenue Fund					(12,240.76)	-
Capital Projects Fund:						
School Development Authority:						
Bell Oaks Middle School Security System	0260-015-09-1001	31,371.00	05/12/09	Completion	(31,371.00)	
Bellmawr Park Elementary School Security System	0260-020-09-1002	26,143.00	05/12/09	Completion	(26,143.00)	
Ethel Burke Elementary School Security System	0260-030-09-1003	31,371.00	05/12/09	Completion	(31,371.00)	
Ethel Burke Elementary School New Windows	0260-030-10-1002	191,671.00	08/30/10	Completion		
Bellmawr Park Elementary School New Windows	0260-020-10-1001	205,611.00	08/30/10	Completion		
Bellmawr Park Elementary School New Electrical System	0260-020-09-1004	189,534.00	08/30/10	Completion		
					(88,885.00)	-
Debt Service Fund:						
Debt Service Aid, Type II	11-495-034-5120-125	22,590.00	07/01/10	06/30/11		
Total Debt Service Fund					-	-
Enterprise Fund:						
School Breakfast Program (State Share)	10-100-010-3350-021	444.80	07/01/09	06/30/10	(36.30)	
National School Lunch Program (State Share)	10-100-010-3350-023	8,600.16	07/01/09	06/30/10	(539.76)	
National School Lunch Program (State Share)	11-100-010-3350-023	5,417.86	07/01/10	06/30/11		
Total National School Nutrition Program					(576.06)	-
Total Enterprise Fund					(576.06)	-
Total State Financial Assistance					\$ (600,138.48)	\$ -

(A) See Note 5 to the Schedules of Expenditures of Federal and State Financial Assistance (if applicable)

The accompanying Notes to Financial Statements and Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance are an integral part of this schedule.

Carryover / (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments (A)	Repayment of Prior Years' Balances	Balance June 30, 2011			Memo	
					(Accounts Receivable)	Deferred Revenue/	Due to Grantor	Budgetary Receivable June 30, 2011	Cumulative Total Expenditures
	\$ 328,960.33								\$ 3,278,296.00
	3,405,447.39	\$ (3,760,718.00)			\$ (355,270.61)			\$ 355,270.61	3,760,718.00
	6,788.03								67,647.00
	11,839.00								11,839.00
		(13,050.00)			(13,050.00)			13,050.00	13,050.00
	57,391.07								571,938.00
	508,202.81	(561,281.00)			(53,078.19)			53,078.19	561,281.00
	16,021.77								159,667.00
	52,562.00								52,562.00
		(42,913.00)			(42,913.00)			42,913.00	42,913.00
	24,874.46								503,089.41
	422,365.64	(469,216.93)			(46,851.29)			46,851.29	469,216.93
-	4,834,452.50	(4,847,178.93)	-	-	(511,163.09)	-	-	511,163.09	9,492,217.34
	40,021.80					\$ 27,781.04			372,436.96
	378,667.80	(420,311.59)			(42,074.20)	430.41		42,074.20	420,311.59
-	418,689.60	(420,311.59)	-	-	(42,074.20)	28,211.45	-	42,074.20	792,748.55
	26,331.00		\$ 5,040.00						50,203.50
	22,880.00		3,263.00						44,010.50
	24,475.00		6,896.00						46,718.50
	152,079.00	(248,304.81)			(191,671.00)	95,445.19		191,671.00	248,304.81
	163,139.00	(31,503.14)			(205,611.00)	337,246.86		205,611.00	31,503.14
	246,144.00	(290,943.77)			(116,356.00)	71,556.23		116,356.00	290,943.77
-	635,048.00	(570,751.72)	15,199.00	-	(513,638.00)	504,248.28	-	513,638.00	711,684.22
	22,590.00	(22,590.00)							22,590.00
-	22,590.00	(22,590.00)	-	-	-	-	-		22,590.00
	36.30								444.80
	539.76								8,600.16
	5,208.62	(5,417.86)			(209.24)			209.24	5,417.86
-	5,784.68	(5,417.86)	-	-	(209.24)	-	-	209.24	14,462.82
-	5,784.68	(5,417.86)	-	-	(209.24)	-	-	209.24	14,462.82
-	\$ 5,916,564.78	\$ (5,866,250.10)	\$ 15,199.00	-	\$ (1,067,084.53)	\$ 532,459.73	-	\$ 1,067,084.53	\$ 11,033,702.93

BOROUGH OF BELLMAWR SCHOOL DISTRICT
Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance
For the Fiscal Year Ended June 30, 2011

Note 1: GENERAL

The accompanying schedules of expenditures of federal awards and state financial assistance include federal and state award activity of the Borough of Bellmawr School District (hereafter referred to as the "School District"). The School District is defined in Note 1 to the School District's basic financial statements. All federal and state awards received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies, are included on the schedules of expenditures of federal awards and state financial assistance.

Note 2: BASIS OF ACCOUNTING

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

Note 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

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

The net adjustment to reconcile expenditures from the budgetary basis to the GAAP basis is \$0.00 for the general fund and \$3,119.96 for the special revenue fund. See Exhibit C-3, Notes to Required Supplementary Information, for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds.

Note 3: RELATIONSHIP TO FINANCIAL STATEMENTS (CONT'D)

Awards and financial assistance expenditures are reported in the School District's basic financial statements on a GAAP basis as presented as follows:

<u>Fund</u>	<u>Federal</u>	<u>State</u>	<u>Total</u>
General	\$ 13,406.74	\$ 5,286,512.33	\$ 5,299,919.07
Special Revenue	761,774.15	389,329.16	1,151,103.31
Capital Projects		586,816.00	586,816.00
Debt Service		22,590.00	22,590.00
Food Service	<u>221,792.65</u>	<u>5,417.86</u>	<u>227,210.51</u>
	<u>\$ 996,973.54</u>	<u>\$ 6,290,665.35</u>	<u>\$ 7,287,638.89</u>

Note 4: RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

Note 5: ADJUSTMENTS

Amounts reported in the column entitled "Adjustments" on the Schedule of Expenditures of Federal Awards represent favorable differences incurred in the liquidation of encumbrances charged as budgetary basis expenditures in fiscal year 2009-2010.

Amounts reported in the column entitled "Adjustments" on the Schedule of State Financial Assistance represent cancellations of accounts receivable due to the completion of three capital projects in which the total costs were revised to be less than the original estimates.

Note 6: OTHER

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distribution, respectively. 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 fiscal year ended June 30, 2011.

BOROUGH OF BELLMAWR SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2011

Section 1- Summary of Auditor's Results

Financial Statements

Type of auditor's report issued Unqualified

Internal control over financial reporting:

Material weaknesses identified? X yes no

Were significant deficiencies identified that were not considered to be a material weakness? X yes none reported

Noncompliance material to financial statements noted? yes X no

Federal Awards

Internal control over compliance:

Material weaknesses identified? yes X no

Were significant deficiencies identified that were not considered to be a material weakness? X yes none reported

Type of auditor's report on compliance for major programs Unqualified

Any audit findings disclosed that are required to be reported in accordance with OMB Circular A-133 (section .510(a))? X yes no

Identification of major programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
84.01	Title I, Part A
84.389	ARRA, Title I, Part A
84.027	I.D.E.I.A. Part A, Basic
84.391	ARRA, I.D.E.I.A. Part A, Basic
84.173	I.D.E.I.A. Preschool Incentive
84.392	ARRA, I.D.E.I.A. Preschool Incentive

Dollar threshold used to determine Type A programs \$ 300,000.00

Auditee qualified as low-risk auditee? yes X no

**BOROUGH OF BELLMAWR SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2011**

Section 1- Summary of Auditor's Results (Cont'd)

State Financial Assistance

Internal control over compliance:

Material weaknesses identified? _____ yes X no

Were significant deficiencies identified that were not considered to be a material weakness? _____ yes X none reported

Type of auditor's report on compliance for major programs Unqualified

Any audit findings disclosed that are required to be reported in accordance with OMB Circular A-133 (section .510(a)) or New Jersey Circular 04-04-OMB? _____ yes X no

Identification of major programs:

<u>GMIS Numbers</u>	<u>Name of State Program</u>
11-495-034-5120-078	Equalization Aid
11-495-034-5120-089	Special Education Categorial Aid
0260-030-10-1002, 0260-020-10-1001	School Development Authority
0260-020-10-1004	

Dollar threshold used to determine Type A programs \$ 300,000.00

Auditee qualified as low-risk auditee? _____ yes X no

BOROUGH OF BELLMAWR SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2011

Section 2- Schedule of Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with Government Auditing Standards and with audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey.

Finding No. 2011-1

Criteria or Specific Requirement

The Treasurer of School Monies is responsible for the reconciliation of the School District's bank accounts. All transactions recorded by the business office should be included in this reconciliation. Any transactions posted to the bank statement but not recorded by the business office should be investigated by the Treasurer of School Monies and brought to the attention of the School Business Administrator.

Condition

The bank reconciliations are not complete and accurate.

Context

The bank reconciliations are performed utilizing the transactions that have been posted to the bank statements. No reconciliation with the general ledger is made.

Effect

Errors made by the business office are not detected timely. Under the weaknesses in this control, monies not deposited would not be detected. This process fails to identify any transactions that have not been recorded and any transactions that may not have been posted to the bank statements.

Cause

Bank reconciliations are being performed based on transactions which have posted to the bank statements.

Recommendation

That the bank reconciliations made by the Treasurer of School Monies be complete and accurate. That all transactions recorded by the business office be included in the reconciliations. That the Treasurer of School Monies investigate any transactions posted to the bank statement which were not properly recorded in the general ledger.

View of Responsible Officials and Planned Corrective Action

The responsible officials agree with the finding and will address the matter as part of their corrective action plan.

BOROUGH OF BELLMAWR SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2011

Section 2- Schedule of Financial Statement Findings (Cont'd)

Finding No. 2011-2

Criteria or Specific Requirement

In order to maintain proper control over the activity in the payroll agency fund, an analysis of balances due to payroll agencies should be maintained on a monthly basis and be in agreement with the reconciled balance of the payroll agency bank account.

Condition

The analysis of payroll agency liabilities was not properly maintained and provided for the audit.

Context

The School District did not maintain an analysis of payroll agency liabilities.

Effect

Amounts due to payroll agencies may not be paid timely and accurately.

Cause

The analysis was not completed timely and was not available for audit.

Recommendation

That a complete and accurate analysis of payroll agency liabilities be maintained on a monthly basis, be in agreement with the reconciled balance of the payroll agency bank account and be made available for audit.

View of Responsible Officials and Planned Corrective Action

The responsible officials agree with the finding and will address the matter as part of their corrective action plan.

BOROUGH OF BELLMAWR SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2011

Section 3- Schedule of Federal Award Findings and Questioned Costs

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major Federal programs, as required by OMB Circular A-133.

Finding No. 2011-3

Information on the Federal Program

Title I Part A, and ARRA Title I Part A (CFDA No. 84.010 and 84.389)

Criteria or Specific Requirement

The reimbursement amounts requested by the School District for Title I and ARRA Title I should be supported by expenditure reports that agree to the amounts requested.

Condition

Our audit of Title I and ARRA Title I disclosed that reimbursement requests were being made for amounts that did not agree to the expenditures recorded in the general ledger.

Questioned Costs

None.

Context

The audit of Title I Part A and ARRA Title I included two reimbursement requests made during the fiscal year ended June 30, 2011. For each, the amounts requested were not in agreement with the expenditures recorded in the general ledger.

Effect

The reimbursement requests are required to be based on actual expenditures made by the school district during the time period. When reimbursement requests are inaccurate the school district draws down excess funds which could result in the funds not being expended within the grant period.

Cause

Information which did not agree with actual expenditures was entered into the EWEG system.

Recommendation

That only expenditures which have been recorded in the general ledger be included in the requests for reimbursement made through the EWEG system.

View of Responsible Officials and Planned Corrective Action

The responsible officials agree with the finding and will address the matter as part of their corrective action plan.

BOROUGH OF BELLMAWR SCHOOL DISTRICT
 Schedule of Findings and Questioned Costs
 For the Fiscal Year Ended June 30, 2011

Section 3- Schedule of Federal Award Findings and Questioned Costs (Cont'd)

Finding No. 2011-4

Information on the Federal Program

2008-2009 Title I Part A, and 2007-2008 Title I Part A Carryover (CFDA No. 84.010)

Criteria or Specific Requirement

Federal guidelines and regulations for Title I:

- 1) The LEA's Final Report must agree to General Ledger expenditures incurred during the project period, as per OMB A-87.
- 2) The LEA's expenditures charged to Title I must supplement, not supplant, local funding sources, as per OMB Circular A-133.
- 3) The LEA's expenditures charged to Title I must be charged to the appropriate project period.
- 4) The LEA may not obligate Title I Funds prior to the start of the grant period in accordance with EDGAR, 34 CFR §76.708 and §80.23.
- 5) The LEA must provide time and activity reports that satisfy requirements of OMB A-87.
- 6) The LEA must record all salary charges on a consistent basis as program activities are performed.
- 7) The LEA's appropriations for Title I must be consistent with the SEA approved budget, as per EDGAR, 34 CFR §76.730(e).
- 8) The LEA must maintain records in accordance with departmental and federal guidelines, as per OMB Circular A-87.

Condition

The State of New Jersey Department of Education Office of Fiscal Accountability and Compliance performed an audit of the School District's Title I for the fiscal year 2008-2009, and the 2007-2008 carryover of Title I and issued a report dated September 23, 2011. The report disclosed the following:

- 1) The Final Report for fiscal year 2008-2009 reflects excess expenditures of \$82,109.87 which were not substantiated by actual program charges.
- 2) Expenditures of \$9,800.00 charged to the Title I grant supplanted local funding sources and are therefore deemed to be unallowable program costs.
- 3) The expenditures referenced in Finding Two, if otherwise allowable, should have been allocated to the 2007-2008 project period.
- 4) The LEA obligated Title I funds prior to the start of the grant period in contravention of federal regulations.
- 5) Time and activity reports prepared by Title I funded personnel did not satisfy the requirements of OMB Circular A-87.
- 6) The LEA did not record all salary charges on a consistent basis as program activities were performed.
- 7) Appropriations recorded by the District for the Title I program were not consistent with the SEA approved budget.
- 8) Records were not maintained in accordance with departmental and federal guidelines.

Questioned Costs

- 1) The Final Report for fiscal year 2008-2009 reflects excess expenditures of \$82,109.87 which were not substantiated by actual program charges.
- 2) Expenditures of \$9,800.00 charged to Title I supplanted local funding sources and are therefore deemed to be unallowable program costs.

BOROUGH OF BELLMAWR SCHOOL DISTRICT
 Schedule of Findings and Questioned Costs
 For the Fiscal Year Ended June 30, 2011

Section 3- Schedule of Federal Award Findings and Questioned Costs (Cont'd)

Finding No. 2011-4 (Cont'd)

Context

The audit of the school district's fiscal year 2008-2009 Title I and 2007-2008 carryover of Title I performed by the State of New Jersey Department of Education Office of Fiscal Accountability and Compliance disclosed eight instances of noncompliance with federal guidelines and regulations required by the program. Two of the eight findings included questioned costs.

Effect

The School District's financial transactions for fiscal year 2008-2009 Title I and 2007-2008 carryover of Title I are not properly recorded and reported. As a result of questioned costs for findings 1 and 2, the State of New Jersey Department of Education Office of Fiscal Accountability and Compliance is requiring a recovery \$91,909.87.

Cause

Failure to comply with various guidelines and regulations for Title I.

Recommendation

The following recommendations were made by the State of New Jersey Office Department of Education Office of Fiscal Accountability and Compliance:

- 1) The LEA must improve the procedures utilized to account for expenditures related to the Title I, Part A programs in accordance with the requirements of OMB Circular A-87.
- 2) The LEA must make certain that Title I program expenditures supplement and not supplant, state and local funds.
- 3) The district must implement procedures to ensure that program costs are charged to the appropriate grant year.
- 4) The LEA must ensure that expenditures chargeable to the Title I program are not obligated prior to the start of the grant period, **without prior Department approval of pre-award costs** (emphasis added).
- 5) The LEA must develop procedures to ensure that Title I funded personnel prepare time and activity reports which conform to the requirements of EDGAR, 34 CFR §80.20(b)(6) and OMB Circular A-87, Attachment B, Sections 8(h)(3) and 8(h)(4).
- 6) The LEA's accounting procedures must be modified to charge all program salary expenditures as incurred to the appropriate special revenue fund in accordance with the GAAP Technical Systems Manual.
- 7) The LEA must ensure agreement between the appropriations for the Title I program and the SEA approved budget in order to facilitate an effective audit pursuant to EDGAR, 34 CFR §76.730(e).
- 8) To facilitate an effective audit, the district must implement procedures that provide for the proper disbursement of and accounting for Title I expenditures in accordance with the requirements of OMB Circular A-87 and departmental guidance.

View of Responsible Officials and Planned Corrective Action

The responsible officials agree with the finding and will address the matter as part of their corrective action plan.

BOROUGH OF BELLMAWR SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2011

Section 4- Schedule of State Financial Assistance Findings and Questioned Costs

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major State programs, as required by OMB Circular A-133 and State of New Jersey Circular 04-04-OMB.

None.

BOROUGH OF BELLMAWR SCHOOL DISTRICT
Summary Schedule of Prior Year Audit Findings
and Questioned Costs as Prepared by Management

This section identifies the status of prior year findings related to the financial statements and Federal Awards and State Financial Assistance that are required to be reported in accordance with Government Auditing Standards, OMB Circular A-133 and State of New Jersey Circular 04-04-OMB.

FINANCIAL STATEMENT FINDINGS

Finding No. 2010-1

Condition

The bank reconciliations are not complete and accurate.

Current Status

This condition remains unchanged. (See Finding No. 2011-1)

Planned Corrective Action

The responsible officials will address the matter as part of their corrective action plan.

FEDERAL AWARDS

None.

STATE FINANCIAL ASSISTANCE PROGRAMS

Finding No. 2010-2

Condition

The report of current month and year-to-date transfers was not prepared monthly. There were transfers between advertised general fund appropriation accounts that on a cumulative basis exceeded 10 percent of the amount included in the budget certified for taxes and approvals were not obtain from the county.

Current Status

The condition has been resolved.

