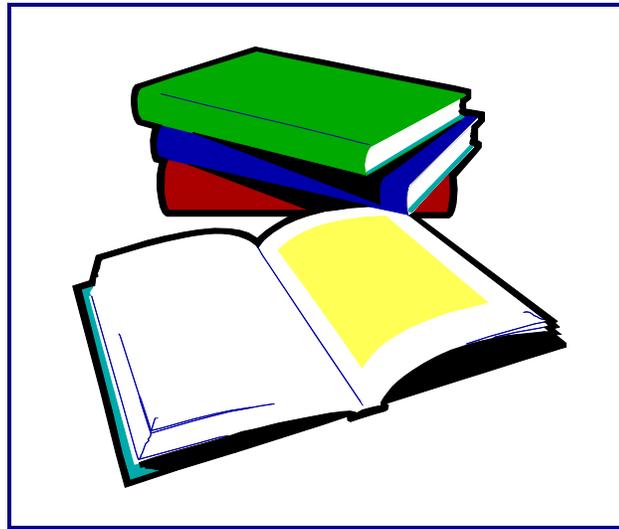


CITY OF SALEM SCHOOL DISTRICT



COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2011

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INTRODUCTORY SECTION

Salem City School District

205 Walnut Street
Salem, New Jersey 08079
Telephone 856.935.3800 ext. 4255 Fax 856.935.9141

Dr. Amiot Patrick Michel
Superintendent

Deborah A. Piccirillo
Business Administrator

Pamela Bates Thomas
Director of Special Services

October 8, 2011

Honorable President and Members of the Board of Education
Board of Education of the Salem City School District
County of Salem, New Jersey

The comprehensive annual financial report of the Salem City 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 the Single Audit Act Amendments of 1996 and the U.S. Office of Management and Budget Circular A-133, *Audits of State, Local Governments, and Non-Profit Organizations*, and the New Jersey OMB Circular Letter 04-04, *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:

Salem City School District is an independent reporting entity as established by GASB Statement No. 14. All funds and account groups of the District are included in this report. The Salem City 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-K through 12. These include regular and special education services for children. The District completed the 2010-2011 fiscal year with an enrollment of 1,232 students, which represents a small decrease of 37 students over 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>Average Daily Enrollment</u>	<u>Percent Change</u>
2010-2011	1,232	(2.9)%
2009-2010	1,269	(8.7)%
2008-2009	1,390	(1.8)%
2007-2008	1,415	(3.5)%
2006-2007	1,467	(0.1)%

2. Economic Condition and Outlook:

The Salem City community has not experienced any significant population or business growth in the past decade. Salem is an economically devastated area and dozens of businesses have closed down, thereby not only depressing the real estate market, but also putting pressure on the tax ratables. The economic outlook does not look bright in the foreseeable future, as there are very few avenues of business growth available to the community at present.

Transforming Schools in the Images of Children's Potential

3. Major Initiatives:

As a result of Salem City School District becoming an Abbott District, the School District was funded 100% for health and safety renovations. Several renovations have been completed by the school district, such as the Middle School roof replacement, the Middle School bathrooms, and upgraded security cameras. Also, a newly renovated library was incorporated into the Middle School.

In the near future, a new elementary school will be funded by the State of New Jersey and restructured to include PK through 4th grade. Currently, our 3rd and 4th graders are integrated with the Middle School.

The District continued to participate in the consortia to purchase paper, janitorial supplies, natural gas and transportation. The District also continued to provide shared services to our sending districts such as Child Study Team, Curriculum, Professional Development and Cafeteria.

The District continued an agreement with Metz Food Management Company to manage the operations of the cafeteria for the 11-12 fiscal year.

The district has awarded several service contracts with nationally known professional development providers. These providers have designed customized, sustainable professional development to our staff throughout the year and beyond.

Currently the district is in the process of making sure Salem High graduates are “college ready.” One of the initiatives to a meet this goal is the incorporation of the IB Diploma program. The IB program is designed to develop inquiring, knowledgeable, and caring young people who help to create a better more peaceful world through intercultural understanding and respect. The IB program consists of a rigorous pre-university curriculum, leading to examinations which meet the needs of highly motivated students. Participants are expected to complete curricula and assessment activities that are coordinated and evaluated by international assessors and are measured against pre-established international standards.

Currently Salem High is a “Candidate School” What that means is we have completed all necessary applications, our teachers have received specific training in their content area, and we are due for a “Final Authorization Visit.”

4. Internal Accounting Controls:

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

As a recipient of Federal and State financial assistance, the District also is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. While the IDEA ARRA audit was being conducted by the DOE for the year ending June 30, 2010, the state auditor commended the district for the condition of the accounting records. 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 cancelled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 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. These funds and account groups are explained in "Notes to the Financial Statements", Note 1.

7. Cash Management:

The investment policy of the District is guided in large part by State statute as detailed in "Notes to the Financial Statements", Note 2. The District has adopted a cash management plan, which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. 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, hazard and theft insurance on property and contents, and fidelity bonds.

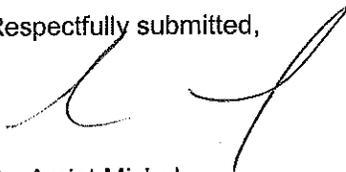
9. Other Information:

A) Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Bowman & Company, LLP, was selected by the Board of Education. In addition to meeting the requirements set forth in State statutes, the audit also was designed to meet the requirements of the Single Audit Act Amendments of 1996 and the related OMB Circular A-133 and New Jersey OMB Circular Letter 04-04. The auditor's report on the general-purpose financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

10. Acknowledgements:

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

Respectfully submitted,



Dr. Amiot Michel,
Superintendent

Respectfully submitted,



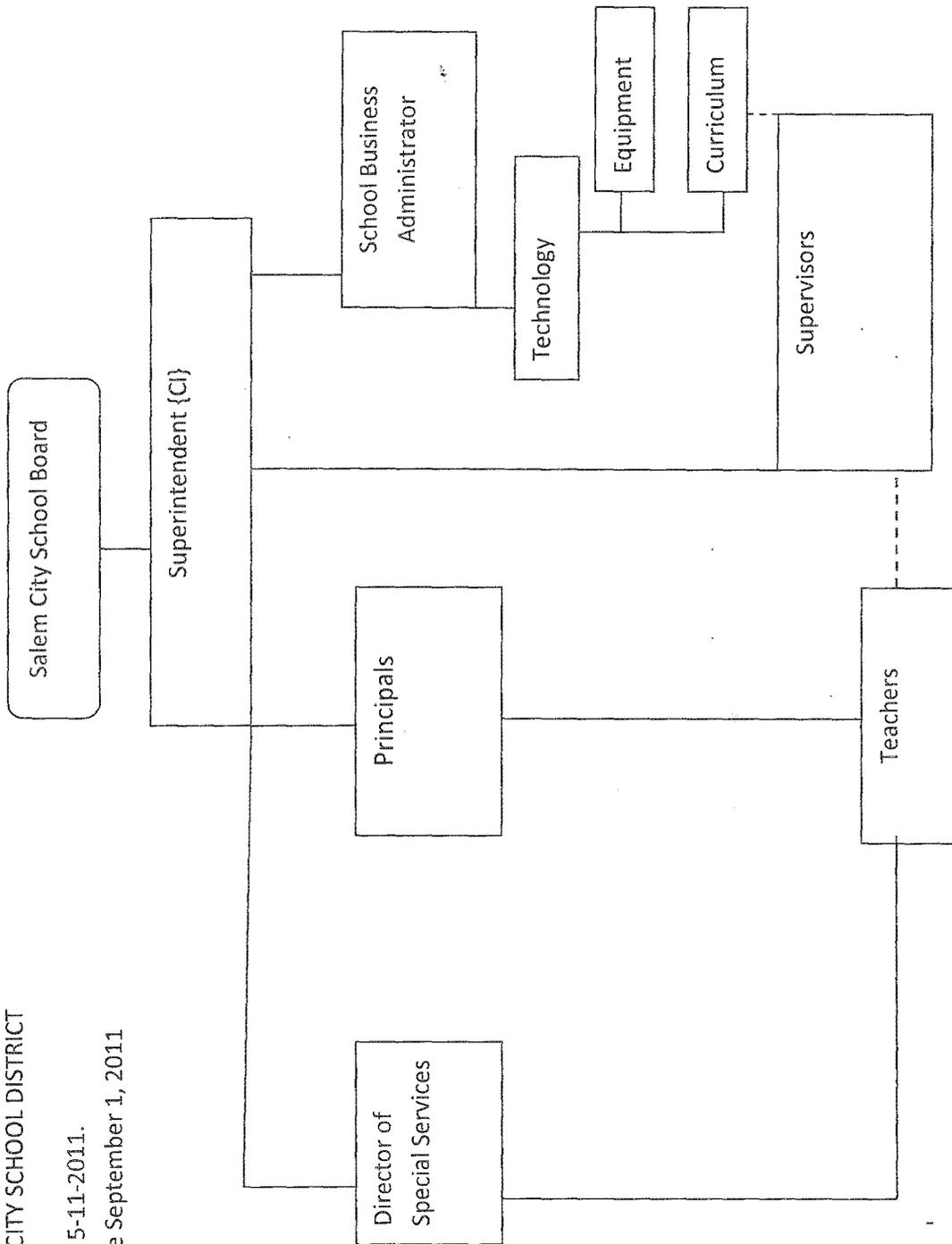
Deborah A. Piccirillo,
School Business Administrator

ORGANIZATIONAL FLOW CHART

SALEM CITY SCHOOL DISTRICT

Revised 5-11-2011.

Effective September 1, 2011



CITY OF SALEM SCHOOL DISTRICT
 SALEM, NEW JERSEY
 JUNE 30, 2011

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Yuenge Groce, President	2013
Carol Adams, Vice President	2012
Barbara Chrisden	2014
Daffonie Moore	2014
Katrina Tatem	2014
Joan Hoolahan	2013
Karen Roots	2013
Christopher Colon	2012
Julian Le Flore	2012
 <u>Sending District Members</u>	
Laura Tice-Crane, Lower Alloway Creek	2012
Alice Moore, Quinton	2012
Donald Richman, Mannington	2012
 <u>Other Officials</u>	
Dr. Amiot Michel, Chief School Administrator	
Deborah Piccirillo, Board Secretary/School Business Administrator	
Linda Jones, Treasurer of School Monies	
Roger Barbour, Esq., Solicitor/Negotiator	

CITY OF SALEM SCHOOL DISTRICT

Consultants and Advisors

June 30, 2011

Audit Firm

Bowman & Company LLP
6 North Broad Street, Suite 201
Woodbury, NJ 08096

Attorney

Barbour & Barbour, P.A.
10 N. Chestnut Avenue
Maple Shade, NJ 08052

Bond Counsel

Wilentz, Goldman & Spitzer, P.A.
90 Woodbridge Center Dr.
Woodbridge, NJ 07095

Official Depository

Franklin Savings Bank
137 W. Broadway
Salem, NJ 08079

Insurance Agent

Connor Strong Companies, Inc.
P. O. Box 358
Bridgeton, NJ 08302

Doctor

Joseph LaCavera, III, D.O.
494 Barretts Run Road
Bridgeton, NJ 08302

Architect

Garrison Architects
130 Presidential Blvd.
Bala Cynwyd, PA 19004

Regan Young England Butera, PC
456 High Street
Mt. Holly, NJ 08060

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

The Honorable President and
Members of the Board of Education
City of Salem School District
Salem, New Jersey

We have audited the accompanying financial statements of the governmental activities, the business type activities, each major fund and the aggregate remaining fund information of the City of Salem School District, in the County of Salem, 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 City of Salem 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 City of Salem School District in the County of Salem, 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 City of Salem 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 City of Salem 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



David C. Rollison
Certified Public Accountant
Public School Accountant No. CS 00346

Woodbury, 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
City of Salem School District
Salem, New Jersey

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 City of Salem School District, in the County of Salem, 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 City of Salem School District is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the City of Salem 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.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a 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.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Salem 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 no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards, and audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey.

This report is intended solely for the information 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



David C. Rollison
Certified Public Accountant
Public School Accountant No. CS 00346

Woodbury, New Jersey
October 31, 2011

REQUIRED SUPPLEMENTARY INFORMATION
PART I

City of Salem School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2011

(Unaudited)

This section of City of Salem 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 follow this section.

Overview of the Financial Statements

This annual report consists of three parts - management's discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the district.

- The first two statements are *district-wide financial statements* that provide both *short-term and long-term* information about the District's *overall* financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the District, reporting the District's 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 the *short term* as well as what remains for future spending.
- *Proprietary funds* statements offer *short and long-term* financial information about the activities of the district which operate *similar to 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.

The financial statements also include *notes* that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of *required supplementary information* that further explains and supports the financial statements with a comparison of the District's budget for the year.

City of Salem School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2011

(Unaudited)

Figure A-1
Major Features of District-Wide and Fund Financial Statements

	District-Wide Statements	<u>Fund Financial Statements</u>		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire district (except fiduciary funds)	The activities of the district that are not proprietary or fiduciary, such as special education and building maintenance	Activities the district operates similar to private businesses: food services and maintenance consultant	Instances in which the district administers resources on behalf of someone else, such as scholarship programs and student activities monies
Required financial statements	-Statement of net assets -Statement of activities	-Balance sheet -Statement of revenues, expenditures, and changes in fund balances	-Statement of net assets -Statement of revenues, expenses, and changes in fund net assets -Statement of cash flows	-Statement of fiduciary net assets -Statement of changes in fiduciary net assets
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified Accrual accounting and current financial resources focus	Accrual accounting and economic resources 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	All assets and liabilities both short-term and long-term; funds do not currently contain capital assets, although they can
Type of inflow/outflow information	All revenues and expenses during the 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 revenues and expenses during the year, regardless of when cash is received or paid	All additions and deductions during the year, regardless of when cash is received or paid

Figure A-1 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the type 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.

District-Wide Statements

The district-wide statements report information about the 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 revenues 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 District's *net assets* and how they have changed. Net assets - the difference between the District's assets and liabilities - are one way to measure the District's financial health or *position*.

- Over time, increases or decreases in the District's net assets are an indicator of whether its 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 building and other facilities.

City of Salem School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2011

(Unaudited)

District-Wide Statements (Cont'd)

In the district-wide financial statements, the District's activities are divided into two categories:

- *Governmental activities* - Most of the District's basic services are included here, such as regular and special education, transportation, and administration. Property taxes and state formula aid finance most of these activities.
- *Business-type activities* - The District charges fees to help it cover the cost for certain services it provides. The District's food services program and maintenance consultant service is included here.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's *funds*, focusing on its 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 establishes other funds to control and manage money for particular purposes (completing approved capital projects) or to show that it is properly using certain revenues (like federal grants).

The District has three kinds of funds:

- *Governmental Fund* - 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 you 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 with the governmental funds statements that explains the relationship (or differences between them).
- *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. In fact, the District's *enterprise funds* (one type of proprietary fund) are the same as it's business-type activities, but provide more detail and additional information, such as cash flow. *Internal service funds* (the other kind of proprietary fund) are utilized to report activities that provide supplies and services for the District's other programs.
- *Fiduciary funds* - The District is the trustee, or *fiduciary*, for assets that belong to others, such as the scholarship fund and the student activities funds. 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. We exclude these activities from the district-wide financial statements because the District cannot use these assets to finance its operations.

City of Salem School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2011

(Unaudited)

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net assets. The District's *combined* total net assets are \$5,710,306 on June 30, 2011. Approximately 5% of the total net assets are from business-type activities, while the balance of the total net assets is 95%, attributable to governmental activities.

CITY OF SALEM SCHOOL DISTRICT'S NET ASSETS						
	Governmental Activities		Business-Type Activities		Total	
	2011	2010	2011	2010	2011	2010
Current and Other Assets	\$ 1,915,696	\$ 2,470,635	\$ 167,765	\$ 156,423	\$ 2,083,461	\$ 2,627,059
Capital Assets	9,191,596	9,222,693	88,113	99,421	9,279,709	9,322,114
Total Assets	11,107,292	11,693,329	255,877	255,844	11,363,170	11,949,173
Current Liabilities	1,619,262	1,900,720	2,357	12,932	1,621,619	1,913,651
Noncurrent Liabilities	4,031,245	4,258,265			4,031,245	4,258,265
Total Liabilities	5,650,507	6,158,984	2,357	12,932	5,652,864	6,171,916
Invested in Capital Assets, Net of Related Debt	6,116,296	5,943,565	88,113	99,421	6,204,409	6,042,986
Restricted	445,678	894,663			445,678	894,663
Unrestricted	(1,105,189)	(1,303,885)	165,408	143,492	(939,781)	(1,160,393)
Total Net Assets	\$ 5,456,785	\$ 5,534,344	\$ 253,521	\$ 242,913	\$ 5,710,306	\$ 5,777,257

City of Salem School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2011

(Unaudited)

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (CONT'D)

Changes in net assets. The District's total revenues are \$27,465,691 for the fiscal period ended June 30, 2011. The state formula aid accounted for 58% of the District's revenue, 23% is derived from state and federal aid for specific programs, 9% is derived from property taxes, and the remainder, 10% from fees charged for services and miscellaneous resources.

CITY OF SALEM SCHOOL DISTRICT'S NET ASSETS						
	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Revenues:						
Program Revenues:						
Charges for Services	\$ 2,269,504	\$ 2,169,822			\$ 2,269,504	\$ 2,169,822
Operating Grants and Contributions	5,768,251	5,598,516	\$ 649,537	\$ 661,502	6,417,788	6,260,018
Business Type Activities						
Food Service			252,885	257,996	252,885	257,996
Internal Service			5,495	7,840	5,495	7,840
General Revenues:						
Property Taxes	2,497,622	2,475,293			2,497,622	2,475,293
Grants and Contributions not Restricted to Specific Programs	15,869,037	15,506,870			15,869,037	15,506,870
Other	152,460	119,547	899	(48)	153,359	119,499
Total Revenues	26,556,874	25,870,048	908,817	927,290	27,465,691	26,797,338
Expenses:						
Instruction	10,651,954	11,198,585			10,651,954	11,198,585
Support Services	15,833,442	16,287,577			15,833,442	16,287,577
Other	149,037	155,808			149,037	155,808
Food Service			892,714	914,037	892,714	914,037
Internal Service			5,495	7,840	5,495	7,840
Total Expenses	26,634,433	27,641,969	898,209	921,877	27,532,641	28,563,846
Increase in Net Assets	(77,559)	(1,771,921)	10,608	5,413	(66,951)	(1,766,508)
Net Assets, July 1	5,534,344	7,306,265	242,913	237,500	5,777,257	7,543,765
Net Assets, June 30	\$ 5,456,785	\$ 5,534,344	\$ 253,521	\$ 242,913	\$ 5,710,306	\$ 5,777,257

The District's total expenses are \$27,532,641 for the fiscal period ending June 30, 2011. Instruction accounted for 37% of the District's expenses, 58% is comprised of support services and 5% is related to other and business type expenses.

City of Salem School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2011

(Unaudited)

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (CONT'D)

Governmental Activities (Cont'd)

Revenues for the District's governmental activities amounted to \$26,556,874 while total expenses amounted to \$26,634,433. This resulted in a decrease in net assets in governmental activities of \$77,559 for the 2011 fiscal year.

Overall, the health of the District's finances can be credited to controlling expenses due to the potential decrease in state revenue and the district securing grants to supplement local and state funding.

Business-type Activities

Revenues of the District's business-type activities amounted to \$908,817 and expenses were \$898,209. Factors contributing to these results include a decrease in sales revenue and Federal and State reimbursements and an overall decrease in costs. Food service revenue exceeded expenses by \$10,608 for the 2011 fiscal year.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

The strong financial performance of the District as a whole is primarily reflected in its governmental funds. As the district completed the year, its governmental funds reported *combined* balances of \$5,456,785.

General Fund Budgetary Highlights

The District's final 10-11 budget anticipated utilizing \$1,290,644 in fund balance and \$248,982 of prior year encumbrances to fund a portion of the appropriation plan for this fiscal period.

Actual expenditures for capital outlay totaled \$200,525.15 in the Operating Fund. Capital outlay expenditures consist of playground equipment, vehicles, video system, smart tables and signs.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

By the end of fiscal year 2011, the District had invested a net amount of \$9,191,596 in a broad range of capital assets, including school buildings and improvements, athletic facilities, computer and audiovisual equipment, and administrative offices (see Table) (more detailed information about capital assets can be found in the notes to the financial statements). Total depreciation expense for the year was \$619,750.

City of Salem School District
 Management's Discussion and Analysis
 For the Fiscal Year Ended June 30, 2011

(Unaudited)

CAPITAL ASSET AND DEBT ADMINISTRATION (CONT'D)

CITY OF SALEM SCHOOL DISTRICT'S NET ASSETS (NET OF ACCUMULATED DEPRECIATION)						
	Governmental Activities		Business-Type Activities		Total	
	2011	2010	2011	2010	2011	2010
Land	\$563,650	\$563,650			\$563,650	\$563,650
Construction in Progress	498,414	325,190			498,414	
Land Improvements	86,540	77,592			86,540	77,592
Building Improvements	7,175,723	7,542,932			7,175,723	7,542,932
Equipment	867,269	713,330	\$99,421	\$88,113	966,689	801,443
Total	\$ 9,191,596	\$ 9,222,693	\$ 99,421	\$ 88,113	\$ 9,291,017	\$ 8,985,617

The District's fiscal year 2011 capital budget anticipated the following School Development Authority capital projects including these areas:

- Fire Alarm & Electrical Distribution System Replacement – John Fenwick School
- Fire Alarm & HVAC Controls Upgrade – Salem Middle School
- Door Replacement – Salem Middle School
- Roof Replacement – Salem Middle School
- Exhaust Fan and Related System Replacement – Salem High School

Upon becoming an Abbott School District, these projects are eligible for 100% funding through the New Jersey Schools Development Authority.

Long-term Debt

The District has the authority to issue bonds. On February 15, 1999, the district authorized \$4,989,000 twenty-five year bond indebtedness. This long-term bond indebtedness was approved by the residents of the City of Salem. On August 20, 2008, the school bonds were refunded for \$3,670,000 producing a total present value savings of \$115,352.07.

FACTORS BEARING ON THE DISTRICT'S FUTURE

At the time these financial statements were prepared and audited, the District was aware of the following existing circumstances that could significantly affect its financial health in the future:

- The District is acutely aware of the need to improve student performance on standardized testing mandated by the State of New Jersey. The district acknowledges the need for professional development to enhance educational opportunities for the students of the district.
- The District had an increase in the State Formula Aid for the fiscal year 2010-2011 of 10.9%.
- The District's special revenue is an unpredictable revenue source. The district avails itself of every grant opportunity to increase educational opportunities for the students.
- During the 2010-2011 budget process, \$1,290,644 of fund balance was used to support the budget and in 2011-2012 \$936,488 of fund balance was used to support the budget.

City of Salem School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2011

(Unaudited)

FACTORS BEARING ON THE DISTRICT'S FUTURE (CONT'D)

- The excess surplus generated during 2009-2010, in the amount of \$5,956 will be anticipated as revenue in the 2011-2012 budget. The excess surplus generated during 2010-2011, in the amount of \$72,625 will be anticipated as revenue in the 2012-2013 budget.
- The deferment of the nineteenth and twentieth state aid payments leaves the district in a precarious budgetary position regarding future budgets. The District was required to borrow moneys due to the delay in state aid payments.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, 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 Deborah A. Piccirillo, Business Administrator, Salem City School District, 205 Walnut Street, Suite 408, Salem, NJ 08079.

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

CITY OF SALEM 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	\$ 507,513.69	\$ 94,560.61	\$ 602,074.30
Interfund Accounts Receivable	0.21	2,300.98	2,301.19
Receivables, net	1,332,918.19	56,985.84	1,389,904.03
Inventory		13,917.10	13,917.10
Restricted Assets:			
Restricted Cash and Cash Equivalents	1,000.83		1,000.83
Capital Reserve Account - Cash	1,000.00		1,000.00
Capital Assets, net (Note 7)	9,191,596.13	88,112.96	9,279,709.09
Deferred Charge:			
Unamortized Debt Issuance Costs	73,263.18		73,263.18
Total Assets	11,107,292.23	255,877.49	11,363,169.72
LIABILITIES:			
Accounts Payable	399,727.96		399,727.96
Interfund Accounts Payable	21,682.18		21,682.18
Loan Payable (Short Term)	1,114,349.00		1,114,349.00
Accrued Interest	50,711.72		50,711.72
Deferred Revenue	32,791.03	2,356.87	35,147.90
Noncurrent Liabilities (Note 8):			
Due within One Year	244,588.30		244,588.30
Due beyond One Year	3,786,656.56		3,786,656.56
Total Liabilities	5,650,506.75	2,356.87	5,652,863.62
NET ASSETS:			
Invested in Capital Assets, Net of Related Debt	6,116,295.74	88,112.96	6,204,408.70
Restricted:			
Debt Service (Deficit)	(50,710.94)		(50,710.94)
Capital Projects	48,124.98		48,124.98
Other Purposes	448,264.45		448,264.45
Unrestricted (Deficit)	(1,105,188.75)	165,407.66	(939,781.09)
Total Net Assets	\$ 5,456,785.48	\$ 253,520.62	\$ 5,710,306.10

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

CITY OF SALEM SCHOOL DISTRICT
Statement of Activities
For the Fiscal Year Ended June 30, 2011

Functions / Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:						
Instruction:						
Regular	\$ 8,160,387.93	\$ 2,269,504.22	\$ 2,066,132.97	\$ (3,824,750.74)		\$ (3,824,750.74)
Special Education	1,650,229.47			(1,650,229.47)		(1,650,229.47)
Other Special Instruction	61,426.46			(61,426.46)		(61,426.46)
Vocational	391,878.73			(391,878.73)		(391,878.73)
Other Instruction	388,031.11			(388,031.11)		(388,031.11)
Support Services:						
Tuition	1,109,041.02			(1,109,041.02)		(1,109,041.02)
Student and Instruction Related Services	4,253,565.15		1,894,626.83	(2,358,938.32)		(2,358,938.32)
School Administrative Services	945,451.78			(945,451.78)		(945,451.78)
General and Business Administrative Services	860,797.54			(860,797.54)		(860,797.54)
Plant Operations and Maintenance	2,280,342.25			(2,280,342.25)		(2,280,342.25)
General/Non-Allocated	541,362.76			(541,362.76)		(541,362.76)
Pupil Transportation	647,115.59			(647,115.59)		(647,115.59)
Unallocated Benefits	5,195,766.16		1,578,241.90	(3,617,524.26)		(3,617,524.26)
Other:						
Amortization of Debt Issuance Costs	9,801.49			(9,801.49)		(9,801.49)
Interest on Long-Term Debt	139,235.16		229,249.00	90,013.84		90,013.84
Total Governmental Activities	26,634,432.60	2,269,504.22	5,768,250.70	(18,596,677.68)	\$ -	(18,596,677.68)
Business-Type Activities:						
Food Service	892,713.69	252,885.44	649,537.00		9,708.75	9,708.75
Internal Service	5,494.89	5,494.89				
Total Business-Type Activities	898,208.58	258,380.33	649,537.00		9,708.75	9,708.75
Total Primary Government	\$ 27,532,641.18	\$ 2,527,884.55	\$ 6,417,787.70	(18,596,677.68)	9,708.75	(18,586,968.93)
General Revenues:						
Taxes:						
Property Taxes, Levied for General Purposes, net				2,392,321.00		2,392,321.00
Taxes Levied for Debt Service				105,301.00		105,301.00
Federal and State Aid not Restricted				16,119,494.15		16,119,494.15
Federal and State Aid Restricted - Cancellation of State Aid				(250,457.08)		(250,457.08)
Investment Earnings					899.27	899.27
Miscellaneous Income				80,735.32		80,735.32
Amortization of Premium Received on Sale of Bonds				8,628.84		8,628.84
Loss on Disposal of Asset				63,095.85		63,095.85
Total General Revenues, Special Items, Extraordinary Items and Transfers				18,519,119.08	899.27	18,520,018.35
Change in Net Assets				(77,558.60)	10,608.02	(66,950.58)
Net Assets -- July 1				5,534,344.08	242,912.60	5,777,256.68
Net Assets -- June 30				\$ 5,456,785.48	\$ 253,520.62	\$ 5,710,306.10

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

FUND FINANCIAL STATEMENTS

CITY OF SALEM SCHOOL DISTRICT
Balance Sheet
Governmental Funds
June 30, 2011

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS:					
Cash and Cash Equivalents	\$ 507,513.69		\$ 1,000.05	\$ 0.78	\$ 508,514.52
Capital Reserve	1,000.00				1,000.00
Interfund Accounts Receivable	943,516.65				943,516.65
Other Accounts Receivable	400.00				400.00
Receivables from Other Governments	347,908.92	\$ 322,289.60	662,319.67		1,332,518.19
Total Assets	\$ 1,800,339.26	\$ 322,289.60	\$ 663,319.72	\$ 0.78	\$ 2,785,949.36
LIABILITIES AND FUND BALANCES:					
Liabilities:					
Accounts Payable	\$ 291,059.09	\$ 108,668.87			\$ 399,727.96
Interfund Accounts Payable	21,682.18	343,321.70	\$ 600,194.74		965,198.62
Loans Payable (Short Term)	1,114,349.00				1,114,349.00
Deferred Revenue		17,791.03	15,000.00		32,791.03
Total Liabilities	1,427,090.27	469,781.60	615,194.74	\$ -	2,512,066.61
Fund Balances:					
Restricted:					
Capital Reserve	1,000.00				1,000.00
Legally Restricted Excess Surplus Designated for Subsequent Year's Expenditures	5,955.53				5,955.53
Excess Surplus - Current Year	72,624.94				72,624.94
Capital Projects			48,124.98		48,124.98
Debt Service				0.78	0.78
Assigned:					
Designated for Subsequent Year's Expenditures	930,532.47				930,532.47
Other Purposes	368,683.98				368,683.98
Unassigned (Deficit)	(1,005,547.93)	(147,492.00)			(1,153,039.93)
Total Fund Balances	373,248.99	(147,492.00)	48,124.98	0.78	273,882.75
Total Liabilities and Fund Balances	\$ 1,800,339.26	\$ 322,289.60	\$ 663,319.72	\$ 0.78	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$17,077,718.14 and the accumulated depreciation is \$7,886,122.01.	9,191,596.13
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.	(3,972,681.29)
Governmental funds report the effect of issuance costs 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 the difference in the treatment of the long-term debt related items.	14,699.61
Interest on long-term debt is accrued on the Statement of Net Assets regardless of when due.	(50,711.72)
Net assets of governmental activities	<u>\$ 5,456,785.48</u>

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

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

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES:					
Local Tax Levy	\$ 2,392,321.00			\$ 105,301.00	\$ 2,497,622.00
Tuition Charges	2,269,504.22				2,269,504.22
Miscellaneous	80,735.32				80,735.32
State Sources	17,238,484.90	\$ 2,055,112.83	\$ 215,856.83	229,249.00	19,738,703.56
Federal Sources	95,544.73	2,027,300.56			2,122,845.29
Local Sources	26,196.00				26,196.00
Total Revenues	22,076,590.17	4,108,609.39	\$ 215,856.83	334,550.00	26,735,606.39
EXPENDITURES:					
Current:					
Regular Instruction	6,048,840.40	2,066,132.97			8,114,973.37
Special Education Instruction	1,650,229.47				1,650,229.47
Other Special Instruction	61,426.46				61,426.46
Vocational Education	391,878.73				391,878.73
Other Instruction	388,031.11				388,031.11
Support Services and Undistributed Costs:					
Tuition	1,109,041.02				1,109,041.02
Student and Instruction Related Services	2,358,938.32	1,894,626.83			4,253,565.15
School Administrative Services	945,451.78				945,451.78
Other Administrative Services	845,851.53				845,851.53
Plant Operations and Maintenance	2,262,315.81				2,262,315.81
Pupil Transportation	647,115.59				647,115.59
Unallocated Benefits	5,209,157.13				5,209,157.13
Debt Service:					
Principal				205,000.00	205,000.00
Interest and Other Charges				141,637.50	141,637.50
Capital Outlay	200,525.15	134,727.59	190,304.16		525,556.90
Total Expenditures	22,118,802.50	4,095,487.39	190,304.16	346,637.50	26,751,231.55

(Continued)

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

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Excess (Deficiency) of Revenues over Expenditures	\$ (42,212.33)	\$ 13,122.00	\$ 25,552.67	\$ (12,087.50)	\$ (15,625.16)
OTHER FINANCING SOURCES (USES):					
Operating Transfers: Transfer to Capital Projects	(7,592.95)		7,592.95		
Cancelation of State Aid			(250,457.08)		(250,457.08)
Total Other Financing Sources and Uses	(7,592.95)	-	(242,864.13)	-	(250,457.08)
Net Change in Fund Balances	(49,805.28)	13,122.00	(217,311.46)	(12,087.50)	(266,082.24)
Fund Balance(Deficit) -- July 1	423,054.27	(160,614.00)	265,436.44	12,088.28	539,964.99
Fund Balance(Deficit) -- June 30	\$ 373,248.99	\$ (147,492.00)	\$ 48,124.98	\$ 0.78	\$ 273,882.75

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

CITY OF SALEM 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		\$ (266,082.24)
Amounts reported for governmental activities in the statement of activities (A-2) are different because:		
<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		\$ (619,749.77)
Capital Outlays		<u>525,556.90</u>
		(94,192.87)
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities.		205,000.00
Governmental funds report the effect of issuance costs 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 the difference in the treatment of the long-term debt related items.		(1,172.65)
In the statement of activities, only the gain on the disposal of capital assets is reported, whereas in the governmental funds, the proceeds from a sale increase financial resources. Thus, the change in net assets will differ from the change in fund balance by the cost of the asset removed. (-)		63,095.85
In the statement of activities, 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. The accrued interest is an addition in the reconciliation. (+)		2,402.34
In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) 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 (+).		13,390.97
Revenues in the statement of activities which do not provide current financial resources are not reported as revenues in the funds. (+)		<u>-</u>
Change in Net Assets of Governmental Activities		<u>\$ (77,558.60)</u>

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

CITY OF SALEM SCHOOL DISTRICT
Statement of Net Assets
Proprietary Funds
June 30, 2011

	<u>Business-Type Activities</u>		
	<u>Enterprise Fund</u>	<u>Internal Service Fund</u>	<u>Totals</u>
ASSETS:			
Current Assets:			
Cash and Cash Equivalents	\$ 94,560.61		\$ 94,560.61
Interfund Accounts Receivable:			
Due from General Fund	2,300.98		
Accounts Receivable:			
State	673.34		673.34
Federal	43,756.95		43,756.95
Other	12,555.55		12,555.55
Inventories	13,917.10		13,917.10
Total Current Assets	<u>167,764.53</u>	<u>\$ -</u>	<u>167,764.53</u>
Noncurrent Assets:			
Furniture, Machinery and Equipment	195,638.92		195,638.92
Less Accumulated Depreciation	<u>(107,525.96)</u>		<u>(107,525.96)</u>
Total Noncurrent Assets	<u>88,112.96</u>		<u>88,112.96</u>
Total Assets	<u>255,877.49</u>	<u>-</u>	<u>255,877.49</u>
LIABILITIES :			
Current Liabilities:			
Deferred Revenue:			
Lunches	1,093.33		1,093.33
USDA Commodities	1,263.54		1,263.54
Total Current Liabilities	<u>2,356.87</u>	<u>-</u>	<u>2,356.87</u>
NET ASSETS:			
Invested in Capital Assets	88,112.96		88,112.96
Unrestricted	<u>165,407.66</u>		<u>165,407.66</u>
Total Net Assets	<u>\$ 253,520.62</u>	<u>\$ -</u>	<u>\$ 253,520.62</u>

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

CITY OF SALEM 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		
	<u>Enterprise Fund</u>	<u>Internal Service Fund</u>	<u>Totals</u>
OPERATING REVENUES:			
Charges for Services:			
Daily Sales - Reimbursable Programs	\$ 46,464.85		\$ 46,464.85
Daily Sales - Non-Reimbursable Programs	70,805.34		70,805.34
Special Functions	135,615.25		135,615.25
Maintenance Consultant Services		\$ 5,494.89	5,494.89
Total Operating Revenues	<u>252,885.44</u>	<u>5,494.89</u>	<u>258,380.33</u>
OPERATING EXPENSES:			
Salaries		5,494.89	5,494.89
Purchased Professional Services	391,184.94		391,184.94
Cleaning, Repair and Maintenance Services	5,677.61		5,677.61
Other Purchased Services	6,022.57		6,022.57
General Supplies	39,389.45		39,389.45
Depreciation	11,307.82		11,307.82
Cost of Sales	439,131.30		439,131.30
Total Operating Expenses	<u>892,713.69</u>	<u>5,494.89</u>	<u>898,208.58</u>
Operating Income (Loss)	<u>(639,828.25)</u>	<u>-</u>	<u>(639,828.25)</u>
NONOPERATING REVENUES (EXPENSES):			
State Sources:			
State School Lunch Program	8,825.54		8,825.54
Federal Sources:			
National School Lunch Program	434,417.76		434,417.76
National School Breakfast Program	140,386.56		140,386.56
National School Snack Program	4,657.56		4,657.56
Fresh Fruits & Vegetables	19,733.76		19,733.76
Food Distribution Program	41,515.82		41,515.82
Interest and Investment Revenue	899.27		899.27
Total Nonoperating Revenues (Expenses)	<u>650,436.27</u>	<u>-</u>	<u>650,436.27</u>
Change in Net Assets	10,608.02		10,608.02
Net Assets -- July 1	<u>242,912.60</u>	<u>-</u>	<u>242,912.60</u>
Net Assets -- June 30	<u>\$ 253,520.62</u>	<u>\$ -</u>	<u>\$ 253,520.62</u>

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

CITY OF SALEM SCHOOL DISTRICT
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2011

	<u>Business-Type Activities</u>		
	<u>Enterprise Fund</u>	<u>Internal Service Fund</u>	<u>Totals</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>			
Receipts from Customers	\$ 257,776.96		\$ 257,776.96
Payments for Purchased Professional Services	(397,173.72)	(5,494.89)	(397,173.72)
Payments to Suppliers	(447,400.90)		(447,400.90)
Net Cash Provided by (used for) Operating Activities	<u>(586,797.66)</u>	<u>\$ (5,494.89)</u>	<u>(586,797.66)</u>
<u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</u>			
State Sources	10,222.20		10,222.20
Federal Sources	606,238.74		606,238.74
Operating Subsidies and Transfers to other Funds	(299.99)	-	(299.99)
Net Cash Provided by (used for) Non-Capital Financing Activities	<u>616,160.95</u>	<u>-</u>	<u>616,160.95</u>
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</u>			
Purchases of Capital Assets	-	-	-
Net Cash Provided by (used for) Capital and Related Financing Activities	<u>-</u>	<u>-</u>	<u>-</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES:</u>			
Interest Income	899.27		899.27
Net Cash Provided by (used for) Investing Activities	<u>899.27</u>	<u>-</u>	<u>899.27</u>
Net Increase (Decrease) in Cash and Cash Equivalents	30,262.56	(5,494.89)	24,767.67
Balances -- July 1	64,298.05		64,298.05
Balances -- June 30	<u>\$ 94,560.61</u>	<u>\$ (5,494.89)</u>	<u>\$ 89,065.72</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating Income (Loss)	\$ (639,828.25)	\$ -	\$ (639,828.25)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities:			
Food Distribution Program	41,515.82		41,515.82
Depreciation and Net Amortization	11,307.82		11,307.82
(Increase) Decrease in Accounts Receivable, Net	4,734.27	7,840.00	12,574.27
(Increase) Decrease in Inventories	6,153.57		6,153.57
(Increase) Decrease in Interfund Receivable	(106.21)		(106.21)
Increase (Decrease) in Interfund Payable		(7,840.00)	(7,840.00)
Increase (Decrease) in Deferred Revenue	(10,574.68)		(10,574.68)
Total Adjustments	<u>53,030.59</u>	<u>-</u>	<u>53,030.59</u>
Net Cash Provided by (used for) Operating Activities	<u>\$ (586,797.66)</u>	<u>\$ -</u>	<u>\$ (586,797.66)</u>

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

CITY OF SALEM SCHOOL DISTRICT
Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2011

	Trust Fund		Agency Funds	
	<u>Scholarship Trust</u>	<u>Uniform Trust</u>	<u>Student Activity</u>	<u>Payroll</u>
ASSETS:				
Cash and Cash Equivalents	\$ 21,763.96	\$ 361.33	\$ 90,023.67	\$ 43,231.69
Interfund Accounts Receivable:				
Due from General Fund				19,381.20
Investments, at Fair Value:				
Certificates of Deposit	11,251.30			
Mutual Fund	6,710.88			
Total Assets	\$ 39,726.14	\$ 361.33	\$ 90,023.67	\$ 62,612.89
LIABILITIES:				
Payable to Student Groups			\$ 90,023.67	
Payroll Deductions and Withholdings				\$ 62,612.89
Total Liabilities	\$ -	\$ -	\$ 90,023.67	\$ 62,612.89
NET ASSETS:				
Reserved for Scholarships	39,726.14			
Reserved for Uniforms		361.33		
Total Net Assets	\$ 39,726.14	\$ 361.33		

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

CITY OF SALEM SCHOOL DISTRICT
Statement of Changes in Fiduciary Net Assets
Fiduciary Funds
June 30, 2011

	<u>Scholarship Trust</u>	<u>Uniform Trust</u>
ADDITIONS:		
Investment earnings:		
Net Increase (Decrease) in Fair Value of Investments	\$ (37.20)	
Interest	<u>1,923.87</u>	<u>\$ 0.52</u>
Net Investment Earnings	<u>1,886.67</u>	<u>0.52</u>
Total Additions	<u>1,886.67</u>	<u>0.52</u>
DEDUCTIONS:		
Scholarships Awarded	<u>1,850.00</u>	
Total Deductions	<u>1,850.00</u>	<u>232.45</u>
Change in Net Assets	36.67	(231.93)
Net Assets -- July 1	<u>39,689.47</u>	<u>593.26</u>
Net Assets -- June 30	<u>\$ 39,726.14</u>	<u>\$ 361.33</u>

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

CITY OF SALEM 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 City of Salem School District (hereafter referred to as the "School District") is a Type II district located in the County of Salem, 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 K-12 at its three schools. The School District has an approximate enrollment at June 30, 2011 of 1,249.

Beginning with the fiscal year July 1, 2004, the school district was approved as an "Abbott District" as defined in 18A:7F-3, which is a district classified as a special needs district under the "Quality Education Act of 1990, "P.L. 1990, c. 52(C.18A:7D-1 et. Al.) or in the appendix to Raymond Abbott, et. Al. v. Fred G. Burke, et. al. decided by the New Jersey Supreme Court on June 5, 1990 (119 N.J. 287, 394).

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*. The School District has determined that there are no component units for the year ending June 30, 2011.

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.

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 fund. 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.

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

Government-wide Financial Statements (Cont'd) - 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 to be included as a component of overall general fund expenditures, and also are to be included in total general fund expenditures for purposes of the excess surplus calculation. There were no Ed Jobs expenditures in the fiscal year ending June 30, 2011.

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 or capital projects.

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 School 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.

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.

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.

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

Proprietary Funds (Cont'd) - 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
Vehicles	4-6 Years

Internal Service Funds – The Internal Service Fund is used by management to charge the necessary expenses to provide maintenance consultant services to the Galloway Community Charter School. The assets and liabilities of the combined service funds are included in business-type activities in the Statement of Net Assets.

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 four fiduciary funds; a private-purpose scholarship fund, a uniform fund, a student activity fund, and 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 thirty 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 include 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 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:23-2.2(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:23-2.11.

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, Exhibit D-3 and 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 yearend 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 yearend 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 are reflected in the balance sheet as deferred revenues at fiscal year end.

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

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.

Tuition Payable - Tuition charges for the fiscal years ended June 30, 2010 and 2011 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 propriety 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 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	10-20 Years	N/A
Buildings and Improvements	10-50 Years	N/A
Furniture and Equipment	5-20 Years	15 Years
Vehicles	5-10 Years	4-6 Years

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.

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.

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. Operating expenses are necessary costs incurred to provide the goods or services that are the primary activity of the fund.

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. Such funds are shown as uninsured and uncollateralized in the schedule below.

As of June 30, 2011, the School District's bank balances of \$1,758,221.37 were exposed to custodial credit risk as follows:

Insured	\$ 500,000.00
Uninsured and uncollateralized	327,526.67
Collateralized by securities held by the pledging financial institutions	<u>930,694.70</u>
Total	<u><u>\$ 1,758,221.37</u></u>

Note 3: INVESTMENT IN SECURITIES

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. These permissible investments generally include bonds or other obligations of the United States of America or obligations guaranteed by the United States of America, government money market mutual funds, any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, bonds or other obligations of the School District or other obligations of the local unit or units within which the School District is located, bonds or other obligations approved by the Division of Investment in the Department of Treasury for investment by school districts, local government investment pools, deposits with the State of New Jersey Cash Management Fund, and agreements for the purchase of fully collateralized securities with certain provisions. The School District has no investment policy that would further limit its investment choices.

Note 3: INVESTMENTS IN SECURITIES (CON'T)

Custodial Credit Risk Related to Investments – For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the School District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Of the School District's total \$17,962.18 of investments, none of the investments in mutual funds and certificates of deposit are uninsured, are not registered in the name of the School District, and are held by the counterparty.

As of June 30, 2011, the School District's investments were as follows:

<u>Investment</u>	<u>Maturities</u>	<u>Fair Value</u>
Mutual Fund	N/A	\$ 6,710.88
Certificate of Deposit	4/25/2012	1,088.39
Certificate of Deposit	2/20/2012	2,192.93
Certificate of Deposit	2/20/2012	<u>7,969.98</u>
Total Investments		<u>\$ 17,962.18</u>

Interest Rate Risk – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Other than the rules and regulations promulgated by N.J.S.A. 18A:20-37, the School District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk – Credit risk is the risk that an issuer or counterparty to an investment will not fulfill its obligations. As stated in Note 1, investments are purchased in accordance with N.J.S.A. 18A:20-37. The School District has no investment policy that would further limit its investment choices.

Concentration of Credit Risk - Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The School District's investment policies place no limit on the amount the School District may invest in any one issuer. Approximately 63% of the School District's investments are in Certificates of Deposit and approximately 37% are in a Mutual Fund. These investments represent 100% of the School District's total investments. These investments are reported under the fiduciary funds in the School District's Scholarship Trust.

Note 4: CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the School District by inclusion of \$101,000.00 during the fiscal year ending 2001 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 4: CAPITAL RESERVE ACCOUNT (CONT'D)

There was no activity in the capital reserve account for the July 1, 2010 to June 30, 2011 fiscal year.

Ending Balance June 30, 2010	<u>\$ 1,000.00</u>
Ending Balance June 30, 2011	<u>\$ 1,000.00</u>

Note 5: 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>Proprietary Funds</u>	<u>Total</u>
Other	\$ 400.00			\$ 12,555.55	\$ 12,955.55
Intergovernmental	347,908.92	\$ 322,289.60	\$ 662,319.72	44,430.29	1,376,948.53
Total	<u>\$ 348,308.92</u>	<u>\$ 322,289.60</u>	<u>\$ 662,319.72</u>	<u>\$ 56,985.84</u>	<u>\$ 1,389,904.08</u>

Note 6: INVENTORY

Inventory in the general fund at June 30, 2011 was not material and therefore is not reflected in the financial statements at year end.

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

Food	\$ 10,393.67
Supplies	<u>3,523.43</u>
	<u>\$ 13,917.10</u>

Note 7: CAPITAL ASSETS

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

	<u>Balance</u> <u>June 30, 2010</u>	<u>Additions</u>	<u>Deletions</u>	<u>Completed</u> <u>Construction</u>	<u>Balance</u> <u>June 30, 2011</u>
Governmental Activities:					
Capital Assets					
not being Depreciated:					
Land	\$ 563,650.00				\$ 563,650.00
Construction in Progress	325,189.57	\$ 190,304.16	\$ (4,929.57)	\$ (12,150.06)	498,414.10
Total Capital Assets					
not being Depreciated	888,839.57	190,304.16	(4,929.57)	(12,150.06)	1,062,064.10
Capital Assets, being Depreciated:					
Land Improvements	449,610.00	14,500.00			464,110.00
Building and Improvements	13,826,167.03	111,309.04		12,150.06	13,949,626.13
Equipment	1,462,188.21	209,443.70	(69,714.00)		1,601,917.91
Total Capital Assets					
being Depreciated	15,737,965.24	335,252.74	(69,714.00)	12,150.06	16,015,654.04
Less Accumulated Depreciation for:					
Land Improvements	(372,018.50)	(5,551.50)			(377,570.00)
Building and Improvements	(6,283,235.32)	(490,667.46)			(6,773,902.78)
Equipment	(748,857.84)	(123,530.81)	137,739.42		(734,649.23)
Total Accumulated Depreciation*	(7,404,111.66)	(619,749.77)	137,739.42	-	(7,886,122.01)
Total Capital Assets					
being Depreciated, Net	8,333,853.58	(284,497.03)	68,025.42	12,150.06	8,129,532.03
Governmental Activities					
Capital Assets, Net	\$ 9,222,693.15	\$ (94,192.87)	\$ 63,095.85	\$ -	\$ 9,191,596.13
Business-Type Activities:					
Equipment	\$ 195,638.92				\$ 195,638.92
Less Accumulated Depreciation	(96,218.14)	\$ (11,307.82)			(107,525.96)
Business-Type Activities Capital					
Assets, Net	\$ 99,420.78	\$ (11,307.82)	\$ -		\$ 88,112.96

* Depreciation expense was charged to governmental functions as follows:

Instruction	\$ 45,414.56
Administrative Support	14,946.01
General/Non-Allocated	541,362.76
Operations/Maintenance	<u>18,026.44</u>
Total Depreciation Expense	<u>\$ 619,749.77</u>

Note 8: LONG-TERM OBLIGATIONS

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

	<u>Principal Outstanding June 30, 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	\$ 3,295,000.00		\$ 205,000.00	\$ 3,090,000.00	\$ 215,000.00
Compensated Absences	896,072.26		13,390.97	882,681.29	29,588.30
Governmental Activity Long-term Liabilities	<u>\$ 4,191,072.26</u>	<u>\$ -</u>	<u>\$ 218,390.97</u>	<u>\$ 3,972,681.29</u>	<u>\$ 244,588.30</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 August 20, 2008, the School District issued \$3,670,000.00 general obligation refunding bonds, series 2008 at interest rates varying from 3.00% to 4.50%. Such refunding bonds were issued to advance refund all of the school districts bonds outstanding dated February 15, 1999. The 1999 bonds were originally issued to fund various construction and renovation projects. The final maturity of the refunding bonds is February 15, 2024. The refunding bonds will be paid from property taxes and state aid.

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	\$ 215,000.00	\$ 135,231.26	\$ 350,231.26
2013	220,000.00	128,243.76	348,243.76
2014	230,000.00	118,343.76	348,343.76
2015	230,000.00	106,843.76	336,843.76
2016	235,000.00	95,343.76	330,343.76
2017-2021	1,225,000.00	313,218.80	1,538,218.80
2022-2024	735,000.00	64,062.50	799,062.50
	<u>3,090,000.00</u>	<u>\$ 961,287.60</u>	<u>\$ 4,051,287.60</u>
Add:			
Unamortized Premium on Bonds	<u>58,563.57</u>		<u>3,148,563.57</u>
Due Within One Year	<u>(215,000.00)</u>		
Long - Term Portion	<u>\$ 2,933,563.57</u>		

Bonds Authorized But Not Issued - As of June 30, 2011, the School District had no authorized and not issued bonds.

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

Note 9: OPERATING LEASES

At June 30, 2011, the School District had operating lease agreements in effect for digital copiers. The future minimum rental payments under operating lease agreements are as follows:

Fiscal Year	Amount
<u>Ending June 30,</u>	
2012	\$ 74,092.68
2013	<u>12,348.78</u>
	<u>\$ 86,441.46</u>

Rental payments under operating leases for the fiscal year ended June 30, 2011 were \$86,136.70.

Note 10: LINE OF CREDIT

The School District entered into an agreement on March 7, 2003 with Sun National Bank regarding a \$1,000,000 line of credit. The purpose of the line of credit is to provide cash in the event a state aid payment is not made until the following school budget year. Such line of credit was renewed on June 7, 2011 in the amount of \$1,500,000 and matures February 7, 2012. The interest rate charged for amounts advanced is 3.00%. The School District did not borrow against the line of credit for the fiscal year ended June 30, 2011.

Note 11: SHORT-TERM OBLIGATIONS

State School Aid Anticipation Note - N.J.S.A. 18A:22-44.2. states that if a board of education of a school district is notified by the Commissioner of Education that one or more June State school aid payments will not be made until the following school budget year, and the district demonstrates through a written application to the commissioner the need to borrow and the commissioner approves that application, the board may borrow on or before June 30 of the current school budget year, but not earlier than June 8 of the current school budget year, a sum not exceeding the amount of the delayed State school aid payment, and may execute and deliver promissory notes therefore through private sale or delivery thereof. In accordance with this statute, on June 8, 2011, the School District issued a State School Aid Anticipation Note in the amount of \$1,114,349.00 at an annual interest rate of 3.00%, maturing on July 7, 2011. The State of New Jersey shall pay on behalf of the School District the required interest due on such Note.

The following represents changes in short-term debt obligations for the fiscal year ended June 30, 2011:

	<u>Principal</u>			<u>Principal</u>
	<u>Outstanding</u>	<u>Additions</u>	<u>Reductions</u>	<u>Outstanding</u>
	<u>July 1, 2010</u>			<u>June 30, 2011</u>
State School Aid Anticipation Note	<u>\$ 1,248,079.00</u>	<u>\$ 1,114,349.00</u>	<u>\$ 1,248,079.00</u>	<u>\$ 1,114,349.00</u>

Note 12: 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, several School District employees participate in 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. 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

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.

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.

Note 12: PENSION PLANS (CONT'D)

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	\$ 111,384.00	\$ 148,277.00	\$ 259,661.00	\$ 259,661.00
2010	104,634.00	102,093.00	206,727.00	206,727.00
2009	94,930.00	86,587.00	181,517.00	181,517.00

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, retirement benefit. Vesting and benefit provisions are established by N.J.S.A. 43:15C-1 et. seq.

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. The State Treasurer has the right under the current law to make temporary reductions in member rates. 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.

The School District's contributions, equal to the required contribution for each fiscal year, was \$159.30 for the fiscal year ending June 30, 2011.

Note 13: 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 14: 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 \$33,864.00 and \$719,270.00, respectively.

Note 15: 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 did not elect 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. Instead, the School District opted to pay employee and employer unemployment compensation taxes directly to the State of New Jersey on a quarterly basis. Any unemployment benefits regarding former employees would be paid by the State of New Jersey, who retains the risk of loss.

Note 16: DEFERRED COMPENSATION

The School District offers its employees a choice of three 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 Investments
MetLife
Midland National

Note 17: 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 three personal days each year. Unused personal days are transferred as sick days in the subsequent year. Vacation days not used during the year may 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 year's budget.

Note 17: COMPENSATED ABSENCES (CONT'D)

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 fund was \$882,681.29. As of June 30, 2011 there were no compensated absences in proprietary fund types.

Note 18: INTERFUND BALANCES AND TRANSFERS

Interfund balances are generated as a result of advances or deposits of one fund are made by and received by another fund. The following interfund balances were recorded on the various balance sheets as of June 30, 2011.

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
General	\$ 943,516.65	\$ 21,682.18
Special Revenue		343,321.91
Capital Projects		600,194.74
Proprietary	2,300.98	
Fiduciary	19,381.20	
	<u>\$ 965,198.83</u>	<u>\$ 965,198.83</u>

Note 19: DEFICIT FUND BALANCES

The School District has a deficit fund balance of \$1,005,547.93 in the General Fund and \$147,492.00 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 payment 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 school budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the last state aid payment in the subsequent fiscal year, the school district cannot recognize the last state aid payment on the GAAP financial statements until the year the State records the payable. Due to the timing difference of recording the June state aid payments, the general and special revenue fund balance deficit does not alone indicate that the district is facing financial difficulties.

Pursuant to N.J.S.A. 18A:22-44.2 any negative unassigned general fund balance that is reported as a direct result from a delay in June payments of state aid until the following fiscal year, is not considered in violation of New Jersey statute and regulation nor in need of corrective action. The School District deficit in the GAAP funds statements of \$1,153,039.93 is less than the June state aid payments.

Note 20: DEFICIT UNRESTRICTED NET ASSETS

As of June 30, 2011 a deficit in unrestricted net assets exists in the governmental activities totaling \$1,105,188.75 (Exhibit A-1). This deficit is attributable to the recording of long term liabilities such as compensated absences coupled with the final state aid payment not being recognized on a GAAP basis.

Note 21: FUND BALANCES**NONSPENDABLE**

As stated in note 1, 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. There are no nonspendable fund balances of the School District, as of June 30, 2011.

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 Excess Surplus - In accordance with N.J.S.A. 18A:7F-7, as amended, the designation of restricted fund balance - excess surplus is the result of a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve general fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2011 is \$72,624.94. Additionally, \$5,955.53 of excess fund balance generated during 2009-2010 has been restricted and designated for utilization in the 2011-2012 budget.

For Capital Reserve Account - As of June 30, 2011, the balance in the capital reserve account is \$1,000.00. 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 restricted fund balance amount was \$48,124.98. Budgets of district projects are approved and funded by the School Development Authority. The balance in the fund represents the receivable due from the School Development Authority less inception to date project expenditures.

Debt Service Fund - In accordance with N.J.S.A. 18A:7F-41(c)(2), the School District has established a debt service reserve in the amount of \$0.78 as of June 30, 2011. These funds were derived from the net interest cost savings of refunding bonds. These funds are to be used to retire any outstanding debt service obligation of the School District. The reserve is to be liquidated within the lesser of five years from its inception or the remaining term on the obligations. Any remaining balance must be used for tax relief.

Note 21: 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 \$930,532.47 of general fund balance at June 30, 2011.

Other Purposes - As of June 30, 2011, the School District had \$368,683.98 of encumbrances outstanding for purchase orders and contracts signed by the School District, but not completed, as of the close of the fiscal year.

UNASSIGNED

As stated in note 1, the unassigned fund balance classification represents fund balance that has not been restricted, committed, or assigned to specific purposes. The School District's unassigned fund balance is summarized as follows:

General Fund - As of June 30, 2011, the fund balance of the general fund was a deficit of \$1,005,547.93, thus resulting in the fund balance classification of unassigned. The deficit is a result from a delay in the payment of state aid until the following fiscal year. As stated in note 20, 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. The unassigned deficit on the GAAP financial statements of \$1,005,547.93 is less than the last state aid payment.

Special Revenue Fund - As of June 30, 2011, the fund balance of the special revenue fund was a deficit of \$147,492, thus resulting in the fund balance classification of unassigned. The deficit is a result from a delay in the payment of state aid until the following fiscal year. As stated in note 20, 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. The unassigned deficit on the GAAP financial statements of \$147,492.00 is less than the last state aid payment.

Note 22: LITIGATION

The School District is a defendant in a legal proceeding regarding litigation. It is believed that the outcome, or exposure to the School District, from such litigation is either unknown or potential losses, if any, would not be material to the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION
PART II

BUDGETARY COMPARISON SCHEDULES

CITY OF SALEM SCHOOL DISTRICT
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2011

	Original Budget	Budget Amendments	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
REVENUES:					
Capital Reserve for Local Share less Excess Costs					
Local Sources:					
Ad Valorem Taxes - Local Tax Lev	\$ 2,392,321.00	\$	2,392,321.00	2,392,321.00	
Tuition from Other LEA's Within State	2,108,286.00		2,108,286.00	2,269,504.22	\$ 161,218.22
Miscellaneous	56,700.00		56,700.00	80,735.32	24,035.32
Total - Local Sources	4,557,307.00		4,557,307.00	4,742,560.54	185,253.54
State Sources:					
School Choice Aid	14,796.00		14,796.00	14,796.00	
Extraordinary Aid	31,909.00		31,909.00	108,648.00	76,739.00
Categorical Special Education Aid	531,231.00		531,231.00	531,231.00	
Equalization Aid	12,645,299.00		12,645,299.00	12,645,299.00	
Categorical Security Aid	405,676.00		405,676.00	405,676.00	
Adjustment Aid	1,666,974.00		1,666,974.00	1,666,974.00	
Categorical Transportation Aid	183,563.00		183,563.00	183,563.00	
TPAF Pension (On-Behalf - Non-Budgeted)				33,864.00	33,864.00
NCGI Premium				719,270.00	719,270.00
Post Retirement Medical Contributions				825,107.90	825,107.90
TPAF Social Security (Reimbursed - Non-Budgeted)					
Total State Sources	15,479,448.00		15,479,448.00	17,134,428.90	1,654,980.90
Federal Sources:					
Impact Aid	25,000.00		25,000.00	15,095.86	(9,904.14)
Medicaid Reimbursement	59,309.00		59,309.00	80,448.87	21,139.87
Total - Federal Sources	84,309.00		84,309.00	95,544.73	11,235.73
Total Revenues	20,121,064.00		20,121,064.00	21,972,534.17	1,851,470.17
					(Continued)

CITY OF SALEM SCHOOL DISTRICT
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2011

	Original Budget	Budget Amendments	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
EXPENDITURES:					
Current Expense:					
Regular Programs - Instruction					
Kindergarten - Salaries of Teachers	\$ 379,614.00	\$ (56,015.00)	\$ 323,599.00	\$ 314,652.07	\$ 8,946.93
Grades 1-5 - Salaries of Teachers	1,975,354.00	(72,091.00)	1,903,263.00	1,894,909.09	8,353.91
Grades 6-8 - Salaries of Teachers	906,393.00	10,177.27	916,570.27	914,441.75	2,128.52
Grades 9-12 - Salaries of Teachers	2,105,313.00	47,179.97	2,152,492.97	2,149,985.98	2,506.99
Regular Programs - Home Instruction:					
Salaries of Teachers	16,500.00		16,500.00	14,793.20	1,706.80
Purchased Professional-Educational Services	8,500.00		8,500.00	7,571.52	928.48
Other Purchased Services (400-500 series)	150.00		150.00	150.00	0.00
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	162,548.00	305.00	162,853.00	161,392.00	1,461.00
Purchased Professional-Educational Services	40,500.00	(5,440.89)	35,059.11	34,843.50	215.61
Purchased Technical Services	47,906.00	2,423.13	50,329.13	45,861.00	4,468.13
Other Purchased Services (400-500 series)	47,445.00	18,261.40	65,706.40	64,698.13	1,008.27
General Supplies	258,350.00	160,238.47	418,588.47	403,372.76	15,215.71
Textbooks	41,211.00	(2,655.17)	38,555.83	38,459.80	96.03
Other Objects	5,500.00	(380.00)	5,120.00	3,751.60	1,368.40
Miscellaneous Expenditures		108.00	108.00	108.00	0.00
TOTAL REGULAR PROGRAMS - INSTRUCTION	5,995,284.00	102,111.18	6,097,395.18	6,048,840.40	48,554.78
Behavioral Disabilities:					
Salaries of Teachers	140,302.00	(85,175.63)	55,126.37	54,846.37	280.00
Other Salaries for Instruction	26,173.00	15,843.00	42,016.00	41,257.12	758.88
General Supplies	1,070.00	(357.41)	712.59	712.59	0.00
Total Behavioral Disabilities	167,545.00	(69,690.04)	97,854.96	96,816.08	1,038.88
Multiple Disabilities:					
Salaries of Teachers	307,925.00	(28,738.17)	279,186.83	273,670.29	5,516.54
Other Salaries for Instruction	109,556.00	18,329.35	127,885.35	112,678.28	15,207.07
Other Purchased Services (400-500 series)	1,500.00		1,500.00	1,021.80	478.20
General Supplies	5,750.00	(3,010.46)	2,739.54	2,594.63	144.91
Textbooks	2,000.00	(1,706.84)	293.16	293.16	0.00
Other Objects	500.00		500.00	93.50	406.50
Total Multiple Disabilities	427,231.00	(15,126.12)	412,104.88	390,058.50	22,046.38

(Continued)

CITY OF SALEM SCHOOL DISTRICT
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2011

	Original Budget	Budget Amendments	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
Resource Room/Resource Center:					
Salaries of Teachers	\$ 1,137,625.00	\$ (62,874.54)	\$ 1,074,750.46	\$ 1,059,679.94	\$ 15,070.52
Purchased Professional - Educational Services	3,800.00		3,800.00	2,275.04	1,524.96
General Supplies	9,288.00	(1,345.58)	7,942.42	3,234.88	4,707.54
Textbooks	2,200.00		2,200.00	941.82	1,258.18
Total Resource Room/Resource Center	1,152,913.00	(64,220.12)	1,088,692.88	1,066,131.68	22,561.20
Preschool Disabilities - Full-Time:					
Salaries of Teachers	50,239.00		50,239.00	49,968.04	270.96
Other Salaries for Instruction	29,388.00	(12,961.52)	16,426.48	10,823.40	5,603.08
General Supplies	750.00	76.68	826.68	826.68	
Total Preschool Disabilities - Full-Time	80,377.00	(12,884.84)	67,492.16	61,618.12	5,874.04
Special Education - Home Instruction					
Salaries of Teachers	17,000.00	(4,047.63)	12,952.37	12,952.37	
Purchased Professional - Educational Services	23,500.00	4,047.63	27,547.63	22,652.72	4,894.91
Other Purchased Services (400-500 series)	500.00		500.00	500.00	500.00
Total Special Education - Home Instruction	41,000.00		41,000.00	35,605.09	5,394.91
TOTAL SPECIAL EDUCATION - INSTRUCTION	1,869,066.00	(161,921.12)	1,707,144.88	1,650,229.47	56,915.41
Basic Skills/Remedial - Instruction					
Salaries of Teachers	58,509.00	4,783.63	63,292.63	61,426.46	1,866.17
Total Basic Skills/Remedial - Instruction	58,509.00	4,783.63	63,292.63	61,426.46	1,866.17
Vocational Programs - Local - Instruction					
Salaries of Teachers	385,683.00	(32,667.00)	353,016.00	326,785.97	26,230.03
Other Purchased Services (400-500 series)	5,000.00	51,633.00	56,633.00	40,825.00	15,808.00
General Supplies	20,000.00	4,608.55	24,608.55	24,267.76	340.79
Textbooks	1,500.00	(1,500.00)			
Total Vocational Programs - Local - Instruction	412,183.00	22,074.55	434,257.55	391,878.73	42,378.82

(Continued)

CITY OF SALEM SCHOOL DISTRICT
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2011

	Original Budget	Budget Amendments	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
School-Spon. Cocurricular Actvts. - Inst.					
Salaries	\$ 24,022.00	\$ 3,666.00	\$ 27,688.00	\$ 27,227.80	\$ 460.20
Purchased Services (300-500 series)	3,600.00	5,235.70	8,835.70	8,835.70	
Supplies and Materials	2,453.00	2,428.50	4,881.50	1,865.23	3,016.27
Other Objects		2,152.00	2,152.00	2,152.00	
Total School-Spon. Cocurricular Actvts. - Inst.	30,075.00	13,482.20	43,557.20	40,080.73	3,476.47
School-Spon. Cocurricular Athletics - Inst.					
Salaries	175,088.00	935.00	176,023.00	170,508.40	5,514.60
Purchased Services (300-500 series)	64,367.00		64,367.00	60,301.88	4,065.12
Supplies and Materials	50,800.00	(14,865.00)	35,935.00	29,459.90	6,475.10
Other Objects	8,600.00	542.21	9,142.21	8,584.70	557.51
Total School-Spon. Cocurricular Athletics - Inst.	298,855.00	(13,387.79)	285,467.21	268,854.88	16,612.33
Before/After School Program - Inst.					
Salaries of Teachers	3,000.00	(1,200.00)	1,800.00		1,800.00
Total Before/After School Program - Inst.	3,000.00	(1,200.00)	1,800.00		1,800.00
Alternative Education Program - Inst.					
Salaries of Teachers	36,000.00	350.00	36,350.00	31,800.00	4,550.00
Salaries	64,800.00	850.00	65,650.00	47,295.50	18,354.50
Purchased Prof. Educational Services	29,000.00	(23,442.57)	5,557.43		5,557.43
Total Alternative Education Program - Inst.	129,800.00	(22,242.57)	107,557.43	79,095.50	28,461.93
Total Instruction	8,796,772.00	(56,299.92)	8,740,472.08	8,540,406.17	200,065.91
Undistributed Expenditures - Instruction:					
Tuition to Other LEAs Within the State - Regular	83,460.00	26,944.72	110,404.72	39,701.64	70,703.08
Tuition to Other LEAs Within the Stat - Special	142,800.00	(50,176.41)	92,623.59	44,420.45	48,203.14
Tuition to Vocational School Districts - Special	17,850.00	(3,184.00)	14,666.00	14,666.00	
Tuition to CSSD & Regional Day Schools	425,819.00	(62,946.61)	362,872.39	350,125.06	12,747.33
Tuition to Private Schools for the Disabled - Within State	413,217.00	33,219.29	446,436.29	396,810.87	49,625.42
Tuition - State Facilities	263,317.00		263,317.00	263,317.00	
Total Undistributed Expenditures - Instruction:	1,346,463.00	(56,143.01)	1,290,319.99	1,109,041.02	181,278.97

(Continued)

CITY OF SALEM SCHOOL DISTRICT
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2011

	Original Budget	Budget Amendments	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
Undist. Expend. - Attend. & Social Work					
Salaries	\$ 148,902.00	\$ (7,404.56)	\$ 141,497.44	\$ 116,588.60	\$ 24,908.84
Sal. of Family Liasn & Comm. Parent Involvement Spec.	42,534.00	10,634.00	53,168.00	53,167.92	0.08
Purchased Professional and Technical Services	900.00	(790.00)	110.00		110.00
Other Purchased Prof. and Tech. Services	900.00	(900.00)			
Other Purchased Services (400-500 series)	750.00	(264.59)	485.41	506.90	485.41
Supplies and Materials	2,500.00	(1,724.12)	775.88		268.98
Other Objects	750.00	(750.00)			
Total Undist. Expend. - Attend. & Social Work	197,236.00	(1,199.27)	196,036.73	170,263.42	25,773.31
Undist. Expend. - Health Services					
Salaries	174,306.00	(3,256.75)	171,049.25	168,107.30	2,941.95
Purchased Professional and Technical Services	22,000.00		22,000.00	22,000.00	
Other Purchased Services (400-500 series)	200.00	23.20	223.20	223.20	
Supplies and Materials	6,846.00	(207.98)	6,638.02	5,326.82	1,311.20
Other Objects		143.00	143.00	143.00	
Total Undist. Expend. - Health Services	203,352.00	(3,298.53)	200,053.47	195,800.32	4,253.15
Undist. Expend. - Other Supp. Serv. Students - Related Serv.					
Salaries	85,831.00	165.00	85,996.00	84,388.25	1,607.75
Purchased Professional - Educational Services	97,623.00	9,877.00	107,500.00	79,385.60	28,114.40
Supplies and Materials	4,168.00		4,168.00	4,168.00	
Other Objects	300.00		300.00	300.00	
Total Undist. Expend. - Other Supp. Serv. Students - Related Serv.	187,922.00	10,042.00	197,964.00	163,773.85	34,190.15
Undist. Expend. - Other Supp. Serv. Students - Extra Serv.					
Salaries	112,959.00	11,671.00	124,630.00	106,552.50	18,077.50
Purchased Professional - Educational Services		58,110.00	58,110.00	46,010.12	12,099.88
Total Undist. Expend. - Other Supp. Serv. Students - Extra Serv.	112,959.00	69,781.00	182,740.00	152,562.62	30,177.38
Undist. Expend. - Other Supp. Serv. Students - Reg.					
Salaries of Other Professional Staff	380,858.00	(2,288.80)	378,569.20	378,568.05	1.15
Salaries of Secretarial and Clerical Assistants	67,114.00	1,586.70	68,700.70	68,507.50	193.20
Other Salaries		49,501.39	49,501.39	48,815.38	686.01
Purchased Professional - Educational Services	400.00	3,674.74	4,074.74	4,074.74	
Other Purchased Prof. and Tech. Services	15,000.00	(14,090.11)	909.89	425.00	484.89
Other Purchased Services (400-500 series)	3,000.00	300.00	3,300.00	1,610.00	1,690.00
Supplies and Materials	23,583.00	(5,014.39)	18,568.61	17,626.74	941.87
Other Objects	400.00		400.00	325.00	75.00
Total Undist. Expend. - Other Supp. Serv. Students - Reg.	490,355.00	33,669.53	524,024.53	519,952.41	4,072.12

(Continued)

CITY OF SALEM SCHOOL DISTRICT
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2011

	Original Budget	Budget Amendments	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
Undist. Expend. - Other Supp. Serv. Students - Spl.					
Salaries of Other Professional Staff	\$ 346,179.00	\$ 46,878.02	\$ 393,057.02	\$ 391,117.02	\$ 1,940.00
Salaries of Secretarial and Clerical Assistants	68,228.00	(735.03)	67,492.97	67,492.96	0.01
Other Purchased Prof. and Tech. Services	44,567.00	(32,285.95)	12,281.05	12,281.05	
Mis. Purchase Serv. (400-500 series other than Residential Costs)	9,111.00	836.38	9,947.38	9,942.67	4.71
Supplies and Materials	8,945.00	(6,448.26)	2,496.74	2,496.29	0.45
Other Objects	400.00	(400.00)			
Total Undist. Expend. - Other Supp. Serv. Students - Spl	477,430.00	7,845.16	485,275.16	483,329.99	1,945.17
Undist. Expend. - Improvement of Inst. Serv.					
Salaries of Supervisor of Instruction	21,000.00	(11,156.01)	9,843.99	6,087.50	3,756.49
Salaries of Other Professional Staff	138,318.00	0.40	138,318.40	138,317.96	0.44
Salaries of Sec and Clerical Assist.	59,135.00	(23,199.12)	35,935.88	8,400.00	27,535.88
Other Salaries		5,687.50	5,687.50	5,687.50	
Other Purch Services (400-500)	3,390.00	(2,217.55)	1,172.45	694.13	478.32
Miscellaneous Purchased Services	4,111.00	165.00	4,276.00	4,275.82	0.18
Supplies and Materials	1,489.00	1,766.61	3,255.61	2,990.61	265.00
Other Objects	4,000.00	2,323.00	6,323.00	5,743.00	580.00
Total Undist. Expend. - Improvement of Inst. Serv.	231,443.00	(26,630.17)	204,812.83	172,196.52	32,616.31
Undist. Expend. - Edu. Media Serv./Sch. Library					
Salaries	222,265.00	(16,703.32)	205,561.68	201,870.30	3,691.38
Salaries of Technology Coordinators	160,883.00	(1,918.22)	158,964.78	156,570.00	2,394.78
Purchased Professional and Technical Services	4,929.00	(3,229.00)	1,700.00	1,700.00	
Other Purchased Services (400-500 series)	750.00		750.00	300.00	450.00
Supplies and Materials	42,000.00	(12,824.67)	29,175.33	28,173.80	1,001.53
Other Objects		100.00	100.00	100.00	
Total Undist. Expend. - Edu. Media Serv./Sch. Library	430,827.00	(34,575.21)	396,251.79	387,014.10	9,237.69
Undist. Expend. - Instructional Staff Training Serv.					
Other Salaries					
Purchased Professional - Educational Serv	3,000.00	96,772.50	99,772.50	97,212.89	2,559.61
Other Purchased Services (400-500 series)	3,000.00	1,035.00	4,035.00	3,482.36	552.64
Supplies and Materials	6,825.00	7,477.90	14,302.90	13,349.84	953.06
Other Objects	2,250.00		2,250.00	2,250.00	
Total Undist. Expend. - Instructional Staff Training Serv.	15,075.00	105,285.40	120,360.40	114,045.09	6,315.31

(Continued)

CITY OF SALEM SCHOOL DISTRICT
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2011

	Original Budget	Budget Amendments	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
Undist. Expend. - Supp. Serv. - General Admin.	\$	\$	\$	\$	\$
Salaries	184,857.00	3,404.00	188,261.00	188,260.88	0.12
Legal Services	48,790.00	(6,890.00)	41,900.00	41,900.00	
Audit Fees	40,540.00	260.00	40,800.00	40,800.00	
Architectural/Engineering Services	3,600.00	24,054.69	27,654.69	20,653.52	7,001.17
Other Purchased Professional Services	22,450.00	(8,150.00)	14,300.00	14,052.00	248.00
Communications/Telephone	51,777.00	(15,415.64)	36,361.36	36,215.49	145.87
BOE Other Purchased Services	15,419.00	(15,000.00)	419.00	417.50	1.50
Other Purchased Services (400-500 series)	55,000.00	(7,576.00)	47,424.00	47,167.99	256.01
Supplies and Materials	7,110.00	(3,566.64)	3,543.36	3,535.48	7.88
BOE In-House Training/Meeting Supplies	1,250.00	377.00	1,627.00	1,627.00	
Judgements Against The School District	15,000.00	85,000.00	100,000.00	100,000.00	
Miscellaneous Expenditures	3,990.00	(1,900.00)	2,090.00	1,890.00	200.00
BOE Membership Dues and Fees	12,890.00	(200.00)	12,690.00	12,588.45	101.55
Total Undist. Expend. - Supp. Serv. - General Admin.	482,673.00	54,397.41	517,070.41	509,108.31	7,962.10
Undist. Expend. - Support Serv. - School Admin.					
Salaries of Principals/Assistant Principals	592,535.00	(12,845.00)	579,690.00	544,059.82	35,630.18
Salaries of Other Professional Staff	188,513.00		188,513.00	188,442.98	70.02
Salaries of Secretarial and Clerical Assistants	151,358.00	529.77	151,887.77	149,064.00	2,823.77
Purchased Professional and Technical Services	3,500.00	1,100.00	4,600.00	4,260.00	340.00
Other Purchased Services (400-500 series)	22,557.00	(274.50)	22,282.50	21,442.24	840.26
Supplies and Materials	44,242.00	(1,413.77)	42,828.23	32,137.22	10,691.01
Other Objects	5,300.00	2,308.00	7,608.00	6,045.52	1,562.48
Total Undist. Expend. - Support Serv. - School Admin.	1,008,005.00	(10,595.50)	997,409.50	945,451.78	51,957.72
Undistributed Expenditures - Central Services					
Salaries	308,519.00	(1,338.00)	307,181.00	303,751.16	3,429.84
Purchased Professional Services	15,780.00		15,780.00	14,607.50	1,172.50
Misc. Purch. Services (400-500 Series)	12,077.00	(4,983.00)	7,094.00	7,093.18	0.82
Supplies and Materials	13,090.00	467.28	13,557.28	7,066.38	6,490.90
Miscellaneous Expenditures	1,455.00	50.00	1,505.00	1,505.00	
Total Undist. Expend. - Central Services	350,921.00	(5,803.72)	345,117.28	334,023.22	11,094.06
Undistributed Expenditures - Admin. Info. Tech.					
Purchased Technical Services	1,178.00	2,959.83	4,137.83	2,720.00	1,417.83
General Supplies	4,000.00		4,000.00	4,000.00	
Total Undist. Expend. - Admin. Info. Tech.	5,178.00	2,959.83	8,137.83	2,720.00	5,417.83
Undist. Expend. -Required Maintenance for School Facilities					
Cleaning, Repair, and Maintenance Services	64,950.00	11,953.43	76,903.43	76,052.40	851.03
General Supplies	29,935.00	13,546.39	43,481.39	43,063.09	418.30
Total Undist. Expend. -Required Maintenance for School Facilities	94,885.00	25,499.82	120,384.82	119,115.49	1,269.33

(Continued)

CITY OF SALEM SCHOOL DISTRICT
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2011

	Original Budget	Budget Amendments	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
Undist. Expend. - Other Oper. & Maint. Of Plant					
Salaries	\$ 855,987.00	\$ (95,575.71)	\$ 760,411.29	\$ 754,412.07	\$ 5,999.22
Purchased Professional and Technical Services	23,700.00	16,274.75	39,974.75	34,479.17	5,495.58
Cleaning, Repair and Maintenance Services	99,886.00	(56,189.42)	43,696.58	43,474.18	222.40
Rental of Land, Building & Other than Lease Purchases	1,200.00	2,120.00	3,320.00	3,320.00	
Other Purchased Property Services	36,450.00	(7,085.24)	29,364.76	29,364.76	
Insurance	92,901.00	(5,160.00)	87,741.00	87,741.00	
Miscellaneous Purchased Services	2,955.00	7,525.80	10,480.80	5,280.80	5,200.00
General Supplies	129,712.00	187,966.67	317,678.67	244,927.63	72,751.04
Energy - Natural Gas	135,890.00	(44,300.00)	91,590.00	91,589.51	0.49
Energy - Electricity	597,950.00	(2,203.96)	595,746.04	590,545.00	5,201.04
Energy - Oil	1,200.00	(1,200.00)			
Other Objects		559.00	559.00	559.00	
Total Undist. Expend. - Other Oper. & Maint. Of Plant	1,977,831.00	2,731.89	1,980,562.89	1,885,693.12	94,869.77
Total Undist. Expend. - Oper. & Maint. Of Plant	2,072,716.00	28,231.71	2,100,947.71	2,004,808.61	96,139.10
Undist. Expend. - Care and Upkeep of Grounds					
Salaries	52,036.00	130.00	52,166.00	51,833.56	332.44
Purchased Professional and Technical Services	3,500.00	(1,760.00)	1,740.00	1,731.52	8.48
Cleaning, Repair and Maintenance Services	15,000.00	4,715.00	19,715.00	19,579.58	135.42
General Supplies	31,600.00	(10,864.00)	20,736.00	20,193.34	542.66
Other Objects	750.00	(730.00)	20.00		20.00
Total Undist. Expend. - Care and Upkeep of Grounds	102,886.00	(8,509.00)	94,377.00	93,338.00	1,039.00
Undist. Expend. - Security					
Salaries	143,585.00	(50,339.85)	93,245.15	89,054.99	4,190.16
Purchased Professional and Technical Services	2,500.00	70,412.38	72,912.38	72,912.38	
General Supplies	4,250.00	(1,893.64)	2,356.36	2,201.83	154.53
Total Undist. Expend. - Security	150,335.00	18,178.89	168,513.89	164,169.20	4,344.69
Undist. Expend. - Student Transportation Serv.					
Contract Services (Aid in Lieu of Payment for Non-public)	3,785.00		3,785.00		3,785.00
Contract Services (Other than Between Home & School)-Vendors	163,312.00	(17,047.00)	146,265.00	85,718.95	60,546.05
Confr Serv (Spl. Ed. Students) - Joint Agrmt	693,994.00	(69,876.04)	624,117.96	561,396.64	62,721.32
General Supplies	1,000.00		1,000.00		1,000.00
Total Undist. Expend. - Student Transportation Serv.	862,091.00	(86,923.04)	775,167.96	647,115.59	128,052.37

(Continued)

CITY OF SALEM SCHOOL DISTRICT
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2011

	Original Budget	Budget Amendments	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
UNALLOCATED BENEFITS					
Social Security Contributions	\$ 265,400.00	\$ (21,854.83)	\$ 243,545.17	\$ 232,923.16	\$ 10,622.01
Other Retirement Contributions - Regular	215,699.00	43,962.00	259,661.00	259,661.00	
Unemployment Compensation	82,100.00	(43,295.40)	38,804.60	38,804.32	0.28
Workmen's Compensation	225,278.00	(39,887.00)	185,391.00	185,391.00	
Health Benefits	3,062,992.00	(127,581.97)	2,935,410.03	2,822,127.84	113,282.19
Tuition Reimbursement		16,500.00	16,500.00	16,377.00	123.00
Other Employee Benefits	55,600.00	20,681.70	76,281.70	75,630.91	650.79
TOTAL UNALLOCATED BENEFITS	3,907,069.00	(151,475.50)	3,755,593.50	3,630,915.23	124,678.27
On-behalf TPAF pension Contributions (non-budgeted)					
NCGI Premium				33,864.00	(33,864.00)
Post Retirement Medical Contributions				719,270.00	(719,270.00)
Reimbursed TPAF Social Security Contributions (non-budgeted)				825,107.90	(825,107.90)
TOTAL ON-BEHALF CONTRIBUTIONS				1,578,241.90	(1,578,241.90)
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS	3,907,069.00	(151,475.50)	3,755,593.50	5,209,157.13	(1,453,563.63)
TOTAL UNDISTRIBUTED EXPENDITURES	12,614,936.00	(54,762.02)	12,560,173.98	13,377,871.18	(817,697.20)
TOTAL GENERAL CURRENT EXPENSE	21,411,708.00	(111,061.94)	21,300,646.06	21,918,277.35	(617,631.29)
CAPITAL OUTLAY					
Equipment					
Regular Programs - Instruction:					
Kindergarten		1,995.50	1,995.50		1,995.50
Grades 1-5 - Equipment		6,425.11	6,425.11		6,425.11
Grades 6-8 - Equipment		7,385.07	7,385.07		7,385.07
Grades 9-12 - Equipment		36,342.93	36,342.93	29,954.88	6,388.05
School-Sponsored and Other Instructional Programs		20,389.00	20,389.00	8,839.00	11,550.00
Undistributed Expenditures:					
Instruction		6,237.95	6,237.95	6,237.95	
Attend. & Social Work		19,915.13	19,915.13	19,812.19	102.94
Required Maintenance for School Facilities		51,768.95	51,768.95	35,093.95	16,675.00
Other Oper. & Maint. Of Plant		10,739.05	10,739.05	10,739.05	
Care and Upkeep of Grounds		63,119.64	63,119.64	10,826.64	52,293.00
Security		46,974.59	46,974.59	46,974.59	
Non-Instructional Services		8,163.86	8,163.86	8,037.86	126.00
Total Equipment		279,456.78	279,456.78	176,516.11	102,940.67

(Continued)

CITY OF SALEM SCHOOL DISTRICT
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2011

	Original Budget	Budget Amendments	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
Facilities Acquisition and Construction Services					
Construction Services	\$ 72,994.04	\$ 72,994.04	\$ 72,994.04	\$ 24,009.04	\$ 48,985.00
Total Facilities Acquisition and Construction Services	72,994.04	72,994.04	72,994.04	24,009.04	48,985.00
Total Capital Outlay Expenditures	352,450.82	352,450.82	352,450.82	200,525.15	151,925.67
TOTAL CAPITAL OUTLAY	352,450.82	352,450.82	352,450.82	200,525.15	151,925.67
TOTAL EXPENDITURES	21,411,708.00	241,388.88	21,653,096.88	22,118,802.50	(465,705.62)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,290,644.00)	(241,388.88)	(1,532,032.88)	(146,268.33)	1,385,764.55
Other Financing Sources (Uses):					
Operating Transfers Out:					
Contribution to Whole School Reform - General Fund	(13,664,889.00)	(7,592.95)	(13,664,889.00)	(13,236,095.28)	(428,793.72)
Capital Outlay to Capital Projects				(7,592.95)	
Operating Transfers In:					
Contribution to Whole School Reform - General Fund	13,664,889.00		13,664,889.00	13,236,095.28	428,793.72
Total Other Financing Sources (Uses):		(7,592.95)	(7,592.95)	(7,592.95)	
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(1,290,644.00)	(248,981.83)	(1,539,625.83)	(153,861.28)	1,385,764.55
Fund Balance, July 1	2,020,360.27		2,020,360.27	2,020,360.27	
Fund Balance, June 30	\$ 729,716.27	\$ (248,981.83)	\$ 480,734.44	\$ 1,866,498.99	\$ 1,385,764.55
Recapitulation:					
Fund Balances:					
Restricted:					
Capital Reserve				\$ 1,000.00	
Legally Restricted Excess Surplus Designated for Subsequent Year's Expenditures				5,955.53	
Excess Surplus - Current Year				72,624.94	
Assigned:					
Designated for Subsequent Year's Expenditures				930,532.47	
Other Purposes - Funds 11 - 13				307,559.98	
Other Purposes - Fund 15				61,124.00	
Unassigned				487,702.07	
Reconciliation to Governmental Funds Statements (GAAP):				1,866,498.99	
Last State Aid Payment Not recognized on GAAP Basis				(1,493,250.00)	
				\$ 373,248.99	

CITY OF SALEM SCHOOL DISTRICT
 Combining Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual
 For the Fiscal Year Ended June 30, 2011

	ORIGINAL BUDGET				BUDGET TRANSFERS				FINAL BUDGET				ACTUAL		
	Operating Fund Fund 11-13	Blended Resource Fund 15	Total General Fund		Operating Fund Fund 11-13	Blended Resource Fund 15	Total General Fund		Operating Fund Fund 11-13	Blended Resource Fund 15	Total General Fund		Operating Fund Fund 11-13	Blended Resource Fund 15	Total General Fund
REVENUES:															
Capital Reserve for Local Share Less Excess Costs															
Local Sources:															
Ad Valorem Taxes - Local Tax Levy	\$ 2,392,321.00		\$ 2,392,321.00		\$ 2,392,321.00		\$ 2,392,321.00		\$ 2,392,321.00		\$ 2,392,321.00		\$ 2,392,321.00		\$ 2,392,321.00
Tuition from Other LEAs Within State	2,108,286.00		2,108,286.00		2,108,286.00		2,108,286.00		2,108,286.00		2,108,286.00		2,108,286.00		2,269,504.22
Miscellaneous	56,700.00		56,700.00		56,700.00		56,700.00		56,700.00		56,700.00		80,735.32		80,735.32
Total - Local Sources	4,557,307.00		4,557,307.00		4,557,307.00		4,557,307.00		4,557,307.00		4,557,307.00		4,742,560.54		4,742,560.54
State Sources:															
Schod Choice Aid	14,796.00		14,796.00		14,796.00		14,796.00		14,796.00		14,796.00		14,796.00		14,796.00
Extraordinary Aid	31,909.00		31,909.00		31,909.00		31,909.00		31,909.00		31,909.00		108,648.00		108,648.00
Categorical Special Education Aid	531,231.00		531,231.00		531,231.00		531,231.00		531,231.00		531,231.00		531,231.00		531,231.00
Equalization Aid	12,645,299.00		12,645,299.00		12,645,299.00		12,645,299.00		12,645,299.00		12,645,299.00		12,645,299.00		12,645,299.00
Categorical Security Aid	405,676.00		405,676.00		405,676.00		405,676.00		405,676.00		405,676.00		405,676.00		405,676.00
Adjustment Aid	1,666,974.00		1,666,974.00		1,666,974.00		1,666,974.00		1,666,974.00		1,666,974.00		1,666,974.00		1,666,974.00
Categorical Transportation Aid	183,563.00		183,563.00		183,563.00		183,563.00		183,563.00		183,563.00		183,563.00		183,563.00
TPAF Pension (On-Benefit - Non-Budgeted)															
NCGI Premium															
Post Retirement Medical Contributions															
TPAF Social Security (Reimbursed - Non-Budgeted)															
Total State Sources	15,479,448.00		15,479,448.00		15,479,448.00		15,479,448.00		15,479,448.00		15,479,448.00		17,134,428.90		17,134,428.90
Federal Sources:															
Impact Aid	25,000.00		25,000.00		25,000.00		25,000.00		25,000.00		25,000.00		15,095.86		15,095.86
Medicaid Reimbursement	59,309.00		59,309.00		59,309.00		59,309.00		59,309.00		59,309.00		80,448.87		80,448.87
Total - Federal Sources	84,309.00		84,309.00		84,309.00		84,309.00		84,309.00		84,309.00		95,544.73		95,544.73
Total Revenues	20,121,064.00		20,121,064.00		20,121,064.00		20,121,064.00		20,121,064.00		20,121,064.00		21,972,534.17		21,972,534.17
EXPENDITURES:															
Current Expense:															
Regular Programs - Instruction															
Kindergarten - Salaries of Teachers	379,614.00		379,614.00		379,614.00		379,614.00		379,614.00		379,614.00		323,599.00		314,652.07
Grades 1-5 - Salaries of Teachers	1,975,354.00		1,975,354.00		1,975,354.00		1,975,354.00		1,903,263.00		1,903,263.00		1,894,909.09		1,894,909.09
Grades 6-8 - Salaries of Teachers	906,393.00		906,393.00		10,177.27		10,177.27		916,570.27		916,570.27		914,441.75		914,441.75
Grades 9-12 - Salaries of Teachers	2,105,313.00		2,105,313.00		47,179.97		47,179.97		2,152,492.97		2,152,492.97		2,149,965.98		2,149,965.98
Regular Programs - Home Instruction:															
Salaries of Teachers	16,500.00		16,500.00		16,500.00		16,500.00		16,500.00		16,500.00		14,793.20		14,793.20
Purchased Professional-Educational Services	8,500.00		8,500.00		8,500.00		8,500.00		8,500.00		8,500.00		7,571.52		7,571.52
Other Purchased Services (400-500 series)	150.00		150.00		150.00		150.00		150.00		150.00				
Regular Programs - Unsubsidized Instruction															
Other Salaries for Instruction	162,548.00		162,548.00		305.00		305.00		162,853.00		162,853.00		161,392.00		161,392.00
Purchased Professional-Educational Services	40,500.00		40,500.00		(5,440.89)		(5,440.89)		35,059.11		35,059.11		34,843.50		34,843.50
Purchased Technical Services	47,906.00		47,906.00		2,423.13		2,423.13		50,329.13		50,329.13		45,861.00		45,861.00
Other Purchased Services (400-500 series)	47,445.00		47,445.00		18,261.40		18,261.40		65,706.40		65,706.40		64,698.13		64,698.13
General Supplies	258,350.00		258,350.00		160,238.47		160,238.47		418,568.47		418,568.47		403,372.76		403,372.76
Textbooks	41,211.00		41,211.00		(2,655.17)		(2,655.17)		38,555.83		38,555.83		38,459.80		38,459.80
Other Objects	5,500.00		5,500.00		(380.00)		(380.00)		5,120.00		5,120.00		3,751.60		3,751.60
Miscellaneous Expenditures					108.00		108.00		108.00		108.00		108.00		108.00
TOTAL REGULAR PROGRAMS - INSTRUCTION	25,150.00		5,995,284.00		102,111.18		102,111.18		25,150.00		6,072,245.18		22,364.72		6,026,475.68
Behavioral Disabilities:															
Salaries of Teachers	140,302.00		140,302.00		(85,175.63)		(85,175.63)		55,126.37		55,126.37		54,846.37		54,846.37
Other Salaries for Instruction	26,173.00		26,173.00		15,843.00		15,843.00		42,016.00		42,016.00		41,257.12		41,257.12
General Supplies	1,070.00		1,070.00		(357.41)		(357.41)		712.59		712.59		712.59		712.59
Total Behavioral Disabilities	-		167,545.00		(69,680.04)		(69,680.04)		-		97,654.96		-		96,816.08

(Continued)

CITY OF SALEM SCHOOL DISTRICT
 Combining Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual
 For the Fiscal Year Ended June 30, 2011

	ORIGINAL BUDGET				BUDGET TRANSFERS				FINAL BUDGET				ACTUAL			
	Operating Fund Fund 11-13	Blended Resource Fund 15	Total General Fund		Operating Fund Fund 11-13	Blended Resource Fund 15	Total General Fund		Operating Fund Fund 11-13	Blended Resource Fund 15	Total General Fund		Operating Fund Fund 11-13	Blended Resource Fund 15	Total General Fund	
Multiple Disabilities:																
Salaries of Teachers	\$ 307,925.00	\$ 307,925.00	\$ 307,925.00	\$ (28,738.17)	\$ (28,738.17)	\$ 279,186.83	\$ 279,186.83	\$ 279,186.83	\$ 279,186.83	\$ 279,186.83	\$ 279,186.83	\$ 279,186.83	\$ 279,186.83	\$ 279,186.83	\$ 279,186.83	
Other Salaries for Instruction	109,556.00	109,556.00	109,556.00	18,329.35	18,329.35	127,885.35	127,885.35	127,885.35	127,885.35	127,885.35	127,885.35	127,885.35	127,885.35	127,885.35	127,885.35	
Other Purchased Services (400-500 series)	1,500.00	1,500.00	1,500.00	(3,010.46)	(3,010.46)	2,739.54	2,739.54	2,739.54	2,739.54	2,739.54	2,739.54	2,739.54	2,739.54	2,739.54	2,739.54	
General Supplies	5,750.00	5,750.00	5,750.00	(1,706.84)	(1,706.84)	293.16	293.16	293.16	293.16	293.16	293.16	293.16	293.16	293.16	293.16	
Textbooks	2,000.00	2,000.00	2,000.00			500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	
Other Objects	500.00	500.00	500.00											93.50	93.50	
Total Multiple Disabilities	\$ 427,231.00	\$ 427,231.00	\$ 427,231.00	\$ (15,126.12)	\$ (15,126.12)	\$ 412,104.88	\$ 412,104.88	\$ 412,104.88	\$ 412,104.88	\$ 412,104.88	\$ 412,104.88	\$ 412,104.88	\$ 412,104.88	\$ 390,058.50	\$ 390,058.50	
Resource Room/Resource Center:																
Salaries of Teachers	1,137,625.00	1,137,625.00	1,137,625.00	(62,874.54)	(62,874.54)	1,074,750.46	1,074,750.46	1,074,750.46	1,074,750.46	1,074,750.46	1,074,750.46	1,074,750.46	1,074,750.46	1,059,679.94	1,059,679.94	
Purchase Professional - Educational Services	3,800.00	3,800.00	3,800.00			3,800.00	3,800.00	3,800.00	3,800.00	3,800.00	3,800.00	3,800.00	3,800.00	2,275.04	2,275.04	
General Supplies	9,288.00	9,288.00	9,288.00	(1,345.58)	(1,345.58)	7,942.42	7,942.42	7,942.42	7,942.42	7,942.42	7,942.42	7,942.42	7,942.42	3,234.88	3,234.88	
Textbooks	2,200.00	2,200.00	2,200.00			2,200.00	2,200.00	2,200.00	2,200.00	2,200.00	2,200.00	2,200.00	2,200.00	941.82	941.82	
Total Resource Room/Resource Center	\$ 1,152,913.00	\$ 1,152,913.00	\$ 1,152,913.00	\$ (64,220.12)	\$ (64,220.12)	\$ 1,088,692.88	\$ 1,088,692.88	\$ 1,088,692.88	\$ 1,088,692.88	\$ 1,088,692.88	\$ 1,088,692.88	\$ 1,088,692.88	\$ 1,088,692.88	\$ 1,066,131.68	\$ 1,066,131.68	
Preschool Disabilities - Full-Time:																
Salaries of Teachers	50,239.00	50,239.00	50,239.00	(12,961.52)	(12,961.52)	37,277.48	37,277.48	37,277.48	37,277.48	37,277.48	37,277.48	37,277.48	37,277.48	49,968.04	49,968.04	
Other Salaries for Instruction	29,388.00	29,388.00	29,388.00	76.68	76.68	29,464.68	29,464.68	29,464.68	29,464.68	29,464.68	29,464.68	29,464.68	29,464.68	10,823.40	10,823.40	
General Supplies	750.00	750.00	750.00			750.00	750.00	750.00	750.00	750.00	750.00	750.00	750.00	826.68	826.68	
Total Preschool Disabilities - Full-Time	\$ 80,377.00	\$ 80,377.00	\$ 80,377.00	\$ (12,884.84)	\$ (12,884.84)	\$ 67,492.16	\$ 67,492.16	\$ 67,492.16	\$ 67,492.16	\$ 67,492.16	\$ 67,492.16	\$ 67,492.16	\$ 67,492.16	\$ 61,618.12	\$ 61,618.12	
Special Education - Home Instruction																
Salaries of Teachers	17,000.00	17,000.00	17,000.00	(4,047.63)	(4,047.63)	12,952.37	12,952.37	12,952.37	12,952.37	12,952.37	12,952.37	12,952.37	12,952.37	12,952.37	12,952.37	
Purchase Professional - Educational Services	23,500.00	23,500.00	23,500.00	4,047.63	4,047.63	27,547.63	27,547.63	27,547.63	27,547.63	27,547.63	27,547.63	27,547.63	27,547.63	22,652.72	22,652.72	
Other Purchased Services (400-500 series)	500.00	500.00	500.00			500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00			
Total Special Education - Home Instruction	\$ 41,000.00	\$ 41,000.00	\$ 41,000.00	\$ -	\$ -	\$ 41,000.00	\$ 41,000.00	\$ 41,000.00	\$ 41,000.00	\$ 41,000.00	\$ 41,000.00	\$ 41,000.00	\$ 41,000.00	\$ 35,605.09	\$ 35,605.09	
TOTAL SPECIAL EDUCATION - INSTRUCTION	\$ 41,000.00	\$ 1,828,066.00	\$ 1,869,066.00	\$ (161,921.12)	\$ (161,921.12)	\$ 1,707,144.88	\$ 1,707,144.88	\$ 1,707,144.88	\$ 1,707,144.88	\$ 1,707,144.88	\$ 1,707,144.88	\$ 1,707,144.88	\$ 1,707,144.88	\$ 1,650,229.47	\$ 1,650,229.47	
Basic Skills/Remedial - Instruction																
Salaries of Teachers	58,509.00	58,509.00	58,509.00	4,783.63	4,783.63	63,292.63	63,292.63	63,292.63	63,292.63	63,292.63	63,292.63	63,292.63	63,292.63	61,426.46	61,426.46	
Total Basic Skills/Remedial - Instruction	\$ 58,509.00	\$ 58,509.00	\$ 58,509.00	\$ 4,783.63	\$ 4,783.63	\$ 63,292.63	\$ 63,292.63	\$ 63,292.63	\$ 63,292.63	\$ 63,292.63	\$ 63,292.63	\$ 63,292.63	\$ 63,292.63	\$ 61,426.46	\$ 61,426.46	
Vocational Programs - Local - Instruction																
Salaries of Teachers	385,685.00	385,685.00	385,685.00	(32,667.00)	(32,667.00)	353,018.00	353,018.00	353,018.00	353,018.00	353,018.00	353,018.00	353,018.00	353,018.00	326,785.97	326,785.97	
Other Purchased Services (400-500 series)	5,000.00	5,000.00	5,000.00	51,633.00	51,633.00	56,633.00	56,633.00	56,633.00	56,633.00	56,633.00	56,633.00	56,633.00	56,633.00	40,825.00	40,825.00	
General Supplies	20,000.00	20,000.00	20,000.00	4,608.55	4,608.55	24,608.55	24,608.55	24,608.55	24,608.55	24,608.55	24,608.55	24,608.55	24,608.55	24,267.76	24,267.76	
Textbooks	1,500.00	1,500.00	1,500.00	(1,500.00)	(1,500.00)											
Total Vocational Programs - Local - Instruction	\$ 412,185.00	\$ 412,185.00	\$ 412,185.00	\$ 22,074.55	\$ 22,074.55	\$ 434,257.55	\$ 434,257.55	\$ 434,257.55	\$ 434,257.55	\$ 434,257.55	\$ 434,257.55	\$ 434,257.55	\$ 434,257.55	\$ 391,878.73	\$ 391,878.73	
School-Spon. Curricular Activs. - Inst.																
Salaries	24,022.00	24,022.00	24,022.00	3,666.00	3,666.00	27,688.00	27,688.00	27,688.00	27,688.00	27,688.00	27,688.00	27,688.00	27,688.00	27,227.80	27,227.80	
Purchased Services (300-500 series)	3,600.00	3,600.00	3,600.00	5,235.70	5,235.70	8,835.70	8,835.70	8,835.70	8,835.70	8,835.70	8,835.70	8,835.70	8,835.70	8,835.70	8,835.70	
Supplies and Materials	2,463.00	2,463.00	2,463.00	2,428.50	2,428.50	4,891.50	4,891.50	4,891.50	4,891.50	4,891.50	4,891.50	4,891.50	4,891.50	1,865.23	1,865.23	
Other Objects				2,152.00	2,152.00	2,152.00	2,152.00	2,152.00	2,152.00	2,152.00	2,152.00	2,152.00	2,152.00	2,152.00	2,152.00	
Total School-Spon. Curricular Activs. - Inst.	\$ 30,075.00	\$ 30,075.00	\$ 30,075.00	\$ 13,482.20	\$ 13,482.20	\$ 43,557.20	\$ 43,557.20	\$ 43,557.20	\$ 43,557.20	\$ 43,557.20	\$ 43,557.20	\$ 43,557.20	\$ 43,557.20	\$ 40,060.73	\$ 40,060.73	
School-Spon. Curricular Athletics - Inst.																
Salaries	175,086.00	175,086.00	175,086.00	935.00	935.00	176,023.00	176,023.00	176,023.00	176,023.00	176,023.00	176,023.00	176,023.00	176,023.00	170,508.40	170,508.40	
Purchased Services (300-500 series)	64,367.00	64,367.00	64,367.00			64,367.00	64,367.00	64,367.00	64,367.00	64,367.00	64,367.00	64,367.00	64,367.00	60,301.88	60,301.88	
Supplies and Materials	50,800.00	50,800.00	50,800.00	(14,865.00)	(14,865.00)	35,935.00	35,935.00	35,935.00	35,935.00	35,935.00	35,935.00	35,935.00	35,935.00	29,459.90	29,459.90	
Other Objects	8,600.00	8,600.00	8,600.00	542.21	542.21	9,142.21	9,142.21	9,142.21	9,142.21	9,142.21	9,142.21	9,142.21	9,142.21	8,564.70	8,564.70	
Total School-Spon. Curricular Athletics - Inst.	\$ 298,855.00	\$ 298,855.00	\$ 298,855.00	\$ (13,387.79)	\$ (13,387.79)	\$ 285,467.21	\$ 285,467.21	\$ 285,467.21	\$ 285,467.21	\$ 285,467.21	\$ 285,467.21	\$ 285,467.21	\$ 285,467.21	\$ 268,854.88	\$ 268,854.88	

(Continued)

CITY OF SALEM SCHOOL DISTRICT
 Combining Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual
 For the Fiscal Year Ended June 30, 2011

	ORIGINAL BUDGET				BUDGET TRANSFERS				FINAL BUDGET				ACTUAL			
	Operating Fund 11-13	Blended Resource Fund 15	Total General Fund		Operating Fund 11-13	Blended Resource Fund 15	Total General Fund		Operating Fund 11-13	Blended Resource Fund 15	Total General Fund		Operating Fund 11-13	Blended Resource Fund 15	Total General Fund	
Before/After School Program - Inst.		\$ 3,000.00	\$ 3,000.00			\$ (1,200.00)	\$ (1,200.00)			\$ 1,800.00	\$ 1,800.00			\$ -	\$ -	
Salaries of Teachers		3,000.00	3,000.00			(1,200.00)	(1,200.00)			1,800.00	1,800.00			-	-	
Total Before/After School Program - Inst.		3,000.00	3,000.00			(1,200.00)	(1,200.00)			1,800.00	1,800.00			-	-	
Alternative Education Program - Inst.																
Salaries of Teachers		36,000.00	36,000.00			350.00	350.00			36,350.00	36,350.00			31,800.00	31,800.00	
Salaries		64,800.00	64,800.00			850.00	850.00			65,650.00	65,650.00			47,295.50	47,295.50	
Purchased Prof. Educational Services		29,000.00	29,000.00			(23,442.57)	(23,442.57)			5,557.43	5,557.43			-	-	
Total Alternative Education Program - Inst.		129,800.00	129,800.00			(22,242.57)	(22,242.57)			107,557.43	107,557.43			79,095.50	79,095.50	
Total Instruction	66,150.00	8,730,622.00	8,796,772.00			(56,299.92)	(56,299.92)		66,150.00	8,674,322.08	8,740,472.08		57,969.81	8,482,436.36	8,540,406.17	
Undistributed Expenditures - Instruction:																
Tuition to Other LEAs Within the State - Regular	83,460.00		83,460.00	26,944.72		26,944.72	26,944.72	110,404.72	39,701.64		110,404.72		39,701.64		39,701.64	
Tuition to Other LEAs Within the State - Special	142,800.00		142,800.00	(50,176.41)		(50,176.41)	(50,176.41)	92,623.59	44,420.45		92,623.59		44,420.45		44,420.45	
Tuition to Vocational School Districts - Special	17,850.00		17,850.00	(3,184.00)		(3,184.00)	(3,184.00)	14,666.00	14,666.00		14,666.00		14,666.00		14,666.00	
Tuition to CSSD & Regional Day Schools	425,819.00		425,819.00	(62,946.61)		(62,946.61)	(62,946.61)	362,872.39	350,125.06		362,872.39		350,125.06		350,125.06	
Tuition to Private Schools for the Disabled - Within State	413,217.00		413,217.00	33,219.29		33,219.29	33,219.29	446,436.29	396,810.87		446,436.29		396,810.87		396,810.87	
Tuition - State Facilities	263,317.00		263,317.00					263,317.00	263,317.00		263,317.00		263,317.00		263,317.00	
Total Undistributed Expenditures - Instruction:	1,346,463.00		1,346,463.00	(56,143.01)		(56,143.01)	(56,143.01)	1,290,319.99	1,109,041.02		1,290,319.99		1,109,041.02		1,109,041.02	
Undist. Expend. - Attend. & Social Work																
Salaries	42,534.00	148,902.00	148,902.00	10,634.00	(7,404.56)	(7,404.56)	(7,404.56)	141,497.44	53,167.92		141,497.44		53,167.92		116,588.60	
Purchased Professional and Technical Services	900.00	900.00	900.00	(790.00)		(790.00)	(790.00)	110.00			110.00				110.00	
Other Purchased Prof. and Tech. Services	900.00	900.00	900.00	(900.00)		(900.00)	(900.00)									
Other Purchased Services (400-500 series)	750.00	750.00	750.00	(264.59)		(264.59)	(264.59)	485.41	253.45		485.41		253.45		506.90	
Supplies and Materials	2,500.00	2,500.00	2,500.00	(1,977.57)		(1,977.57)	(1,977.57)	522.43			522.43				522.43	
Other Objects	750.00	750.00	750.00	(750.00)		(750.00)	(750.00)									
Total Undist. Expend. - Attend. & Social Work	48,334.00	148,902.00	197,236.00	5,951.84	(7,151.11)	(1,199.27)	(1,199.27)	54,285.84	53,421.37		141,750.89		53,421.37		116,842.05	
Undist. Expend. - Health Services																
Salaries	174,306.00	174,306.00	174,306.00		(3,256.75)	(3,256.75)	(3,256.75)	171,049.25	168,107.30		171,049.25		168,107.30		168,107.30	
Purchased Professional and Technical Services	22,000.00	22,000.00	22,000.00	200.00		200.00	200.00	22,000.00	22,000.00		22,000.00		22,000.00		22,000.00	
Other Purchased Services (400-500 series)	500.00	6,346.00	6,846.00	(207.98)		(207.98)	(207.98)	500.00	536.82		6,638.02		536.82		5,326.82	
Supplies and Materials				143.00		143.00	143.00				143.00				143.00	
Other Objects																
Total Undist. Expend. - Health Services	22,500.00	180,852.00	203,352.00	(3,298.53)		(3,298.53)	(3,298.53)	22,500.00	177,553.47		200,053.47		22,000.00		195,800.32	
Undist. Expend. - Other Supp. Serv. Students - Related Serv.																
Salaries	85,831.00	85,831.00	85,831.00	165.00		165.00	165.00	85,996.00	84,388.25		85,996.00		84,388.25		84,388.25	
Purchased Professional - Educational Services	97,623.00	97,623.00	97,623.00	9,877.00		9,877.00	9,877.00	107,500.00	79,385.60		107,500.00		79,385.60		79,385.60	
Supplies and Materials	4,168.00	4,168.00	4,168.00					4,168.00			4,168.00				4,168.00	
Other Objects	300.00	300.00	300.00					300.00			300.00				300.00	
Total Undist. Expend. - Other Supp. Serv. Students - Related Serv.	187,922.00	187,922.00	187,922.00	10,042.00		10,042.00	10,042.00	197,964.00	163,773.85		197,964.00		163,773.85		163,773.85	
Undist. Expend. - Other Supp. Serv. Students - Extra Serv.																
Salaries	112,959.00	112,959.00	112,959.00	11,671.00		11,671.00	11,671.00	124,630.00	106,552.50		124,630.00		106,552.50		106,552.50	
Purchased Professional - Educational Services				58,110.00		58,110.00	58,110.00	58,110.00	46,010.12		58,110.00		46,010.12		46,010.12	
Total Undist. Expend. - Other Supp. Serv. Students - Extra Serv.	112,959.00	112,959.00	112,959.00	69,781.00		69,781.00	69,781.00	182,740.00	152,562.62		182,740.00		152,562.62		152,562.62	
Undist. Expend. - Other Supp. Serv. Students - Reg.																
Salaries of Other Professional Staff	380,858.00	380,858.00	380,858.00	(2,288.80)		(2,288.80)	(2,288.80)	378,569.20	378,569.20		378,569.20		378,569.20		378,569.20	
Salaries of Secretarial and Clerical Assistants	67,114.00	67,114.00	67,114.00	1,586.70		1,586.70	1,586.70	68,700.70	48,815.38		68,700.70		48,815.38		48,815.38	
Other Salaries				49,501.39		49,501.39	49,501.39	4,074.74	4,074.74		4,074.74		4,074.74		4,074.74	
Purchased Professional - Educational Services	400.00	400.00	400.00	3,674.74		3,674.74	3,674.74	909.89	425.00		909.89		425.00		425.00	
Other Purchased Prof. and Tech. Services	15,000.00	15,000.00	15,000.00	(14,090.11)		(14,090.11)	(14,090.11)	3,300.00	3,300.00		3,300.00		3,300.00		3,300.00	
Other Purchased Services (400-500 series)	3,000.00	3,000.00	3,000.00	300.00		300.00	300.00	3,300.00	1,610.00		3,300.00		1,610.00		1,610.00	
Supplies and Materials	23,583.00	23,583.00	23,583.00	(5,014.39)		(5,014.39)	(5,014.39)	18,568.61	17,626.74		18,568.61		17,626.74		17,626.74	
Other Objects	400.00	400.00	400.00					400.00	325.00		400.00		325.00		325.00	
Total Undist. Expend. - Other Supp. Serv. Students - Reg.	490,355.00	490,355.00	490,355.00	33,669.53		33,669.53	33,669.53	524,024.53	519,952.41		524,024.53		519,952.41		519,952.41	

(Continued)

CITY OF SALEM SCHOOL DISTRICT
 Combining Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual
 For the Fiscal Year Ended June 30, 2011

	ORIGINAL BUDGET				BUDGET TRANSFERS				FINAL BUDGET				ACTUAL		
	Operating Fund Fund 11-13	Blended Resource Fund 15	Total General Fund		Operating Fund Fund 11-13	Blended Resource Fund 15	Total General Fund		Operating Fund Fund 11-13	Blended Resource Fund 15	Total General Fund		Operating Fund Fund 11-13	Blended Resource Fund 15	Total General Fund
Undist. Expend. - Other Supp. Serv. Students - Spl.	\$ 346,179.00	\$ -	\$ 346,179.00	\$ -	\$ 46,878.02	\$ -	\$ 46,878.02	\$ -	\$ 393,057.02	\$ -	\$ 393,057.02	\$ -	\$ 391,117.02	\$ -	\$ 391,117.02
Salaries of Other Professional Staff	66,228.00		66,228.00		(735.03)		(735.03)		67,492.97		67,492.97		67,492.96		67,492.96
Salaries of Secretarial and Clerical Assistants	44,567.00		44,567.00		(32,285.95)		(32,285.95)		12,281.05		12,281.05		12,281.05		12,281.05
Other Purchased Prof. and Tech. Services	9,111.00		9,111.00		836.38		836.38		9,947.38		9,947.38		9,942.67		9,942.67
Mis. Purchase Serv. (400-500 series)	8,945.00		8,945.00		(6,448.26)		(6,448.26)		2,496.74		2,496.74		2,496.29		2,496.29
Supplies and Materials	400.00		400.00		(400.00)		(400.00)								
Other Objects															
Total Undist. Expend. - Other Supp. Serv. Students - Spl	477,430.00	\$ -	477,430.00	\$ -	7,845.16	\$ -	7,845.16	\$ -	485,275.16	\$ -	485,275.16	\$ -	483,329.99	\$ -	483,329.99
Undist. Expend. - Improvement of Inst. Serv.		21,000.00	21,000.00			(11,156.01)	(11,156.01)		9,843.99	9,843.99	9,843.99		6,087.50	6,087.50	6,087.50
Salaries of Supervisor of Instruction	138,318.00		138,318.00	0.40					138,318.40		138,318.40		138,317.96		138,317.96
Salaries of Other Professional Staff	59,135.00		59,135.00	(23,199.12)			(23,199.12)		35,935.88		35,935.88		8,400.00		8,400.00
Salaries of Sec. and Clerical Assist.						5,437.50	5,437.50		250.00		250.00		250.00		250.00
Other Salaries	1,890.00	1,500.00	3,390.00	(1,192.43)			(2,217.55)		687.57	474.88	1,172.45		694.13		694.13
Other Purch Services (400-500)	4,111.00		4,111.00	165.00			165.00		4,276.00		4,276.00		4,275.82		4,275.82
Miscellaneous Purchased Services	1,489.00		1,489.00	1,735.29			1,766.61		3,224.29		3,255.61		2,959.29		2,959.29
Supplies and Materials	3,500.00	900.00	4,400.00	2,323.00			2,323.00		5,823.00		5,823.00		5,743.00		5,743.00
Other Objects															
Total Undist. Expend. - Improvement of Inst. Serv.	208,443.00	23,000.00	231,443.00	(19,917.86)	(6,712.31)	(6,712.31)	(26,630.17)	16,287.69	188,525.14	16,287.69	204,812.83	11,556.32	160,640.20	11,556.32	172,196.52
Undist. Expend. - Edu. Media Serv./Sch. Library		222,265.00	222,265.00			(16,703.32)	(16,703.32)		205,561.68	205,561.68	205,561.68		201,870.30	201,870.30	201,870.30
Salaries		160,883.00	160,883.00			(1,918.22)	(1,918.22)		158,964.78	158,964.78	158,964.78		156,570.00	156,570.00	156,570.00
Salaries of Technology Coordinators		4,929.00	4,929.00			(3,229.00)	(3,229.00)		1,700.00	1,700.00	1,700.00		750.00	750.00	750.00
Purchased Professional and Technical Services		750.00	750.00						750.00	750.00	750.00		300.00	300.00	300.00
Other Purchased Services (400-500 series)		42,000.00	42,000.00			(12,824.67)	(12,824.67)		29,175.33	29,175.33	29,175.33		28,173.80	28,173.80	28,173.80
Supplies and Materials						100.00	100.00		100.00	100.00	100.00		100.00	100.00	100.00
Other Objects															
Total Undist. Expend. - Edu. Media Serv./Sch. Library	-	430,827.00	430,827.00	(34,575.21)	(34,575.21)	(34,575.21)	(34,575.21)	386,251.79	386,251.79	386,251.79	386,251.79	387,014.10	387,014.10	387,014.10	387,014.10
Undist. Expend. - Instructional Staff Training Serv.		3,000.00	3,000.00			96,772.50	96,772.50		99,772.50	99,772.50	99,772.50		97,212.89	97,212.89	97,212.89
Purchased Professional - Educational Serv.		3,000.00	3,000.00			1,035.00	1,035.00		4,035.00	4,035.00	4,035.00		3,482.36	3,482.36	3,482.36
Other Purchased Services (400-500 series)		3,500.00	3,500.00			8,063.04	8,063.04		11,563.04	11,563.04	11,563.04		11,360.68	11,360.68	11,360.68
Supplies and Materials		2,250.00	2,250.00			(685.14)	(685.14)		2,739.86	2,739.86	2,739.86		1,989.16	1,989.16	1,989.16
Other Objects									2,250.00	2,250.00	2,250.00				
Total Undist. Expend. - Instructional Staff Training Serv.	5,575.00	9,500.00	15,075.00	(685.14)	105,870.54	105,285.40	105,285.40	4,989.86	115,370.54	115,370.54	120,360.40	112,055.93	114,045.09	112,055.93	114,045.09
Undist. Expend. - Supp. Serv. - General Admin.		184,857.00	184,857.00			3,404.00	3,404.00		188,261.00	188,261.00	188,261.00		188,260.88	188,260.88	188,260.88
Salaries		48,790.00	48,790.00			(6,890.00)	(6,890.00)		41,900.00	41,900.00	41,900.00		41,900.00	41,900.00	41,900.00
Legal Services		40,540.00	40,540.00			260.00	260.00		40,800.00	40,800.00	40,800.00		40,800.00	40,800.00	40,800.00
Audit Fees		3,600.00	3,600.00			24,054.69	24,054.69		27,654.69	27,654.69	27,654.69		20,653.52	20,653.52	20,653.52
Architectural/Engineering Services		22,450.00	22,450.00			(8,150.00)	(8,150.00)		14,300.00	14,300.00	14,300.00		14,052.00	14,052.00	14,052.00
Other Purchased Professional Services		51,777.00	51,777.00			(15,415.64)	(15,415.64)		36,361.36	36,361.36	36,361.36		36,215.49	36,215.49	36,215.49
Communications/Telephone		15,419.00	15,419.00			(15,000.00)	(15,000.00)		419.00	419.00	419.00		417.50	417.50	417.50
BOE Other Purchased Services		55,000.00	55,000.00			(7,576.00)	(7,576.00)		47,424.00	47,424.00	47,424.00		47,167.99	47,167.99	47,167.99
Miscellaneous Purchased Services		7,110.00	7,110.00			(3,566.64)	(3,566.64)		3,543.36	3,543.36	3,543.36		3,535.48	3,535.48	3,535.48
Supplies and Materials		1,250.00	1,250.00			377.00	377.00		1,627.00	1,627.00	1,627.00		1,627.00	1,627.00	1,627.00
BOE In-House Training/Meeting Supplies		15,000.00	15,000.00			85,000.00	85,000.00		100,000.00	100,000.00	100,000.00		100,000.00	100,000.00	100,000.00
Judgements Against The School District		3,990.00	3,990.00			(1,900.00)	(1,900.00)		2,090.00	2,090.00	2,090.00		1,890.00	1,890.00	1,890.00
Miscellaneous Expenditures		12,890.00	12,890.00			(200.00)	(200.00)		12,690.00	12,690.00	12,690.00		12,588.45	12,588.45	12,588.45
BOE Membership Dues and Fees															
Total Undist. Expend. - Supp. Serv. - General Admin.	462,673.00	-	462,673.00	54,397.41	54,397.41	(12,845.00)	(12,845.00)	94,675.00	579,690.00	579,690.00	579,690.00	544,059.82	544,059.82	544,059.82	544,059.82
Undist. Expend. - Support Serv. - School Admin.		592,535.00	592,535.00			(12,845.00)	(12,845.00)		94,675.00	94,675.00	94,675.00		93,803.05	93,803.05	93,803.05
Salaries of Principals/Assistant Principals		151,358.00	151,358.00			529.77	529.77		151,887.77	151,887.77	151,887.77		149,064.00	149,064.00	149,064.00
Salaries of Other Professional Staff		3,000.00	3,000.00			1,100.00	1,100.00		4,100.00	4,100.00	4,100.00		4,100.00	4,100.00	4,100.00
Salaries of Secretarial and Clerical Assistants		500.00	500.00			(360.50)	(360.50)		139.50	139.50	139.50		139.50	139.50	139.50
Purchased Professional and Technical Services		5,000.00	5,000.00			(674.27)	(674.27)		4,325.73	4,325.73	4,325.73		4,282.23	4,282.23	4,282.23
Other Purchased Services (400-500 series)		750.00	750.00			2,308.00	2,308.00		1,300.00	1,300.00	1,300.00		1,300.00	1,300.00	1,300.00
Supplies and Materials		1,300.00	1,300.00												
Other Objects															
Total Undist. Expend. - Support Serv. - School Admin.	100,225.00	907,780.00	1,008,005.00	(10,595.50)	(10,595.50)	(10,595.50)	(10,595.50)	100,225.00	897,184.50	897,184.50	897,184.50	845,797.35	845,797.35	845,797.35	845,797.35

(Continued)

CITY OF SALEM SCHOOL DISTRICT
 Combining Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual
 For the Fiscal Year Ended June 30, 2011

	ORIGINAL BUDGET				BUDGET TRANSFERS				FINAL BUDGET				ACTUAL		
	Operating Fund Fund 11-13	Blended Resource Fund 15	Total General Fund		Operating Fund Fund 11-13	Blended Resource Fund 15	Total General Fund		Operating Fund Fund 11-13	Blended Resource Fund 15	Total General Fund		Operating Fund Fund 11-13	Blended Resource Fund 15	Total General Fund
Undistributed Expenditures - Central Services															
Salaries	\$ 308,519.00	\$ -	\$ 308,519.00	\$ (1,338.00)	\$ (1,338.00)	\$ -	\$ (1,338.00)	\$ 307,181.00	\$ 303,751.16	\$ 307,181.00	\$ -	\$ 303,751.16	\$ -	\$ 303,751.16	\$ -
Purchased Professional Services	15,780.00		15,780.00				(4,983.00)	15,780.00	14,607.50	15,780.00		14,607.50		14,607.50	
Misc. Purch. Services (400-500 Series)	12,077.00		12,077.00				467.28	7,084.00	7,093.18	7,084.00		7,093.18		7,093.18	
Supplies and Materials	13,090.00		13,090.00				50.00	13,587.28	13,587.28	13,587.28		13,587.28		13,587.28	
Miscellaneous Expenditures	1,455.00		1,455.00				50.00	1,505.00	1,505.00	1,505.00		1,505.00		1,505.00	
Total Undist. Expend. - Central Services	350,921.00	\$ -	350,921.00	(5,803.72)	(5,803.72)	\$ -	(5,803.72)	345,117.28	334,023.22	345,117.28	\$ -	334,023.22	\$ -	334,023.22	\$ -
Undistributed Expenditures - Admin. Info. Tech.															
Purchased Technical Services	1,178.00		1,178.00				2,959.83	4,137.83	2,720.00	4,137.83		2,720.00		2,720.00	
General Supplies	4,000.00		4,000.00				4,000.00	4,000.00	4,000.00	4,000.00		4,000.00		4,000.00	
Total Undist. Expend. - Admin. Info. Tech.	5,178.00	-	5,178.00	2,959.83	2,959.83	-	2,959.83	8,137.83	2,720.00	8,137.83	-	2,720.00	-	2,720.00	-
Undist. Expend. - Required Maintenance for School Facilities															
Cleaning, Repair, and Maintenance Services	64,950.00		64,950.00				11,953.43	76,903.43	76,052.40	76,903.43		76,052.40		76,052.40	
General Supplies	29,935.00		29,935.00				13,546.39	43,481.39	43,063.09	43,481.39		43,063.09		43,063.09	
Total Undist. Expend. - Required Maint. for School Facilities	94,885.00	-	94,885.00	25,499.82	25,499.82	-	25,499.82	120,384.82	119,115.49	120,384.82	-	119,115.49	-	119,115.49	-
Undist. Expend. - Other Oper. & Maint. Of Plant															
Salaries	855,987.00		855,987.00				(95,575.71)	760,411.29	754,412.07	760,411.29		754,412.07		754,412.07	
Purchased Professional and Technical Services	23,700.00		23,700.00				16,274.75	39,974.75	34,479.17	39,974.75		34,479.17		34,479.17	
Cleaning, Repair and Maintenance Services	99,886.00		99,886.00				(56,189.42)	43,696.58	43,474.18	43,696.58		43,474.18		43,474.18	
Rental of Land, Building & Other than Lease Purchases	1,200.00		1,200.00				2,120.00	3,320.00	3,320.00	3,320.00		3,320.00		3,320.00	
Other Purchased Property Services	36,450.00		36,450.00				(7,085.24)	29,364.76	29,364.76	29,364.76		29,364.76		29,364.76	
Insurance	92,901.00		92,901.00				(5,160.00)	87,741.00	87,741.00	87,741.00		87,741.00		87,741.00	
Miscellaneous Purchased Services	2,955.00		2,955.00				7,525.80	10,480.80	5,280.80	10,480.80		5,280.80		5,280.80	
General Supplies	129,712.00		129,712.00				187,966.67	317,678.67	244,927.63	317,678.67		244,927.63		244,927.63	
Energy - Natural Gas	135,890.00		135,890.00				(44,300.00)	91,590.00	91,589.51	91,590.00		91,589.51		91,589.51	
Energy - Electricity	587,950.00		587,950.00				(2,203.96)	585,746.04	585,746.04	585,746.04		585,746.04		585,746.04	
Energy - Oil	1,200.00		1,200.00				(1,200.00)	559.00	559.00	559.00		559.00		559.00	
Other Objects							559.00	559.00	559.00	559.00		559.00		559.00	
Total Undist. Expend. - Other Oper. & Maint. Of Plant	1,977,831.00	-	1,977,831.00	2,731.89	2,731.89	-	2,731.89	1,980,562.89	1,885,693.12	1,980,562.89	-	1,885,693.12	-	1,885,693.12	-
Total Undist. Expend. - Oper. & Maint. Of Plant	2,072,716.00	-	2,072,716.00	28,231.71	28,231.71	-	28,231.71	2,100,947.71	2,004,808.61	2,100,947.71	-	2,004,808.61	-	2,004,808.61	-
Undist. Expend. - Care and Upkeep of Grounds															
Salaries	52,036.00		52,036.00				130.00	52,166.00	51,833.56	52,166.00		51,833.56		51,833.56	
Purchased Professional and Technical Services	3,500.00		3,500.00				(1,760.00)	1,740.00	1,731.52	1,740.00		1,731.52		1,731.52	
Cleaning, Repair and Maintenance Services	15,000.00		15,000.00				4,715.00	19,715.00	19,579.58	19,715.00		19,579.58		19,579.58	
General Supplies	31,600.00		31,600.00				(10,864.00)	20,736.00	20,193.34	20,736.00		20,193.34		20,193.34	
Other Objects	750.00		750.00				(730.00)	20.00	20.00	20.00		20.00		20.00	
Total Undist. Expend. - Care and Upkeep of Grounds	102,886.00	-	102,886.00	(8,509.00)	(8,509.00)	-	(8,509.00)	94,377.00	93,338.00	94,377.00	-	93,338.00	-	93,338.00	-
Undist. Expend. - Security															
Salaries	143,585.00		143,585.00				(50,339.85)	93,245.15	89,054.99	93,245.15		89,054.99		89,054.99	
Purchased Professional and Technical Services	2,500.00		2,500.00				70,412.38	72,912.38	72,912.38	72,912.38		72,912.38		72,912.38	
General Supplies	4,250.00		4,250.00				(1,893.64)	2,356.36	2,201.83	2,356.36		2,201.83		2,201.83	
Total Undist. Expend. - Security	150,335.00	-	150,335.00	18,178.89	18,178.89	-	18,178.89	168,513.89	164,169.20	168,513.89	-	164,169.20	-	164,169.20	-
Undist. Expend. - Student Transportation Serv.															
Sal. For Pup.Trans. (Bet. Home and School) - Special	3,785.00		3,785.00				(17,047.00)	3,785.00	3,785.00	3,785.00		3,785.00		3,785.00	
Contract Serv (Aid in Lieu of Payment for Non-public)	163,312.00		163,312.00				(17,047.00)	146,265.00	146,265.00	146,265.00		146,265.00		146,265.00	
Contract Serv (Other than Bet. Home & School)-Vendors	693,994.00		693,994.00				(69,876.04)	624,117.96	561,396.64	624,117.96		561,396.64		561,396.64	
Cont. Serv (Spl. Ed. Students) - Joint Agrmt	1,000.00		1,000.00				(1,000.00)	1,000.00	1,000.00	1,000.00		1,000.00		1,000.00	
General Supplies															
Total Undist. Expend. - Student Transportation Serv.	698,779.00	163,312.00	862,091.00	(17,047.00)	(17,047.00)	(86,923.04)	(86,923.04)	775,167.96	647,115.59	775,167.96	-	647,115.59	-	647,115.59	-

(Continued)

CITY OF SALEM SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 General Fund - ARRA Education Stabilization Fund
 For the Fiscal Year Ended June 30, 2011

N/A for FY 2011 - RETAIN for FY 2012 ED JOBS

	Original Budget	Budget Amendments	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
REVENUES:					
Federal Sources:					
ARRA - Education Stabilization Fund		\$ -			
Total - Federal Sources					
Total Revenues					
EXPENDITURES:					
Current Expense:					
Regular Programs - Instruction					
Kindergarten - Salaries of Teachers					
Grades 1-5 - Salaries of Teachers					
Grades 6-8 - Salaries of Teachers					
Grades 9-12 - Salaries of Teachers					
TOTAL REGULAR PROGRAMS - INSTRUCTION					
UNALLOCATED BENEFITS					
Health Benefits					
TOTAL UNALLOCATED BENEFITS					
TOTAL EXPENDITURES					
Excess (Deficiency) of Revenues Over (Under) Expenditures					
Fund Balance, July 1					
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ -	\$ -

CITY OF SALEM SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 General Fund - ARRA Government Services Fund
 For the Fiscal Year Ended June 30, 2011

N/A for FY 2011 - RETAIN for FY 2012 ED JOBS

	Original Budget	Budget Amendments	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
REVENUES:					
Federal Sources:					
ARRA - Government Services Fund		\$ -			
Total - Federal Sources					
Total Revenues					
EXPENDITURES:					
Current Expense:					
Regular Programs - Instruction					
Grades 9-12 - Salaries of Teachers					
TOTAL REGULAR PROGRAMS - INSTRUCTION					
UNALLOCATED BENEFITS					
Health Benefits					
TOTAL UNALLOCATED BENEFITS					
TOTAL EXPENDITURES					
Excess (Deficiency) of Revenues Over (Under) Expenditures					
Fund Balance, July 1					
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ -	\$ -

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

	Original Budget	Budget Amendments	Final Budget	Actual	Variance Positive (Negative) Final to Actual
REVENUES:					
Local Sources:					
Other Local Programs	\$ 20,000.00	\$ 6,196.00	\$ 26,196.00	\$ 26,196.00	\$ -
Total - Local Sources	20,000.00	6,196.00	26,196.00	26,196.00	
State Sources:					
Preschool Education	1,727,435.00	1,689.00	1,729,124.00	1,729,124.00	
School Based Youth Services	242,683.00	21,293.00	263,976.00	263,976.00	
Other State Programs	20,000.00	30,881.05	50,881.05	50,406.83	474.22
Total - State Sources	1,990,118.00	53,863.05	2,043,981.05	2,043,506.83	474.22
Federal Sources:					
Title I	934,592.00	500,993.48	1,435,585.48	1,279,521.64	156,063.84
Title II	158,868.00	29,738.75	188,606.75	159,849.48	28,757.27
Title IV	12,274.00	(6,998.41)	5,275.59	5,275.59	
I.D.E.A., Part B	289,887.00	273,619.56	563,506.56	555,990.73	7,515.83
I.D.E.A., Part B, Preschool Incentive		20,481.00	20,481.00	19,669.58	811.42
Vocational-Federal Secondary	20,802.00	1,665.00	22,467.00	22,467.00	
Total - Federal Sources	1,416,423.00	819,499.38	2,235,922.38	2,042,774.02	193,148.36
Total Revenues	3,426,541.00	879,558.43	4,306,099.43	4,112,476.85	193,622.58
EXPENDITURES:					
Instruction:					
Salaries	934,592.00	(325,272.50)	609,319.50	544,227.00	65,092.50
Salaries of Teachers	636,712.00	56,046.01	692,758.01	692,758.01	
Other Salaries for Instruction	180,176.00	22,116.32	202,292.32	202,292.32	
Purchased Professional and Technical Services		159,279.25	159,279.25	154,232.75	5,046.50
Other Purchased Services (400-500 series)	3,000.00	370.00	3,370.00	3,370.00	
Tuition	289,887.00	29,673.00	319,560.00	319,560.00	
Supplies and Material	18,000.00	139,569.75	157,569.75	152,581.52	4,988.23
Other Objects		4,724.27	4,724.27	3,793.27	931.00
Total Instruction	2,062,367.00	86,506.10	2,148,873.10	2,072,814.87	76,058.23

(Continued)

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

	Original Budget	Budget Amendments	Final Budget	Actual	Variance Positive (Negative) Final to Actual
Support Services:					
Salaries	\$ 251,779.00	\$ 160,664.78	\$ 412,443.78	\$ 340,675.77	\$ 71,768.01
Salaries - Superv Instruction	18,862.00	(0.40)	18,861.60	18,861.60	
Salaries of Principals/Asst. Principals/Program Directors	111,309.00	0.12	111,309.12	111,309.12	
Salaries of Other Professional Staff	394,442.00	(141,159.64)	253,282.36	253,282.36	
Salaries of Secretarial and Clerical Assistants	36,167.00	36,701.84	72,868.84	72,868.84	
Sal. of Fam/Parent Liaison & Cmnty Prnt Involvement Specialists	10,634.00	(10,493.00)	141.00	141.00	
Sal. of Facilitators, Math, Literacy, and Master Teacher	61,189.00	129.00	61,318.00	61,318.00	
Personal Services - Employee Benefits	411,347.00	225,898.71	637,245.71	601,439.55	35,806.16
Purchased Professional and Technical Services		395,388.25	395,388.25	394,591.50	796.75
Other Purchased Professional Services – Educational Services	17,616.00	(14,747.00)	2,869.00		2,869.00
Other Purchased Professional Services	18,043.00	(18,043.00)			
Cleaning, Repair & Maintenance Services	22,073.00	(18,573.00)	3,500.00		3,500.00
Other Purchased Services (400-500 series)		34,031.77	34,031.77	33,337.84	693.93
Contracted Services - Transportation Other than Between Home and School	1,500.00	95.52	1,595.52	1,595.52	
Travel	1,500.00	(1,367.96)	132.04	132.04	
Supplies and Material	7,438.00	894.72	8,332.72	8,202.22	130.50
Equipment					
Other Objects	275.00	6,904.03	7,179.03	7,179.03	
Total Support Services	1,364,174.00	656,324.74	2,020,498.74	1,904,934.39	115,564.35
Facilities Acquisition/Construction:					
Buildings		103,800.00	103,800.00	101,800.00	2,000.00
Equipment		32,927.59	32,927.59	32,927.59	
Total Facilities Acquisition and Construction Services		136,727.59	136,727.59	134,727.59	2,000.00
Total Expenditures	3,426,541.00	879,558.43	4,306,099.43	4,112,476.85	193,622.58
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -

CITY OF SALEM 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) "revenues" from the budgetary comparison schedules	\$ 21,972,534.17	\$ 4,112,476.85
Differences - Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.	-	(16,989.46)
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes	1,597,306.00	160,614.00
The Last State aid payment is recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expense (GASB 33)	(1,493,250.00)	(147,492.00)
	<u>\$ 22,076,590.17</u>	<u>\$ 4,108,609.39</u>
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds		
Uses / Outflows of Resources:		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 22,118,802.50	\$ 4,112,476.85
Differences - Budget to GAAP:		
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.	-	(16,989.46)
Transfers to other funds are presented as outflows of budgetary resources but are not expenditures for financial reporting purposes. Net transfers to the General Fund.	-	-
	<u>\$ 22,118,802.50</u>	<u>\$ 4,095,487.39</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (B-2)		

OTHER SUPPLEMENTARY INFORMATION

SCHOOL LEVEL SCHEDULES

CITY OF SALEM SCHOOL DISTRICT
 General Fund
 Combining Balance Sheet
 June 30, 2011

	Operating Fund Fund 11 - 13	Blended Resource Fund 15	Total General Fund
Assets:			
Cash and Cash Equivalents	\$ 507,513.69		\$ 507,513.69
Capital Reserve	1,000.00		1,000.00
Interfund Accounts Receivable:			
Operating Fund (11-13)		\$ 143,626.90	143,626.90
Special Revenue Fund	343,321.91		343,321.91
Capital Projects Fund	600,194.74		600,194.74
Intergovernmental Accounts Receivable:			
State	1,641,798.80		1,641,798.80
Other	199,360.12		199,360.12
Other Accounts Receivable	400.00		400.00
Total Assets	\$ 3,293,589.26	\$ 143,626.90	\$ 3,437,216.16
Liabilities and Fund Balances:			
Liabilities:			
Accounts Payable	\$ 208,556.19	\$ 82,502.90	\$ 291,059.09
Loan Payable (Short Term)	1,114,349.00		1,114,349.00
Interfund Accounts Payable:			
Blended Resource Fund (15)	143,626.90		143,626.90
Trust and Agency	19,381.20		19,381.20
Proprietary Fund	2,300.98		2,300.98
Total Liabilities	1,488,214.27	82,502.90	1,570,717.17
Fund Balances:			
Restricted:			
Capital Reserve	1,000.00		1,000.00
Excess Surplus Designated for Subsequent Year's Expenditures	5,955.53		5,955.53
Excess Surplus - Current Year	72,624.94		72,624.94
Assigned:			
Designated for Subsequent Year's Expenditures	930,532.47		930,532.47
Other Purposes	307,559.98	61,124.00	368,683.98
Unassigned	487,702.07		487,702.07
Total Fund Balances	1,805,374.99	61,124.00	1,866,498.99
Total Liabilities and Fund Balances	\$ 3,293,589.26	\$ 143,626.90	\$ 3,437,216.16

CITY OF SALEM SCHOOL DISTRICT
 Blended Resource Fund 15
 Combined Schedule of Expenditures Allocated by Resource Type - Actual
 For the Fiscal Year Ended June 30, 2011

<u>District-wide</u>	<u>Resources</u>	Resource Amount (Final Budget)	% of Total Resources	Total Expenditures Allocated as a % of Total Resources	Total Surplus/ Carryover
General Fund Contribution to Whole School Reform		\$ 13,664,889.00		\$ 13,174,971.28	\$ 489,917.72
General Fund Reserve for Encumbrances at June 30, 2010		75,720.08		75,720.08	
		<u>13,740,609.08</u>			
Combined General Fund Contribution & State Resources		<u>13,740,609.08</u>	<u>100.0000%</u>	<u>13,250,691.36</u>	<u>489,917.72</u>
Total Restricted Federal Resources					
Totals		<u>\$ 13,740,609.08</u>	<u>100.00%</u>	<u>\$ 13,250,691.36</u>	<u>\$ 489,917.72</u>

CITY OF SALEM SCHOOL DISTRICT
 Blended Resource Fund 15
 Schedule of Expenditures Allocated by Resource Type - Actual
 For the Fiscal Year Ended June 30, 2011

<u>School: John Fenwick School</u>	<u>Resources</u>	<u>Resource Amount (Final Budget)</u>	<u>% of Total Resources</u>	<u>Total Expenditures Allocated as a % of Total Resources</u>	<u>Total Surplus/ Carryover</u>
	General Fund Contribution to Whole School Reform	\$ 2,672,385.00		\$ 2,501,306.19	\$ 171,078.81
	General Fund Reserve for Encumbrances at June 30, 2010	46,167.96		46,167.96	
		<u>2,718,552.96</u>			
	Combined General Fund Contribution & State Resources	<u>2,718,552.96</u>	<u>100.0000%</u>	<u>2,547,474.15</u>	<u>171,078.81</u>
	Total Restricted Federal Resources				
	Totals	<u>\$ 2,718,552.96</u>	<u>100.00%</u>	<u>\$ 2,547,474.15</u>	<u>\$ 171,078.81</u>

CITY OF SALEM SCHOOL DISTRICT
 Blended Resource Fund 15
 Schedule of Expenditures Allocated by Resource Type - Actual
 For the Fiscal Year Ended June 30, 2011

<u>School: Salem Middle School</u>	<u>Resources</u>	Resource Amount (Final Budget)	% of Total Resources	Total Expenditures Allocated as a % of Total Resources	Total Surplus/ Carryover
	General Fund Contribution to Whole School Reform	\$ 4,860,161.00		\$ 4,772,273.46	\$ 87,887.54
	General Fund Reserve for Encumbrances at June 30, 2010	9,916.38		9,916.38	
		4,870,077.38			
	Combined General Fund Contribution & State Resources	4,870,077.38	100.0000%	4,782,189.84	87,887.54
	Total Restricted Federal Resources				
	Totals	\$ 4,870,077.38	100.00%	\$ 4,782,189.84	\$ 87,887.54

CITY OF SALEM SCHOOL DISTRICT
 Blended Resource Fund 15
 Schedule of Expenditures Allocated by Resource Type - Actual
 For the Fiscal Year Ended June 30, 2011

<u>School: Salem High School</u>	<u>Resources</u>	Resource Amount (Final Budget)	% of Total Resources	Total Expenditures Allocated as a % of Total Resources	Total Surplus/ Carryover
	General Fund Contribution to Whole School Reform	\$ 6,132,343.00		\$ 5,901,391.63	\$ 230,951.37
	General Fund Reserve for Encumbrances at June 30, 2010	19,635.74		19,635.74	
		6,151,978.74			
	Combined General Fund Contribution & State Resources	6,151,978.74	100.0000%	5,921,027.37	230,951.37
	Total Restricted Federal Resources				
	Totals	\$ 6,151,978.74	100.00%	\$ 5,921,027.37	\$ 230,951.37

CITY OF SALEM SCHOOL DISTRICT
Blended Resource Fund 15
Schedule of Blended Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
REGULAR PROGRAMS - INSTRUCTION					
Regular Programs - Instruction					
Kindergarten - Salaries of Teachers	\$ 379,614.00	\$ (56,015.00)	\$ 323,599.00	\$ 314,652.07	\$ 8,946.93
Grades 1-5 - Salaries of Teachers	1,975,354.00	(72,091.00)	1,903,263.00	1,894,909.09	8,353.91
Grades 6-8 - Salaries of Teachers	906,393.00	10,177.27	916,570.27	914,441.75	2,128.52
Grades 9-12 - Salaries of Teachers	2,105,313.00	47,179.97	2,152,492.97	2,149,985.98	2,506.99
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	162,548.00	305.00	162,853.00	161,392.00	1,461.00
Purchased Prof- Educational Services	40,500.00	(5,440.89)	35,059.11	34,843.50	215.61
Purchased Technical Services	47,906.00	2,423.13	50,329.13	45,861.00	4,468.13
Other Purchased Services (400-500 series)	47,445.00	18,261.40	65,706.40	64,698.13	1,008.27
General Supplies	258,350.00	160,238.47	418,588.47	403,372.76	15,215.71
Textbooks	41,211.00	(2,655.17)	38,555.83	38,459.80	96.03
Other Objects	5,500.00	(380.00)	5,120.00	3,751.60	1,368.40
Miscellaneous Expenditures		108.00	108.00	108.00	
TOTAL REGULAR PROGRAMS - INSTRUCTION	5,970,134.00	102,111.18	6,072,245.18	6,026,475.68	45,769.50
Behavioral Disabilities:					
Salaries of Teachers	140,302.00	(85,175.63)	55,126.37	54,846.37	280.00
Other Salaries for Instruction	26,173.00	15,843.00	42,016.00	41,257.12	758.88
General Supplies	1,070.00	(357.41)	712.59	712.59	
Total Behavioral Disabilities	167,545.00	(69,690.04)	97,854.96	96,816.08	1,038.88
Multiple Disabilities:					
Salaries of Teachers	307,925.00	(28,738.17)	279,186.83	273,670.29	5,516.54
Other Salaries for Instruction	109,556.00	18,329.35	127,885.35	112,678.28	15,207.07
Other Purchased Services (400-500 series)	1,500.00		1,500.00	1,021.80	478.20
General Supplies	5,750.00	(3,010.46)	2,739.54	2,594.63	144.91
Textbooks	2,000.00	(1,706.84)	293.16	293.16	
Other Objects	500.00		500.00	93.50	406.50
Total Multiple Disabilities	427,231.00	(15,126.12)	412,104.88	390,058.50	22,046.38

(Continued)

CITY OF SALEM SCHOOL DISTRICT
Blended Resource Fund 15
Schedule of Blended Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
Resource Room/Resource Center:					
Salaries of Teachers	\$ 1,137,625.00	\$ (62,874.54)	\$ 1,074,750.46	\$ 1,059,679.94	\$ 15,070.52
Purchased Prof- Educational Services	3,800.00		3,800.00	2,275.04	1,524.96
General Supplies	9,288.00	(1,345.58)	7,942.42	3,234.88	4,707.54
Textbooks	2,200.00		2,200.00	941.82	1,258.18
Total Resource Room/Resource Center	1,152,913.00	(64,220.12)	1,088,692.88	1,066,131.68	22,561.20
Preschool Disabilities - Full-Time:					
Salaries of Teachers	50,239.00		50,239.00	49,968.04	270.96
Other Salaries for Instruction	29,388.00	(12,961.52)	16,426.48	10,823.40	5,603.08
General Supplies	750.00	76.68	826.68	826.68	
Total Preschool Disabilities - Full-Time:	80,377.00	(12,884.84)	67,492.16	61,618.12	5,874.04
TOTAL SPECIAL EDUCATION - INSTRUCTION	1,828,066.00	(161,921.12)	1,666,144.88	1,614,624.38	51,520.50
Basic Skills/Remedial - Instruction					
Salaries of Teachers	58,509.00	4,783.63	63,292.63	61,426.46	1,866.17
Total Basic Skills/Remedial - Instruction	58,509.00	4,783.63	63,292.63	61,426.46	1,866.17
Vocational Programs - Local - Instruction					
Salaries of Teachers	385,683.00	(32,667.00)	353,016.00	326,785.97	26,230.03
Other Purchased Services (400-500 series)	5,000.00	51,633.00	56,633.00	40,825.00	15,808.00
General Supplies	20,000.00	4,608.55	24,608.55	24,267.76	340.79
Textbooks	1,500.00	(1,500.00)			
Total Vocational Programs - Local - Instruction	412,183.00	22,074.55	434,257.55	391,878.73	42,378.82

(Continued)

CITY OF SALEM SCHOOL DISTRICT
 Blended Resource Fund 15
 Schedule of Blended Expenditures - Budget and Actual
 For the Fiscal Year Ended June 30, 2011

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
School-Spon. Cocurricular Activities. - Inst.					
Salaries	\$ 24,022.00	\$ 3,666.00	\$ 27,688.00	\$ 27,227.80	\$ 460.20
Purchased Services (300-500 series)	3,600.00	5,235.70	8,835.70	8,835.70	
Supplies and Materials	2,453.00	2,428.50	4,881.50	1,865.23	3,016.27
Other Objects		2,152.00	2,152.00	2,152.00	
Total School-Spon. Cocurricular Activities. - Inst.	30,075.00	13,482.20	43,557.20	40,080.73	3,476.47
School-Spon. Cocurricular Athletics - Inst.					
Salaries	175,088.00	935.00	176,023.00	170,508.40	5,514.60
Purchased Services (300-500 series)	64,367.00		64,367.00	60,301.88	4,065.12
Supplies and Materials	50,800.00	(14,865.00)	35,935.00	29,459.90	6,475.10
Other Objects	8,600.00	542.21	9,142.21	8,584.70	557.51
Total School-Spon. Cocurricular Athletics - Inst.	298,855.00	(13,387.79)	285,467.21	268,854.88	16,612.33
Before/After School Program - Inst.					
Salaries of Teachers	3,000.00	(1,200.00)	1,800.00		1,800.00
Total Before/After School Program - Inst.	3,000.00	(1,200.00)	1,800.00		1,800.00
Alternative Education Program - Inst.					
Salaries of Teachers	36,000.00	350.00	36,350.00	31,800.00	4,550.00
Salaries	64,800.00	850.00	65,650.00	47,295.50	18,354.50
Purchased Prof- Educational Services	29,000.00	(23,442.57)	5,557.43		5,557.43
Total Alternative Education Program - Inst.	129,800.00	(22,242.57)	107,557.43	79,095.50	28,461.93
Total Instruction	8,730,622.00	(56,299.92)	8,674,322.08	8,482,436.36	191,885.72

(Continued)

CITY OF SALEM SCHOOL DISTRICT
Blended Resource Fund 15
Schedule of Blended Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
Undistributed Expend. - Attend. & Social Work					
Salaries	\$ 148,902.00	\$ (7,404.56)	\$ 141,497.44	\$ 116,588.60	\$ 24,908.84
Supplies and Materials		253.45	253.45	253.45	
Total Undistributed Expend. - Attend. & Social Work	148,902.00	(7,151.11)	141,750.89	116,842.05	24,908.84
Undistributed Expenditures - Health Services					
Salaries	174,306.00	(3,256.75)	171,049.25	168,107.30	2,941.95
Other Purchased Services (400-500 series)	200.00	23.20	223.20	223.20	
Supplies and Materials	6,346.00	(207.98)	6,138.02	5,326.82	811.20
Other Objects		143.00	143.00	143.00	
Total Undistributed Expenditures - Health Services	180,852.00	(3,298.53)	177,553.47	173,800.32	3,753.15
Undist. Expend. - Other Supp. Serv. Students-Reg.					
Salaries of Other Professional Staff	380,858.00	(2,288.80)	378,569.20	378,568.05	1.15
Salaries of Secretarial and Clerical Assistants	67,114.00	1,586.70	68,700.70	68,507.50	193.20
Other Salaries		49,501.39	49,501.39	48,815.38	686.01
Purchased Prof-Educational Services	400.00	3,674.74	4,074.74	4,074.74	
Other Purchased Prof. and Tech. Services	15,000.00	(14,090.11)	909.89	425.00	484.89
Other Purchased Services (400-500 series)	3,000.00	300.00	3,300.00	1,610.00	1,690.00
Supplies and Materials	23,583.00	(5,014.39)	18,568.61	17,626.74	941.87
Other Objects	400.00		400.00	325.00	75.00
Total Undist. Expend. - Other Supp. Serv. Students-Reg.	490,355.00	33,669.53	524,024.53	519,952.41	4,072.12
Undist. Expend. - Improvement of Inst. Serv.					
Salaries of Supervisor of Instruction	21,000.00	(11,156.01)	9,843.99	6,087.50	3,756.49
Other Salaries		5,437.50	5,437.50	5,437.50	
Other Purch Services (400-500)	1,500.00	(1,025.12)	474.88		474.88
Supplies and Materials		31.32	31.32	31.32	
Other Objects	500.00		500.00		500.00
Total Undist. Expend. - Improvement of Inst. Serv.	23,000.00	(6,712.31)	16,287.69	11,556.32	4,731.37

CITY OF SALEM SCHOOL DISTRICT
Blended Resource Fund 15
Schedule of Blended Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
Undist. Expend. - Edu. Media Serv./Sch. Library					
Salaries	\$ 222,265.00	\$ (16,703.32)	\$ 205,561.68	\$ 201,870.30	\$ 3,691.38
Salaries of Technology Coordinators	160,883.00	(1,918.22)	158,964.78	156,570.00	2,394.78
Purchased Professional and Technical Services	4,929.00	(3,229.00)	1,700.00		1,700.00
Other Purchased Services (400-500 series)	750.00		750.00	300.00	450.00
Supplies and Materials	42,000.00	(12,824.67)	29,175.33	28,173.80	1,001.53
Other Objects	100.00		100.00	100.00	
Total Undist. Expend. - Edu. Media Serv./Sch. Library	430,827.00	(34,575.21)	396,251.79	387,014.10	9,237.69
Undist. Expend. - Instructional Staff Training Serv.					
Purchased Professional - Educational Servic	3,000.00	96,772.50	99,772.50	97,212.89	2,559.61
Other Purchased Services (400-500 series)	3,000.00	1,035.00	4,035.00	3,482.36	552.64
Supplies and Materials	3,500.00	8,063.04	11,563.04	11,360.68	202.36
Total Undist. Expend. - Instructional Staff Training Serv.	9,500.00	105,870.54	115,370.54	112,055.93	3,314.61
Undist. Expend. - Support Serv. - School Admin.					
Salaries of Principals/Assistant Principals	592,535.00	(12,845.00)	579,690.00	544,059.82	35,630.18
Salaries of Other Professional Staff	93,838.00		93,838.00	93,803.05	34.95
Salaries of Secretarial and Clerical Assistants	151,358.00	529.77	151,887.77	149,064.00	2,823.77
Purchased Professional and Technical Services	500.00		500.00	160.00	340.00
Other Purchased Services (400-500 series)	22,057.00	86.00	22,143.00	21,302.74	840.26
Supplies and Materials	43,492.00	(674.27)	42,817.73	32,137.22	10,680.51
Other Objects	4,000.00	2,308.00	6,308.00	5,270.52	1,037.48
Total Undist. Expend. - Support Serv. - School Admin.	907,780.00	(10,595.50)	897,184.50	845,797.35	51,387.15

(Continued)

CITY OF SALEM SCHOOL DISTRICT
Blended Resource Fund 15
Schedule of Blended Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
Undist. Expend. - Security					
Salaries	\$ 143,585.00	\$ (50,339.85)	\$ 93,245.15	\$ 89,054.99	\$ 4,190.16
Purchased Professional and Technical Services	2,500.00	70,412.38	72,912.38	72,912.38	
General Supplies	4,250.00	(1,893.64)	2,356.36	2,201.83	154.53
Total Undist. Expend. - Security	150,335.00	18,178.89	168,513.89	164,169.20	4,344.69
Undist. Expend. - Student Transportation Serv.					
Contr Serv (Oth. Than Bet Home & Sch) - Vendors	163,312.00	(17,047.00)	146,265.00	85,718.95	60,546.05
Total Undist. Expend. - Student Transportation Serv.	163,312.00	(17,047.00)	146,265.00	85,718.95	60,546.05
UNALLOCATED BENEFITS					
Health Benefits	2,429,404.00	(29,929.99)	2,399,474.01	2,286,504.35	112,969.66
TOTAL UNALLOCATED BENEFITS	2,429,404.00	(29,929.99)	2,399,474.01	2,286,504.35	112,969.66
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS	2,429,404.00	(29,929.99)	2,399,474.01	2,286,504.35	112,969.66
TOTAL UNDISTRIBUTED EXPENDITURES	4,934,267.00	48,409.31	4,982,676.31	4,703,410.98	279,265.33
TOTAL SCHOOL BASED BUDGET CURRENT EXPENSE	13,664,889.00	(7,890.61)	13,656,998.39	13,185,847.34	471,151.05

(Continued)

CITY OF SALEM SCHOOL DISTRICT
 Blended Resource Fund 15
 Schedule of Blended Expenditures - Budget and Actual
 For the Fiscal Year Ended June 30, 2011

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
CAPITAL OUTLAY					
Equipment					
Regular Programs - Instruction:					
Grades 1-5	\$ 3,276.79		\$ 3,276.79		\$ 3,276.79
Grades 6-8	3,276.79		3,276.79		3,276.79
Grades 9-12	30,515.03		30,515.03	\$ 29,954.88	560.15
School Sponsored and other Instructional Programs	20,389.00		20,389.00	8,839.00	11,550.00
Undistributed Expenditures:					
Instruction	6,237.95		6,237.95		
Attend. & Social Work	19,915.13		19,915.13	19,812.19	102.94
Total Equipment	\$ -	83,610.69	83,610.69	64,844.02	18,766.67
TOTAL CAPITAL OUTLAY		83,610.69	83,610.69	64,844.02	18,766.67
TOTAL SCHOOL BASED EXPENDITURES	\$ 13,664,889.00	75,720.08	13,740,609.08	13,250,691.36	489,917.72
Other Financing Sources:					
Operating Transfers In:					
Contribution to Whole School Reform:					
General Fund	13,664,889.00		13,664,889.00	13,236,095.28	428,793.72
Total Other Financing Sources:	13,664,889.00	-	13,664,889.00	13,236,095.28	428,793.72
Excess (Deficiency) of Other Financing Sources Over (Under) Expenditures and Other Financing (Uses)		(75,720.08)	(75,720.08)	(14,596.08)	61,124.00
Fund Balance, July 1	75,720.08		75,720.08	75,720.08	
Fund Balance, June 30	\$ 75,720.08	\$ (75,720.08)	\$ -	\$ 61,124.00	\$ 61,124.00

CITY OF SALEM SCHOOL DISTRICT
Blended Resource Fund 15
Schedule of Blended Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2011

School: <u>John Fenwick School</u>	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
REGULAR PROGRAMS - INSTRUCTION					
Regular Programs - Instruction					
Kindergarten - Salaries of Teachers	\$ 379,614.00	\$ (56,015.00)	\$ 323,599.00	\$ 314,652.07	\$ 8,946.93
Grades 1-5 - Salaries of Teachers	935,584.00	(107,337.00)	828,247.00	824,819.78	3,427.22
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	107,030.00	(841.00)	106,189.00	105,049.00	1,140.00
Purchased Prof. Educational Services	4,000.00	345.00	4,345.00	4,345.00	
Purchased Technical Services	18,434.00	(2,695.18)	15,738.82	14,648.95	1,089.87
Other Purchased Services (400-500 series)	8,438.00	565.00	9,003.00	9,002.24	0.76
General Supplies	70,650.00	120,036.84	190,686.84	190,591.85	94.99
Other Objects	5,000.00	(380.00)	4,620.00	3,642.60	977.40
TOTAL REGULAR PROGRAMS - INSTRUCTION	1,528,750.00	(46,321.34)	1,482,428.66	1,466,751.49	15,677.17
Multiple Disabilities:					
Salaries of Teachers	68,764.00	879.29	69,643.29	68,383.29	1,260.00
Other Salaries for Instruction	25,164.00	(119.29)	25,044.71	23,267.00	1,777.71
General Supplies	750.00		750.00	743.02	6.98
Total Multiple Disabilities	94,678.00	760.00	95,438.00	92,393.31	3,044.69
Resource Room/Resource Center:					
Salaries of Teachers	110,978.00	166.66	111,144.66	107,063.66	4,081.00
General Supplies	1,200.00	(303.34)	896.66	149.72	746.94
Total Resource Room/Resource Center	112,178.00	(136.68)	112,041.32	107,213.38	4,827.94
Preschool Disabilities - Full-Time:					
Salaries of Teachers	50,239.00	-	50,239.00	49,968.04	270.96
Other Salaries for Instruction	29,388.00	(12,961.52)	16,426.48	10,823.40	5,603.08
General Supplies	750.00	76.68	826.68	826.68	
Total Preschool Disabilities - Full-Time:	80,377.00	(12,884.84)	67,492.16	61,618.12	5,874.04
TOTAL SPECIAL EDUCATION - INSTRUCTION	287,233.00	(12,261.52)	274,971.48	261,224.81	13,746.67

(Continued)

CITY OF SALEM SCHOOL DISTRICT
Blended Resource Fund 15
Schedule of Blended Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2011

<u>School: John Fenwick School</u>	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual Favorable/ (Unfavorable)</u>
Basic Skills/Remedial - Instruction Salaries of Teachers	\$ 1,336.00	\$ 1,336.00	\$ 1,336.00	\$ 1,267.50	\$ 68.50
Total Basic Skills/Remedial - Instruction	1,336.00	1,336.00	1,336.00	1,267.50	68.50
School-Spon. Cocurricular Actvts. - Inst. Salaries		276.00	276.00	276.00	
Total School-Spon. Cocurricular Actvts. - Inst.		276.00	276.00	276.00	
Total Instruction	\$ 1,815,983.00	(56,970.86)	1,759,012.14	1,729,519.80	29,492.34
Undistributed Expend. - Attend. & Social Work Salaries	44,416.00	542.94	44,958.94	43,210.50	1,748.44
Total Undistributed Expend. - Attend. & Social Work	44,416.00	542.94	44,958.94	43,210.50	1,748.44
Undistributed Expenditures - Health Services Salaries	40,578.00	(1,584.50)	38,993.50	38,591.30	402.20
Other Purchased Services (400-500 series)	200.00	(92.30)	107.70	107.70	
Supplies and Materials	3,500.00	211.25	3,711.25	3,711.25	
Total Undistributed Expenditures - Health Services	44,278.00	(1,465.55)	42,812.45	42,410.25	402.20
Undist. Expend. - Other Supp. Serv. Students-Reg. Salaries of Other Professional Staff	38,429.00	123.36	38,552.36	38,552.36	
Supplies and Materials	1,000.00	(422.50)	577.50	577.50	
Total Undist. Expend. - Other Supp. Serv. Students-Reg.	39,429.00	(299.14)	39,129.86	39,129.86	
Undist. Expend. - Improvement of Inst. Serv. Other Salaries		2,587.50	2,587.50	2,587.50	
Total Undist. Expend. - Improvement of Inst. Serv.		2,587.50	2,587.50	2,587.50	

(Continued)

CITY OF SALEM SCHOOL DISTRICT
Blended Resource Fund 15
Schedule of Blended Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2011

<u>School: John Fenwick School</u>	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual Favorable/ (Unfavorable)</u>
Undist. Expend. - Edu. Media Serv./Sch. Library					
Salaries	\$ 60,886.00	\$ 2,186.80	\$ 63,072.80	\$ 62,462.80	\$ 610.00
Salaries of Technology Coordinators	28,777.00	(259.06)	28,517.94	28,517.92	0.02
Purchased Professional and Technical Services	1,600.00	(1,600.00)			
Supplies and Materials	12,000.00	(9,219.32)	2,780.68	2,780.68	
Total Undist. Expend. - Edu. Media Serv./Sch. Library	103,263.00	(8,891.58)	94,371.42	93,761.40	610.02
Undist. Expend. - Instructional Staff Training Serv.					
Purchased Prof. Educational Services	32,071.82		32,071.82	29,512.82	2,559.00
Other Purchased Services (400-500 series)	2,120.00		2,120.00	2,120.00	
Supplies and Materials	3,853.27		3,853.27	3,853.27	
Total Undist. Expend. - Instructional Staff Training Serv.	38,045.09		38,045.09	35,486.09	2,559.00
Undist. Expend. - Support Serv. - School Admin.					
Salaries of Principals/Assistant Principals	113,072.00	(12,789.00)	100,283.00	64,774.83	35,508.17
Salaries of Secretarial and Clerical Assistants	22,807.00	1,125.00	23,932.00	23,932.00	
Other Purchased Services (400-500 series)	6,050.00	30.00	6,080.00	6,078.44	1.56
Supplies and Materials	9,000.00	(270.49)	8,729.51	3,254.50	5,475.01
Other Objects	500.00	458.00	958.00	958.00	
Total Undist. Expend. - Support Serv. - School Admin.	151,429.00	(11,446.49)	139,982.51	98,997.77	40,984.74
Undist. Expend. - Security					
Salaries	18,468.00	8.06	18,476.06	17,190.05	1,286.01
Purchased Professional and Technical Services	387.00		387.00	387.00	
General Supplies	1,750.00	(1,750.00)			
Total Undist. Expend. - Security	20,218.00	(1,354.94)	18,863.06	17,577.05	1,286.01
Undist. Expend. - Student Transportation Serv.					
Contr Serv (Oth. Than Bet Home & Sch) - Vendors	5,300.00		5,300.00	4,387.68	912.32
Total Undist. Expend. - Student Transportation Serv.	5,300.00	-	5,300.00	4,387.68	912.32

(Continued)

CITY OF SALEM SCHOOL DISTRICT
Blended Resource Fund 15
Schedule of Blended Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2011

School: <u>John Fenwick School</u>	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
UNALLOCATED BENEFITS	\$ 526,200.00	\$ (0.02)	\$ 526,199.98	\$ 433,116.24	\$ 93,083.74
Health Benefits	526,200.00	(0.02)	526,199.98	433,116.24	93,083.74
TOTAL UNALLOCATED BENEFITS	526,200.00	(0.02)	526,199.98	433,116.24	93,083.74
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS	934,533.00	17,717.81	952,250.81	810,664.34	141,586.47
TOTAL UNDISTRIBUTED EXPENDITURES	2,750,516.00	(39,253.05)	2,711,262.95	2,540,184.14	171,078.81
TOTAL SCHOOL BASED BUDGET CURRENT EXPENSE					
CAPITAL OUTLAY					
Undistributed Expenditures:					
Instruction		685.95	685.95	685.95	
Attend. & Social Work		6,604.06	6,604.06	6,604.06	
Total Equipment		7,290.01	7,290.01	7,290.01	
TOTAL CAPITAL OUTLAY		7,290.01	7,290.01	7,290.01	
TOTAL SCHOOL BASED EXPENDITURES	2,750,516.00	(31,963.04)	2,718,552.96	2,547,474.15	171,078.81
Other Financing Sources:					
Operating Transfers In:					
Contribution to Whole School Reform:					
General Fund	2,750,516.00	(78,131.00)	2,672,385.00	2,513,213.66	159,171.34
Total Other Financing Sources:	2,750,516.00	(78,131.00)	2,672,385.00	2,513,213.66	159,171.34
Excess (Deficiency) of Other Financing Sources Over (Under) Expenditures and Other Financing (Uses)		(46,167.96)	(46,167.96)	(34,260.49)	11,907.47
Fund Balance, July 1	46,167.96		46,167.96	46,167.96	
Fund Balance, June 30	\$ 46,167.96	\$ (46,167.96)	\$ -	\$ 11,907.47	\$ 11,907.47

CITY OF SALEM SCHOOL DISTRICT
Blended Resource Fund 15
Schedule of Blended Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2011

<u>School: Middle School</u>	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual Favorable/ (Unfavorable)</u>
REGULAR PROGRAMS - INSTRUCTION					
Regular Programs - Instruction					
Grades 1-5 - Salaries of Teachers	\$ 1,039,770.00	\$ 35,246.00	\$ 1,075,016.00	\$ 1,070,089.31	\$ 4,926.69
Grades 6-8 - Salaries of Teachers	906,393.00	10,177.27	916,570.27	914,441.75	2,128.52
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	29,468.00		29,468.00	29,468.00	
Purchased Prof- Educational Services	6,500.00	(2,520.71)	3,979.29	3,764.00	215.29
Purchased Technical Services	14,472.00	(186.08)	14,285.92	14,219.00	66.92
Other Purchased Services (400-500 series)	15,857.00	7,352.50	23,209.50	23,206.50	3.00
General Supplies	105,200.00	62,904.34	168,104.34	154,006.62	14,097.72
Textbooks	11,211.00	19,957.73	31,168.73	31,168.66	0.07
Miscellaneous Expenditures	108.00		108.00	108.00	
TOTAL REGULAR PROGRAMS - INSTRUCTION	2,128,871.00	133,039.05	2,261,910.05	2,240,471.84	21,438.21
SPECIAL EDUCATION - INSTRUCTION					
Behavioral Disabilities:					
Salaries of Teachers	140,302.00	(85,175.63)	55,126.37	54,846.37	280.00
Other Salaries for Instruction	26,173.00	15,843.00	42,016.00	41,257.12	758.88
General Supplies	1,070.00	(357.41)	712.59	712.59	
Total Behavioral Disabilities	167,545.00	(69,690.04)	97,854.96	96,816.08	1,038.88
Multiple Disabilities:					
Salaries of Teachers	132,408.00	17,866.36	150,274.36	150,274.36	
Other Salaries for Instruction	43,664.00	18,448.64	62,112.64	60,289.97	1,822.67
General Supplies		978.24	978.24	909.16	69.08
Total Multiple Disabilities	176,072.00	37,293.24	213,365.24	211,473.49	1,891.75

(Continued)

CITY OF SALEM SCHOOL DISTRICT
Blended Resource Fund 15
Schedule of Blended Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2011

<u>School: Middle School</u>	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual Favorable/ (Unfavorable)</u>
Resource Room/Resource Center:					
Salaries of Teachers	\$ 457,567.00	\$ (56,064.00)	\$ 401,503.00	\$ 392,168.76	\$ 9,334.24
General Supplies	1,088.00	57.76	1,145.76	1,096.83	48.93
Total Resource Room/Resource Center	458,655.00	(56,006.24)	402,648.76	393,265.59	9,383.17
TOTAL SPECIAL EDUCATION - INSTRUCTION	802,272.00	(88,403.04)	713,868.96	701,555.16	12,313.80
Basic Skills/Remedial - Instruction					
Salaries of Teachers	58,509.00	3,447.63	61,956.63	60,158.96	1,797.67
Total Basic Skills/Remedial - Instruction	58,509.00	3,447.63	61,956.63	60,158.96	1,797.67
School-Spon. Cocurricular Actvts. - Inst.					
Salaries	4,140.00		4,140.00	3,680.00	460.00
Other Purchased Services (400-500 series)	600.00		600.00	600.00	
Supplies and Materials	1,253.00		1,253.00	405.00	848.00
Other Objects		1,916.00	1,916.00	1,916.00	
Total School-Spon. Cocurricular Actvts. - Inst.	5,993.00	1,916.00	7,909.00	6,601.00	1,308.00
School-Spon. Cocurricular Athletics - Inst.					
Salaries	9,456.00	(56.00)	9,400.00	6,568.00	2,832.00
Other Purchased Services (400-500 series)	2,880.00		2,880.00	1,302.00	1,578.00
Supplies and Materials	500.00	39.00	539.00	539.00	
Other Objects	800.00		800.00	243.00	557.00
Total School-Spon. Cocurricular Athletics - Inst.	13,636.00	(17.00)	13,619.00	8,652.00	4,967.00

(Continued)

CITY OF SALEM SCHOOL DISTRICT
Blended Resource Fund 15
Schedule of Blended Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2011

<u>School: Middle School</u>	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual Favorable/ (Unfavorable)</u>
Alternative Education Program - Inst.					
Salaries of Teachers	\$ 18,000.00	\$	18,000.00	\$ 14,212.50	\$ 3,787.50
Salaries	32,400.00		32,400.00	22,310.25	10,089.75
Total Alternative Education Program - Inst.	50,400.00	-	50,400.00	36,522.75	13,877.25
Total Instruction	3,059,681.00	49,982.64	3,109,663.64	3,053,961.71	55,701.93
Undistributed Expend. - Attend. & Social Work					
Salaries	41,860.00	(1,408.00)	40,452.00	40,452.00	
Supplies and Materials		253.45	253.45	253.45	
Total Undistributed Expend. - Attend. & Social Work	41,860.00	(1,154.55)	40,705.45	40,705.45	
Undistributed Expenditures - Health Services					
Salaries	66,524.00	(932.00)	65,592.00	65,592.00	
Other Purchased Services (400-500 series)		57.75	57.75	57.75	
Supplies and Materials	1,846.00	(419.23)	1,426.77	1,426.77	
Other Objects		143.00	143.00	143.00	
Total Undistributed Expenditures - Health Services	68,370.00	(1,150.48)	67,219.52	67,219.52	
Undist. Expend. - Other Supp. Serv. Students-Reg.					
Salaries of Other Professional Staff	143,620.00	(325.66)	143,294.34	143,294.34	
Salaries of Secretarial and Clerical Assistants	36,896.00	(126.00)	36,770.00	36,770.00	
Purchased Prof- Educational Services		2,990.00	2,990.00	2,990.00	
Supplies and Materials	2,583.00	1,023.11	3,606.11	3,542.21	63.90
Total Undist. Expend. - Other Supp. Serv. Students-Reg.	183,099.00	3,561.45	186,660.45	186,596.55	63.90

(Continued)

CITY OF SALEM SCHOOL DISTRICT
Blended Resource Fund 15
Schedule of Blended Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2011

<u>School: Middle School</u>	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual Favorable/ (Unfavorable)</u>
Undist. Expend. - Improvement of Inst. Serv.					
Other Salaries			\$ 2,850.00	\$ 2,850.00	
Other Purch Services (400-500)	\$ 1,500.00	(1,025.12)	474.88		\$ 474.88
Supplies and Materials		31.32	31.32	31.32	
Other Objects	500.00		500.00		500.00
Total Undist. Expend. - Improvement of Inst. Serv.	2,000.00	1,856.20	3,856.20	2,881.32	974.88
Undist. Expend. - Edu. Media Serv./Sch. Library					
Salaries	54,584.00	2,578.88	57,162.88	55,439.00	1,723.88
Salaries of Technology Coordinators	65,177.00	(1,659.16)	63,517.84	63,517.84	
Purchased Professional and Technical Services	1,579.00	(1,579.00)			
Supplies and Materials	22,500.00	(3,680.70)	18,819.30	18,149.55	669.75
Other Objects		50.00	50.00	50.00	
Total Undist. Expend. - Edu. Media Serv./Sch. Library	143,840.00	(4,289.98)	139,550.02	137,156.39	2,393.63
Undist. Expend. - Instructional Staff Training Serv.					
Purchased Prof- Educational Services		32,071.84	32,071.84	32,071.84	
Other Purchased Services (400-500 series)		360.00	360.00	360.00	
Supplies and Materials	1,500.00	1,966.76	3,466.76	3,267.02	199.74
Total Undist. Expend. - Instructional Staff Training Serv.	1,500.00	34,398.60	35,898.60	35,698.86	199.74

(Continued)

CITY OF SALEM SCHOOL DISTRICT
Blended Resource Fund 15
Schedule of Blended Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2011

<u>School: Middle School</u>	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual Favorable/ (Unfavorable)</u>
Undist. Expend. - Support Serv. - School Admin.	\$ 274,824.00	\$ (56.00)	\$ 274,768.00	\$ 274,721.93	\$ 46.07
Salaries of Principals/Assistant Principals	38,614.00	(380.23)	38,233.77	38,135.92	97.85
Salaries of Secretarial and Clerical Assistants	6,507.00	56.00	6,563.00	6,562.72	0.28
Other Purchased Services (400-500 series)	14,492.00	(618.78)	13,873.22	8,667.96	5,205.26
Supplies and Materials	500.00	1,850.00	2,350.00	2,350.00	
Other Objects					
Total Undist. Expend. - Support Serv. - School Admin.	334,937.00	850.99	335,787.99	330,438.53	5,349.46
Undist. Expend. - Security					
Salaries	22,823.00	652.09	23,475.09	23,474.35	0.74
Purchased Professional and Technical Services	777.00	777.00	777.00	777.00	
General Supplies	500.00	(143.64)	356.36	356.36	
Total Undist. Expend. - Security	23,323.00	1,285.45	24,608.45	24,607.71	0.74
Undist. Expend. - Student Transportation Serv.					
Contr Serv (Oth. Than Bet Home & Sch) - Vendors	19,000.00	(390.00)	18,610.00	8,576.00	10,034.00
Total Undist. Expend. - Student Transportation Serv.	19,000.00	(390.00)	18,610.00	8,576.00	10,034.00
UNALLOCATED BENEFITS					
Health Benefits	904,420.00	(12,836.59)	891,583.41	884,967.73	6,615.68
TOTAL UNALLOCATED BENEFITS	904,420.00	(12,836.59)	891,583.41	884,967.73	6,615.68
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS	904,420.00	(12,836.59)	891,583.41	884,967.73	6,615.68
TOTAL UNDISTRIBUTED EXPENDITURES	1,722,349.00	22,131.09	1,744,480.09	1,718,848.06	25,632.03
TOTAL SCHOOL BASED BUDGET CURRENT EXPENSE	4,782,030.00	72,113.73	4,854,143.73	4,772,809.77	81,333.96

(Continued)

CITY OF SALEM SCHOOL DISTRICT
Blended Resource Fund 15
Schedule of Blended Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2011

<u>School: Middle School</u>	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual Favorable/ (Unfavorable)</u>
CAPITAL OUTLAY					
Equipment					
Regular Programs - Instruction:					
Grades 1-5	\$ 3,276.79	\$ 3,276.79	3,276.79		\$ 3,276.79
Grades 6-8	3,276.79	3,276.79	3,276.79		3,276.79
Undistributed Expenditures:					
Instruction	2,776.00	2,776.00	2,776.00	\$ 2,776.00	
Attend. & Social Work	6,604.07	6,604.07	6,604.07	6,604.07	
Total Equipment	\$ -	15,933.65	15,933.65	9,380.07	6,553.58
TOTAL CAPITAL OUTLAY		15,933.65	15,933.65	9,380.07	6,553.58
TOTAL SCHOOL BASED EXPENDITURES	4,782,030.00	88,047.38	4,870,077.38	4,782,189.84	87,887.54
Other Financing Sources:					
Operating Transfers In:					
Contribution to Whole School Reform:					
General Fund	4,782,030.00	78,131.00	4,860,161.00	4,799,044.43	61,116.57
Total Other Financing Sources:	4,782,030.00	78,131.00	4,860,161.00	4,799,044.43	61,116.57
Excess (Deficiency) of Other Financing Sources Over (Under) Expenditures and Other Financing (Uses)		(9,916.38)	(9,916.38)	16,854.59	26,770.97
Fund Balance, July 1	9,916.38		9,916.38	9,916.38	
Fund Balance, June 30	\$ 9,916.38	\$ (9,916.38)	\$ -	\$ 26,770.97	\$ 26,770.97

CITY OF SALEM SCHOOL DISTRICT
Blended Resource Fund 15
Schedule of Blended Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2011

<u>School: High School</u>	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
REGULAR PROGRAMS - INSTRUCTION					
Regular Programs - Instruction					
Grades 9-12 - Salaries of Teachers	\$ 2,105,313.00	\$ 47,179.97	\$ 2,152,492.97	\$ 2,149,985.98	\$ 2,506.99
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	26,050.00	1,146.00	27,196.00	26,875.00	321.00
Purchased Prof- Educational Services	30,000.00	(3,265.18)	26,734.82	26,734.50	0.32
Purchased Technical Services	15,000.00	5,304.39	20,304.39	16,993.05	3,311.34
Other Purchased Services (400-500 series)	23,150.00	10,343.90	33,493.90	32,489.39	1,004.51
General Supplies	82,500.00	(22,702.71)	59,797.29	58,774.29	1,023.00
Textbooks	30,000.00	(22,612.90)	7,387.10	7,291.14	95.96
Other Objects	500.00		500.00	109.00	391.00
TOTAL REGULAR PROGRAMS - INSTRUCTION	2,312,513.00	15,393.47	2,327,906.47	2,319,252.35	8,654.12
Multiple Disabilities:					
Salaries of Teachers	106,753.00	(47,483.82)	59,269.18	55,012.64	4,256.54
Other Salaries for Instruction	40,728.00		40,728.00	29,121.31	11,606.69
Other Purchased Services (400-500 series)	1,500.00		1,500.00	1,021.80	478.20
General Supplies	5,000.00	(3,988.70)	1,011.30	942.45	68.85
Textbooks	2,000.00	(1,706.84)	293.16	293.16	0.00
Other Objects	500.00		500.00	93.50	406.50
Total Multiple Disabilities	156,481.00	(53,179.36)	103,301.64	86,191.70	17,109.94

(Continued)

CITY OF SALEM SCHOOL DISTRICT
Blended Resource Fund 15
Schedule of Blended Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2011

<u>School: High School</u>	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual Favorable/ (Unfavorable)</u>
Resource Room/Resource Center:					
Salaries of Teachers	\$ 569,080.00	\$ (6,977.20)	\$ 562,102.80	\$ 560,447.52	\$ 1,655.28
Purchased Prof- Educational Services	3,800.00		3,800.00	2,275.04	1,524.96
General Supplies	7,000.00	(1,100.00)	5,900.00	1,988.33	3,911.67
Textbooks	2,200.00		2,200.00	941.82	1,258.18
Total Resource Room/Resource Center	<u>582,080.00</u>	<u>(8,077.20)</u>	<u>574,002.80</u>	<u>565,652.71</u>	<u>8,350.09</u>
TOTAL SPECIAL EDUCATION - INSTRUCTION	<u>738,561.00</u>	<u>(61,256.56)</u>	<u>677,304.44</u>	<u>651,844.41</u>	<u>25,460.03</u>
Vocational Programs - Local - Instruction					
Salaries of Teachers	385,683.00	(32,667.00)	353,016.00	326,785.97	26,230.03
Purchased Services (300-500 series)	5,000.00	51,633.00	56,633.00	40,825.00	15,808.00
General Supplies	20,000.00	4,608.55	24,608.55	24,267.76	340.79
Textbooks	1,500.00	(1,500.00)			
Total Vocational Programs - Local - Instruction	<u>412,183.00</u>	<u>22,074.55</u>	<u>434,257.55</u>	<u>391,878.73</u>	<u>42,378.82</u>
School-Spon. Cocurricular Activities - Inst.					
Salaries	19,882.00	3,390.00	23,272.00	23,271.80	0.20
Purchased Services (300-500 series)	3,000.00	5,235.70	8,235.70	8,235.70	
Supplies and Materials	1,200.00	2,428.50	3,628.50	1,460.23	2,168.27
Other Objects		236.00	236.00	236.00	
Total School-Spon. Cocurricular Activities. - Inst.	<u>24,082.00</u>	<u>11,290.20</u>	<u>35,372.20</u>	<u>33,203.73</u>	<u>2,168.47</u>

(Continued)

CITY OF SALEM SCHOOL DISTRICT
Blended Resource Fund 15
Schedule of Blended Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2011

<u>School: High School</u>	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual Favorable/ (Unfavorable)</u>
School-Spon. Cocurricular Athletics - Inst. Salaries	\$ 165,632.00	\$ 991.00	\$ 166,623.00	\$ 163,940.40	\$ 2,682.60
Purchased Services (300-500 series)	61,487.00		61,487.00	58,999.88	2,487.12
Supplies and Materials	50,300.00	(14,904.00)	35,396.00	28,920.90	6,475.10
Other Objects	7,800.00	542.21	8,342.21	8,341.70	0.51
Total School-Spon. Cocurricular Athletics - Inst.	285,219.00	(13,370.79)	271,848.21	260,202.88	11,645.33
Before/After School Program - Inst. Salaries of Teachers	3,000.00	(1,200.00)	1,800.00		1,800.00
Total Before/After School Program - Inst.	3,000.00	(1,200.00)	1,800.00		1,800.00
Alternative Education Program - Inst. Salaries of Teachers	18,000.00	350.00	18,350.00	17,587.50	762.50
Salaries	32,400.00	850.00	33,250.00	24,985.25	8,264.75
Purchased Prof- Educational Services	29,000.00	(23,442.57)	5,557.43		5,557.43
Total Alternative Education Program - Inst.	79,400.00	(22,242.57)	57,157.43	42,572.75	14,584.68
Total Instruction	3,854,958.00	(49,311.70)	3,805,646.30	3,698,954.85	106,691.45
Undistributed Expend. - Attend. & Social Work Salaries	62,626.00	(6,539.50)	56,086.50	32,926.10	23,160.40
Total Undistributed Expend. - Attend. & Social Work	62,626.00	(6,539.50)	56,086.50	32,926.10	23,160.40

(Continued)

CITY OF SALEM SCHOOL DISTRICT
Blended Resource Fund 15
Schedule of Blended Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2011

<u>School: High School</u>	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
Undistributed Expenditures - Health Services					
Salaries	\$ 67,204.00	\$ (740.25)	\$ 66,463.75	\$ 63,924.00	\$ 2,539.75
Other Purchased Services (400-500 series)		57.75	57.75	57.75	
Supplies and Materials	1,000.00		1,000.00	188.80	811.20
Total Undistributed Expenditures - Health Services	68,204.00	(682.50)	67,521.50	64,170.55	3,350.95
Undist. Expend. - Other Supp. Serv. Students-Reg.					
Salaries of Other Professional Staff	198,809.00	(2,086.50)	196,722.50	196,721.35	1.15
Salaries of Secretarial and Clerical Assistants	30,218.00	1,712.70	31,930.70	31,737.50	193.20
Other Salaries		49,501.39	49,501.39	48,815.38	686.01
Purchased Prof- Educational Services	400.00	684.74	1,084.74	1,084.74	
Other Purchased Prof. and Tech. Services	15,000.00	(14,090.11)	909.89	425.00	484.89
Other Purchased Services (400-500 series)	3,000.00	300.00	3,300.00	1,610.00	1,690.00
Supplies and Materials	20,000.00	(5,615.00)	14,385.00	13,507.03	877.97
Other Objects	400.00		400.00	325.00	75.00
Total Undist. Expend. - Other Supp. Serv. Students-Reg.	267,827.00	30,407.22	298,234.22	294,226.00	4,008.22
Undist. Expend. - Improvement of Inst. Serv.					
Salaries of Supervisor of Instruction	21,000.00	(11,156.01)	9,843.99	6,087.50	3,756.49
Total Undist. Expend. - Improvement of Inst. Serv.	21,000.00	(11,156.01)	9,843.99	6,087.50	3,756.49

(Continued)

CITY OF SALEM SCHOOL DISTRICT
Blended Resource Fund 15
Schedule of Blended Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2011

<u>School: High School</u>	Original <u>Budget</u>	Budget <u>Transfers</u>	Final <u>Budget</u>	Actual	Variance Final to Actual Favorable/ (Unfavorable)
Undist. Expend. - Edu. Media Serv./Sch. Library	\$ 106,795.00	\$ (21,469.00)	\$ 85,326.00	\$ 83,968.50	\$ 1,357.50
Salaries	66,929.00		66,929.00	64,534.24	2,394.76
Salaries of Technology Coordinators	1,750.00	(50.00)	1,700.00		1,700.00
Purchased Professional and Technical Services	750.00		750.00	300.00	450.00
Other Purchased Services (400-500 series)	7,500.00	75.35	7,575.35	7,243.57	331.78
Supplies and Materials		50.00	50.00	50.00	
Other Objects					
Total Undist. Expend. - Edu. Media Serv./Sch. Library	183,724.00	(21,393.65)	162,330.35	156,096.31	6,234.04
Undist. Expend. - Instructional Staff Training Serv.	3,000.00	32,628.84	35,628.84	35,628.23	0.61
Purchased Prof- Educational Services	3,000.00	(1,445.00)	1,555.00	1,002.36	552.64
Other Purchased Services (400-500 series)	2,000.00	2,243.01	4,243.01	4,240.39	2.62
Supplies and Materials					
Total Undist. Expend. - Instructional Staff Training Serv.	8,000.00	33,426.85	41,426.85	40,870.98	555.87
Undist. Expend. - Support Serv. - School Admin.	204,639.00		204,639.00	204,563.06	75.94
Salaries of Principals/Assistant Principals	93,838.00		93,838.00	93,803.05	34.95
Salaries of Other Professional Staff	89,937.00	(215.00)	89,722.00	86,996.08	2,725.92
Salaries of Secretarial and Clerical Assistants	500.00		500.00	160.00	340.00
Purchased Professional and Technical Services	9,500.00		9,500.00	8,661.58	838.42
Other Purchased Services (400-500 series)	20,000.00	215.00	20,215.00	20,214.76	0.24
Supplies and Materials					
Other Objects	3,000.00		3,000.00	1,962.52	1,037.48
Total Undist. Expend. - Support Serv. - School Admin.	421,414.00	-	421,414.00	416,361.05	5,052.95

(Continued)

CITY OF SALEM SCHOOL DISTRICT
Blended Resource Fund 15
Schedule of Blended Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2011

<u>School: High School</u>	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual Favorable/ (Unfavorable)</u>
Undist. Expend. - Security					
Salaries	\$ 102,294.00	\$ (51,000.00)	\$ 51,294.00	\$ 48,390.59	\$ 2,903.41
Purchased Professional and Technical Services	2,500.00	69,248.38	71,748.38	71,748.38	
General Supplies	2,000.00		2,000.00	1,845.47	154.53
Total Undist. Expend. - Security	<u>106,794.00</u>	<u>18,248.38</u>	<u>125,042.38</u>	<u>121,984.44</u>	<u>3,057.94</u>
Undist. Expend. - Student Transportation Serv.					
Contr Serv (Oth. Than Bet Home & Sch) - Vendors	139,012.00	(16,657.00)	122,355.00	72,755.27	49,599.73
Total Undist. Expend. - Student Transportation Serv.	<u>139,012.00</u>	<u>(16,657.00)</u>	<u>122,355.00</u>	<u>72,755.27</u>	<u>49,599.73</u>
UNALLOCATED BENEFITS					
Health Benefits	998,784.00	(17,093.38)	981,690.62	968,420.38	13,270.24
TOTAL UNALLOCATED BENEFITS	<u>998,784.00</u>	<u>(17,093.38)</u>	<u>981,690.62</u>	<u>968,420.38</u>	<u>13,270.24</u>
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS	<u>998,784.00</u>	<u>(17,093.38)</u>	<u>981,690.62</u>	<u>968,420.38</u>	<u>13,270.24</u>
TOTAL UNDISTRIBUTED EXPENDITURES	<u>2,277,385.00</u>	<u>8,560.41</u>	<u>2,285,945.41</u>	<u>2,173,898.58</u>	<u>112,046.83</u>
TOTAL SCHOOL BASED BUDGET CURRENT EXPENSE	<u>6,132,343.00</u>	<u>(40,751.29)</u>	<u>6,091,591.71</u>	<u>5,872,853.43</u>	<u>218,738.28</u>

(Continued)

CITY OF SALEM SCHOOL DISTRICT
Blended Resource Fund 15
Schedule of Blended Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2011

<u>School: High School</u>	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual Favorable/ (Unfavorable)</u>
CAPITAL OUTLAY					
Increase in Capital Reserve Equipment	\$ 30,515.03	\$ 20,389.00	\$ 30,515.03	\$ 29,954.88	\$ 560.15
Regular Programs - Instruction: Grades 9-12	2,776.00	6,707.00	2,776.00	2,776.00	11,550.00
School Sponsored and other Instructional Programs Undistributed Expenditures:	6,707.00	6,707.00	6,707.00	6,604.06	102.94
Instruction					
Attend. & Social Work					
Total Equipment	60,387.03	60,387.03	60,387.03	48,173.94	12,213.09
TOTAL CAPITAL OUTLAY	60,387.03	60,387.03	60,387.03	48,173.94	12,213.09
TOTAL SCHOOL BASED EXPENDITURES	\$ 6,132,343.00	19,635.74	6,151,978.74	5,921,027.37	230,951.37
Other Financing Sources: Operating Transfers In: Contribution to Whole School Reform: General Fund	6,132,343.00	-	6,132,343.00	5,923,837.19	208,505.81
Total Other Financing Sources:	6,132,343.00	-	6,132,343.00	5,923,837.19	208,505.81
Excess (Deficiency) of Other Financing Sources Over (Under) Expenditures and Other Financing (Uses)		(19,635.74)	(19,635.74)	2,809.82	22,445.56
Fund Balance, July 1	19,635.74		19,635.74	19,635.74	
Fund Balance, June 30	\$ 19,635.74	\$ (19,635.74)	\$ -	\$ 22,445.56	\$ 22,445.56

SPECIAL REVENUE FUND

CITY OF SALEM SCHOOL DISTRICT
 Special Revenue Fund
 Combining Schedule of Revenues and Expenditures - Budgetary Basis
 For the Fiscal Year Ended June 30, 2011

	N.C.L.B.										Total Carried Forward
	Title I					Title II					
	Part A		School Improvement			Part A - Training					
	Carryover 2009-10	2009-2010	ARRA 2009-10	2010-11	School Improvement Carryover 2009-10	ARRA 2009-10	2010-11	2009-10	2009-10		
REVENUES:											
Federal Sources	\$ 863,660.92	\$ 89,621.52	\$ 57,003.75	\$ 209,999.38	\$ 28,586.07	\$ 18,394.00	\$ 12,256.00	\$ 139,095.73	\$ 20,158.75	\$ 595.00	\$ 1,439,371.12
State Sources											
Local Sources											
Total Revenues	863,660.92	89,621.52	57,003.75	209,999.38	28,586.07	18,394.00	12,256.00	139,095.73	20,158.75	595.00	1,439,371.12
EXPENDITURES:											
Instruction:											
Salaries	319,599.00	58,599.00	56,468.50		3,437.50	15,325.00					453,429.00
Salaries of Teachers											
Other Salaries for Instruction	148,518.50		(4,284.75)								144,233.75
Purchased Professional and Technical Services											
Other Purchased Services (400-500 series)											
Tuition	91,024.00				24,885.60			1,894.00			117,803.60
Supplies and Material	69.00										69.00
Other Objects											
Total Instruction	559,210.50	58,599.00	52,183.75	137,726.00	28,323.10	15,325.00	12,256.00	139,095.73	20,158.75	1,894.00	715,535.35
Support Services:											
Salaries	55,714.00			137,726.00				79,049.00			272,489.00
Salaries of Principals/Asst. Principals/Program Directors											
Salaries of Other Professional Staff											
Salaries of Secretarial and Clerical Assistants											
Sal. of Fam/Parent Liaison & Cmnty Prnt Involvement Specialists											
Sal. of Facilitators, Math, Literacy, and Master Teacher											
Personal Services - Employee Benefits	54,953.09	9,775.52	4,270.00	22,648.94	262.97	3,069.00		11,572.78			106,552.30
Purchased Professional and Technical Services	189,645.00	21,247.00		36,546.75				39,500.00			319,948.50
Other Purchased Services (400-500 series)	4,138.33		550.00	13,077.69				7,079.95			24,845.97
Contracted Services - Transportation Other than Between Home and School											
Travel											
Supplies and Material											
Other Objects											
Total Support Services	304,450.42	31,022.52	4,820.00	209,999.38	262.97	3,069.00	12,256.00	137,201.73	20,158.75	595.00	723,835.77
Facilities Acquisition/Construction:											
Buildings											
Total Facilities Acquisition & Construction Services	863,660.92	89,621.52	57,003.75	209,999.38	28,586.07	18,394.00	12,256.00	139,095.73	20,158.75	595.00	1,439,371.12
Total Expenditures	863,660.92	89,621.52	57,003.75	209,999.38	28,586.07	18,394.00	12,256.00	139,095.73	20,158.75	595.00	1,439,371.12
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

(Continued)

CITY OF SALEM SCHOOL DISTRICT
 Special Revenue Fund
 Combining Schedule of Revenues and Expenditures - Budgetary Basis
 For the Fiscal Year Ended June 30, 2011

	N.C.L.B.		I.D.E.A. Part B				Perkins Vocational	Total Carried Forward
	Title IV	Basic	ARRA 2009-10	ARRA 2010-11	Preschool 2009-10	ARRA 2010-11		
REVENUES:								
Federal Sources	\$ 1,439,371.12	\$ 5,275.59	\$ 319,560.00	\$ 236,430.73	\$ 8,080.00	\$ 11,589.58	\$ 22,467.00	\$ 2,042,774.02
State Sources								
Local Sources								
Total Revenues	1,439,371.12	5,275.59	319,560.00	236,430.73	8,080.00	11,589.58	22,467.00	2,042,774.02
EXPENDITURES:								
Instruction:								
Salaries	453,429.00		90,798.00					544,227.00
Salaries of Teachers								7,506.00
Other Salaries for Instruction				7,506.00			3,740.00	154,232.75
Purchased Professional and Technical Services	144,233.75		6,259.00					
Other Purchased Services (400-500 series)								
Tuition	117,803.60		879.40			1,234.00	12,608.61	319,560.00
Supplies and Material	69.00		1,130.02			336.25	1,483.00	132,525.61
Other Objects								3,018.27
Total Instruction	715,535.35		319,560.00	99,066.42	7,506.00	1,570.25	17,831.61	1,161,069.63
Support Services:								
Salaries	272,489.00						2,400.00	274,889.00
Salaries - Superv Instruction								
Salaries of Principals/Asst. Principals/Program Directors								
Salaries of Other Professional Staff								
Salaries of Secretarial and Clerical Assistants								
Sal. of Fam/Parent Liaison & Cmnty Print Involvement Specialists								
Sal. of Facilitators, Math, Literacy, and Master Teacher					574.00		229.95	128,184.30
Personal Services - Employee Benefits	106,552.30		20,828.05			300.00	1,806.00	329,354.50
Purchased Professional and Technical Services	319,948.50		7,300.00					
Other Purchased Services (400-500 series)	24,845.97		3,272.94			401.33	199.44	28,719.68
Contracted Services - Transportation Other than Between Home and School								
Travel								
Supplies and Material			25.32					25.32
Other Objects								
Total Support Services	723,835.77		31,426.31	574.00	701.33	4,635.39	761,172.80	
Facilities Acquisition/Construction:								
Buildings			101,800.00					101,800.00
Instructional Equipment			4,138.00					18,731.59
Total Facilities Acquisition and Construction Services			105,938.00			9,318.00		120,531.59
Total Expenditures	1,439,371.12	5,275.59	319,560.00	236,430.73	8,080.00	11,589.58	22,467.00	2,042,774.02
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

(Continued)

CITY OF SALEM SCHOOL DISTRICT
 Special Revenue Fund
 Combining Schedule of Revenues and Expenditures - Budgetary Basis
 For the Fiscal Year Ended June 30, 2011

	Preschool Education Aid		School Based Youth Services		Family Friendly Centers Carryover		Education of Homeless & Youth Grant		Total
	2010-11	2010-11	2010-11	2010-11	2009-10	2009-10	2009-10	2010-11	
REVENUES:									
Federal Sources	\$ 2,042,774.02								\$ 2,042,774.02
Slate Sources		\$ 1,729,124.00	\$ 263,976.00	\$ 45,463.00	\$ 1,580.79	\$ 3,363.04	\$ 14,196.00	\$ 2,043,506.83	
Local Sources		\$ 12,000.00						\$ 26,196.00	
Total Revenues	2,042,774.02	1,729,124.00	263,976.00	45,463.00	1,580.79	3,363.04	14,196.00	4,112,476.85	
EXPENDITURES:									
Instruction:									
Salaries	544,227.00							544,227.00	
Salaries of Teachers	651,239.26	12,000.00		29,518.75				692,758.01	
Other Salaries for Instruction	194,786.32							202,292.32	
Purchased Professional and Technical Services	3,370.00							154,232.75	
Other Purchased Services (400-500 series)	319,560.00							3,370.00	
Tuition	17,208.72							319,560.00	
Supplies and Material	775.00			2,421.13	426.06			152,581.52	
Other Objects								3,793.27	
Total Instruction	1,161,069.63	12,000.00	263,976.00	31,939.88	426.06	3,363.04	14,196.00	2,072,814.87	
Support Services:									
Salaries	274,889.00			4,431.25				340,675.77	
Salaries - Superv Instruction	18,861.60							18,861.60	
Salaries of Principals/Asst. Principals/Program Directors	111,309.12							111,309.12	
Salaries of Other Professional Staff	152,024.20		101,258.16					253,282.36	
Salaries of Secretarial and Clerical Assistants	37,655.92		33,937.92	1,275.00				72,868.84	
Sal. of Fam/Parent Liaison & Cmnty Pnt Involvement Specialists	141.00							141.00	
Sal. of Facilitators, Math, Literacy, and Master Teacher	61,318.00							61,318.00	
Personal Services - Employee Benefits	410,127.28		60,480.66	2,647.31				601,439.55	
Purchased Professional and Technical Services	329,354.50		62,368.00					394,591.50	
Other Purchased Services (400-500 series)	28,719.68		997.20			120.96		33,337.84	
Contracted Services - Transportation Other than Between Home and School									
Travel	1,595.52							1,595.52	
Supplies and Material	132.04							132.04	
Other Objects	855.50		2,063.95	2,015.37		3,242.08		8,202.22	
			2,870.11	3,154.19	1,154.73			7,179.03	
Total Support Services	761,172.80	861,744.70	263,976.00	13,523.12	1,154.73	3,363.04	14,196.00	1,904,934.39	
Facilities Acquisition/Construction:									
Buildings	101,800.00							101,800.00	
Instructional Equipment	18,731.59						14,196.00	32,927.59	
Total Facilities Acquisition and Construction Services	120,531.59						14,196.00	134,727.59	
Total Expenditures	2,042,774.02	1,729,124.00	263,976.00	45,463.00	1,580.79	3,363.04	14,196.00	4,112,476.85	
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	

CITY OF SALEM SCHOOL DISTRICT
Special Revenue Fund
Schedule of Preschool Education Aid Expenditures
Preschool - All Programs
Budgetary Basis
For the Fiscal Year Ended June 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance
EXPENDITURES:					
Instruction:					
Salaries of Teachers	\$ 616,712.00	\$ 46,527.26	\$ 663,239.26	\$ 663,239.26	
Other Salaries for Instruction	180,176.00	14,610.32	194,786.32	194,786.32	
Other Purchased Services (400-500 series)	3,000.00	370.00	3,370.00	3,370.00	
Supplies and Materials	18,000.00	(791.28)	17,208.72	17,208.72	
Other Objects		775.00	775.00	775.00	
Total Instruction	817,888.00	61,491.30	879,379.30	879,379.30	\$ -
Support Services:					
Salaries - Superv Instruction	18,862.00	(0.40)	18,861.60	18,861.60	
Salaries of Principals/Asst. Principals/Program Directors	111,309.00	0.12	111,309.12	111,309.12	
Salaries of Other Professional Staff	151,759.00	265.20	152,024.20	152,024.20	
Salaries of Secretarial and Clerical Assistants	36,167.00	1,488.92	37,655.92	37,655.92	
Salaries - Other	59,835.00	1,520.52	61,355.52	61,355.52	
Sal. of Fam/Parent Liaison & Cmnty Prnt Involvement Specialists	10,634.00	(10,493.00)	141.00	141.00	
Sal. of Facilitators, Math, Literacy, and Master Teacher	61,189.00	129.00	61,318.00	61,318.00	
Personal Services - Employee Benefits	411,347.00	(1,219.72)	410,127.28	410,127.28	
Other Purchased Professional Services – Educational Services	17,616.00	(14,747.00)	2,869.00	2,869.00	
Other Purchased Professional Services	18,043.00	(18,043.00)			
Cleaning, Repair & Maintenance Services	22,073.00	(18,573.00)	3,500.00	3,500.00	
Contracted Services - Transportation Other than Between Home and School	1,500.00	95.52	1,595.52	1,595.52	
Travel	1,500.00	(1,367.96)	132.04	132.04	
Supplies and Material	7,438.00	(6,582.50)	855.50	855.50	
Other Objects	275.00	(275.00)			
Total Support Services	929,547.00	(67,802.30)	861,744.70	861,744.70	-
Total Expenditures	\$ 1,747,435.00	\$ (6,311.00)	\$ 1,741,124.00	\$ 1,741,124.00	\$ -

Calculation of Budget and Carryover

Total 2010-2011 Preschool Education Aid Allocation	\$ 1,475,010.00
Add: Actual Preschool Education Aid/ECPA Aid Carryover June 30, 2010	253,226.57
Add: Cancellation of Prior Year Encumbrance	1,689.00
Add: Budgeted Local Contribution	12,000.00
Total Preschool Education Aid Funds Available for 2010-11 Budget	1,741,925.57
Less: 2010-11 Budgeted Preschool Education Aid (Prior Year Budgeted Carryover)	1,741,124.00
Available and Unbudgeted Preschool Education Aid Funds as of June 30, 2011	801.57
Add: June 30, 2011 Unexpended Preschool Education Aid	-
2010-11 Carryover - Preschool Education Aid/Preschool	\$ 801.57
2010-11 Preschool Education Aid Carryover Budgeted for Preschool Programs 2011-12	\$ 814.00

CITY OF SALEM SCHOOL DISTRICT
 Special Revenue Fund
 Schedule of Preschool Education Aid Expenditures
 Preschool - Full Day 3yr and 4 yr - Regular
 Budgetary Basis
 For the Fiscal Year Ended June 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance
EXPENDITURES:					
Instruction:					
Salaries of Teachers	\$ 616,712.00	\$ 46,527.26	\$ 663,239.26	\$ 663,239.26	
Other Salaries for Instruction	180,176.00	14,610.32	194,786.32	194,786.32	
Other Purchased Services (400-500 series)	3,000.00	370.00	3,370.00	3,370.00	
Supplies and Materials	18,000.00	(791.28)	17,208.72	17,208.72	
Other Objects		775.00	775.00	775.00	
Total Instruction	817,888.00	61,491.30	879,379.30	879,379.30	\$ -
Support Services:					
Salaries - Superv Instruction	18,862.00	(0.40)	18,861.60	18,861.60	
Salaries of Principals/Asst. Principals/Program Directors	111,309.00	0.12	111,309.12	111,309.12	
Salaries of Other Professional Staff	151,759.00	265.20	152,024.20	152,024.20	
Salaries of Secretarial and Clerical Assistants	36,167.00	1,488.92	37,655.92	37,655.92	
Salaries - Other	59,835.00	1,520.52	61,355.52	61,355.52	
Sal. of Fam/Parent Liaison & Cmnty Prnt Involvement Specialists	10,634.00	(10,493.00)	141.00	141.00	
Sal. of Facilitators, Math, Literacy, and Master Teacher	61,189.00	129.00	61,318.00	61,318.00	
Personal Services - Employee Benefits	411,347.00	(1,219.72)	410,127.28	410,127.28	
Other Purchased Professional Services – Educational Services	17,616.00	(14,747.00)	2,869.00	2,869.00	
Other Purchased Professional Services	18,043.00	(18,043.00)			
Cleaning, Repair & Maintenance Services	22,073.00	(18,573.00)	3,500.00	3,500.00	
Contracted Services - Transportation Other than Between Home and School	1,500.00	95.52	1,595.52	1,595.52	
Travel	1,500.00	(1,367.96)	132.04	132.04	
Supplies and Material	7,438.00	(6,582.50)	855.50	855.50	
	275.00	(275.00)			
Total Support Services	929,547.00	(67,802.30)	861,744.70	861,744.70	-
Total Expenditures	\$ 1,747,435.00	\$ (6,311.00)	\$ 1,741,124.00	\$ 1,741,124.00	\$ -

Calculation of Budget and Carryover

Total 2010-2011 Preschool Education Aid Allocation	\$ 1,475,010.00
Add: Actual Preschool Education Aid/ECPA Aid Carryover June 30, 2010	253,226.57
Add: Cancellation of Prior Year Encumbrance	1,689.00
Add: Budgeted Local Contribution	12,000.00
Total Preschool Education Aid Funds Available for 2010-11 Budget	1,741,925.57
Less: 2010-11 Budgeted Preschool Education Aid (Prior Year Budgeted Carryover)	1,741,124.00
Available and Unbudgeted Preschool Education Aid Funds as of June 30, 2011	801.57
Add: June 30, 2011 Unexpended Preschool Education Aid	-
2010-11 Carryover - Preschool Education Aid/Preschool	\$ 801.57
2010-11 Preschool Education Aid Carryover Budgeted for Preschool Programs 2011-12	\$ 814.00

CAPITAL PROJECTS FUND

CITY OF SALEM SCHOOL DISTRICT
 Capital Projects Fund
 Summary Statement of Project Expenditures
 For the Fiscal Year Ended June 30, 2011

	Project Title/Issue	Original Date	Appropriations	Prior Years	Expenditure to Date		Unexpended Balance June 30, 2011
					Current Year	Current Year	
(a)	Replacement of the Fire Alarm System and Electrical Distribution System at the John Fenwick School	11/12/02	\$ 290,786.83	\$ 286,692.88	\$ 4,093.95	\$ -	
(b)	Replacement of the Fire Alarm System at the High School	05/23/05	422,522.48	422,522.48	-	-	
(c)	Replacement of HVAC System at the High School	11/12/02	552,485.57	552,485.57	-	-	
(d)	Retrofit Classrooms at the John Fenwick School	04/12/04	803,873.69	803,873.69	-	-	
(e)	Replacement of Doors at the Middle School	06/26/03	339,947.71	334,322.84	5,624.87	-	
(f)	Replacement of Doors at the High School	06/26/03	289,675.66	289,675.66	-	-	
(g)	Replacement of Fire Alarm and HVAC Controls at the Middle School	05/23/05	525,660.59	523,229.35	2,431.24	-	
(h)	Replacement of Electrical and Thermostats at the John Fenwick School	05/23/05	496,644.21	496,644.21	-	-	
(i)	Replacement of Roof at the Middle School	07/08/09	333,113.49	320,260.00	5,000.00	7,853.49	
(j)	Replacement of Exhaust Fans and Associated Systems at the High School	07/13/10	213,425.59	-	173,154.10	40,271.49	
			<u>\$ 4,268,135.82</u>	<u>\$ 4,029,706.68</u>	<u>\$ 190,304.16</u>	<u>\$ 48,124.98</u>	
	Reserved for Encumbrances					\$ 42,424.39	
	Designated for Subsequent Year's Expenditures					5,700.59	
						<u>\$ 48,124.98</u>	

CITY OF SALEM SCHOOL DISTRICT
 Capital Projects Fund
 Summary Statement of Revenues, Expenditures and Changes in Fund Balance--Budgetary Basis
 For the Fiscal Year Ended June 30, 2011

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Revenues and Other Financing Sources:	
State Sources	\$ 215,856.83
Transfer from Capital Outlay	<u>7,592.95</u>
Total Revenues	<u>223,449.78</u>
Expenditures and Other Financing Uses:	
Other Purchase Professional-Technical Service	61,250.06
General Supplies	
Land and Improvements	
Construction Services	129,054.10
Other Objects	
Equipment purchases	
Total Expenditures	<u>190,304.16</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	33,145.62
Other Financing Sources (Uses):	
State Sources - Cancellation of State Aid	<u>(250,457.08)</u>
Net Change in Fund Balance	(217,311.46)
Fund Balance - July 1	<u>265,436.44</u>
Fund Balance - June 30	<u><u>\$ 48,124.98</u></u>

CITY OF SALEM SCHOOL DISTRICT

Capital Projects Fund

Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis
 Replacement of the Fire Alarm System and Electrical Distribution System at the John Fenwick School
 From Inception and for the Fiscal Year Ended June 30, 2011

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources:				
State Sources	\$ 453,728.00	\$ (162,941.17)	\$ 290,786.83	\$ 290,786.83
Total Revenues	453,728.00	(162,941.17)	290,786.83	290,786.83
Expenditures and Other Financing Uses:				
Other Purchase Professional- Technical Service	30,886.13	4,093.95	34,980.08	34,980.08
General Supplies			-	
Land and Improvements			-	
Construction Services	255,806.75		255,806.75	255,806.75
Other Objects			-	
Equipment purchases			-	
Total Expenditures	286,692.88	4,093.95	290,786.83	290,786.83
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 167,035.12	\$ (167,035.12)	\$ -	\$ -

Additional Project Information:

Project Number	4630-090-02-0515
Grant Date	11/12/02
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 453,728.00
Additional Authorized Cost	(162,941.17)
Revised Authorized Cost	\$ 290,786.83

Percentage Increase over Original Authorized Cost	-36%
Percentage Completion	100%
Original Target Completion Date	06/30/03
Revised Target Completion Date	12/31/09

CITY OF SALEM SCHOOL DISTRICT

Capital Projects Fund

Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis
 Replacement of Fire Alarm System at the High School
 From Inception and for the Fiscal Year Ended June 30, 2011

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources:				
State Sources	\$ 455,950.00	\$ (34,045.57)	\$ 421,904.43	\$ 421,904.43
Transfer from Capital Outlay		618.05	618.05	618.05
Total Revenues	455,950.00	(33,427.52)	422,522.48	422,522.48
Expenditures and Other Financing Uses:				
Other Purchase Professional-Technical Service	35,522.48		35,522.48	35,522.48
General Supplies			-	
Land and Improvements			-	
Construction Services	387,000.00		387,000.00	387,000.00
Other Objects			-	
Equipment purchases			-	
Total Expenditures	422,522.48	-	422,522.48	422,522.48
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 33,427.52	\$ (33,427.52)	\$ -	\$ -
Additional Project Information:				
Project Number	4630-050-04-1400			
Grant Date	05/23/05			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$ 455,950.00			
Additional Authorized Cost	\$ (33,427.52)			
Revised Authorized Cost	\$ 422,522.48			
Percentage Increase over Original Authorized Cost	-7%			
Percentage Completion	100%			
Original Target Completion Date	06/30/05			
Revised Target Completion Date	12/31/09			

CITY OF SALEM SCHOOL DISTRICT

Capital Projects Fund

Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis
 Replacement of HVAC System at the High School
 From Inception and for the Fiscal Year Ended June 30, 2011

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources:				
State Sources	\$ 542,711.67	\$ (1,493.21)	\$ 541,218.46	\$ 541,218.46
Transfer from Capital Outlay	9,773.90	1,493.21	11,267.11	11,267.11
Total Revenues	552,485.57	-	552,485.57	552,485.57
Expenditures and Other Financing Uses:				
Other Purchase Professional-Technical Service	77,610.18	-	77,610.18	77,610.18
General Supplies	-	-	-	-
Land and Improvements	-	-	-	-
Construction Services	474,875.39	-	474,875.39	474,875.39
Other Objects	-	-	-	-
Equipment purchases	-	-	-	-
Total Expenditures	552,485.57	-	552,485.57	552,485.57
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -	\$ -	\$ -	\$ -
Additional Project Information:				
Project Number	4630-090-02-0513			
Grant Date	11/12/02			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$ 443,920.00			
Additional Authorized Cost	\$ 108,565.57			
Revised Authorized Cost	\$ 552,485.57			
Percentage Increase over Original Authorized Cost	24%			
Percentage Completion	100%			
Original Target Completion Date	06/30/02			
Revised Target Completion Date	12/31/09			

CITY OF SALEM SCHOOL DISTRICT

Capital Projects Fund

Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis
 Retrofit Classrooms at the John Fenwick School
 From Inception and for the Fiscal Year Ended June 30, 2011

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources:				
State Sources	\$ 821,334.00	\$ (22,530.11)	\$ 798,803.89	\$ 798,803.89
Transfer from Capital Outlay		5,069.80	5,069.80	5,069.80
Total Revenues	821,334.00	(17,460.31)	803,873.69	803,873.69
Expenditures and Other Financing Uses:				
Other Purchase Professional-Technical Service	97,936.66		97,936.66	97,936.66
General Supplies			-	
Land and Improvements			-	
Construction Services	705,937.03		705,937.03	705,937.03
Other Objects			-	
Equipment purchases			-	
Total Expenditures	803,873.69	-	803,873.69	803,873.69
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 17,460.31	\$ (17,460.31)	\$ -	\$ -

Additional Project Information:

Project Number	4630-070-03-0935
Grant Date	04/12/04
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 387,877.00
Additional Authorized Cost	\$ 415,996.69
Revised Authorized Cost	\$ 803,873.69

Percentage Increase over Original Authorized Cost	107%
Percentage Completion	100%
Original Target Completion Date	09/15/07
Revised Target Completion Date	12/31/09

CITY OF SALEM SCHOOL DISTRICT

Capital Projects Fund

Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis
 Replacement of Doors at the Middle School
 From Inception and for the Fiscal Year Ended June 30, 2011

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources:				
State Sources	\$ 365,622.00	\$ (25,674.29)	\$ 339,947.71	\$ 339,947.71
Total Revenues	365,622.00	(25,674.29)	339,947.71	339,947.71
Expenditures and Other Financing Uses:				
Other Purchase Professional-Technical Service	49,673.34	5,624.87	55,298.21	55,298.21
General Supplies			-	
Land and Improvements			-	
Construction Services	284,649.50		284,649.50	284,649.50
Other Objects			-	
Equipment purchases			-	
Total Expenditures	334,322.84	5,624.87	339,947.71	339,947.71
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 31,299.16	\$ (31,299.16)	\$ -	\$ -

Additional Project Information:

Project Number	4630-090-03-0150
Grant Date	06/26/03
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 365,622.00
Additional Authorized Cost	\$ (25,674.29)
Revised Authorized Cost	\$ 339,947.71

Percentage Increase over Original Authorized Cost -7%
 Percentage Completion 100%
 Original Target Completion Date 06/30/04
 Revised Target Completion Date 12/31/09

CITY OF SALEM SCHOOL DISTRICT

Capital Projects Fund

Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis
 Replacement of Doors at the High School
 From Inception and for the Fiscal Year Ended June 30, 2011

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources:				
State Sources	\$ 293,036.50	\$ (3,605.84)	\$ 289,430.66	\$ 289,430.66
Transfer from Capital Outlay		245.00	245.00	245.00
Total Revenues	293,036.50	(3,360.84)	289,675.66	289,675.66
Expenditures and Other Financing Uses:				
Other Purchase Professional-Technical Service	27,135.66		27,135.66	27,135.66
General Supplies			-	
Land and Improvements	262,540.00		262,540.00	262,540.00
Construction Services			-	
Other Objects			-	
Equipment purchases			-	
Total Expenditures	289,675.66	-	289,675.66	289,675.66
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 3,360.84	\$ (3,360.84)	\$ -	\$ -

Additional Project Information:

Project Number	4630-050-03-0151
Grant Date	06/26/03
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 182,144.00
Additional Authorized Cost	107,531.66
Revised Authorized Cost	\$ 289,675.66

Percentage Increase over Original Authorized Cost	59%
Percentage Completion	100%
Original Target Completion Date	06/30/04
Revised Target Completion Date	12/31/09

CITY OF SALEM SCHOOL DISTRICT

Capital Projects Fund

Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis
 Replacement of Fire Alarm and HVAC Controls at the Middle School
 From Inception and for the Fiscal Year Ended June 30, 2011

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources:				
State Sources	\$ 523,229.35	\$ 2,431.24	\$ 525,660.59	\$ 525,660.59
Total Revenues	523,229.35	2,431.24	525,660.59	525,660.59
Expenditures and Other Financing Uses:				
Other Purchase Professional-Technical Service	38,729.35	2,431.24	41,160.59	41,160.59
General Supplies			-	
Land and Improvements			-	
Construction Services	484,500.00		484,500.00	484,500.00
Other Objects			-	
Equipment purchases			-	
Total Expenditures	523,229.35	2,431.24	525,660.59	525,660.59
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -	\$ -	\$ -	\$ -

Additional Project Information:

Project Number	4630-090-04-1400
Grant Date	05/23/05
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 398,250.00
Additional Authorized Cost	\$ 127,410.59
Revised Authorized Cost	\$ 525,660.59

Percentage Increase over Original Authorized Cost

32%

Percentage Completion

100%

Original Target Completion Date

12/31/08

Revised Target Completion Date

12/31/09

CITY OF SALEM SCHOOL DISTRICT

Capital Projects Fund

Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis
 Replacement of Electrical and Thermostats at the John Fenwick School
 From Inception and for the Fiscal Year Ended June 30, 2011

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources:				
State Sources	\$ 496,644.21	\$ (166.89)	\$ 496,477.32	\$ 496,477.32
Transfer from Capital Outlay		166.89	166.89	166.89
Total Revenues	496,644.21	-	496,644.21	496,644.21
Expenditures and Other Financing Uses:				
Other Purchase Professional-Technical Service	33,884.21		33,884.21	33,884.21
General Supplies			-	
Land and Improvements			-	
Construction Services	462,760.00		462,760.00	462,760.00
Other Objects			-	
Equipment purchases			-	
Total Expenditures	496,644.21	-	496,644.21	496,644.21
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -	\$ -	\$ -	\$ -

Additional Project Information:

Project Number	4630-090-04-1400
Grant Date	05/23/05
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 447,975.00
Additional Authorized Cost	\$ 48,669.21
Revised Authorized Cost	\$ 496,644.21

Percentage Increase over Original Authorized Cost	11%
Percentage Completion	100%
Original Target Completion Date	12/31/08
Revised Target Completion Date	12/31/09

CITY OF SALEM SCHOOL DISTRICT

Capital Projects Fund

Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis
 Replacement of Roof at the Middle School
 From Inception and for the Fiscal Year Ended June 30, 2011

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources:				
State Sources	\$ 333,113.49	\$	\$ 333,113.49	\$ 333,113.49
Total Revenues	\$ 333,113.49	-	\$ 333,113.49	\$ 333,113.49
Expenditures and Other Financing Uses:				
Other Purchase Professional-Technical Service	25,000.00	5,000.00	30,000.00	37,853.49
General Supplies			-	
Land and Improvements			-	
Construction Services	295,260.00		295,260.00	295,260.00
Other Objects			-	
Equipment purchases			-	
Total Expenditures	320,260.00	5,000.00	325,260.00	333,113.49
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 12,853.49	\$ (5,000.00)	\$ 7,853.49	\$ -

Additional Project Information:

Project Number	4630-090-08-1400
Grant Date	07/08/09
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 355,870.00
Additional Authorized Cost	\$ (22,756.51)
Revised Authorized Cost	\$ 333,113.49

Percentage Increase over Original Authorized Cost

Percentage Completion

Original Target Completion Date

Revised Target Completion Date

-6%

98%

12/31/09

12/31/11

CITY OF SALEM SCHOOL DISTRICT

Capital Projects Fund

Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis
 Replacement of Exhaust Fans and Associated Systems at the High School
 From Inception and for the Fiscal Year Ended June 30, 2011

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources:				
State Sources	\$	213,425.59	\$ 213,425.59	\$ 213,425.59
Total Revenues	\$ -	213,425.59	213,425.59	213,425.59
Expenditures and Other Financing Uses:				
Other Purchase Professional-Technical Service		44,100.00	44,100.00	56,125.00
General Supplies			-	
Land and Improvements			-	
Construction Services		129,054.10	129,054.10	157,300.59
Other Objects			-	
Equipment purchases			-	
Total Expenditures	-	173,154.10	173,154.10	213,425.59
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -	\$ 40,271.49	\$ 40,271.49	\$ -

Additional Project Information:

Project Number	4630-050-08-1400
Grant Date	07/13/10
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 335,707.00
Additional Authorized Cost	\$ (122,281.41)
Revised Authorized Cost	\$ 213,425.59

Percentage Increase over Original Authorized Cost	-36%
Percentage Completion	81%
Original Target Completion Date	12/31/11
Revised Target Completion Date	N/A

PROPRIETARY FUNDS

CITY OF SALEM SCHOOL DISTRICT
Enterprise Fund
Combining Statement of Net Assets
June 30, 2011

	<u>Food Service</u>
ASSETS:	
Current Assets:	
Cash and Cash Equivalents	\$ 94,560.61
Interfund Accounts Receivable:	
Due from General Fund	2,300.98
Accounts Receivable:	
State	673.34
Federal	43,756.95
Other	12,555.55
Inventories	<u>13,917.10</u>
Total Current Assets	<u>167,764.53</u>
Noncurrent Assets:	
Furniture, Machinery and Equipment	195,638.92
Less Accumulated Depreciation	<u>(107,525.96)</u>
Total Noncurrent Assets	<u>88,112.96</u>
Total Assets	<u>255,877.49</u>
LIABILITIES:	
Current Liabilities:	
Deferred Revenue:	
Lunches	1,093.33
USDA Commodities	<u>1,263.54</u>
Total Current Liabilities	<u>2,356.87</u>
NET ASSETS:	
Invested in Capital Assets	88,112.96
Unrestricted	<u>165,407.66</u>
Total Net Assets	<u><u>\$ 253,520.62</u></u>

CITY OF SALEM 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	\$ 46,464.85
Daily Sales - Non-Reimbursable Programs	70,805.34
Special Functions	135,615.25
	135,615.25
Total Operating Revenues	252,885.44
OPERATING EXPENSES:	
Purchased Professional Services	391,184.94
Cleaning/Repair/Maintenance	5,677.61
Other Purchased Services	6,022.57
General Supplies	39,389.45
Depreciation	11,307.82
Cost of Sales	439,131.30
	439,131.30
Total Operating Expenses	892,713.69
Operating Income / (Loss)	(639,828.25)
NONOPERATING REVENUES (EXPENSES):	
State Sources:	
School Lunch Program	8,825.54
Federal Sources:	
National School Lunch Program	434,417.76
National School Breakfast Program	140,386.56
National Snack Program	4,657.56
Fresh Fruits & Vegetables	19,733.76
Food Distribution Program	41,515.82
Interest and Investment Revenue	899.27
	899.27
Total Nonoperating Revenues (Expenses)	650,436.27
Change in Net Assets	10,608.02
Net Assets -- July 1	242,912.60
Net Assets -- June 30	\$ 253,520.62

CITY OF SALEM SCHOOL DISTRICT
Enterprise Fund
Combining Statement of Cash Flows
For the Fiscal Year Ended June 30, 2011

	<u>Food Service</u>
CASH FLOWS FROM OPERATING ACTIVITIES:	
Receipts from Customers	\$ 257,776.96
Payments for Purchased Professional Services	(397,173.72)
Payments to Suppliers	<u>(447,400.90)</u>
Net Cash Provided by (used for) Operating Activities	<u>(586,797.66)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:	
State Sources	10,222.20
Federal Sources	606,238.74
Operating Subsidies and Transfers to Other Funds	<u>(299.99)</u>
Net Cash Provided by (used for) Non-Capital Financing Activities	<u>616,160.95</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Purchases of Capital Assets	<u> </u>
Net Cash Provided by (used for) Capital and Related Financing Activities	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Interest	<u>899.27</u>
Net Cash Provided by (used for) Investing Activities	<u>899.27</u>
Net Increase (Decrease) in Cash and Cash Equivalents	30,262.56
Cash and Cash Equivalents -- July 1	<u>64,298.05</u>
Cash and Equivalents -- June 30	<u><u>\$ 94,560.61</u></u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used)	
by Operating Activities:	
Operating Income (Loss)	\$ (639,828.25)
Adjustments to Reconcile Operating Income (Loss) to Net Cash	
Provided by (used for) Operating Activities:	
Food Distribution Program	41,515.82
Depreciation and Net Amortization	11,307.82
(Increase) Decrease in Accounts Receivable, Net	4,734.27
(Increase) Decrease in Inventories	6,153.57
(Increase) Decrease in Interfund Receivable	(106.21)
Increase (Decrease) in Deferred Revenue	<u>(10,574.68)</u>
Total Adjustments	<u>53,030.59</u>
Net Cash Provided by (used for) Operating Activities	<u><u>\$ (586,797.66)</u></u>

CITY OF SALEM SCHOOL DISTRICT
Internal Service Fund
Combining Statement of Net Assets
June 30, 2011

	<u>Maintenance Consultant</u>	<u>Total</u>
ASSETS:		
Current Assets:		
Accounts Receivable	\$ -	\$ -
	<hr/>	<hr/>
Total Assets	-	-
	<hr/>	<hr/>
LIABILITIES:		
Current Liabilities:		
Interfund Accounts Payable	-	-
	<hr/>	<hr/>
Total Liabilities	-	-
	<hr/>	<hr/>
NET ASSETS:		
Total Net Assets	\$ -	\$ -
	<hr/> <hr/>	<hr/> <hr/>

CITY OF SALEM SCHOOL DISTRICT
Internal Service Fund
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets
For the Fiscal Year Ended June 30, 2011

	<u>Maintenance Consultant</u>	<u>Total</u>
OPERATING REVENUES:		
Charges for Service:		
Service Provided to other LEAs		
Maintenance Consultant Services	\$ 5,494.89	\$ 5,494.89
Total Operating Revenues	<u>5,494.89</u>	<u>5,494.89</u>
OPERATING EXPENSES:		
Salaries	<u>5,494.89</u>	<u>5,494.89</u>
Total Operating Expenses	<u>5,494.89</u>	<u>5,494.89</u>
Operating Income (Loss)	<u>-</u>	<u>-</u>
NONOPERATING REVENUES (EXPENSES):		
Total Nonoperating Revenues (Expenses)	<u>-</u>	<u>-</u>
Income (Loss) before Contributions and Transfers	-	-
Transfers In/Out	<u>-</u>	<u>-</u>
Change in Net Assets	-	-
Net Assets -- July 1	<u>-</u>	<u>-</u>
Net Assets -- June 30	<u>\$ -</u>	<u>\$ -</u>

CITY OF SALEM SCHOOL DISTRICT
Internal Service Fund
Combining Statement of Cash Flows
For the Fiscal Year Ended June 30, 2011

	<u>Maintenance Consultant</u>	<u>Totals</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from Customers	\$ 5,494.89	\$ 5,494.89
Payments to Employees	(5,494.89)	(5,494.89)
Payments for Employee Benefits		
Payments to Suppliers		
	<hr/>	<hr/>
Net Cash Provided by (used for) Operating Activities	<u>\$ -</u>	<u>\$ -</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:		
State Sources		
Federal Sources		
Operating Subsidies and Transfers to Other Funds		
	<hr/>	<hr/>
Net Cash Provided by (used for) Non-Capital Financing Activities	<u>-</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Change in Capital Contributions		
Purchases of Capital Assets		
Gain / Loss on Sale of Fixed Assets (Proceeds)		
	<hr/>	<hr/>
Net Cash Provided by (used for) Capital and Related Financing Activities	<u>-</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest and Dividends		
Proceeds from Sale / Maturities of Investments		
	<hr/>	<hr/>
Net Cash Provided by (used for) Investing Activities	<u>-</u>	<u>-</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>-</u>	<u>-</u>
Cash and Cash Equivalents -- July 1	<hr/>	<hr/>
Cash and Equivalents -- June 30	<u>\$ -</u>	<u>\$ -</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
Operating Income (Loss)		
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities:		
Depreciation and Net Amortization		
(Increase) Decrease in Accounts Receivable, net	\$ 7,840.00	\$ 7,840.00
(Increase) Decrease in Inventories		
(Increase) Decrease in Other Current Assets		
Increase (Decrease) in Interfund Payable	(7,840.00)	(7,840.00)
Increase (Decrease) in Accrued Salaries Benefits		
	<hr/>	<hr/>
Total Adjustments	<u>-</u>	<u>-</u>
Net Cash Provided by (used for) Operating Activities	<u>\$ -</u>	<u>\$ -</u>

FIDUCIARY FUNDS

CITY OF SALEM SCHOOL DISTRICT
 Fiduciary Funds
 Combining Statement of Fiduciary Net Assets
 June 30, 2011

	Trust Fund		Agency Funds			
	Scholarship Trust	Uniform Trust	Student Activity	Payroll	Total	
ASSETS:						
Cash and Cash Equivalents	\$ 21,763.96	\$ 361.33	\$ 90,023.67	\$ 43,231.69	\$ 155,380.65	
Interfund Accounts Receivable:						
Due from General Fund				19,381.20	19,381.20	
Investments, at Fair Value:						
Certificates of Deposit	11,251.30				11,251.30	
Mutual Fund	6,710.88				6,710.88	
Total Assets	\$ 39,726.14	\$ 361.33	\$ 90,023.67	\$ 62,612.89	\$ 192,724.03	
LIABILITIES:						
Payable to Student Groups			\$ 90,023.67		\$ 90,023.67	
Payroll Deductions and Withholdings				\$ 62,612.89	\$ 62,612.89	
Total Liabilities	\$ -	\$ -	\$ 90,023.67	\$ 62,612.89	\$ 152,636.56	
NET ASSETS:						
Reserved for Scholarships	39,726.14				39,726.14	
Reserved for Uniforms		361.33			361.33	
Total Net Assets	\$ 39,726.14	\$ 361.33			\$ 40,087.47	

CITY OF SALEM SCHOOL DISTRICT
 Fiduciary Funds
 Combining Statement of Changes in Fiduciary Net Assets
 June 30, 2011

	Scholarship Trust	Uniform Trust	Total
ADDITIONS:			
Investment Earnings:			
Net Increase (Decrease) in Fair Value of Investments	\$ (37.20)		\$ (37.20)
Interest and Dividends	1,923.87	\$ 0.52	1,924.39
Net Investment Earnings	1,886.67	0.52	1,887.19
Total Additions	1,886.67	0.52	1,887.19
DEDUCTIONS:			
Scholarships Awarded	1,850.00		1,850.00
Uniform Purchases		232.45	232.45
Total Deductions	1,850.00	232.45	2,082.45
Change in Net Assets	36.67	(231.93)	(195.26)
Net Assets -- July 1	39,689.47	593.26	40,282.73
Net Assets -- June 30	\$ 39,726.14	\$ 361.33	\$ 40,087.47

CITY OF SALEM SCHOOL DISTRICT
 Fiduciary Funds
 Student Activity Agency Fund
 For the Fiscal Year Ended June 30, 2011

	<u>Balance</u> <u>06/30/10</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursements</u>	<u>Balance</u> <u>06/30/11</u>
JOHN FENWICK SCHOOL	\$ 3,924.60	\$ 4,022.00	\$ 4,319.84	\$ 3,626.76
Total Elementary School	3,924.60	4,022.00	4,319.84	3,626.76
SALEM MIDDLE SCHOOL	10,251.80	22,998.88	18,967.12	14,283.56
Total Middle School	10,251.80	22,998.88	18,967.12	14,283.56
SALEM HIGH SCHOOL	67,301.42	64,127.14	68,489.57	62,938.99
Total High School	67,301.42	64,127.14	68,489.57	62,938.99
ATHLETIC FUND	5,614.57	55,358.27	51,798.48	9,174.36
Total Athletic Fund	5,614.57	55,358.27	51,798.48	9,174.36
Total All Schools	\$ 87,092.39	\$ 146,506.29	\$ 143,575.01	\$ 90,023.67

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

	<u>Balance</u> <u>June 30, 2010</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Balance</u> <u>June 30, 2011</u>
ASSETS:				
Cash and Cash Equivalents - Payroll	\$ (1,022.69)	\$ 9,041,648.57	\$ (9,040,620.93)	\$ 4.95
Cash and Cash Equivalents - Agency	52,218.71	6,957,903.94	(6,966,895.91)	43,226.74
Interfund Accounts Receivable:				
Due from General Fund	189.61	19,381.20	(189.61)	19,381.20
Due from Whole School Reform	1,116.39		(1,116.39)	-
Total Assets	<u>\$ 52,502.02</u>	<u>\$ 16,018,933.71</u>	<u>\$ (16,008,822.84)</u>	<u>\$ 62,612.89</u>
LIABILITIES:				
Payroll Deductions and Withholdings - Agency	\$ 52,502.02	\$ 6,978,312.78	\$ (6,968,201.91)	\$ 62,612.89
Net Payroll		9,040,620.93	(9,040,620.93)	
Total Liabilities	<u>\$ 52,502.02</u>	<u>\$ 16,018,933.71</u>	<u>\$ (16,008,822.84)</u>	<u>\$ 62,612.89</u>

LONG-TERM DEBT

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

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive/(Negative) Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 105,301.00	\$ -	\$ 105,301.00	\$ 105,301.00	\$ -
Total Local Sources	105,301.00	-	105,301.00	105,301.00	-
State Sources:					
Debt Service Aid Type II	229,249.00	-	229,249.00	229,249.00	-
Total State Sources	229,249.00	-	229,249.00	229,249.00	-
Total Revenues	334,550.00	-	334,550.00	334,550.00	-
EXPENDITURES:					
Regular Debt Service:					
Interest	141,638.00	-	141,638.00	141,637.50	0.50
Redemption of Principal	205,000.00	-	205,000.00	205,000.00	-
Total Expenditures	346,638.00	-	346,638.00	346,637.50	0.50
Excess (Deficiency) of Revenues Over (Under) Expenditures	(12,088.00)	-	(12,088.00)	(12,087.50)	0.50
Fund Balance, July 1	12,088.28	-	12,088.28	12,088.28	-
Fund Balance, June 30	\$ 0.28	\$ -	\$ 0.28	\$ 0.78	\$ 0.50
Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources:					
Budgeted Fund Balance	\$ 0.28	\$ -	\$ 0.28	\$ 0.78	\$ 0.50
	\$ 0.28	\$ -	\$ 0.28	\$ 0.78	\$ 0.50

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 and J-2 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, 2003; thus, ten year comparative financial information is unavailable.

CITY OF SALEM SCHOOL DISTRICT

Net Assets by Component
Last Nine Fiscal Years (accrual basis of accounting)
Unaudited

	Fiscal Year Ending June 30,								
	2011	2010	2009	2008	2007	2006	2005	2004	2003
Governmental Activities									
Invested in Capital Assets, Net of Related Debt	\$ 6,116,295.74	\$ 5,943,565.41	\$ 5,110,887.59	\$ 3,080,202.40	\$ 2,059,005.46	\$ 1,194,271.80	\$ 966,205.96	\$ 5,282,981.88	\$ 5,436,910.10
Restricted	445,678.49	894,663.33	2,939,252.90	3,725,567.04	3,911,200.91	4,758,698.19	4,901,905.22	2,344,833.29	610,330.32
Unrestricted	(1,105,188.75)	(1,303,884.66)	(743,875.19)	214,312.39	252,208.75	271,970.79	(245,410.06)	(67,862.97)	64,159.71
Total Governmental Activities Net Assets	\$ 5,456,785.48	\$ 5,534,344.08	\$ 7,306,265.30	\$ 7,020,081.83	\$ 6,222,415.12	\$ 6,224,940.78	\$ 5,622,701.12	\$ 7,559,952.20	\$ 6,111,400.13
Business-Type Activities									
Invested in Capital Assets, Net of Related Debt	\$ 88,112.96	\$ 99,420.78	\$ 53,104.00	\$ 61,526.37	\$ 70,346.96			\$ 36,110.80	\$ 43,924.32
Unrestricted	165,407.66	143,491.82	184,395.58	135,971.37	206,589.15	\$ 319,877.34	\$ 292,350.05	206,380.01	160,078.10
Total Business-Type Activities Net Assets	\$ 253,520.62	\$ 242,912.60	\$ 237,499.58	\$ 197,497.74	\$ 276,936.11	\$ 319,877.34	\$ 292,350.05	\$ 242,490.81	\$ 204,002.42
District-Wide									
Invested in Capital Assets, Net of Related Debt	\$ 6,204,408.70	\$ 6,042,986.19	\$ 5,163,991.59	\$ 3,141,728.77	\$ 2,129,352.42	\$ 1,194,271.80	\$ 966,205.96	\$ 5,319,092.68	\$ 5,480,834.42
Restricted	445,678.49	894,663.33	2,939,252.90	3,725,567.04	3,911,200.91	4,758,698.19	4,901,905.22	2,344,833.29	610,330.32
Unrestricted	(939,781.09)	(1,160,392.84)	(559,479.61)	350,283.76	458,797.90	591,848.13	46,939.99	138,517.04	224,237.81
Total District-Wide Net Assets	\$ 5,710,306.10	\$ 5,777,256.68	\$ 7,543,764.88	\$ 7,217,579.57	\$ 6,499,351.23	\$ 6,544,818.12	\$ 5,915,051.17	\$ 7,802,443.01	\$ 6,315,402.55

Source: Exhibit A-1

CITY OF SALEM SCHOOL DISTRICT

Changes in Net Assets
Last Nine Fiscal Years (accrual basis of accounting)
Unaudited

	Fiscal Year Ending June 30,								
	2011	2010	2009	2008	2007	2006	2005	2004	2003
Expenses									
Governmental Activities									
Instruction									
Regular	\$ 8,160,387.93	\$ 8,127,220.30	\$ 7,300,591.45	\$ 7,020,932.28	\$ 7,620,245.76	\$ 6,925,517.15	\$ 7,713,341.67	\$ 6,549,793.91	\$ 6,550,799.91
Special Education	1,650,229.47	1,966,434.09	1,716,484.59	1,890,818.93	1,811,626.07	1,800,307.65	1,565,842.61	1,104,451.93	1,034,920.86
Other Special Education	61,426.46	213,715.85	361,700.78	1,230,793.50	1,194,531.36	1,181,092.52	381,631.96	58,982.60	79,618.34
Vocational	391,878.73	408,879.09	387,241.85	464,232.54	453,218.92	480,094.78	432,958.89	351,599.18	374,916.00
Other Instruction	388,031.11	482,335.27	378,612.60	405,233.90	359,610.86	298,770.80	325,749.02	285,698.52	307,608.76
Support Services:									
Tuition	1,109,041.02	1,513,852.71	1,248,774.20	1,442,908.91	1,097,607.00	1,170,721.41	1,301,419.04	1,034,343.96	1,051,376.36
Student & Instruction Related Services	4,253,565.15	4,298,446.48	3,966,793.97	3,977,933.89	2,921,833.68	3,867,349.85	2,998,146.89	2,016,149.55	2,265,674.55
General & Business Administrative Services	860,797.54	789,431.69	917,271.58	957,223.92	926,162.03	865,097.15	1,021,675.97	832,943.58	814,992.88
School Administrative Services	945,451.78	1,000,985.41	992,946.23	938,737.31	1,909,288.71	773,144.07	855,394.91	797,477.27	734,792.38
Plant Operations and Maintenance	2,280,342.25	2,480,463.00	3,251,422.53	2,105,420.97	2,111,915.08	2,346,478.00	1,766,507.89	1,351,987.23	1,384,581.87
Unallocated Depreciation	541,362.76	347,654.78	304,849.13	317,667.70	269,183.26	-	-	-	-
Pupil Transportation	647,115.59	673,562.46	580,916.43	706,741.67	696,467.88	532,068.33	523,652.50	480,704.23	453,860.67
Interest on Long-term Debt	139,235.16	145,387.50	152,349.44	179,413.44	187,102.50	194,554.06	201,768.16	208,744.66	215,483.75
Unallocated Benefits	5,195,766.16	5,183,180.38	4,607,364.71	5,815,748.86	5,855,809.96	4,923,605.87	4,127,410.28	3,292,573.19	2,896,984.04
Amortization of Debt Issuance Costs	9,801.49	10,420.28	5,681.40	1,600.00	1,600.00	1,600.00	1,600.00	1,600.00	1,600.00
Total Governmental Activities Expenses	26,634,432.60	27,641,969.29	26,173,000.89	27,455,407.82	27,416,203.07	25,360,401.64	23,217,099.79	18,367,049.81	18,167,210.37
Business-type Activities:									
Food Service	892,713.69	914,037.00	901,173.58	941,585.13	892,432.98	866,218.09	827,664.16	767,939.89	716,705.76
Total Business-type Activities Expense	892,713.69	914,037.00	901,173.58	941,585.13	892,432.98	866,218.09	827,664.16	767,939.89	716,705.76
Total District Expenses	\$ 27,527,146.29	\$ 28,556,006.29	\$ 27,074,174.47	\$ 28,396,992.95	\$ 28,308,636.05	\$ 26,226,619.73	\$ 24,044,763.95	\$ 19,134,989.70	\$ 18,883,916.13

(Continued)

CITY OF SALEM SCHOOL DISTRICT

Changes in Net Assets
Last Nine Fiscal Years (accrual basis of accounting)
Unaudited

	2011	2010	2009	2008	2007	2006	2005	2004	2003
Program Revenues									
Governmental Activities:									
Charges for Services:									
Instruction (tuition)	\$ 2,269,504.22	\$ 2,169,821.80	\$ 2,241,663.19	\$ 2,624,213.11	\$ 2,581,883.00	\$ 2,419,340.09	\$ 2,325,551.00	\$ 2,256,614.36	\$ 2,481,847.30
Operating Grants and Contributions	5,768,250.70	5,598,516.07	5,334,219.05	5,843,778.18	7,258,815.83	6,575,842.21	5,880,960.24	5,299,133.08	4,850,695.96
Total Governmental Activities Program Revenues	8,037,754.92	7,768,337.87	7,575,882.24	8,467,991.29	9,840,698.83	8,995,182.30	8,206,511.24	7,555,747.44	7,332,543.26
Business-type activities:									
Charges for Services:									
Food Service	252,885.44	257,995.82	334,874.31	290,492.59	284,880.40	307,544.43	336,342.49	290,379.98	255,130.31
Operating Grants and Contributions	649,537.00	661,501.79	605,014.15	565,497.59	531,778.50	576,583.66	565,110.22	514,770.83	492,977.66
Total Business-type Activities Program Revenues	902,422.44	919,497.61	939,888.46	855,990.18	816,658.90	884,128.09	901,452.71	805,150.81	748,107.97
Total District Program Revenues	\$ 8,940,177.36	\$ 8,687,835.48	\$ 8,515,770.70	\$ 9,323,981.47	\$ 10,657,357.73	\$ 9,879,310.39	\$ 9,107,963.95	\$ 8,360,898.25	\$ 8,080,651.23
Net (Expense)/Revenue									
Governmental Activities	\$ (18,596,677.68)	\$ (19,873,631.42)	\$ (18,597,118.65)	\$ (18,987,416.53)	\$ (17,575,504.24)	\$ (16,365,219.34)	\$ (15,010,588.55)	\$ (10,811,302.37)	\$ (10,834,667.11)
Business-type Activities	9,708.75	5,460.61	38,714.88	(85,594.95)	(75,774.08)	17,910.00	73,788.55	372,10.92	31,402.21
Total District-wide Net Expense	\$ (18,586,968.93)	\$ (19,868,170.81)	\$ (18,558,403.77)	\$ (19,073,011.48)	\$ (17,651,278.32)	\$ (16,347,309.34)	\$ (14,936,800.00)	\$ (10,774,091.45)	\$ (10,803,264.90)

(Continued)

CITY OF SALEM SCHOOL DISTRICT

Changes in Net Assets
Last Nine Fiscal Years (accrual basis of accounting)
Unaudited

	2011	2010	2009	2008	2007	2006	2005	2004	2003
General Revenues and Other Changes in Net Assets									
Governmental Activities:									
Property Taxes Levied for General Purposes, Net	\$ 2,392,321.00	\$ 2,392,321.00	\$ 2,392,321.00	\$ 2,366,655.00	\$ 2,366,655.00	\$ 2,366,655.00	\$ 2,366,656.00	\$ 1,831,655.00	\$ 1,826,359.00
Taxes Levied for Debt Service	105,301.00	82,972.00	74,698.00	79,412.00	80,006.00	80,546.00	81,031.00	81,463.00	86,759.00
Unrestricted Grants and Contributions	16,119,494.15	16,289,726.70	16,282,267.86	17,178,440.24	14,236,181.84	14,351,984.92	12,302,829.19	8,865,799.16	8,381,920.52
Restricted Grants and Contributions	(250,457.08)	(782,856.51)			576,968.33		2,963,681.00	1,341,297.91	
Miscellaneous Income	80,735.32	129,493.79	140,672.19	167,926.00	214,505.75	177,273.08	147,530.13	139,639.37	38,855.14
Amortization of Premium Received on Bonds	8,628.84	8,994.37	4,579.57						
Loss on Disposal of Asset	63,095.85	(18,941.15)	(11,236.50)	(7,350.00)					
Total Governmental Activities	18,519,119.08	18,101,710.20	18,883,302.12	19,785,083.24	17,474,316.92	16,976,459.00	17,861,727.32	12,259,854.44	10,333,893.66
Business-type Activities:									
Investment Earnings	899.27	202.41	1,286.96	6,156.58	13,886.18	9,617.29	4,264.83	1,277.47	2,673.80
Loss on Disposal of Asset		(250.00)							
Total Business-type Activities	899.27	(47.59)	1,286.96	6,156.58	13,886.18	9,617.29	4,264.83	1,277.47	2,673.80
Total District-wide	\$ 18,520,018.35	\$ 18,101,662.61	\$ 18,884,589.08	\$ 19,791,239.82	\$ 17,488,203.10	\$ 16,986,076.29	\$ 17,865,992.15	\$ 12,261,131.91	\$ 10,336,567.46
Change in Net Assets									
Governmental Activities	\$ (77,558.60)	\$ (1,771,921.22)	\$ 286,183.47	\$ 797,666.71	\$ (101,187.32)	\$ 611,239.66	\$ 2,851,138.77	\$ 1,448,552.07	\$ (500,773.45)
Business-type Activities	10,608.02	5,413.02	40,001.84	(79,438.37)	(61,887.90)	27,527.29	78,053.38	38,488.39	34,076.01
Total District	\$ (66,950.58)	\$ (1,766,508.20)	\$ 326,185.31	\$ 718,228.34	\$ (163,075.22)	\$ 638,766.95	\$ 2,929,192.15	\$ 1,487,040.46	\$ (466,697.44)

Source: Exhibit A-2

CITY OF SALEM SCHOOL DISTRICT
 Fund Balances, Governmental Funds
 Last Nine Fiscal Years (modified accrual basis of accounting)
 Unaudited

	Fiscal Year Ending June 30,								
	2011	2010	2009	2008	2007	2006	2005	2004	2003
General Fund									
Reserved	\$ 670,252.67	\$ 1,461,912.73	\$ 1,195,139.25	\$ 467,494.24	\$ 1,237,188.54	\$ 1,161,095.96	\$ 1,145,507.44	\$ 682,771.18	\$ 682,771.18
Unreserved-(Deficit)	(247,198.40)	107,058.57	1,019,100.46	1,024,679.11	918,069.07	528,849.94	657,371.32	843,173.66	843,173.66
Restricted	\$ 79,580.47								
Assigned	1,299,216.45								
Unassigned-(Deficit)	(1,005,547.93)								
Total General Fund	\$ 373,248.99	\$ 423,054.27	\$ 1,568,971.30	\$ 2,214,239.71	\$ 1,492,173.35	\$ 2,155,257.61	\$ 1,689,945.90	\$ 1,802,878.76	\$ 1,525,944.84
All Other Governmental Funds									
Reserved	\$ 12,853.49	\$ 178,399.00	\$ 1,386,584.85	\$ 935,616.26	\$ 516,900.00			\$ 388,542.76	
Unreserved, Reported in:									
Special Revenue Fund-(Deficit)	(160,614.00)	(117,890.80)	(27,985.00)	(27,985.00)	(27,985.95)	(24,056.00)	(26,108.00)	(27,985.95)	(27,985.95)
Capital Projects Fund	252,582.95	1,337,432.45	1,204,078.62	2,571,265.65	3,214,158.79	3,814,802.39	887,447.06	5,206.45	5,206.45
Debt Service Fund	12,088.28	16,872.78	5,207.45	5,206.95			1.00		0.50
Restricted	\$ 48,125.76								
Unassigned-(Deficit)	(147,492.00)								
Total All Other Governmental Funds	\$ (99,366.24)	\$ 116,910.72	\$ 1,414,813.43	\$ 2,567,885.92	\$ 3,484,103.86	\$ 3,703,072.84	\$ 3,790,746.39	\$ 1,249,882.82	\$ (22,779.00)

Source: Exhibit B-1

CITY OF SALEM SCHOOL DISTRICT
 Changes in Fund Balances, Governmental Funds
 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>
Revenues										
Tax Levy	\$ 2,497,622.00	\$ 2,475,293.00	\$ 2,467,019.00	\$ 2,446,067.00	\$ 2,446,661.00	\$ 2,447,201.00	\$ 2,447,687.00	\$ 1,913,118.00	\$ 1,913,118.00	
Tuition Charges	2,269,504.22	2,169,821.80	2,241,663.19	2,624,213.11	2,581,883.00	2,419,340.09	2,325,551.00	2,256,614.36	2,481,847.30	
Miscellaneous	80,735.32	129,493.79	140,672.19	167,926.00	217,225.75	217,273.08	147,530.13	139,639.37	55,786.14	NOT AVAILABLE
Local Sources	26,196.00	1,606.81	780.85							
State Sources	19,738,703.56	17,232,806.72	19,373,346.79	20,896,425.53	19,712,009.60	18,769,277.57	18,931,177.71	13,372,945.34	11,424,648.20	
Federal Sources	2,122,845.29	4,653,829.24	2,242,359.27	2,125,792.89	2,359,956.40	2,253,759.47	2,216,292.72	2,133,284.71	1,807,988.28	
Total Revenue	26,735,606.39	26,662,851.36	26,465,841.29	28,260,424.53	27,317,735.75	26,106,851.21	26,068,238.56	19,815,601.78	17,683,367.92	-
Expenditures										
Instruction										
Regular Instruction	8,114,973.37	8,081,900.24	7,273,223.32	7,013,115.36	7,611,698.55	7,050,771.19	7,709,929.03	6,122,669.05	6,089,851.92	
Special Education Instruction	1,650,229.47	1,966,434.09	1,716,484.59	1,890,818.93	1,811,626.07	1,800,307.65	1,565,842.61	1,104,451.93	1,034,920.86	
Other Special Instruction	61,426.46	213,715.85	361,700.78	1,230,793.50	1,194,531.36	1,181,092.52	381,631.96	58,982.60	79,618.34	
Vocational Education	391,878.73	408,879.09	387,241.85	464,232.54	453,218.92	480,094.78	432,958.89	351,599.18	374,916.00	
Other Instruction	388,031.11	482,335.27	378,612.60	405,233.90	359,610.86	298,770.80	325,749.02	285,698.52	307,608.76	
Support Services:										
Tuition	1,109,041.02	1,513,852.71	1,248,774.20	1,442,908.91	1,097,607.00	1,170,721.41	1,301,419.04	1,034,343.96	1,051,376.36	NOT AVAILABLE
Student & Instruction Related Services	4,253,565.15	4,298,446.48	3,966,793.97	3,977,933.89	2,921,833.68	3,867,349.85	2,998,146.89	2,016,149.55	2,265,674.55	
School Administrative Services	945,451.78	1,000,985.41	992,946.23	938,737.31	926,162.03	836,146.20	852,464.91	823,658.26	724,771.77	
Other Administrative Services	845,851.53	766,480.45	889,083.17	921,988.79	1,879,420.62	540,367.75	755,098.29	788,191.95	804,972.27	
Plant Operations and Maintenance	2,262,315.81	2,462,123.14	3,233,551.52	2,088,662.28	2,105,665.72	2,281,083.03	1,762,289.72	1,333,417.18	1,364,540.66	
Pupil Transportation	647,115.59	673,562.46	580,916.43	706,741.67	696,467.88	532,068.33	510,638.49	480,704.23	453,860.67	
Unallocated Employee Benefits	5,209,157.13	5,020,151.08	4,651,124.82	5,783,431.15	5,732,563.97	4,923,605.87	4,067,332.57	3,342,874.20	2,765,347.56	
Capital Outlay	525,556.90	1,087,310.82	2,246,300.20	1,242,625.38	924,219.92	367,711.67	622,366.43	166,937.93	93,080.70	
Debt Service:										
Principal	205,000.00	200,000.00	175,000.00	165,000.00	160,000.00	155,000.00	150,000.00	145,000.00	140,000.00	
Interest and Other Charges	141,637.50	147,637.50	162,428.51	182,352.50	189,952.50	197,315.00	204,440.00	211,327.50	217,977.50	
Total Expenditures	26,751,231.55	28,323,814.59	28,264,182.19	28,454,576.11	28,064,579.08	25,682,406.05	23,640,307.85	18,266,006.04	17,768,517.92	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(15,625.16)	(1,660,963.23)	(1,798,340.90)	(194,151.58)	(746,843.33)	424,445.16	2,427,930.71	1,549,595.74	(85,150.00)	-
Other Financing Sources (Uses)										
Prior Years' Accounts Payable										
Refunding Bond Proceeds			3,674,000.00		(46,807.00)					
Bonds Refunded			(3,674,000.00)							
Cancellation of State Aid	(250,457.08)	(782,856.51)						44,252.00	(16,931.00)	
Transfers In								(44,252.00)		
Transfers Out										
Total Other Financing Sources (Uses)	(250,457.08)	(782,856.51)	-	-	(46,807.00)	-	-	-	(16,931.00)	-
Net Change in Fund Balances	\$ (266,082.24)	\$ (2,443,819.74)	\$ (1,798,340.90)	\$ (194,151.58)	\$ (746,843.33)	\$ 377,638.16	\$ 2,427,930.71	\$ 1,549,595.74	\$ (102,081.00)	\$ -
Debt Service as a Percentage of Noncapital Expenditures	1.3%	1.3%	1.3%	1.3%	1.3%	1.4%	1.5%	2.0%	2.0%	

Source: Exhibit B-2

CITY OF SALEM SCHOOL DISTRICT

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

	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Refunds of Prior Year Expenses	\$ 21,116.37	\$ 16,352.84	\$ 10,065.02	\$ 3,698.20	\$ 4,799.69	\$ 1,104.73	\$ 2,778.81	\$ 3,372.25	\$ 3,522.08	
Reimbursements			4,785.84					97.00	680.00	
Cancellation of Prior Years' Payables	502.00	40,540.16					20.50	1,626.31	6,270.00	
Donations			785.00							NOT AVAILABLE
Rentals	2,340.00	4,652.00	400.00	100.00	915.00	790.00	990.00	40,500.00	900.00	900.00
Child Study Team Services Provided to their LEA's	46,700.00	46,700.00	109,040.00	97,543.00	52,005.00	65,927.00	52,000.00	7,380.00		
Transportation Fees from Other LEA's						7,751.00				
Sale of Equipment										
Bridgeton Board of Education - Distance Learning						12,200.00	15,319.93	12,000.00		
Prior Year Tuition Reimbursements					26,300.00			51,264.71		
Excess Revenue - Food Service Fund	1,926.99	2,661.25	13,147.02	54,929.76	132,511.97	79,419.86	61,150.40	21,246.76	26,479.75	
Interest on Investments	8,149.96	18,587.54	1,649.31	11,655.04	694.09	9,080.48	5,312.49	15.00	11,574.45	
Miscellaneous										
	\$ 80,735.32	\$ 129,493.79	\$ 140,672.19	\$ 167,926.00	\$ 217,225.75	\$ 176,273.07	\$ 137,572.13	\$ 137,502.03	\$ 49,426.28	\$ -

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.

CITY OF SALEM SCHOOL DISTRICT
 Assessed Value and Actual Value of Taxable Property
 Last Ten Fiscal Years
 Unaudited

Year Ended Dec. 31,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities (1)	Net Valuation Taxable	Tax-Exempt Property	Estimated Actual (County) Value	Total Direct School Tax Rate (2)
2011	\$ 5,097,100	\$152,826,700	\$406,500	\$167,700	\$44,629,943	\$22,891,396	\$ 6,224,000	\$ 232,243,339	\$2,419,575	\$234,662,914	\$93,249,741	\$ 230,035,003	\$ 1.072
2010	5,300,100	154,040,900	406,500	167,700	45,835,742	22,891,396	6,224,000	234,866,338	2,442,075	237,308,413	91,438,841	234,866,339	1.052
2009	5,345,200	154,347,300	507,300	167,700	46,241,343	22,891,396	6,808,300	236,308,539	2,319,740	238,628,279	91,528,341	258,624,116	1.038
2008	5,180,600	155,078,300	534,900	165,800	48,814,990	22,945,396	18,410,100	251,130,086	2,722,458	253,852,544	79,541,641	259,497,259	0.972
2007	5,065,500	155,733,400	534,900	165,800	53,904,890	20,213,818	17,907,500	253,525,808	2,664,760	256,190,568	73,819,696	204,275,741	0.955
2006	1,360,525	68,545,025	256,650	-	26,146,625	9,787,300	8,446,750	114,542,875	1,912,232	116,455,107	50,178,115	166,303,974	2.100
2005	1,387,625	68,262,025	256,650	-	26,920,275	9,620,800	8,446,750	114,894,125	2,061,720	116,955,845	49,787,215	156,776,974	2.061
2004	1,481,425	68,268,825	256,650	-	26,940,575	9,620,800	8,446,750	115,015,025	2,198,463	117,213,488	45,139,015	150,140,871	2.061
2003	1,432,425	68,356,975	256,650	-	27,081,375	9,620,800	8,446,750	115,194,975	2,282,633	117,653,383	40,302,200	145,790,525	1.601
2002	1,471,800	68,297,175	241,450	-	27,282,325	9,620,800	8,446,750	115,866,000	2,278,882	117,639,182	40,332,400	146,175,429	1.601

(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

Source: Municipal Tax Assessor

CITY OF SALEM 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 Rate		Total Direct and Overlapping Tax Rate
	Basic Rate	General Obligation Debt Service	Total Direct School Tax Rate	City of Salem	Salem County	
2011	\$ 1.019	\$ 0.053	\$ 1.072	\$ 1.706	\$ 0.909	\$ 3.688
2010	1.008	0.044	1.052	1.609	0.930	3.591
2009	1.007	0.031	1.038	1.509	0.959	3.506
2008	0.940	0.032	0.972	1.430	0.937	3.339
2007	0.924	0.031	0.955	1.160	0.770	2.885
2006	2.099	0.001	2.100	2.057	1.412	5.569
2005	2.060	0.001	2.061	1.970	1.350	5.381
2004	2.060	0.001	2.061	1.830	1.270	5.161
2003	1.600	0.001	1.601	1.510	1.230	4.341
2002	1.600	0.001	1.601	1.410	1.230	4.241

Source: Municipal Tax Collector

CITY OF SALEM SCHOOL DISTRICT
 Principal Property Tax Payers
 Current Year and Nine Years Ago
 Unaudited

	2011				2002			
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value		
<u>Taxpayer</u>								
PSEG Power, LLC	\$ 11,031,700	1	4.7%	\$ 4,021,700	3	3.4%		
Anchor Glass Acquisition Corp.	9,849,600	2	4.2%	6,047,200	1	5.1%		
Incollingo's Salem Properties	2,985,200	3	1.3%					
Stergencies E Corporation	2,596,300	4	1.1%	1,340,000	7	1.1%		
Salem Manor Holding	2,534,700	5	1.1%	1,566,900	5	1.3%		
Verizon	2,419,575	6	1.0%					
Aluchem, Inc.	2,116,778	7	0.9%	1,091,000	9	0.9%		
Tilbury Road Associates, Inc.	2,091,800	8	0.9%	1,400,350	6	1.2%		
Barbera, Eddis, & Co. (WirePro)	1,970,700	9	0.8%	1,106,400	10	0.9%		
Salem Chestnut Apartments	1,968,100	10	0.8%	1,094,000	8	0.9%		
Total	\$ 39,564,453		17.0%	\$ 17,667,550		14.8%		

Sources: Tax Assessor's Records

CITY OF SALEM SCHOOL DISTRICT
 Property Tax Levies and Collections
 Last Ten Fiscal Years
 Unaudited

<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>School Taxes Levied</u> <u>for the 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 of Levy</u>	
2011	\$ 2,497,622.00	\$ 2,298,261.88	92.02%	\$ 199,360.12
2010	2,475,293.00	2,475,293.00	100.00%	-
2009	2,467,019.00	2,467,019.00	100.00%	-
2008	2,446,067.00	2,446,067.00	100.00%	-
2007	2,446,661.00	2,446,661.00	100.00%	-
2006	2,447,201.00	2,447,201.00	100.00%	-
2005	2,447,687.00	2,447,687.00	100.00%	-
2004	1,913,118.00	1,913,118.00	100.00%	-
2003	1,913,118.00	1,913,118.00	100.00%	-
2002	1,913,118.00	1,913,118.00	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

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.

CITY OF SALEM SCHOOL DISTRICT
 Ratios of Outstanding Debt by Type
 Last Ten Fiscal Years
 Unaudited

Fiscal Year Ended June 30,	Governmental Activities				Business-Type Activities		Total District	Percentage of Personal Income (2)	Per Capita (3)
	General Obligation Bonds (1)	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases				
2011	\$ 3,090,000.00	\$ -	\$ -	\$ -	\$ -	\$ 3,090,000.00	1.24%	\$ 38,311.00	
2010	3,295,000.00	-	-	-	-	3,295,000.00	1.16%	38,311.00	
2009	3,495,000.00	-	-	-	-	3,495,000.00	1.10%	38,311.00	
2008	3,674,000.00	-	-	-	-	3,674,000.00	1.03%	38,023.00	
2007	3,839,000.00	-	-	-	-	3,839,000.00	0.95%	36,368.00	
2006	3,999,000.00	-	-	-	-	3,999,000.00	0.88%	35,130.00	
2005	4,154,000.00	-	-	-	-	4,154,000.00	0.80%	33,273.00	
2004	4,304,000.00	-	-	-	-	4,304,000.00	0.76%	32,803.00	
2003	4,449,000.00	-	-	-	-	4,449,000.00	0.70%	31,264.00	
2002	4,589,000.00	-	-	-	-	4,589,000.00	0.66%	30,170.00	

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

- Sources: (1) District Records
 (2) Personal income has been estimated based upon the municipal population and per capita
 (3) Per Capita personal income by county-estimated based upon the 2000 Census published

CITY OF SALEM SCHOOL DISTRICT
Ratios of Net General Bonded Debt Outstanding
Last Ten Fiscal Years
Unaudited

Year Ended Dec. 31,	General Bonded Debt Outstanding (1)		Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value of Property (2)	Per Capita (3)
	General Obligation Bonds	Deductions			
2010	\$ 48,786,671.54	\$ 43,540,821.08	\$ 5,245,850.46	2.21%	\$ 1,019.40
2009	55,610,054.33	49,714,505.58	5,895,548.75	2.47%	1,012.81
2008	48,921,221.61	42,494,919.81	6,426,301.80	2.53%	1,135.79
2007	43,218,692.49	39,238,941.88	3,979,750.61	1.55%	702.14
2006	33,828,190.80	30,088,217.79	3,739,973.01	3.21%	654.41
2005	13,094,858.00	9,671,992.00	3,422,866.00	2.93%	597.05
2004	12,935,735.80	9,977,660.85	2,958,074.95	2.52%	514.72
2003	13,025,455.00	10,345,291.00	6,022,800.20	5.12%	1,045.99
2002	13,499,296.28	7,476,496.08	6,022,800.20	5.12%	1,040.93
2001			NOT AVAILABLE		

Sources:

- (1) City Records
- (2) Net Assessed Valuation provided by Abstract of Ratables, County Board of Taxation
- (3) Per Capita calculation based upon population information provided by the NJ Dept. of Labor and Workforce Development

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

<u>Governmental Unit</u>	<u>Gross Debt</u>	<u>Deductions</u>	<u>Statutory Net Debt Outstanding</u>	<u>Net Debt Outstanding Allocated to Salem City (3)</u>
Municipal Debt: (1)				
Salem City School District	\$ 3,295,000.00	\$ 3,295,000.00		
City of Salem	48,786,671.54	43,540,821.08	\$ 5,245,850.46	\$ 5,245,850.46
Overlapping Debt Apportioned to Municipality:				
County of Salem - City's Share (1)	58,458,000.00	17,467,000.00	40,991,000.00	1,788,789.00
Salem County Improvement Authority - City's Share (2)	15,245,000.00	15,245,000.00		
Total Direct and Overlapping Debt				\$ 7,034,639.46

Sources:

- (1) 2010 Annual Debt Statement
- (2) Official Statements
- (3) Such debt is allocated as a proportion of the Township's share of the total 2010 Equalized Value, which is 4.364%.
 The source for this computation was the 2010 Table of Equalized Valuations, which is supplied by the New Jersey Division of Taxation.
 Assessed value data used to estimate applicable percentages provided by County of Salem.
 Debt outstanding provided by applicable governmental unit.

CITY OF SALEM SCHOOL DISTRICT
 Legal Debt Margin Information
 Last Ten Fiscal Years
 Unaudited

Legal Debt Margin Calculation for Fiscal Year 2011

	<u>Equalized Valuation Basis (1)</u>	
2010	\$	232,633,062
2009		247,702,871
2008		264,849,279
	[A]	\$ 745,185,212

Average equalized valuation of taxable property [A/3]

	\$	248,395,071
Debt limit (4 % of average equalization value) (2)	[B]	\$ 9,935,803
Total Net Debt Applicable to Limit (3)	[C]	3,090,000

Legal Debt Margin **[B-C]** \$ 6,845,803

	Fiscal Year									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Debt limit	\$ 9,935,803.00	#####	\$ 9,582,674.00	\$ 8,173,419.00	\$ 6,794,736.00	\$ 6,000,356.00	\$ 5,705,487.40	\$ 5,555,971.33	\$ 5,423,512.41	\$ 5,250,605.59
Total net debt applicable to limit	3,090,000.00	3,295,000.00	3,495,000.00	3,674,000.00	3,839,000.00	3,999,000.00	4,154,000.00	4,304,000.00	4,449,000.00	4,589,000.00
Legal debt margin	\$ 6,845,803.00	\$ 6,907,247.00	\$ 6,087,674.00	\$ 4,499,419.00	\$ 2,955,736.00	\$ 2,001,356.00	\$ 1,551,487.40	\$ 1,251,971.33	\$ 974,512.41	\$ 661,605.59
Total net debt applicable to the limit as a percentage of debt limit	31.10%	32.30%	36.47%	44.95%	56.50%	66.65%	72.81%	77.47%	82.03%	87.40%

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 NUSA 18A:24-19 for a K through 12 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.

CITY OF SALEM 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>
2010	5,146	\$ 197,148,406	\$38,311	17.9%
2009	5,821	223,008,331	38,311	16.9%
2008	5,658	215,134,134	38,023	10.2%
2007	5,668	206,133,824	36,368	4.9%
2006	5,718	200,873,340	35,130	8.2%
2005	5,727	190,554,471	33,273	7.6%
2004	5,742	188,354,826	32,803	12.0%
2003	5,754	179,893,056	31,264	14.8%
2002	5,784	174,503,280	30,170	13.9%
2001	5,791	169,340,422	29,242	10.2%

Source:

- (1) Population information provided by the NJ Dept of Labor and Workforce Development
(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

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.

CITY OF SALEM 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	137	139	121	122	136	155	94	91	95	92
Special education	37	44	44	41	58	39	35	35	36	36
Other special education					2	2	2	2	2	2
Support Services:										
Student & instruction related services	37	42	60	63	54	37	46	45	56	55
General administrative services	3	3	3	3	3	3	3	5	5	3
School administrative services	17	19	19	14	13	14	12	12	12	12
Business administrative services	5	5	5	7	7	7	5	4	4	4
Plant operations and maintenance	20	21	20	23	25	30	19	19	19	19
Pupil transportation										1
Total	256	273	272	273	298	287	216	213	229	224

Source: District Personnel Records

CITY OF SALEM SCHOOL DISTRICT

Operating Statistics
Last Ten Fiscal Years
Unaudited

Fiscal Year	Enrollment	Operating Expenditures	Cost Per Pupil	Percentage Change	Teaching Staff	Teacher/Pupil Ratio			Average Daily		% Change		Student Attendance Percentage
						Elementary	Middle School	High School	Enrollment (ADE)	Attendance (ADA)	Average Daily Enrollment	Average Daily Attendance	
2011	1,249	\$ 25,879,037	\$ 20,720	2.41%	211	1:8	1:9	1:8	1,232	1,134	-2.89%	92.0%	
2010	1,329	26,888,866	20,232	10.77%	225	1:8	1:8	1:9	1,269	1,166	-8.71%	91.9%	
2009	1,406	25,680,453	18,265	-1.55%	224	1:8	1:9	1:10	1,390	1,268	-1.77%	91.2%	
2008	1,448	26,864,598	18,553	3.74%	226	1:6	1:7	1:8	1,415	1,299	-3.54%	91.8%	
2007	1,498	26,790,407	17,884	8.76%	250	1:5	1:7	1:7	1,467	1,340	-0.14%	91.3%	
2006	1,518	24,962,379	16,444	11.16%	233	1:9	1:7	1:15	1,469	1,354	-1.41%	92.2%	
2005	1,532	22,663,501	14,793	20.90%	177	1:8	1:9	1:10	1,490	1,366	5.97%	91.7%	
2004	1,450	17,742,741	12,236	4.43%	173	1:10	1:10	1:11	1,406	1,291	-1.33%	91.8%	
2003	1,478	17,317,460	11,717	NOT AVAIL	189	NOT AVAILABLE	NOT AVAILABLE	NOT AVAILABLE	1,425	1,313	N/A	92.1%	
2002													

Sources: District records, ASSA Report, School Register Summary Report, and Schedules J-4 & J-16

CITY OF SALEM 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>
Elementary										
John Fenwick (1953)										
Square Feet	56,913	56,913	56,913	56,913	56,913	56,913	56,913	56,913	56,913	56,913
Capacity (students)	455	455	455	455	455	455	455	455	455	455
Enrollment	363	384	386	420	419	473	491	NOT AVAILABLE		
Middle School										
Salem City Middle School (1912)										
Square Feet	100,431	100,431	100,431	100,431	100,431	100,431	100,431	100,431	100,431	100,431
Capacity (students)	772	772	772	772	772	772	772	772	772	772
Enrollment	447	469	467	486	512	459	461	NOT AVAILABLE		
High School										
Salem City High School (1970)										
Square Feet	132,700	132,700	132,700	132,700	132,700	132,700	132,700	132,700	132,700	132,700
Capacity (students)	879	879	879	879	879	879	879	879	879	879
Enrollment	439	476	553	542	567	575	580	NOT AVAILABLE		
Other										
Maintenance Garage (1985)										
Square Feet	4,800	4,800	4,800	4,800	4,800	4,800	4,800	4,800	4,800	4,800
Storage Garage (1985)										
Square Feet	960	960	960	960	960	960	960	960	960	960
Storage Shed (1980)										
Square Feet	288	288	288	288	288	288	288	288	288	288
Athletic Storage (2000)										
Square Feet	1,144	1,144	1,144	1,144	1,144	1,144	1,144	1,144	1,144	1,144
Greenhouse #1 (1990)										
Square Feet	10,565	10,656	10,656	10,656	10,565	10,565	10,565	10,565	10,565	10,565
Greenhouse #2 (1990)										
Square Feet	1,056	1,056	1,056	1,056	1,056	1,056	1,056	1,056	1,056	1,056
Maintenance Building										
Square Feet (2006)	21,600	21,600	21,600	21,600	21,600	21,600	N/A	N/A	N/A	N/A
Garage Building										
Square Feet (2005)	2,016	2,016	2,016	2,016	2,016	2,016	2,016	N/A	N/A	N/A
Mini Barn										
Square Feet (2005)	1,200	1,200	1,200	1,200	1,200	1,200	1,200	N/A	N/A	N/A
Garage Buildings (2)										
Square Feet (2007)	1,344	1,344	1,344	1,344	1,344	N/A	N/A	N/A	N/A	N/A
Number of Schools at June 30, 2011										
Elementary = 1										
Middle School = 1										
High School = 1										

Source: District records, ASSA Report

Note: Year of original construction is shown in parentheses. Increases in square footage and capacity are the result of any additions.

CITY OF SALEM SCHOOL DISTRICT
 Schedule of Required Maintenance
 Last Ten Fiscal Years
 Unaudited

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

* School Facilities	Project #	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
District Wide	N/A					\$55,010.18	\$ 53,640.07	\$350,946.15	\$108,820.55	\$ 64,561.85	
Elementary School	N/A	10,617.78	\$ 22,608.86	\$150,433.36	\$ 21,238.00	2,711.89	17,266.00	20,767.00	3,728.26	49,630.24	\$ 188,319.98
Middle School	N/A	31,965.00	55,992.78	211,155.23	33,327.00	5,674.31	43,166.00	8,606.63	33,763.48	45,014.16	83,697.77
High School	N/A	76,532.71	4,657.25	559,686.38	55,941.97	11,939.47	60,434.00	10,920.00	42,146.07	48,853.10	146,471.09
Total		\$ 119,115.49	\$ 83,258.89	\$ 921,274.97	\$ 110,506.97	\$ 75,335.85	\$ 174,506.07	\$ 391,239.78	\$ 188,458.36	\$ 208,059.35	\$ 418,488.84

* 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

Salem City School District
Insurance Schedule
June 30, 2011
Unaudited

	<u>Coverage</u>	<u>Deductible</u>
Property:		
Real & Personal Property	\$ 300,000,000	\$ 5,000
Demolition and Increased Cost of Construction	10,000,000	-
Loss of Income/Tuition	1,082,977	-
Earthquake	50,000,000	-
Flood:	50,000,000	10,000
Zone A & V	10,000,000	500,000
Extra Expense	50,000,000	5,000
Valuable Papers and Records	10,000,000	5,000
Pollutant Cleanup and Removal	250,000	-
Arson Reward	10,000	-
Fire Department Service Charge	10,000	-
Terrorism	1,000,000	-
Electronic Data Processing:		
Blanket Hardware/Software	1,082,977	1,000
Transit	25,000	1,000
Loss of Income	10,000	1,000
Flood:	1,000,000	10,000
Zone A & V	1,000,000	500,000
Equipment Breakdown	100,000,000	5,000
Comprehensive General Liability:		
Combined Single Limit for Bodily Injury and Property Damage	6,000,000	-
Bodily Injury from Products and Completed Operations	6,000,000	-
Sexual Abuse	6,000,000	-
Personal Injury and Advertising Injury	6,000,000	-
Employee Benefits Liability	6,000,000	1,000
Terrorism	1,000,000	-
Premises Medical Payments:		
Per Person	5,000	-
Per Accident	10,000	-
Automobile Liability:		
Bodily Injury and Property Damage	6,000,000	-
Uninsured/Underinsured Motorists-Private Passenger Auto	1,000,000	-
Uninsured/Underinsured Motorists-All Other Vehicles		
Per Person	15,000	-
Per Accident	30,000	-
Property Damage	5,000	-
Personal Injury Protection	250,000	-
Medical Payments for Private Passenger Vehicles	10,000	-
Medical Payments for All Other Vehicles	5,000	-
Terrorism	1,000,000	-
Crime:		
Blanket Faithful Performance	100,000	500
Forgery or Alteration	100,000	500
Money & Securities (In/Out)	25,000	500
Theft, Disappearance, & Destruction	25,000	500
School Leaders Errors & Omissions:		
Coverage A: Per Policy Period	3,000,000	5,000
Coverage B: Per Each Claim/Per Policy Period	100,000/300,000	5,000
Student Accident	1,000,000	-
Workers' Compensation	2,000,000	-
Environmental Impairment Liability (Aggregate)	2,000,000	10,000
Surety Bonds:		
Treasurer	300,000	-
Board Secretary/Business Administrator	50,000	-

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
City of Salem School District
Salem, New Jersey

Compliance

We have audited City of Salem 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 City of Salem 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, City of Salem 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.

Internal Control Over Compliance

Management of the City of Salem 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 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 program will not be prevented, or detected and corrected, on a timely basis.

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

This report is intended solely for the information and use of 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



David C. Rollison
Certified Public Accountant
Public School Accountant No. CS 00346

Woodbury, New Jersey
October 31, 2011

CITY OF SALEM SCHOOL DISTRICT
 Schedule of Expenditures of Federal Awards
 For the Fiscal Year Ended June 30, 2011

<u>Federal Grantor/ Pass-through Grantor / Program Title</u>	<u>Federal CFDA Number</u>	<u>Grant or State Project Number</u>	<u>Program or Award Amount</u>	<u>Grant Period</u>		<u>Balance June 30, 2010</u>
				<u>From</u>	<u>To</u>	
General Fund:						
U.S. Department of Education:						
Impact Aid	84.041	N/A	\$ 15,095.86	07/01/10	06/30/11	
U.S. Department of Health and Human Services:						
Medical Assistance Program	93.778	N/A	80,448.87	07/01/10	06/30/11	
Total General Fund						
Special Revenue Fund:						
U.S. Department of Education						
Passed-through State Department of Education:						
N.C.L.B.:						
ARRA - Title I Part A	84.389	NCLB463010	609,314.00	07/01/09	08/31/11	\$ (20,561.79)
Title I Part A	84.010	NCLB463011	986,769.00	09/01/10	08/31/11	
Title I Part A	84.010	NCLB463010	1,038,436.00	09/01/09	08/31/10	(202,978.73)
Title I Part A	84.010	NCLB463009	1,015,144.00	09/01/08	08/31/09	(165,757.00)
ARRA - Title I School Improvement	84.388	NCLB463010	12,256.00	07/01/09	08/31/11	
Title I School Improvement	84.377	NCLB463011	44,885.00	09/01/10	08/31/11	
Title I School Improvement	84.377	NCLB463010	18,394.00	09/01/09	08/31/10	
Title I School Improvement	84.377	NCLB463009	43,070.00	09/01/08	08/31/09	(43,070.00)
Title II Part A	84.367	NCLB463011	165,447.00	09/01/10	08/31/11	
Title II Part A	84.367	NCLB463010	166,291.00	09/01/09	08/31/10	(12,656.25)
Title II Part D	84.318	NCLB463011	2,406.00	09/01/10	08/31/11	
Title II Part D	84.318	NCLB463010	10,229.00	09/01/09	08/31/10	(2,652.00)
Title IV	84.186	NCLB463010	13,638.00	09/01/09	08/31/10	(7,630.41)
Title IV	84.186	NCLB463009	14,198.00	09/01/08	08/31/09	(2,840.00)
I.D.E.A. Part B:						
ARRA - I.D.E.A. Part B, Basic Regular	84.391	IDEA463010	345,816.00	07/01/09	08/31/11	(24,703.44)
I.D.E.A. Part B, Basic Regular	84.027	IDEA463011	319,560.00	09/01/10	08/31/11	
ARRA - I.D.E.A. Preschool Incentive	84.392	IDEA463010	12,401.00	07/01/09	08/31/11	
I.D.E.A. Preschool Incentive	84.173	IDEA463011	8,080.00	09/01/10	08/31/11	
I.D.E.A. Preschool Incentive	84.173	IDEA463010	7,653.00	09/01/09	08/31/10	(721.00)
Vocational Education - Carl Perkins (Secondary)	84.048	PERK463011	22,467.00	07/01/10	06/30/11	
Vocational Education - Carl Perkins (Secondary)	84.048	PERK463010	24,297.00	07/01/09	06/30/10	(6,744.00)
Total U.S. Department of Education						(490,314.62)
Total Special Revenue Fund						(490,314.62)
Enterprise Fund:						
U.S. Department of Agriculture						
Passed-through State Department of Education:						
Fresh Fruit & Vegetable Program	10.582	Unavailable	19,733.76	07/01/10	06/30/11	
Fresh Fruit & Vegetable Program	10.582	Unavailable	22,961.79	07/01/09	06/30/10	(3,166.58)
Child Nutrition Cluster:						
Cash Assistance:						
National School Lunch Program -- (Federal Share)	10.555	Unavailable	434,417.76	07/01/10	06/30/11	
National School Lunch Program -- (Federal Share)	10.555	Unavailable	455,040.73	07/01/09	06/30/10	(35,115.25)
National School Breakfast Program -- (Federal Share)	10.553	Unavailable	140,386.56	07/01/10	06/30/11	
National School Breakfast Program -- (Federal Share)	10.553	Unavailable	152,448.46	07/01/09	06/30/10	(11,514.12)
National School Snack Program -- (Federal Share)	10.555	Unavailable	4,657.56	07/01/10	06/30/11	
National School Snack Program -- (Federal Share)	10.555	Unavailable	7,197.86	07/01/09	06/30/10	(366.30)
Non-Cash Assistance (Food Distribution):						
Food Distribution Program	10.555	Unavailable	30,643.89	07/01/10	06/30/11	
Food Distribution Program	10.555	Unavailable	60,739.39	07/01/09	06/30/10	12,135.47
Total U.S. Department of Agriculture						(38,026.78)
Total Enterprise Fund						(38,026.78)
Total Federal Financial Assistance						\$ (528,341.40)

(A) - Balance Canceled

(B) - Difference in Liquidation of Prior Year Accounts Payable

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.

Schedule A
Exhibit K-3

<u>Cash</u> <u>Received</u>	<u>Budgetary</u> <u>Expenditures</u>	<u>Adjustments</u>	<u>Repayment of Prior</u> <u>Years' Balances</u>	<u>Balance June 30, 2011</u>		
				<u>(Accounts</u> <u>Receivable)</u>	<u>Deferred</u> <u>Revenue</u>	<u>Due to</u> <u>Grantor</u>
\$ 15,095.86	\$ (15,095.86)					
80,448.87	(80,448.87)					
95,544.73	(95,544.73)					
211,033.00	(209,999.38)			\$ (19,528.17)		
741,705.00	(863,660.92)			(121,955.92)		
298,529.00	(146,625.27)			(51,075.00)		
165,757.00						
12,256.00	(12,256.00)					
22,441.00	(28,586.07)			(6,145.07)		
7,633.00	(18,394.00)			(10,761.00)		
43,070.00						
107,591.00	(139,095.73)			(31,504.73)		
13,251.00	(20,753.75)			(20,159.00)		
2,652.00						
12,906.00	(5,275.59)					
2,840.00						
217,873.00	(236,430.73)			(43,261.17)		
307,887.00	(319,560.00)			(11,673.00)		
10,751.00	(11,589.58)			(838.58)		
7,312.00	(8,080.00)			(768.00)		
721.00						
18,473.00	(22,467.00)			(3,994.00)		
6,744.00						
2,211,425.00	(2,042,774.02)			(321,663.64)		
2,211,425.00	(2,042,774.02)			(321,663.64)		
16,977.97	(19,733.76)			(2,755.79)		
3,166.58						
403,543.98	(434,417.76)			(30,873.78)		
35,115.25						
130,502.64	(140,386.56)			(9,883.92)		
11,514.12						
4,414.10	(4,657.56)			(243.46)		
366.30						
30,643.89	(29,380.35)				1,263.54	
	(12,135.47)					
636,244.83	(640,711.46)			(43,756.95)	1,263.54	
636,244.83	(640,711.46)			(43,756.95)	1,263.54	
\$ 2,943,214.56	\$ (2,779,030.21)			\$ (365,420.59)	\$ 1,263.54	

SALEM CITY BOARD OF EDUCATION
 Schedule of Expenditures of State Financial Assistance
 For the Fiscal Year Ended June 30, 2011

<u>State Grantor/ Program Title</u>	<u>Grant or State Project Number</u>	<u>Program or Award Amount</u>	<u>Grant Period</u>		<u>Balance June 30, 2010</u>	<u>Carryover / (Walkover)</u>
			<u>From</u>	<u>To</u>		
General Fund:						
Current Expense:						
Equalization Aid	495-034-5120-078	\$ 12,645,299.00	07/01/10	06/30/11		
Equalization Aid	495-034-5120-078	11,308,137.00	07/01/09	06/30/10	\$ (1,322,431.70)	
School Choice	495-034-5120-068	14,796.00	07/01/10	06/30/11		
School Choice	495-034-5120-068	17,073.00	07/01/09	06/30/10	(1,996.60)	
Transportation Aid	495-034-5120-014	183,563.00	07/01/10	06/30/11		
Transportation Aid	495-034-5120-014	174,437.00	07/01/09	06/30/10	(20,399.56)	
Special Education Aid	495-034-5120-089	531,231.00	07/01/10	06/30/11		
Special Education Aid	495-034-5120-089	548,479.00	07/01/09	06/30/10	(64,141.96)	
Security Aid	495-034-5120-084	405,676.00	07/01/10	06/30/11		
Security Aid	495-034-5120-084	405,874.00	07/01/09	06/30/10	(47,465.00)	
Adjustment Aid	495-034-5120-085	1,666,974.00	07/01/10	06/30/11		
Adjustment Aid	495-034-5120-085	1,204,592.00	07/01/09	06/30/10	(140,871.18)	
Extraordinary Special Education Aid	100-034-5120-473	108,648.00	07/01/10	06/30/11		
Extraordinary Special Education Aid	100-034-5120-473	22,517.00	07/01/09	06/30/10	(22,517.00)	
T.P.A.F. Social Security Aid	495-034-5095-002	825,107.90	07/01/10	06/30/11		
T.P.A.F. Social Security Aid	495-034-5095-002	868,539.70	07/01/09	06/30/10	(41,321.22)	
Total General Fund					(1,661,144.22)	
Special Revenue Fund:						
Preschool Education Aid	495-034-5120-086	1,475,010.00	07/01/10	06/30/11		
Preschool Education Aid	495-034-5120-086	1,606,122.00	07/01/09	06/30/10	90,187.57	\$ 2,425.00
Early Childhood Program Aid Carryover	495-034-5120-025	1,352,219.00	07/01/06	06/30/07	2,425.00	(2,425.00)
School Based Youth Services	11SWXP	263,976.00	07/01/10	06/30/11		
School Based Youth Services	11SWXP	263,976.00	07/01/09	06/30/10	4,954.74	
Family Friendly Centers	11XWSP	45,463.00	09/01/10	06/30/11		
Family Friendly Centers	11XWSP	43,056.00	09/01/05	06/30/06	1,580.79	
Education of Home Children and Youth Grant	09-BR12-HO2	4,400.00	09/01/10	08/31/11		
Total Special Revenue Fund					99,148.10	
Capital Projects Fund:						
New Jersey School Development Authority:						
Additional State School Building Aid - SDA Grants	100-034-5120-016	4,250,768.97	Project Completion		(1,026,321.32)	
Debt Service Fund:						
Debt Service Aid, Type 2	495-034-5120-075	229,249.00	07/01/10	06/30/11		
Enterprise Fund:						
National School Lunch Program -- (State Share)	100-010-3350-023	8,825.54	07/01/10	06/30/11		
National School Lunch Program -- (State Share)	100-010-3350-023	16,248.02	07/01/09	06/30/10	(1,372.50)	
National School Breakfast Program -- (State Share)	100-010-3350-021	8,423.80	07/01/09	06/30/10	(697.50)	
Total Enterprise Fund					(2,070.00)	
Total State Financial Assistance					\$ (2,590,387.44)	\$ -

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.

- (A) - Balance Canceled
- (B) - New Project Approvals and Project Budget Revisions
- (C) - Difference in Liquidation of Prior Year Accounts Payable

Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Year's Balances	Balance June 30, 2011			MEMO	
				(Accounts Receivable)	Deferred Revenue	Due to Grantor	Budgetary Receivable June 30, 2011	Cumulative Total Expenditures
\$ 11,422,930.00	\$(12,645,299.00)			\$(1,222,369.00)			\$ (1,222,369.00)	\$(12,645,299.00)
1,322,431.70								(11,308,137.00)
13,365.73	(14,796.00)			(1,430.27)			(1,430.27)	(14,796.00)
1,996.60								(17,073.00)
165,818.72	(183,563.00)			(17,744.28)			(17,744.28)	(183,563.00)
20,399.56								(174,437.00)
479,879.09	(531,231.00)			(51,351.91)			(51,351.91)	(531,231.00)
64,141.96								(548,479.00)
366,460.97	(405,676.00)			(39,215.03)			(39,215.03)	(405,676.00)
47,465.00								(405,874.00)
1,505,834.49	(1,666,974.00)			(161,139.51)			(161,139.51)	(1,666,974.00)
140,871.18								(1,204,592.00)
	(108,648.00)			(108,648.00)				(108,648.00)
22,517.00								(22,517.00)
785,207.10	(825,107.90)			(39,900.80)				(825,107.90)
41,321.22								(868,539.70)
16,400,640.32	(16,381,294.90)			(1,641,798.80)			(1,493,250.00)	(30,930,943.60)
1,327,518.00	(1,475,010.00)			(147,492.00)			(147,492.00)	(1,475,010.00)
160,614.00	(254,114.00)	\$ 1,689.00 (C)			\$ 801.57			(1,626,891.87)
263,976.00	(263,976.00)							(1,352,219.00)
			(4,954.74)					(263,976.00)
45,463.00	(45,463.00)							(263,976.00)
	(1,580.79)							(45,463.00)
2,736.87	(3,363.04)			(626.17)				(4,400.00)
1,800,307.87	(2,043,506.83)	1,689.00	(4,954.74)	(148,118.17)	801.57		(147,492.00)	(5,031,935.87)
329,401.90		34,599.75 (B)		(662,319.67)				(4,202,643.99)
229,249.00	(229,249.00)							(229,249.00)
8,152.20	(8,825.54)			(673.34)				(8,825.54)
1,372.50								(16,248.02)
697.50								(8,423.80)
10,222.20	(8,825.54)			(673.34)				(33,497.36)
\$ 18,769,821.29	\$(18,662,876.27)	\$ 36,288.75	\$ (4,954.74)	\$(2,452,909.98)	\$ 801.57	\$ -	\$ (1,640,742.00)	\$(36,225,625.83)

CITY OF SALEM 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 City of Salem 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 the 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 the 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 the 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 \$104,056.00 for the general fund and \$(3,867.46) 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	\$ 95,544.73	\$ 17,238,484.90	\$ 17,334,029.63
Special Revenue	2,027,300.56	2,055,112.83	4,082,413.39
Capital Projects		215,856.83	215,856.83
Debt Service		229,249.00	229,249.00
Food Service	640,711.46	8,825.54	649,537.00
Total Awards and Financial Assistance	<u>\$ 2,763,556.75</u>	<u>\$ 19,747,529.10</u>	<u>\$ 22,511,085.85</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" represent differences incurred in the liquidation of encumbrances charged as budgetary basis expenditures in fiscal year 2009-2010, capital projects approvals, budget revisions and cancelation of accounts receivable balances and cancelations of deferred revenue. Adjustments are identified and explained as footnotes to Exhibit K-3 and K-4.

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.

Note 7: MAJOR PROGRAMS

Major programs are identified in the Summary of Auditor's Results section of the Schedule of Findings and Questioned Costs.

**CITY OF SALEM SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal 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? yes X no

Were reportable conditions identified that were not considered to be material weaknesses? yes X none reported

Noncompliance material to financial statements noted? yes X no

Federal Awards

Internal control over compliance:

Material weaknesses identified? yes X no

Were reportable conditions identified that were not considered to be material weaknesses? 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))? yes X no

Identification of major programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
84.010 & 84.389 (ARRA)	Title I, Part A Cluster
84.027, 84.173, 84.391 (ARRA) &	
84.392 (ARRA)	Special Education Cluster (IDEA)
10.553 & 10.555	Child Nutrition Cluster

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

Auditee qualified as low-risk auditee? X yes no

**CITY OF SALEM SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal 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 reportable conditions identified that were not considered to be material weaknesses? _____ 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>
495-034-5120-078	Equalization Aid
495-034-5120-068	School Choice Aid
495-034-5120-089	Special Education Categorical Aid
495-034-5120-084	Security Aid
495-034-5120-085	Adjustment Aid
495-034-5095-002	Reimbursed TPAF Social Security Contributions
495-034-5120-086	Preschool Education Aid

Dollar threshold used to determine Type A programs \$ 559,886.00

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

**CITY OF SALEM SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the 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.

None

**CITY OF SALEM SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the 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.

None

**CITY OF SALEM SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the 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

**CITY OF SALEM 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.

No Prior Year Audit Findings.

25800

APPRECIATION

I express my appreciation for the assistance and courtesies rendered by the District officials during the course of the audit.

Respectfully submitted,

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants

A handwritten signature in black ink, appearing to read 'D. C. Rollison', with a long horizontal flourish extending to the left.

David C. Rollison
Public School Accountant
No. CS00346