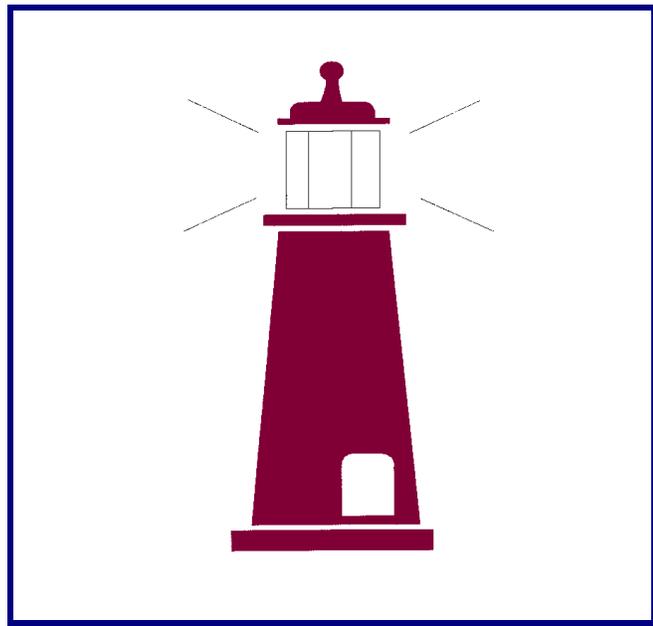


**BOARD OF EDUCATION
OF THE
TOWNSHIP OF WATERFORD
SCHOOL DISTRICT
WATERFORD, NEW JERSEY**



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

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INTRODUCTORY SECTION

WATERFORD TOWNSHIP BOARD OF EDUCATION

1106 OLD WHITE HORSE PIKE
WATERFORD, NEW JERSEY 08089
District Website: www.wtsd.org

NEWLIN S. SCHOENER
Superintendent of Schools
(856) 767-0331

DANIEL J. FOX, CPA
School Business Administrator
Board Secretary
(856) 768-1473

October 17, 2011

Honorable President and
Members of the Waterford Township Board of Education
1106 Old White Horse Pike
Waterford, New Jersey 08089

Dear Banes and Board Members:

The comprehensive annual financial report of the Waterford Township School District for the fiscal year ended June 30, 2011, is hereby submitted. Responsibility for both 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 general purpose financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations," and the State of New Jersey Circular Letter 04-04-OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid." Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, is included in the single audit section of this report.

EQUAL OPPORTUNITY EMPLOYER

The Waterford Township Public Schools have Equal Educational Opportunity Policy (5145.4). It is the belief of school personnel that equal opportunity is essential for success. Policies 2224, 4111.1, 4211.1 and 6121 further highlight this commitment.

- 1) REPORTING ENTITY AND ITS SERVICES: The Waterford Township School District is an independent reporting entity within the criteria adopted by the GASB as established by NCGA Statement No. 3. All funds and account groups of the District are included in this report. The Waterford Township Board of Education and all its schools, constitute the District's reporting entity. The district provides a full range of educational services appropriate to grade levels K through 12. These include regular, as well as special education for handicapped children. The District completed the 2010-2011 school year with an average enrollment of 921.7 elementary students. The following details the changes in the elementary student enrollment of the district over the last 10 years.

Average Daily Enrollment – Elementary Students

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2010-2011	921.7	-----
2009-2010	920.9	(1.80)%
2008-2009	937.8	.33
2007-2008	934.7	1.23
2006-2007	923.3	(1.84)
2005-2006	940.6	(1.75)
2004-2005	957.4	2.68
2003-2004	932.4	1.75
2002-2003	916.3	(6.60)
2001-2002	981.1	8.61

- 2) ECONOMIC CONDITION AND OUTLOOK: The Waterford Township area is experiencing a period of stability due in part to present economic conditions and a previous moratorium on sewer connections. That moratorium has been lifted as a result of the Township's MUA becoming part of the Camden County Municipal Utility Authority Sewer Network. A senior housing development has been delayed, but is continuing to move forward. Commercial development includes a new bar and grill and a planned funeral home on the White Horse Pike. Shannon's Country House has been renovated. The township continues to pursue the development of the Haines Boulevard development.
- 3) MAJOR INITIATIVES: The next wave of curriculum focus will be individualizing programs for regularly progressing students who, while not classified into special services, do need an individualized learning model to accommodate for skill deficiencies. Through Response to Intervention (RTI) the focus on individual program modification students will be identified and programs developed. The specific programs can call for technology assistance or other modifications that require expenditure of funds that are not easily predictable when budgets are formulated initially (January – March) and ultimately finalized (April – May). We therefore must budget wisely and with an anticipatory focus in areas of technology software, text purchases, library resources, etc.

In time this pedagogical shift will become much more predictable but for now we must at least budget skillfully in anticipation of best estimates of probable need.

NJASK score analysis is a logical resource to allow the anticipatory thinking to be less subjective and much more objective.

With practice, careful thought in budget planning, and proper test score analysis, we will succeed in 2012-13 and future years as we plan individualized curriculum response and related budgeting.

- 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 no 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) that valuation of costs and benefits requires estimates and judgments by management. As a recipient of federal and state financial assistance, the District also is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is also subject to periodic evaluation by the District management. As part of the District's single audit described earlier, tests are made to determine the adequacy of the internal control structure, including that portion related to the 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. 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) FINANCIAL INFORMATION AT FISCAL YEAR-END: As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The following schedule presents a summary of the governmental fund revenues for the fiscal year ended June 30, 2011 and the amount and percentage of increases in relation to prior year revenues.

<u>Revenue</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase (Decrease) From 2010</u>
Local Sources	\$12,348,288.99	48.4	(\$41,344.65)
State Sources	12,498,803.79	49.0	1,718,071.24
Federal Sources	653,043.27	2.6	(2,344,245.35)
	<u>\$25,500,136.05</u>	<u>100.0</u>	<u>\$117,343.36</u>

The overall increase in State sources is attributed to an increase in State Aid. . The decrease in Federal sources is due to decreased grant awards.

The following schedule presents a summary of general fund, special revenue fund and debt service fund expenditures for the fiscal year ended June 30, 2011:

<u>Expenditures</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase (Decrease) From 2009</u>
Current Expense:			
Instructional	\$5,815,069.12	24.0	(942,283.76)
Undistributed Expenditures	18,753,427.50	70.8	(1,193,779.28)
Capital Outlay	16,108.24	.1	2,535.77
Special Schools*	39,566.33	.2	(4,854.15)
Special Revenue Fund	811,391.30	4.7	(510,307.62)
Debt Service Fund	83,294.64	.2	17,804.80
	<u>\$25,518,857.13</u>	<u>100.0</u>	<u>\$(2,630,884.24)</u>

*Includes transfer to charter schools

- 8) DEBT ADMINISTRATION: Bonds to refinance the Early Retirement Incentive Program debt from the Lower Camden County Regional High School District, which dissolved, were issued in July 2003 in the amount of \$790,000.00 at 4.48% interest. This represented a significant savings over the interest charged by the State of New Jersey. As of June 30, 2011 the outstanding balance is \$490,000.00.
- 9) CASH MANAGEMENT: The investment policy of the District is guided in large part by state statute as detailed in "Notes to Financial Statements", Note 2. The District has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with 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.
- 10) 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.
- 11) OTHER INFORMATION:
- A) Independent Audit – State statutes required an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Bowman & Company LLP, CPA's, was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act of 1996 and the related OMB Circular A-133 and state Circular Letter 04-04-OMB. The auditor's report on the general purpose financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.
- 12) ACKNOWLEDGMENTS: We would like to express our appreciation to the members of the Waterford Township 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, accounting and clerical staff.

Respectfully submitted,



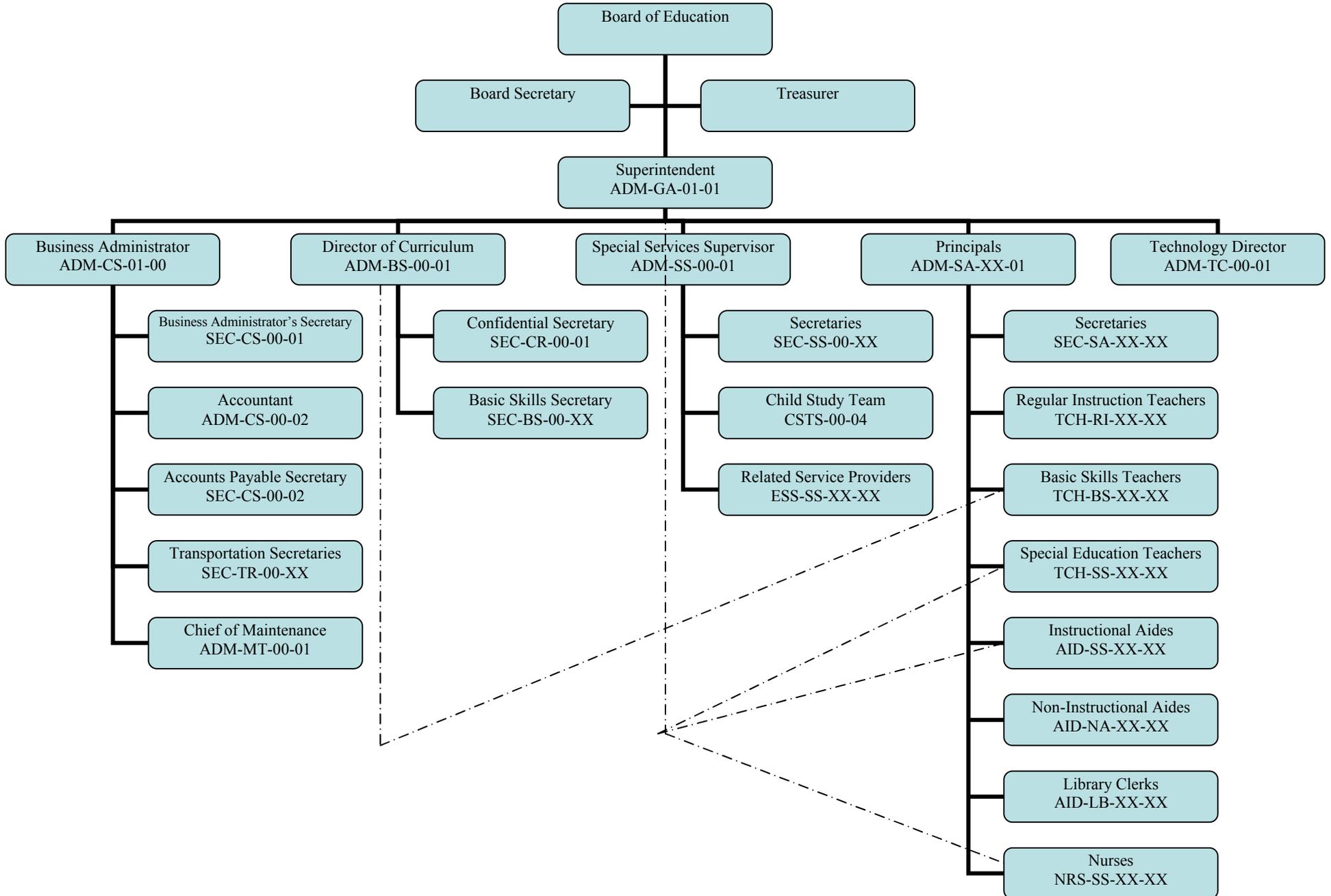
Newlin Schoener
Superintendent of Schools



Daniel J. Fox
Board Secretary/Business
Administrator

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WATERFOR TOWNSHIP SCHOOL DISTRICT ORGANIZATIONAL CHART



**ROSTER OF OFFICIALS
JUNE 30, 2011**

MEMBERS OF THE BOARD OF EDUCATION

TERM EXPIRES

Stan Banes, President	2012
Francis DiRocco, Vice President	2013
Alphons Campbell	2014
Kimberlee Cavallaro	2012
Terri Chiddenton	2014
Gabriel Cimino	2013
Kasie Hornback	2013
Roseanna Iles	2012
Robert Walsh	2014

OTHER OFFICIALS

- Gary L. Dentino, Superintendent
- Daniel J. Fox, CPA, School Business Administrator/Board Secretary
- Gabriella M. Pilla, Treasurer of School Funds

TOWNSHIP OF WATERFORD SCHOOL DISTRICT

CONSULTANTS AND ADVISORS

Audit Firm

Bowman & Company LLP
601 White Horse Road
Voorhees, NJ 08043-2493

Attorney

John D. Wade, Esq.
1250 Chews Landing Road
Laurel Springs, NJ 08021

Official Depository

Susquehanna Patriot Bank
145 Atco Avenue
Atco, New Jersey 08004

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

The Honorable President and
Members of the Board of Education
Township of Waterford School District
County of Camden
Waterford, New Jersey 08089

We have audited the accompanying financial statements of the governmental activities, the business type activities, each major fund, and the aggregate remaining fund information of the Township of Waterford School District, in the County of Camden, State of New Jersey, as of and for the fiscal year ended June 30, 2011, which collectively comprise the School District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Township of Waterford District 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 Township of Waterford School District in the County of Camden, State of New Jersey as of June 30, 2011, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated October 17, 2011 on our consideration of the Township of Waterford 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.

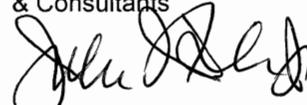
The accompanying management's discussion and analysis and budgetary comparison information as listed in the table of contents are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. 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 Township of Waterford School District's basic financial statements. The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and State of New Jersey Circular 04-04-OMB, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, and are not a required part of the basic financial statements. In addition, the introductory section, combining statements and related major fund supporting statements and schedules, and statistical section listed in the table of contents are also presented for purposes of additional analysis and are not a required part of the basic financial statements. The Schedules of Expenditures of Federal Awards and State Financial Assistance, combining statements and related major fund supporting statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we express no opinion on them.

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



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

Voorhees, New Jersey
October 17, 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
Township of Waterford School District
Waterford, New Jersey 08089

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 Township of Waterford School District, in the County of Camden, State of New Jersey, as of and for the fiscal year ended June 30, 2011, and have issued our report thereon dated October 17, 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 Township of Waterford School District is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Township of Waterford 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 Township of Waterford 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



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

Voorhees, New Jersey
October 17, 2011

REQUIRED SUPPLEMENTARY INFORMATION
PART I

**WATERFORD TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
UNAUDITED**

The discussion and analysis of Waterford Township School District's (the School District) financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2011. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the School District's financial performance.

Overview of the Financial Statements

The financial section of this annual report consists two parts: Part I, management's discussion and analysis (this section), the basic financial statements with the accompanying note disclosures; and Part II, budgetary comparison schedules, notes to the required supplementary information and other supplementary information. The basic financial statements include two kinds of statements that present different views of the School District:

The first two statements, Exhibit A-1 and A-2, are government-wide financial statements that provide both long-term and short-term information about the School District's overall financial status.

The remaining statements are fund financial statements that focus on individual parts of the School District's operations in more detail than the government-wide statements.

The governmental fund statements tell how general government services were financed in the short-term as well as what remains for future spending.

Proprietary fund statements offer short-term and long-term financial information about those types of activities that operate like a business.

Fiduciary fund statements provide information about the financial relationships in which the School District acts as a trustee or agent for the benefit of others, to whom the resources belong.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data.

The statements are followed by another section, Part II, that contains required supplementary information that further explains and supports the information in the financial statements including; budget schedules, reconciliations and individual fund statements.

Statement of Net Assets and Statement of Activities

The Statement of Net Assets and the Statement of Activities include all assets and liabilities of the School District using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

**WATERFORD TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
UNAUDITED**

Statement of Net Assets and Statement of Activities (Cont'd)

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

In the Statement of Net Assets and the Statement of Activities, the School District reports governmental and business - type activities. Governmental activities are the activities where most of the School District's programs and services are reported including, but not limited to, instruction, support services, operation and maintenance of plant, pupil transportation and special schools.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities of objectives. The Township of Waterford School District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. All of the funds of the District can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds

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

Proprietary Funds

Enterprise funds, which are a proprietary fund type used to report an activity for which a fee is charged to an external user for goods or services, are used to report the same functions presented as business-type activities in the district-wide financial statements. The District uses enterprise funds to account for its food service program, school age childcare program, and adult piano program.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the district-wide financial statements because the resources of those funds are not available to support the Districts' own programs. The accounting used for the fiduciary funds is much like that used for the proprietary funds.

Notes to the Financial Statements

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

The School District as a Whole

The Statement of Net Assets provides a snapshot of the School district as a whole.

The table on the following page provides a summary of the School District's net assets for the year ending June 30, 2011.

**WATERFORD TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
UNAUDITED**

Table 1

Net Assets

	<u>June 30, 2010</u>	<u>June 30, 2010</u>
Assets		
Cash and Cash Equivalents	\$ 1,176,421.32	\$ 1,377,372.55
Receivables, net	454,797.69	757,408.74
Interfund Receivables	91,541.30	2,680.00
Deferred Charge:		
Debt Issuance Costs (Net of Amortization)	10,540.50	11,858.06
Prepaid Expenses		
Inventory	15,385.53	
Restricted Assets:		
Restricted Cash and Cash Equivalents	47.19	1,263.41
Capital Reserve Account - Cash	9,345.66	9,252.71
Capital Assets, net (Note 5)	<u>3,896,967.06</u>	<u>4,160,627.78</u>
 Total Assets	 <u>5,655,046.25</u>	 <u>6,320,463.25</u>
 Liabilities		
Accounts Payable	119,379.52	1,252,689.70
Interfunds Payable	90,986.28	20,220.08
Accrued Interest Payable	7,889.67	9,876.47
Payable to State and Federal Government	38,067.17	38,137.62
Deferred Revenue	6,737.48	2,865.96
Other Current Liabilities	-	1,650.00
Noncurrent Liabilities (Note 6):		
Due within One Year	97,873.55	96,363.33
Due beyond One Year	<u>900,437.20</u>	<u>1,196,846.70</u>
 Total Liabilities	 <u>1,261,370.87</u>	 <u>2,618,649.86</u>
 Net Assets		
Invested in Capital Assets, Net of Related Debt	3,831,778.52	4,059,075.91
Restricted for:		
Debt Service	47.19	48.83
Capital Projects		
Other Purposes	123,695.44	1,088,708.91
Unrestricted (Deficit)	<u>438,154.23</u>	<u>(1,446,020.26)</u>
 Total Net Assets	 <u>\$ 4,393,675.38</u>	 <u>\$ 3,701,813.39</u>

The largest portion of the Township of Waterford School Districts' net assets (89%) reflects its investment in capital assets (i.e. land, buildings, equipment), less any related debt used to acquire those assets that is still outstanding. The Township of Waterford School District uses these assets to provide educational services to students; consequently, these assets are not available for future spending.

The net assets of the business-type activities increased by \$14,899.02.

**WATERFORD TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
UNAUDITED**

Table 2

	<u>June 30, 2010</u>	<u>June 30, 2010</u>
Changes in Net Assets		
Revenues		
Program Revenues:		
Charges for Services	\$ 433,940.09	\$ 351,128.82
Operating Grants and Contributions	1,878,637.24	2,430,733.16
General Revenues:		
Property Taxes	12,083,022.96	12,072,540.00
Federal and State Aid	11,459,338.48	11,525,772.92
Tuition	140,641.13	132,657.93
Unrestricted Miscellaneous Revenues	746,775.73	171,543.77
	<hr/>	<hr/>
Total Revenues	26,742,355.63	26,684,376.60
	<hr/>	<hr/>
Program Expenses:		
Governmental Activities:		
Instruction	6,690,358.43	8,078,508.59
Support Services	18,793,412.72	20,124,954.15
	<hr/>	<hr/>
Total Expenses, Governmental Activities	25,483,771.15	28,203,462.74
	<hr/>	<hr/>
Business-Type Activities:		
Food Service	348,542.23	460,192.92
School Age Childcare	217,176.31	189,736.64
Adult Piano	1,003.95	1,148.96
	<hr/>	<hr/>
Total Expenses, Business-Type Activities	566,722.49	651,078.52
	<hr/>	<hr/>
Total Expenses	26,050,493.64	28,854,541.26
	<hr/>	<hr/>
Change in Net Assets	\$ 691,861.99	\$ (2,170,164.66)
	<hr/>	<hr/>

**WATERFORD TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010
UNAUDITED**

Governmental Activities

State Aid and the Local Tax Levy comprise 99% of the total revenues for government activities for the fiscal year 2011.

Instruction costs comprises 20% of the District's governmental expenses, while support service and other expenses, including tuition costs, comprise approximately 80% of the Government Expense.

The Statement of Activities shows the costs of the Governmental Activities' program services and the charges for services and grants offsetting those services. Table 3 shows the total cost of services and the net cost of services for fiscal year 2011. That is, it identifies the cost of these services supported by general revenues

Table 3

	Total Cost of services	Net Cost of services
Instruction	\$ 6,690,358.43	\$ 6,039,227.59
Support services:		
Tuition	10,937,945.12	10,937,945.12
Student and Instruction Related Service	2,268,833.97	2,155,323.68
School Administrative Services	1,080,482.23	1,080,482.23
Plant Operation and Maintenance	1,254,758.03	1,254,758.03
Pupil Transportation	1,907,558.79	1,907,558.79
Unallocated Benefits	371,023.25	324,276.08
Reimbursed TPAF and Social Security	906,437.64	(14,098.71)
Special Schools	39,566.33	39,566.33
Amortization of Debt Issuance Costs	1,317.56	1,317.56
Interest on Long Term Debt	25,489.80	25,489.80
Total Government Activities	\$ 25,483,771.15	\$ 23,751,846.50

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

Tuition expenses include the cost to the School District to send pupils living within the District to private schools and schools and students in grades 7-12 to Hammonon Middle/High Schools.

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

School Administrative and Business and Other Support Services include expenses associated with establishing and administering policy for the School District and include board of education services and executive administrative services.

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

**WATERFORD TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
UNAUDITED**

Governmental Activities (Cont'd)

Pupil transportation includes activities involved with the conveyance of students to and from school activities.

Unallocated benefits includes the cost of benefits for the School District staff for social security, retirement contributions, workers' compensation, health, dental, prescription and other employee benefits.

Reimbursed TPAF and Social Security costs are the amounts for the on-behalf payments made by the State of New Jersey for staff members included in the Teacher's Pension and Annuity Fund.

Amortization of Debt Issuance Costs relates to the amortization expense of the issuance costs associated with the taxable refunding bonds issued to fund the Early Retirement Incentive Program liability.

Unallocated depreciation is used to report the depreciation expense on capital assets whose use cannot be specifically identified to one particular function.

The dependence upon property taxes, federal and state aid is apparent. The local community, federal government and state, are the primary support for the Waterford Township School District.

The School District's Funds

The School District's major funds are accounted for using the modified accrual basis of accounting. All government funds had total revenues of \$25,500,136.05 (Exhibit B-2), expenditures of \$25,518,857.13 and other financing sources and uses of \$660,598.07. The net change in fund balance was significant in the General Fund which had an increase of \$641,876.99. The increase in fund balance in the general fund is primarily a result of the settlement of a lawsuit.

General Fund Budgeting Highlights

The School District's budget is prepared in accordance with New Jersey Law. Most of the funds are appropriated in the General Fund.

During the course of the 2011 fiscal year, the School District modified its General Fund budget as allowed by New Jersey School law. The net change in the total budget modification primarily resulted from the rollover of the prior year's encumbrances and the decrease in state aid.

For the General Fund, the final budget basis revenue estimate was \$23,259,132.00, with actual revenues in the amount of \$24,456,367.70, resulting in a positive variance of \$1,141,573.94. The positive variance occurred mainly because of the TPAF On-behalf and Social Security payments by the State of New Jersey.

The General Fund final budget basis expenditure appropriation estimate was \$24,575,005.04 compared with the original estimate of \$24,566,632.00. Actual General Fund basis expenditures were \$24,624,171.19.

**WATERFORD TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010
UNAUDITED**

Capital Assets

At the end of the fiscal year, the School District had \$3,888,062.91 invested in land, land improvements, buildings and improvements and equipment combined for governmental activities and business-type activities.

Table 4 shows a summary of the district's fiscal 2010 balances:

**Table 4
Capital Assets (Net of Depreciation)**

Land		\$ 370,481.00
Land Improvements		59,150.19
Buildings and Improvements		3,251,377.03
Furniture and Equipment		<u>207,054.69</u>
 Totals		 <u>\$ 3,888,062.91</u>

Overall capital assets decreased \$260,342.22 from fiscal year 2010 to fiscal year 2011. This decrease was primarily as a result of depreciation expense.

Debt Administration

At the end of the current fiscal year, the Township of Waterford School District had total bonded debt outstanding of \$490,000.00. All of the Districts' bonded debt is governmental as opposed to business-type. The 2011 adopted budget has an appropriation of \$60,000.00 representing the payment of annual principal. The bonds will mature of October 1, 2019.

During the fiscal year ended June 30, 2011, the School District had two existing capital lease agreements. One for the purchase of a telephone system in the amount of \$130,552.00, and another in the amount of \$55,704.00 for Accounting, Payroll, Personnel Software and Equipment. The outstanding balance for all leases at June 30, 2010 is \$65,188.54. Payments are due annually with the final payments on October 8, 2011 and July 22, 2012, respectively.

Economic Factors and Next Year's Budget

For the 2010-11 school year, the School District was able to stay within the State of New Jersey's cap on the increase in taxes levied of 2%. The district continues to look for opportunities for cost containment including shared services. One of the most important factors affecting the budget is enrollment. The district has enacted new procedures to minimize the number of ineligible students.

Contacting the School District's Financial Management

The School District's financial report is designed to provide citizen groups, taxpayers, parents, students, other local officials and investors and creditors with a general overview of the School District's finances and to show its accountability for the money it receives. If you have questions about this report or wish to request additional financial information, contact the Waterford Township School Business Administrator/Board Secretary at 1106 Old White Horse Pike, Waterford, New Jersey 08089.

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

TOWNSHIP OF WATERFORD 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	\$ 1,119,606.41	\$ 56,814.91	\$ 1,176,421.32
Receivables, net	432,017.61	22,780.08	454,797.69
Interfunds Receivable	75,059.51	16,481.79	91,541.30
Deferred Charge:			
Debt Issuance Costs (Net of Amortization)	10,540.50		10,540.50
Inventory		15,385.53	15,385.53
Restricted Assets:			
Restricted Cash and Cash Equivalents	47.19		47.19
Capital Reserve Account - Cash	9,345.66		9,345.66
Capital Assets, net (Note 6)	<u>3,888,062.91</u>	<u>8,904.15</u>	<u>3,896,967.06</u>
Total Assets	<u><u>5,534,679.79</u></u>	<u><u>120,366.46</u></u>	<u><u>5,655,046.25</u></u>
LIABILITIES:			
Accounts Payable	118,966.06	413.46	119,379.52
Interfunds Payable	18,481.79	72,504.49	90,986.28
Accrued Interest Payable	7,889.67		7,889.67
Payable to State Government	33,098.16	4,969.01	38,067.17
Deferred Revenue	4,408.62	2,328.86	6,737.48
Noncurrent Liabilities (Note 7):			
Due within One Year	97,873.55		97,873.55
Due beyond One Year	888,748.31	11,688.89	900,437.20
Total Liabilities	<u><u>1,169,466.16</u></u>	<u><u>91,904.71</u></u>	<u><u>1,261,370.87</u></u>
NET ASSETS:			
Invested in Capital Assets, Net of Related Debt	3,822,874.37	8,904.15	3,831,778.52
Restricted for:			
Debt Service	47.19		47.19
Other Purposes	123,695.44		123,695.44
Unrestricted (Deficit)	<u>418,596.63</u>	<u>19,557.60</u>	<u>438,154.23</u>
Total Net Assets	<u><u>\$ 4,365,213.63</u></u>	<u><u>\$ 28,461.75</u></u>	<u><u>\$ 4,393,675.38</u></u>

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

TOWNSHIP OF WATERFORD SCHOOL DISTRICT
Statement of Activities
For the Fiscal Year Ended June 30, 2011

Functions / Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:							
Instruction:							
Regular	\$ 4,887,030.76		\$ 651,133.84		\$ (4,235,896.92)		\$ (4,235,896.92)
Special Education	1,405,173.55				(1,405,173.55)		(1,405,173.55)
Other Special Instruction	398,154.12				(398,154.12)		(398,154.12)
Support Services:							
Tuition	10,937,945.12				(10,937,945.12)		(10,937,945.12)
Student and Instruction Related Services	2,268,833.97		113,510.29		(2,155,323.68)		(2,155,323.68)
School Administrative Services	1,080,482.23				(1,080,482.23)		(1,080,482.23)
Plant Operations and Maintenance	1,254,758.03				(1,254,758.03)		(1,254,758.03)
Pupil Transportation	1,907,558.79				(1,907,558.79)		(1,907,558.79)
Unallocated Benefits	371,023.25		46,747.17		(324,276.08)		(324,276.08)
Reimbursed TPAF and Social Security	906,437.64		920,536.35		14,098.71		14,098.71
Special Schools	39,566.33				(39,566.33)		(39,566.33)
Amortization of Debt Issuance Costs	1,317.56				(1,317.56)		(1,317.56)
Interest on Long-Term Debt	25,489.80				(25,489.80)		(25,489.80)
Total Governmental Activities	25,483,771.15	-	1,731,927.65	-	(23,751,843.50)	-	(23,751,843.50)
Business-Type Activities:							
Food Service	348,542.23	\$ 198,197.49	146,709.59			\$ (3,635.15)	(3,635.15)
School Age Child Care	217,176.31	234,378.60				17,202.29	17,202.29
Adult Piano	1,003.95	1,364.00				360.05	360.05
Total Business-Type Activities	566,722.49	433,940.09	146,709.59	-	-	13,927.19	13,927.19
Total Primary Government	\$ 26,050,493.64	\$ 433,940.09	\$ 1,878,637.24	-	(23,751,843.50)	13,927.19	(23,737,916.31)
General Revenues:							
Taxes:							
Property Taxes, Levied for General Purposes, net					11,999,729.96		11,999,729.96
Property Taxes, Levied for Debt Service, net					83,293.00		83,293.00
Federal and State Aid not Restricted					11,459,338.48		11,459,338.48
Tuition Received					140,641.13		140,641.13
Investment Earnings					27,325.67	971.83	28,297.50
Miscellaneous Income					57,880.16		57,880.16
Cancellation of Prior Year Accounts Payable					660,598.07		660,598.07
Transfers							
Total General Revenues, Special Items, Extraordinary Items and Transfers					24,428,806.47	971.83	24,429,778.30
Change in Net Assets					676,962.97	14,899.02	691,861.99
Net Assets -- July 1					3,688,250.66	13,562.73	3,701,813.39
Net Assets -- June 30					\$ 4,365,213.63	\$ 28,461.75	\$ 4,393,675.38

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

FUND FINANCIAL STATEMENTS

TOWNSHIP OF WATERFORD 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	\$ 1,119,606.41			\$ 47.19	\$ 1,119,653.60
Capital Reserve Account - Cash	9,345.66				9,345.66
Receivables, net:					
Interfund Receivable:					
Special Revenue Fund	130,107.56				130,107.56
Enterprise Funds	72,504.49				72,504.49
Fiduciary Funds	2,555.02				2,555.02
Receivables from Other Governments:					
Other		\$ 32,981.46			32,981.46
State of New Jersey	180,924.78				180,924.78
Federal Government	5,744.97	188,784.12			194,529.09
Other -- Tuition	21,720.45				21,720.45
Miscellaneous Other Receivables	441.01	1,420.82			1,861.83
Total Assets	\$ 1,542,950.35	\$ 223,186.40	-	\$ 47.19	\$ 1,766,183.94
LIABILITIES AND FUND BALANCES:					
Liabilities:					
Accounts Payable	\$ 72,484.90	\$ 46,481.16			\$ 118,966.06
Interfund Payable:					-
General Fund		130,107.56			130,107.56
Enterprise Fund	16,481.79				16,481.79
Fiduciary Fund	2,000.00				2,000.00
Payable to State Government		33,098.16			33,098.16
Deferred Revenue		4,408.62			4,408.62
Total Liabilities	90,966.69	214,095.50	-	-	305,062.19

(Continued)

TOWNSHIP OF WATERFORD SCHOOL DISTRICT
Balance Sheet
Governmental Funds
June 30, 2011

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Fund Balances:					
Restricted:					
Capital Reserve Account	\$ 9,345.66				\$ 9,345.66
Excess Surplus	32,474.86				32,474.86
Excess Surplus -- Designated for Subsequent Year's Expenditures	72,784.02				72,784.02
Special Revenue Fund		\$ 9,090.90			9,090.90
Debt Service Fund				\$ 47.19	47.19
Committed:					
Other Purposes	18,311.08				18,311.08
Assigned:					
Other Purposes	22,016.76				22,016.76
Designated for Subsequent Year's Expenditures	664,500.98				664,500.98
Unassigned:					
General Fund	632,550.30				632,550.30
Total Fund Balances	<u>1,451,983.66</u>	<u>9,090.90</u>	<u>-</u>	<u>47.19</u>	1,461,121.75
Total Liabilities and Fund Balances	<u>\$ 1,542,950.35</u>	<u>\$ 223,186.40</u>	<u>-</u>	<u>\$ 47.19</u>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$10,964,063.80, and the accumulated depreciation is \$7,076,000.89.

3,888,062.91

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.

10,540.50

Accrued interest payable is not due and payable in the current period and therefore is not reported as liabilities in the funds.

(7,889.67)

Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds.

(986,621.86)

Net assets of governmental activities

\$ 4,365,213.63

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

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
REVENUES:					
Local Sources	\$ 11,999,729.96			\$ 83,293.00	\$ 12,083,022.96
Tuition Charges	140,641.13				140,641.13
Miscellaneous	76,491.78	\$ 48,133.12			124,624.90
State Sources	12,352,043.95	146,759.84			12,498,803.79
Federal Sources	27,830.88	625,212.39			653,043.27
Total Revenues	24,596,737.70	820,105.35	-	83,293.00	25,500,136.05
EXPENDITURES:					
Current:					
Regular Instruction	4,011,741.45	651,133.84			4,662,875.29
Special Education Instruction	1,405,173.55				1,405,173.55
Other Special Instruction	398,154.12				398,154.12
Undistributed Expenditures:					
Tuition	10,937,945.12				10,937,945.12
Student and Instruction Related Services	2,183,691.23	113,510.29			2,297,201.52
School Administrative Services	1,214,672.12				1,214,672.12
Plant Operations and Maintenance	1,253,627.90				1,253,627.90
Pupil Transportation	1,918,678.70				1,918,678.70
Unallocated Benefits	324,276.08	46,747.17			371,023.25
Reimbursed TPAF Pension and Social Security	920,536.35				920,536.35
Debt Service:					
Interest on Early Retirement Bonds				23,294.64	23,294.64
Redemption of Principal - Early Retirement Bonds				60,000.00	60,000.00
Capital Outlay	16,108.24				16,108.24
Special Schools	39,566.33				39,566.33
Total Expenditures	24,624,171.19	811,391.30	-	83,294.64	25,518,857.13
Excess (Deficiency) of Revenues over Expenditures	(27,433.49)	8,714.05	-	(1.64)	(18,721.08)

(Continued)

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
OTHER FINANCING SOURCES (USES):					
Operating Transfers In (Out):					
Cancellation of Prior Year Accounts Payable	\$ 660,598.07	-	-	-	\$ 660,598.07
Total Other Financing Sources and Uses	<u>660,598.07</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>660,598.07</u>
Net Change in Fund Balances	633,164.58	\$ 8,714.05	-	\$ (1.64)	641,876.99
Fund Balance -- July 1	<u>818,819.08</u>	<u>376.85</u>	<u>-</u>	<u>48.83</u>	<u>819,244.76</u>
Fund Balance -- June 30	<u>\$ 1,451,983.66</u>	<u>\$ 9,090.90</u>	<u>-</u>	<u>\$ 47.19</u>	<u>\$ 1,461,121.75</u>

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

TOWNSHIP OF WATERFORD 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	\$	641,876.99
<p>Amounts reported for governmental activities in the statement of activities (A-2) are different because:</p> <p>Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.</p>		
Depreciation Expense	\$	(273,743.46)
Capital Outlays Expensed		(2,707.00)
Capital Outlays		<u>16,108.24</u>
		(260,342.22)
<p>Repayment of capital leases is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities.</p>		
		36,363.33
<p>Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities.</p>		
		60,000.00
<p>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.</p>		
		(1,317.56)
<p>Interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. This amount is the net effect of the difference in the treatment of interest on long-term debt.</p>		
		1,986.80
<p>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 (+).</p>		
		<u>198,395.63</u>
Change in Net Assets of Governmental Activities	\$	<u><u>676,962.97</u></u>

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

TOWNSHIP OF WATERFORD SCHOOL DISTRICT
Statement of Net Assets
Proprietary Funds
June 30, 2011

	Business-Type Activities - Enterprise Funds			<u>Totals</u>
	<u>Food Service</u>	<u>School Age Child Care</u>	<u>Adult Piano</u>	
ASSETS:				
Current Assets:				
Cash and Cash Equivalents	\$ 4,688.91	\$ 50,268.23	\$ 1,857.77	\$ 56,814.91
Accounts Receivable:				
State	453.76			453.76
Federal	9,368.16			9,368.16
Other	12,958.16			12,958.16
Inventory	15,385.53			15,385.53
Interfund Accounts Receivable - General Fund	16,481.79			16,481.79
Total Current Assets	<u>59,336.31</u>	<u>50,268.23</u>	<u>1,857.77</u>	<u>111,462.31</u>
Noncurrent Assets:				
Restricted Cash and Cash Equivalents, Furniture, Machinery and Equipment Less Accumulated Depreciation	207,007.00 (198,102.85)			207,007.00 (198,102.85)
Total Noncurrent Assets	<u>8,904.15</u>	<u>-</u>	<u>-</u>	<u>8,904.15</u>
Total Assets	<u>68,240.46</u>	<u>50,268.23</u>	<u>1,857.77</u>	<u>120,366.46</u>
LIABILITIES:				
Current Liabilities:				
Interfund Payable:				
Current Fund	53,188.44	19,187.01	129.04	72,504.49
Deferred Revenue	1,178.86	1,150.00		2,328.86
Intergovernmental Accounts Payable	4,969.01			4,969.01
Accounts Payable		413.46		413.46
Total Current Liabilities	<u>59,336.31</u>	<u>20,750.47</u>	<u>129.04</u>	<u>80,215.82</u>
Noncurrent Liabilities:				
Compensated Absences Payable		11,688.89		11,688.89
Total Liabilities	<u>59,336.31</u>	<u>32,439.36</u>	<u>129.04</u>	<u>91,904.71</u>
NET ASSETS:				
Invested in Capital Assets, Net of Related Debt	8,904.15			8,904.15
Unrestricted (Deficit)		17,828.87	1,728.73	19,557.60
Total Net Assets	<u>\$ 8,904.15</u>	<u>17,828.87</u>	<u>1,728.73</u>	<u>\$ 28,461.75</u>

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

TOWNSHIP OF WATERFORD SCHOOL DISTRICT
 Statement of Revenues, Expenditures and Changes in Fund Net Assets
 Proprietary Funds
 For the Fiscal Year Ended June 30, 2011

	Business-Type Activities - Enterprise Funds			<u>Totals</u>
	<u>Food Service</u>	<u>School Age Child Care</u>	<u>Adult Piano</u>	
OPERATING REVENUES:				
Local Sources:				
Daily Sales - Reimbursable Programs:				
School Breakfast Program	\$ 7,491.88			\$ 7,491.88
School Lunch Program	114,644.79			114,644.79
Daily Sales Non-Reimbursable Programs	55,941.42			55,941.42
Special Functions	5,645.84			5,645.84
Miscellaneous	14,473.56			14,473.56
Program Fees		\$ 234,378.60	\$ 1,364.00	235,742.60
Total Operating Revenue	<u>198,197.49</u>	<u>234,378.60</u>	<u>1,364.00</u>	<u>433,940.09</u>
OPERATING EXPENSES:				
Salaries	129,195.35	161,130.82	930.00	291,256.17
Employee Benefits	38,795.14	46,836.19	73.95	85,705.28
Purchased Professional and Technical Services	25,850.16	2,000.00		27,850.16
Other Purchased Services (400 and 500 Series)	11,599.87			11,599.87
Food	126,289.53			126,289.53
Supplies and Materials	9,600.24	7,209.30		16,809.54
Depreciation	3,318.50			3,318.50
Other Objects	3,893.44			3,893.44
Total Operating Expenses	<u>348,542.23</u>	<u>217,176.31</u>	<u>1,003.95</u>	<u>566,722.49</u>
Operating Income (Loss)	<u>(150,344.74)</u>	<u>17,202.29</u>	<u>360.05</u>	<u>(132,782.40)</u>
NONOPERATING REVENUES (EXPENSES):				
State Sources:				
State School Lunch Program	3,579.75			3,579.75
Federal Sources:				
National School Lunch Program	92,727.34			92,727.34
School Breakfast Program	31,269.26			31,269.26
Food Distribution Program	19,133.24			19,133.24
Interest Revenue	316.65	626.58	28.60	971.83
Total Nonoperating Revenues (Expenses)	<u>147,026.24</u>	<u>626.58</u>	<u>28.60</u>	<u>147,681.42</u>
Income (Loss) before Contributions and Transfers	<u>(3,318.50)</u>	<u>17,828.87</u>	<u>388.65</u>	<u>14,899.02</u>
Net Assets - July 1	<u>12,222.65</u>	<u>-</u>	<u>1,340.08</u>	<u>13,562.73</u>
Net Assets - June 30	<u>\$ 8,904.15</u>	<u>\$ 17,828.87</u>	<u>\$ 1,728.73</u>	<u>\$ 28,461.75</u>

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

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

	Business-Type Activities - Enterprise Funds			Totals
	Food Service	School Age Child Care	Adult Piano	
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts from Customers	\$ 189,295.31	\$ 236,771.56	\$ 1,364.00	\$ 427,430.87
Payments to Employees	(129,195.35)	(161,271.14)	(986.52)	(291,453.01)
Payments for Employee Benefits	(38,795.14)	(46,836.19)	(73.95)	(85,705.28)
Payments to Suppliers	(212,287.43)	(13,520.24)		(225,807.67)
Net Cash Provided by (used for) Operating Activities	<u>(190,982.61)</u>	<u>15,143.99</u>	<u>303.53</u>	<u>(175,535.09)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:				
State Sources	3,990.94			3,990.94
Federal Sources	131,276.98			131,276.98
Operating Subsidies and Transfers to Other Funds	53,373.51	19,187.01	129.04	72,689.56
Net Cash Provided by (used for) Non-Capital Financing Activities	<u>188,641.43</u>	<u>19,187.01</u>	<u>129.04</u>	<u>207,957.48</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest Revenue	316.65	626.58	28.60	971.83
Net Cash Provided by (used for) Investing Activities	<u>316.65</u>	<u>626.58</u>	<u>28.60</u>	<u>971.83</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(2,024.53)	34,957.58	461.17	33,394.22
Cash and Cash Equivalents, July 1	6,713.44	15,310.65	1,396.60	23,420.69
Cash and Equivalents, June 30	<u>\$ 4,688.91</u>	<u>\$ 50,268.23</u>	<u>\$ 1,857.77</u>	<u>\$ 56,814.91</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used)				
by Operating Activities:				
Operating Income (Loss)	\$ (150,344.74)	\$ 17,202.29	\$ 360.05	\$ (132,782.40)
Adjustments to Reconcile Operating Income (Loss) to Cash Provided (Used) by Operating Activities:				
Depreciation and Net Amortization	3,318.50			3,318.50
Food Distribution Program	19,133.24			19,133.24
Change in Assets and Liabilities:				
(Increase) / Decrease in Accounts Receivable	(10,081.04)	2,892.96		(7,188.08)
(Increase) / Decrease in Inventory	(15,385.53)			(15,385.53)
Increase / (Decrease) in Deferred Revenue	1,178.86	(500.00)		678.86
Compensated Absences Increase / (Decrease)		(140.32)		-140.32
Increase / (Decrease) in Accounts Payable	(38,801.90)	(4,310.94)	-56.52	(43,169.36)
Total Adjustments	<u>(40,637.87)</u>	<u>(2,198.62)</u>	<u>(56.52)</u>	<u>(42,893.01)</u>
Net Cash Provided (Used) in Operating Activities	<u>\$ (190,982.61)</u>	<u>\$ 15,003.67</u>	<u>\$ 303.53</u>	<u>\$ (175,675.41)</u>

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

TOWNSHIP OF WATERFORD SCHOOL DISTRICT
Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2011

	Trust Fund	Agency Funds	
	Unemployment Compensation Insurance	Student Activity	Payroll
ASSETS:			
Cash and Cash Equivalents	\$ 46,275.40	\$ 8,921.53	\$ 55,632.36
Interfund Accounts Receivable:			
General Fund			2,000.00
Accounts Receivable -- Other		95.56	
Total Assets	<u>46,275.40</u>	<u>\$ 9,017.09</u>	<u>\$ 57,632.36</u>
LIABILITIES:			
Payroll Deductions and Withholdings			\$ 55,077.34
Interfund Payable:			
General Fund			2,555.02
Payable to Student Groups		\$ 9,017.09	
Total Liabilities	<u>-</u>	<u>\$ 9,017.09</u>	<u>\$ 57,632.36</u>
NET ASSETS:			
Held in Trust for Unemployment Claims and Other Purposes	<u>46,275.40</u>		
Total Net Assets	<u>\$ 46,275.40</u>		

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

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

	<u>Unemployment Compensation Trust</u>
ADDITIONS:	
Investment earnings:	
Interest	\$ 1,159.84
Board Contribution	50,000.00
Payroll Deductions	<u>13,114.86</u>
Total Additions	<u>64,274.70</u>
DEDUCTIONS:	
Unemployment Claims	<u>206,006.72</u>
Change in Net Assets	(141,732.02)
Net Assets -- July 1	<u>188,007.42</u>
Net Assets -- June 30	<u><u>\$ 46,275.40</u></u>

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

TOWNSHIP OF WATERFORD 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 Township of Waterford School District (hereafter referred to as the "School District") is a Type II district located in the County of Camden, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The Board is comprised of nine members elected to three-year terms. These terms are staggered so that three member's terms expire each year. The purpose of the School District is to educate students in grades K-12. Students in grades K through 6 are educated at the School District's three schools. Students in grades 7 through 12 attend, on tuition basis, Hammonton Middle/High Schools. The School District has an approximate enrollment at June 30, 2011 of 922.

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 Township of Waterford had no component units as of 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.

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

Government-wide Financial Statements - The statement of net assets and the statement of activities display information about the School District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the School District that are governmental and those that are considered business-type activities. The statement of net assets presents the financial condition of the governmental and business-type activities of the School District at fiscal year end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the School District's governmental activities and for the business-type activities of the School District. Direct expenses are those that are specifically associated with a service, program, or department and, therefore, clearly identifiable to a particular function. The policy of the School District is to not allocate indirect expenses to functions in the statement of activities. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants, and contributions that are restricted to meeting the operational or capital requirements of a particular program, and interest earned on grants that is required to be used to support a particular program. Revenues, which are not classified as program revenues, are presented as general revenues of the School District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the School District.

Fund Financial Statements - During the fiscal year, the School District segregates transactions related to certain School District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the School District at this more detailed level. The focus of governmental and enterprise fund financial statements is on major funds. Each major fund is presented in a single column. The fiduciary fund is reported by type. The School District uses funds to maintain its financial records during the fiscal year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. There are three categories of funds: governmental, proprietary, and fiduciary.

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

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

As required by the New Jersey State Department of Education, the School District includes budgeted capital outlay in this fund. Accounting principles generally accepted in the United States of America, as they pertain to governmental entities, state that general fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues.

Resources for budgeted capital outlay purposes are normally derived from State of New Jersey aid, district taxes, and appropriated fund balance. Expenditures are those which result in the acquisition of or additions to capital assets for land, existing buildings, improvements of grounds, construction of buildings, additions to, or remodeling of buildings, and the purchase of built-in equipment.

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

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

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 Economic Development Authority grants, temporary notes, or serial bonds which are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election.

Debt Service Fund - The debt service fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

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 funds are:

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

School Aged Childcare Fund - This fund accounts for the financial activity related to providing daycare services for School District students before and after school.

Adult Piano Fund - This fund accounts for the financial activity related to providing piano instruction.

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

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

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

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

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

The School District has three fiduciary funds, an unemployment compensation trust 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 sixty days after fiscal year end.

Non-exchange transactions, in which the School District receives value without directly giving equal value in return, include Ad Valorem (property) taxes, grants, entitlements, and donations. Ad Valorem (property) taxes are susceptible to accrual. As under New Jersey State Statute, a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The School District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year since the revenue is both measurable and available. The School District is entitled to receive moneys under the established payment schedule and the unpaid amount is considered to be an "accounts receivable". With the exception of the restricted formula aids recorded in the special revenue fund, revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the fiscal year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the School District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. Restricted formula 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. The School District did not have restricted formula aids in the fiscal year ended June 30, 2011.

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

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

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

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

Budgets / Budgetary Control (Cont'd) - Formal budgetary integration into the accounting system is employed as a management control device during the fiscal year. For governmental funds there are no substantial differences between the budgetary basis of accounting and accounting principles generally accepted in the United States of America with the exception of the legally mandated revenue recognition of the one or more June state aid payments for budgetary purposes only and the special revenue fund. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

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

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

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

Encumbrances - Under encumbrance accounting, purchase orders, contracts, and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Encumbrances are a component of fund balance at fiscal year end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services. Open encumbrances in the governmental funds, other than the special revenue fund, which have not been previously restricted, committed, or assigned, should be included within committed or assigned fund balance, as appropriate.

Open encumbrances in the special revenue fund, however, for which the School District has received advances of grant awards, are reflected on the balance sheet as deferred revenues at fiscal year end.

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

Cash, Cash Equivalents and Investments - Cash and cash equivalents, for all funds, include petty cash, change funds, cash in banks and all highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest. Such is the definition of cash and cash equivalents used in the statement of cash flows for the proprietary funds. U.S. treasury and agency obligations and certificates of deposit with maturities of one year or less when purchased are stated at cost. All other investments are stated at fair value.

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

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

Cash, Cash Equivalents and Investments (Cont'd) - N.J.S.A. 17:9-41 et seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Governmental Unit Deposit Protection Act ("GUDPA"), a multiple financial institutional collateral pool, which was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. Public depositories include State or federally chartered banks, savings banks or associations located in or having a branch office in the State of New Jersey, the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of governmental units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the amount of their deposits to the governmental units.

Tuition Receivable - Tuition charges were established by the School District based on estimated costs. The charges are subject to adjustment when the final costs are determined.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Net Assets - Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

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

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

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

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

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

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

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

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

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

Operating and Non-Operating Revenues and Expenses - Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the School District, these revenues are sales for the food service program and tuition for the school aged childcare and adult piano programs. 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. The School District does not have non –operating expenditures.

Interfund Activity - Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues. Exchange transactions between funds are reported as revenues in the seller funds and as expenditures / expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources / uses in governmental funds and after non-operating revenues / expenses in proprietary funds. Reimbursements from funds responsible for particular expenditures / expenses to the funds that initially paid for them are not presented on the financial statements.

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

Note 2: CASH AND CASH EQUIVALENTS

Custodial Credit Risk Related to Deposits - Custodial credit risk is the risk that, in the event of a bank failure, the School District's deposits might not be recovered. Although the School District does not have a formal policy regarding custodial credit risk, N.J.S.A. 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). Under the Act, the first \$250,000.00 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the School District in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, athletic and student activity funds, or funds that may pass to the School District relative to the happening of a future condition. Such funds are shown as uninsured and uncollateralized in the schedule below. All of the School District's bank balances of \$1,585,652.03 as of June 30, 2011 were insured or collateralized.

New Jersey Cash Management Fund - During the fiscal year, the School District participated in the New Jersey Cash Management Fund. The Fund is governed by regulations of the State Investment Council, who prescribe standards designed to insure the quality of investments in order to minimize risk to the Funds participants. Deposits with the New Jersey Cash Management Fund are not subject to custodial credit risk as defined above. At June 30, 2011, the School District's deposits with the New Jersey Cash Management Fund were \$7,307.05.

Note 3: CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the School District by inclusion of \$84,228.00 in the original 1996-1997 annual capital outlay budget 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.

Note 3: CAPITAL RESERVE ACCOUNT (CONT'D)

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.

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

Beginning Balance July 1, 2010	\$ 9,252.71
Increased by:	
Interest Earnings	<u>92.95</u>
Ending Balance June 30, 2011	<u><u>\$ 9,345.66</u></u>

The June 30, 2011 LRFP balance of local support costs of uncompleted projects at June 30, 2011 is \$1,307,800.00. There were no withdrawals from the capital reserve during the Fiscal Year.

Note 4: ACCOUNTS RECEIVABLE

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

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

	General Fund	Special Revenue Fund	Proprietary Fund	Total
Intergovernmental	\$ 186,669.75	\$ 221,765.58	\$ 9,821.92	\$ 418,257.25
Other	<u>22,161.46</u>	<u>1,420.82</u>	<u>12,958.16</u>	<u>36,540.44</u>
	<u><u>\$ 208,831.21</u></u>	<u><u>\$ 223,186.40</u></u>	<u><u>\$ 22,780.08</u></u>	<u><u>\$ 454,797.69</u></u>

Note 5: CAPITAL ASSETS

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

	Balance July 1, 2010	Additions	Retirements	Balance June 30, 2011
Government Activities:				
Capital Assets that are not being Depreciated:				
Land	\$ 370,481.00			\$ 370,481.00
Total Capital Assets not being Depreciated	370,481.00	-	-	370,481.00
Land Improvements	549,295.32			549,295.32
Building and Improvements	8,979,444.68	\$ 3,911.82		8,983,356.50
Equipment	1,071,931.56	9,489.42	\$ 20,490.00	1,060,930.98
Totals at Historical Cost	10,600,671.56	13,401.24	20,490.00	10,593,582.80
Less: Accumulated Depreciation for:				
Land Improvements	(486,805.89)	(3,339.24)		(490,145.13)
Building and Improvements	(5,503,178.92)	(228,800.55)		(5,731,979.47)
Equipment	(832,762.62)	(41,603.67)	(20,490.00)	(853,876.29)
Total Accumulated Depreciation	(6,822,747.43)	(273,743.46) *	(20,490.00)	(7,076,000.89)
Total Capital Assets being Depreciated, net of Accumulated Depreciation	3,777,924.13	(260,342.22)		3,517,581.91
Government Activities Capital Assets, net	\$ 4,148,405.13	\$ (260,342.22)	-	\$ 3,888,062.91
Business-Type Activities:				
Equipment	\$ 207,007.00			\$ 207,007.00
Less: Accumulated Depreciation	(194,784.35)	\$ (3,318.50)		(198,102.85)
Business-Type Activities Capital Assets, net	\$ 12,222.65	\$ (3,318.50)	-	\$ 8,904.15

* Depreciation expense was charged to governmental functions as follows:

Instructional	\$ 234,355.47
Support Services Students/Staff	9,543.54
Support Services School Adm.	6,177.90
Support Services Plant	23,666.55
Total Depreciation Expense	<u>\$ 273,743.46</u>

Note 6: LONG-TERM OBLIGATIONS

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

	<u>Principal Outstanding July 1, 2009</u>	<u>Additions</u>	<u>Reductions</u>	<u>Principal Outstanding June 30, 2010</u>	<u>Due Within One Year</u>
Governmental Activities:					
General Obligation Bonds	\$ 550,000.00		\$ (60,000.00)	\$ 490,000.00	\$ 60,000.00
Obligations under Capital Lease	101,551.87		(36,363.33)	65,188.54	37,873.55
Compensated Absences	629,828.95		(198,395.62)	431,433.33	
Governmental Activity Long-term Liabilities	<u>\$ 1,281,380.82</u>	<u>-</u>	<u>\$ (294,758.95)</u>	<u>\$ 986,621.87</u>	<u>\$ 97,873.55</u>
Business Type Activities:					
Compensated Absences	<u>\$ 11,829.21</u>		<u>\$ (140.32)</u>	<u>\$ 11,688.89</u>	<u>-</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 July 29, 2003, the School District issued \$790,000.00 taxable refunding bonds at interest rates of 4.48% for the retirement of unfunded accrued liabilities of the School District in the Teacher's Pension and Annuity Fund and Public Employees' Retirement System under early retirement incentive programs. The final maturity of these bonds is October 1, 2019. The bonds will be paid from property taxes.

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	\$ 60,000.00	\$ 20,608.00	\$ 80,608.00
2013	65,000.00	17,808.00	82,808.00
2014	70,000.00	14,784.00	84,784.00
2015	75,000.00	11,536.00	86,536.00
2016	80,000.00	8,064.00	88,064.00
2017-2020	140,000.00	12,320.00	152,320.00
	<u>\$ 490,000.00</u>	<u>\$ 85,120.00</u>	<u>\$ 575,120.00</u>

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

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

Note 6: LONG-TERM OBLIGATIONS (CONT'D)

Capital Leases Payable - The School District is leasing accounting, payroll, and personnel software with the related equipment for \$55,705.00 and telephone equipment for \$130,552.00 under capital leases. All capital leases are for terms of five years. The following is a schedule of the future minimum lease payments under these capital leases, and the present value of the net minimum lease payments at June 30, 2011.

Year Ending June 30,	Principal	Interest	Total
2012	\$ 37,873.55	\$ 2,671.74	\$ 40,545.29
2013	<u>27,314.99</u>	<u>1,098.70</u>	<u>28,413.69</u>
	<u>\$ 65,188.54</u>	<u>\$ 3,770.44</u>	<u>\$ 68,958.98</u>

Note 7: OPERATING LEASES

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

Fiscal Year Ending June 30,	Amount
2012	\$ 41,351.88
2013	<u>3,445.99</u>
	<u>\$ 44,797.87</u>

Rental payments under operating leases for the fiscal year ended June 30, 2011 were \$41,351.88.

Note 8: 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

Note 8: PENSION PLANS (CONT'D)

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

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

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

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

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

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

Public Employees Retirement System

<u>Fiscal Year</u>	<u>Normal Contribution</u>	<u>Accrued Liability</u>	<u>Total Liability</u>	<u>Paid by School District</u>
2011	\$ 93,930.00	\$ 125,041.00	\$ 218,971.00	\$ 218,971.00
2010	88,236.00	86,093.00	174,329.00	174,329.00
2009	91,463.00	83,425.00	174,888.00	174,888.00

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

Note 8: PENSION PLANS (CONT'D)

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

The School District's contributions, equal to the required contribution for each fiscal year, were as follows:

Defined Contribution Retirement Program

<u>Fiscal Year</u>	<u>Normal Contribution</u>	<u>Accrued Liability</u>	<u>Total Liability</u>	<u>Paid by School District</u>
2011	\$ 1,484.72		\$ 1,484.72	\$ 1,484.72
2010	331.00		331.00	331.00
2009	N/A	N/A	N/A	N/A

Note 9: 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 10: 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 \$20,764.00 and \$441,023.00, respectively.

Note 11: RISK MANAGEMENT

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

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

New Jersey Unemployment Compensation Insurance - The School District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the School District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The School District is billed quarterly for amounts due to the State.

The following is a summary of School District contributions, reimbursements to the State for benefits paid and the ending balance of the School District's expendable trust fund for the current and previous two fiscal years:

<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>School</u> <u>District</u> <u>Contributions</u>	<u>Employee</u> <u>Contributions</u>	<u>Amount</u> <u>Reimbursed</u>	<u>Ending</u> <u>Balance</u>
2011	\$ 50,000.00	\$ 13,114.86	\$ 206,006.72	\$ 46,275.40
2010	100,000.00	10,415.60	32,982.82	188,007.42
2009		19,136.13	20,126.79	109,470.90

Note 12: DEFERRED COMPENSATION

The School District offers its employees a choice of four 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:

Washington National
Kemper Investments
Lincoln Investment Planning, Inc.
Travelers

Note 13: 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 are granted vacation and sick leave in varying amounts under the District's personnel policies. In the event of termination, an employee is reimbursed for accumulated sick leave. Unused vacation time may not be accumulated.

The liability for vested compensated absences is recorded within those funds as the benefits accrue to employees. As of June 30, 2011, the liability for compensated absences in the governmental activities and proprietary fund types was \$431,433.32 and \$11,688.89, respectively.

Note 14: INTERFUND BALANCES AND TRANSFERS

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

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
General	\$ 205,167.07	\$ 18,481.79
Special Revenue		130,107.56
Proprietary	16,481.79	72,504.49
Fiduciary	2,000.00	2,555.02
	<u>\$ 223,648.86</u>	<u>\$ 223,648.86</u>

Note 15: FUND BALANCES**RESTRICTED**

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

General Fund -

For 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 \$32,474.86. Additionally, \$72,784.02 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 \$9,345.66. These funds are restricted for future capital outlay expenditures for capital projects in the School District's approved Long Range Facilities Plan (LRFP).

Special Revenue Fund – The \$9,090.90 Special Revenue Fund balance at June 30, 2011 represents unexpended local grants.

Debt Service Fund – The Debt Service Fund balance at June 30, 2011 of \$47.19 is restricted for the redemption of principal and interest on serial bonds that were issued on July 29, 2003 for the retirement of Unfunded Pension and Annuity Fund and Public Employees' Retirement System Under Early Retirement Incentive Programs.

Note 15: FUND BALANCES (CONT'D)**COMMITTED**

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

General Fund - The Board of Education adopted formal resolutions to commit a portion of unassigned balance for encumbrances due to purchase orders having a formal contract awarded. As of June 30, 2011, \$18,311.08 has been committed for this purpose.

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 anticipated revenue for the fiscal year ending June 30, 2012 \$664,500.98 of general fund balance at June 30, 2011.

Other Purposes - As of June 30, 2011, the School District had \$22,016.76 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, \$632,550.98 of general fund balance was unassigned.

Note 16: LITIGATION

The School District is a defendant in a legal proceeding that is in 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.

Note 17: SUBSEQUENT EVENTS

On October 13, 2011, the Township of Waterford School District introduced an Energy Savings Improvement Program (ESIP) refunding bond ordinance in an amount not to exceed \$4,900,000.00 to authorize the issuance of "energy savings obligations" to finance its proposed energy conservation improvements. The improvements are part of an Energy Service Improvement Plan developed under the School District's contract with Johnson Controls, Inc.

REQUIRED SUPPLEMENTARY INFORMATION
PART II

BUDGETARY COMPARISON SCHEDULES

TOWNSHIP OF WATERFORD SCHOOL DISTRICT

Required Supplementary Information

Budgetary Comparison Schedule

General Fund

For the Fiscal Year Ended June 30, 2011

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 11,999,730.00		\$ 11,999,730.00	\$ 11,999,729.96	\$ (0.04)
Tuition	93,685.00		93,685.00	140,641.13	46,956.13
Interest - Capital Reserve Account	500.00		500.00	92.95	(407.05)
Unrestricted Miscellaneous Revenues	30,057.00	\$ 2,500.00	32,557.00	76,398.83	43,841.83
Total - Local Sources	<u>12,123,972.00</u>	<u>2,500.00</u>	<u>12,126,472.00</u>	<u>12,216,862.87</u>	<u>90,390.87</u>
State Sources:					
Extraordinary Aid				149,417.00	149,417.00
Categorical Special Education Aid	912,969.00		912,969.00	912,969.00	
Equalization Aid	10,087,096.00		10,087,096.00	10,087,096.00	
Categorical Security Aid	132,595.00		132,595.00	132,595.00	
Additional Non-Public Transportation Aid				9,060.60	9,060.60
On-Behalf T.P.A.F. Pension Contributions - Post-Retirement Medical (non-budgeted)				441,023.00	441,023.00
On-Behalf T.P.A.F. Pension Contributions (non-budgeted)				20,764.00	20,764.00
Reimbursed TPAF Social Security Contributions (non-budgeted)				458,749.35	458,749.35
Total - State Sources	<u>11,132,660.00</u>		<u>11,132,660.00</u>	<u>12,211,673.95</u>	<u>1,079,013.95</u>
Federal Sources:					
Medicaid Reimbursement				27,830.88	27,830.88
Total - Federal Sources				<u>27,830.88</u>	<u>27,830.88</u>
Total Revenues	<u>23,256,632.00</u>	<u>2,500.00</u>	<u>23,259,132.00</u>	<u>24,456,367.70</u>	<u>1,197,235.70</u>

(Continued)

TOWNSHIP OF WATERFORD SCHOOL DISTRICT

Required Supplementary Information

Budgetary Comparison Schedule

General Fund

For the Fiscal Year Ended June 30, 2011

	Original <u>Budget</u>	Budget <u>Modifications</u>	Final <u>Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
EXPENDITURES:					
GENERAL CURRENT EXPENSE:					
Regular Programs - Instruction:					
Salaries of Teachers:					
Preschool	\$ 171,612.00	\$ (132.00)	\$ 171,480.00	\$ 171,475.45	\$ 4.55
Kindergarten	241,402.00	(17,772.00)	223,630.00	220,634.59	2,995.41
Grades 1 - 5	2,054,428.00	(75,194.40)	1,979,233.60	1,966,821.92	12,411.68
Grades 6 - 8	451,929.00	32,018.00	483,947.00	475,620.34	8,326.66
Regular Programs - Home Instruction:					
Salaries of Teachers		1,000.00	1,000.00	550.00	450.00
Purchased Professional - Educational Services	2,000.00	(1,000.00)	1,000.00	500.00	500.00
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	37,829.00	47,962.00	85,791.00	79,826.83	5,964.17
Purchased Technical Services	6,300.00		6,300.00	474.04	5,825.96
Other Purchased Services	1,890.00	36,394.08	38,284.08	34,729.69	3,554.39
General Supplies	140,064.00	(7,056.51)	133,007.49	114,619.31	18,388.18
Textbooks	8,850.00	(800.00)	8,050.00	1,481.53	6,568.47
Other Objects	2,000.00		2,000.00	319.96	1,680.04
Total Regular Programs	<u>3,118,304.00</u>	<u>15,419.17</u>	<u>3,133,723.17</u>	<u>3,067,053.66</u>	<u>66,669.51</u>
Special Education:					
Behavioral Disabilities:					
Salaries of Teachers	59,209.00	(59,209.00)			
Other Salaries for Instruction	16,601.00	(16,601.00)			
General Supplies	975.00	(975.00)			
Textbooks	727.00	(727.00)			
Total - Perceptually Impaired	<u>77,512.00</u>	<u>(77,512.00)</u>	<u>-</u>	<u>-</u>	<u>-</u>

(Continued)

TOWNSHIP OF WATERFORD SCHOOL DISTRICT

Required Supplementary Information

Budgetary Comparison Schedule

General Fund

For the Fiscal Year Ended June 30, 2011

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
EXPENDITURES (CONT'D):					
GENERAL CURRENT EXPENSE (CONT'D):					
Special Education (Cont'd):					
Multiple Disabilities:					
Salaries of Teachers	\$ 109,512.00	\$ (56,361.00)	\$ 53,151.00	\$ 52,381.00	\$ 770.00
Other Salaries for Instruction	37,282.00	(5,359.00)	31,923.00	27,352.59	4,570.41
General Supplies	5,135.00		5,135.00	2,090.76	3,044.24
Textbooks	412.00	(400.00)	12.00		12.00
Other Objects	400.00		400.00		400.00
Total - Multiple Disabilities	<u>152,741.00</u>	<u>(62,120.00)</u>	<u>90,621.00</u>	<u>81,824.35</u>	<u>8,796.65</u>
Resource Room/Center:					
Salaries of Teachers	988,599.00	111,367.00	1,099,966.00	1,099,424.35	541.65
Other Salaries for Instruction	47,860.00	47,693.00	95,553.00	85,939.73	9,613.27
General Supplies	10,038.00	975.00	11,013.00	8,063.47	2,949.53
Textbooks	500.00	727.00	1,227.00	1,079.57	147.43
Total - Resource Room/Center	<u>1,046,997.00</u>	<u>160,762.00</u>	<u>1,207,759.00</u>	<u>1,194,507.12</u>	<u>13,251.88</u>
Autism					
Salaries Of Teachers	55,938.00	100.00	56,038.00	55,678.00	360.00
Other Salaries for Instruction	33,429.00	(12,895.00)	20,534.00	16,726.47	3,807.53
General Supplies	2,575.00		2,575.00	1,428.82	1,146.18
Text Books	539.00		539.00	133.67	405.33
Other objects	698.00		698.00		698.00
Total Autism	<u>93,179.00</u>	<u>(12,795.00)</u>	<u>80,384.00</u>	<u>73,966.96</u>	<u>6,417.04</u>

(Continued)

TOWNSHIP OF WATERFORD SCHOOL DISTRICT

Required Supplementary Information

Budgetary Comparison Schedule

General Fund

For the Fiscal Year Ended June 30, 2011

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
EXPENDITURES (CONT'D):					
GENERAL CURRENT EXPENSE (CONT'D):					
Home Instruction					
Salaries of Teachers	\$ 3,200.00	\$ (60.00)	\$ 3,140.00	\$ 1,881.25	\$ 1,258.75
Purchased Professional - Educational Services	540.00		540.00		540.00
Total - Home Instruction	<u>3,740.00</u>	<u>(60.00)</u>	<u>3,680.00</u>	<u>1,881.25</u>	<u>1,798.75</u>
Total - Special Education Instruction	<u>1,374,169.00</u>	<u>8,275.00</u>	<u>1,382,444.00</u>	<u>1,352,179.68</u>	<u>30,264.32</u>
Basic Skills/Remedial:					
Salaries of Teachers	328,302.00	67,260.40	395,562.40	395,262.10	300.30
Other Salaries for Instruction	2,200.00	(1,485.00)	715.00	282.51	432.49
General Supplies	5,200.00	(2,200.00)	3,000.00	2,609.51	390.49
Total - Basic Skills/Remedial	<u>335,702.00</u>	<u>63,575.40</u>	<u>399,277.40</u>	<u>398,154.12</u>	<u>1,123.28</u>
Total - Instruction	<u>4,828,175.00</u>	<u>87,269.57</u>	<u>4,915,444.57</u>	<u>4,817,387.46</u>	<u>98,057.11</u>
Undistributed Expenditures:					
Instruction:					
Tuition to Other LEAs within the State - Regular	9,236,251.00	(109,560.00)	9,126,691.00	9,122,533.83	4,157.17
Tuition to Other LEAs within the State - Special	689,132.00	26,452.00	715,584.00	715,575.09	8.91
Tuition to County Voc. School District - Regular	39,500.00	(10,000.00)	29,500.00	28,500.00	1,000.00
Tuition to County Voc. School District - Special	8,550.00		8,550.00	8,550.00	
Tuition to CSSD & Regional Day Schools	197,692.00	(7,467.40)	190,224.60	166,834.43	23,390.17
Tuition to Private Schools for the Handicapped-State	1,175,628.00	(155,380.60)	1,020,247.40	895,951.77	124,295.63
Tuition - State Facilities	33,825.00		33,825.00		33,825.00
Total - Instruction	<u>11,380,578.00</u>	<u>(255,956.00)</u>	<u>11,124,622.00</u>	<u>10,937,945.12</u>	<u>186,676.88</u>

(Continued)

TOWNSHIP OF WATERFORD SCHOOL DISTRICT

Required Supplementary Information

Budgetary Comparison Schedule

General Fund

For the Fiscal Year Ended June 30, 2011

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
EXPENDITURES (CONT'D):					
GENERAL CURRENT EXPENSE (CONT'D):					
Undistributed Expenditures (Cont'd):					
Attendance and Social Work Services:					
Salaries	\$ 54,091.00	\$ 2,050.00	\$ 56,141.00	\$ 56,133.12	\$ 7.88
Purchased Professional and Technical Services	5,200.00	(2,375.00)	2,825.00	2,265.25	559.75
Total - Attendance and Social Work Services	<u>59,291.00</u>	<u>(325.00)</u>	<u>58,966.00</u>	<u>58,398.37</u>	<u>567.63</u>
Health Services:					
Salaries	193,731.00	(3,345.00)	190,386.00	188,333.84	2,052.16
Purchased Professional and Technical Services	55,942.00	29,530.00	85,472.00	67,441.55	18,030.45
Other Purchased Services	1,768.00		1,768.00		1,768.00
Supplies and Materials	5,819.00		5,819.00	2,951.16	2,867.84
Total - Health Services	<u>257,260.00</u>	<u>26,185.00</u>	<u>283,445.00</u>	<u>258,726.55</u>	<u>24,718.45</u>
Other Support Services-Students-Related Services:					
Salaries	449,726.00	(7,501.00)	442,225.00	426,541.44	15,683.56
Purchased Educational Services	10,200.00		10,200.00	6,800.00	3,400.00
Supplies and Materials	4,550.00		4,550.00	2,322.03	2,227.97
Other Objects	3,394.00		3,394.00	1,834.75	1,559.25
Total - Other Support Services-Students-Related Services	<u>467,870.00</u>	<u>(7,501.00)</u>	<u>460,369.00</u>	<u>437,498.22</u>	<u>22,870.78</u>
Other Support Services - Students - Extra Services:					
Salaries	56,333.00	(23,101.00)	33,232.00	30,011.75	3,220.25
Other Objects	600.00		600.00	8.96	591.04
Total Other Support Services - Students - Extra Services	<u>56,933.00</u>	<u>(23,101.00)</u>	<u>33,832.00</u>	<u>30,020.71</u>	<u>3,811.29</u>

(Continued)

TOWNSHIP OF WATERFORD SCHOOL DISTRICT

Required Supplementary Information

Budgetary Comparison Schedule

General Fund

For the Fiscal Year Ended June 30, 2011

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
EXPENDITURES (CONT'D):					
GENERAL CURRENT EXPENSE (CONT'D):					
Undistributed Expenditures (Cont'd):					
Other Support Services - Students - Regular:					
Purchased Professional and Technical Services	\$ 10,100.00	\$ 2,000.00	\$ 12,100.00	\$ 6,820.73	\$ 5,279.27
Other Purchased Services	500.00		500.00	115.00	385.00
Supplies and Materials	5,200.00		5,200.00	5,063.14	136.86
Total Other Support Services - Students - Regular	15,800.00	2,000.00	17,800.00	11,998.87	5,801.13
Other Support Services - Students - Special Services:					
Salaries of Other Professional Staff	311,700.00	28,264.00	339,964.00	320,857.06	19,106.94
Salaries of Secretarial and Clerical Assistants	88,019.00		88,019.00	88,018.80	0.20
Miscellaneous Purchased Services	13,337.00	5,085.00	18,422.00	15,770.50	2,651.50
Supplies and Materials	7,075.00	400.00	7,475.00	7,218.16	256.84
Other Objects	1,014.00		1,014.00	999.00	15.00
Total Other Support Services - Students - Special Services	421,145.00	33,749.00	454,894.00	432,863.52	22,030.48
Improvement Instructional Services					
Salaries of Supervisors of Instruction	164,186.00	5,919.00	170,105.00	160,538.96	9,566.04
Salaries of Other Professional Staff	42,150.00	(14,500.00)	27,650.00	26,749.12	900.88
Salaries of Secretarial and Clerical Assistants	59,906.00	(23,802.84)	36,103.16	34,606.65	1,496.51
Other Purchased Services	2,300.00	1,050.00	3,350.00	2,650.45	699.55
Supplies and Materials	5,000.00	6,500.00	11,500.00	10,025.09	1,474.91
Other Objects	240.00		240.00	240.00	
Total Improvement Instructional Services	273,782.00	(24,833.84)	248,948.16	234,810.27	14,137.89

(Continued)

TOWNSHIP OF WATERFORD SCHOOL DISTRICT

Required Supplementary Information

Budgetary Comparison Schedule

General Fund

For the Fiscal Year Ended June 30, 2011

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
EXPENDITURES (CONT'D):					
GENERAL CURRENT EXPENSE (CONT'D):					
Undistributed Expenditures (Cont'd):					
Educational Media Services/School Library:					
Salaries	\$ 85,526.00	\$ (936.00)	\$ 84,590.00	\$ 82,612.73	\$ 1,977.27
Salaries of Technology Coordinators	41,974.00	985.00	42,959.00	42,120.76	838.24
Purchased Professional and Technical Services	48,370.00	(543.70)	47,826.30	47,760.00	66.30
Other Purchased Services	500.00		500.00	267.79	232.21
Supplies and Materials	30,665.00	5,635.28	36,300.28	29,227.74	7,072.54
Other Objects	3,085.00		3,085.00	802.66	2,282.34
Total Educational Media Services/School Library	<u>210,120.00</u>	<u>5,140.58</u>	<u>215,260.58</u>	<u>202,791.68</u>	<u>12,468.90</u>
Instructional Staff Training Services:					
Salaries of Supervisors of Instruction	26,452.00	13,237.00	39,689.00	39,284.15	404.85
Salaries of Other Professional Staff	500.00	4,750.00	5,250.00	5,245.03	4.97
Salaries of Secretarial and Clerical Assistants	16,853.00	3,753.84	20,606.84	20,605.37	1.47
Purchased Professional - Educational Services	10,400.00	(1,500.00)	8,900.00	2,292.00	6,608.00
Other Purchased Services	11,472.00	(500.00)	10,972.00	4,251.30	6,720.70
Supplies and Materials	500.00		500.00	448.41	51.59
Other Objects	1,200.00		1,200.00	1,105.00	95.00
Total Instructional Staff Training Services	<u>67,377.00</u>	<u>19,740.84</u>	<u>87,117.84</u>	<u>73,231.26</u>	<u>\$ 13,886.58</u>

(Continued)

TOWNSHIP OF WATERFORD SCHOOL DISTRICT

Required Supplementary Information

Budgetary Comparison Schedule

General Fund

For the Fiscal Year Ended June 30, 2011

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
EXPENDITURES (CONT'D):					
GENERAL CURRENT EXPENSE (CONT'D):					
Undistributed Expenditures (Cont'd):					
Support Services General Administration:					
Salaries	\$ 248,657.00	\$ (126,840.00)	\$ 121,817.00	\$ 118,237.36	\$ 3,579.64
Legal Services	65,400.00		65,400.00	36,288.00	29,112.00
Audit Fees	26,000.00	1200.00	27,200.00	26,500.00	700.00
Architectural / Engineering Services	20,200.00	(2,335.00)	17,865.00	16,659.51	1,205.49
Other Purchased Professional Services	4,003.00	335.00	4,338.00	4,002.96	335.04
Purchased Technical Services	1,560.00	750.00	2,310.00	1,656.92	653.08
Communications/Telephone	42,850.00	6,650.00	49,500.00	44,239.86	5,260.14
BOE Other Purchased Services	1,500.00	(1,400.00)	100.00	35.46	64.54
Other Purchased Services	27,250.00	(2,385.00)	24,865.00	24,692.49	172.51
Supplies and Materials	3,250.00	(620.48)	2,629.52	2,061.52	568.00
BOE In-house Training and Meeting Supplies	2,150.00		2,150.00	1,158.86	991.14
Miscellaneous Expenditures	1,750.00		1,750.00	1,630.00	120.00
BOE Membership Dues and Fees	13,500.00	(750.00)	12,750.00	12,346.60	403.40
Total Support Services General Administration	<u>458,070.00</u>	<u>(125,395.48)</u>	<u>332,674.52</u>	<u>289,509.54</u>	<u>43,164.98</u>
Support Services School Administration:					
Salaries of Principals/Assistant Principals	304,554.00	(89,486.00)	215,068.00	214,807.53	260.47
Salaries of Secretarial and Clerical Assistants	130,526.00	1,670.00	132,196.00	130,688.21	1,507.79
Other Purchased Services	6,200.00	3,925.00	10,125.00	5,728.69	4,396.31
Supplies and Materials	7,850.00	(500.00)	7,350.00	5,472.24	1,877.76
Other Objects	3,560.00	1,450.00	5,010.00	3,690.00	1,320.00
Total Support Services School Administration	<u>452,690.00</u>	<u>(82,941.00)</u>	<u>369,749.00</u>	<u>360,386.67</u>	<u>9,362.33</u>

(Continued)

TOWNSHIP OF WATERFORD SCHOOL DISTRICT

Required Supplementary Information

Budgetary Comparison Schedule

General Fund

For the Fiscal Year Ended June 30, 2011

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
EXPENDITURES (CONT'D):					
GENERAL CURRENT EXPENSE (CONT'D):					
Undistributed Expenditures (Cont'd):					
Central Services:					
Salaries	\$ 278,275.00	\$ (2,191.00)	\$ 276,084.00	\$ 274,915.46	\$ 1,168.54
Purchased Technical Services	46,800.00		46,800.00	44,113.76	2,686.24
Other Purchased Services	3,040.00	4,740.00	7,780.00	7,302.08	477.92
Supplies and Materials	12,500.00	(500.00)	12,000.00	11,542.99	457.01
Miscellaneous Expenditures	1,350.00	300.00	1,650.00	1,635.32	14.68
Total Central Services	<u>341,965.00</u>	<u>2,349.00</u>	<u>344,314.00</u>	<u>339,509.61</u>	<u>4,804.39</u>
Required Maintenance for School Facilities:					
Salaries		14,533.02	14,533.02	14,533.02	
Cleaning, Repair & Maintenance Services	142,750.00	15,368.00	158,118.00	144,842.37	13,275.63
General Supplies	26,000.00	(26,000.00)			
Total - Required Maintenance for School Facilities	<u>168,750.00</u>	<u>3,901.02</u>	<u>172,651.02</u>	<u>159,375.39</u>	<u>13,275.63</u>
Other Operations and Maintenance of Plant:					
Salaries	109,015.00	(46,462.02)	62,552.98	55,643.42	6,909.56
Purchased Professional & Technical Services	12,000.00		12,000.00	9,667.10	2,332.90
Cleaning, Repair & Maintenance Services	348,226.00	60.00	348,286.00	332,053.41	16,232.59
Other Purchased Property Services	49,793.00	607.00	50,400.00	45,607.92	4,792.08
Insurance	48,900.00		48,900.00	45,915.00	2,985.00
Rental of Land & Building Other than Lease-Purchase	25,000.00	(25,000.00)			

(Continued)

TOWNSHIP OF WATERFORD SCHOOL DISTRICT

Required Supplementary Information

Budgetary Comparison Schedule

General Fund

For the Fiscal Year Ended June 30, 2011

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
EXPENDITURES (CONT'D):					
GENERAL CURRENT EXPENSE (CONT'D):					
Undistributed Expenditures (Cont'd):					
Other Operations and Maintenance of Plant (Cont'd):					
Miscellaneous Purchased Services	\$ 550.00	\$ 500.00	\$ 1,050.00	\$ 539.00	\$ 511.00
General Supplies	63,603.00	26,555.03	90,158.03	70,233.83	19,924.20
Energy (Natural Gas)	52,650.00	14,300.00	66,950.00	46,563.56	20,386.44
Energy (Electricity)	281,000.00	25,950.00	306,950.00	267,401.79	39,548.21
Energy (Gasoline)	4,600.00		4,600.00	2,148.54	2,451.46
Other Objects	3,500.00		3,500.00	1,593.00	1,907.00
Total Other Operations and Maintenance of Plant	998,837.00	(3,489.99)	995,347.01	877,366.57	117,980.44
Care and Upkeep of Grounds:					
Salaries	5,000.00		5,000.00	133.98	4,866.02
Cleaning, Repair, and Maintenance Services	30,000.00	39,750.00	69,750.00	61,251.00	8,499.00
General Supplies		1,000.00	1,000.00	1,000.00	
Total Care and Upkeep of Grounds	35,000.00	40,750.00	75,750.00	62,384.98	13,365.02
Security:					
Salaries	69,621.00	(4,381.00)	65,240.00	57,814.30	7,425.70
Total Security	69,621.00	(4,381.00)	65,240.00	57,814.30	7,425.70

(Continued)

TOWNSHIP OF WATERFORD SCHOOL DISTRICT

Required Supplementary Information

Budgetary Comparison Schedule

General Fund

For the Fiscal Year Ended June 30, 2011

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
EXPENDITURES (CONT'D):					
GENERAL CURRENT EXPENSE (CONT'D):					
Undistributed Expenditures (Cont'd):					
Student Transportation Services:					
Salaries for Pupil Transportation (Between Home & School) - Regular	\$ 98,174.00	\$ (29,624.08)	\$ 68,549.92	\$ 67,779.17	\$ 770.75
Management Fee - ES & CTSA Trasn. Program	23,000.00	2,975.00	25,975.00	16,008.35	9,966.65
Transportation - Technical		3,975.00	3,975.00	3,975.00	
Contracted Services (Between Home & School) - Vendors	1,008,000.00	(72,790.00)	935,210.00	875,096.04	60,113.96
Contracted Services (Other than Between Home & School) - Vendors	4,650.00	60,000.00	64,650.00	34,736.58	29,913.42
Contracted Services (Between Home & School) - Joint Agreements	15,000.00	(3,975.00)	11,025.00	6,505.69	4,519.31
Contracted Services (Special Education) - Vendors	215,000.00	96,460.00	311,460.00	311,456.13	3.87
Student Transportation Services (Cont'd):					
Joint Agreements		19,275.00	19,275.00	19,272.32	2.68
Contracted Services (Regular Students) - ESC's & CTSA's	65,000.00	(1,310.00)	63,690.00	52,893.01	10,796.99
Contracted Services (Special Ed. Students) - ESC's & CTSA's	445,000.00	30,000.00	475,000.00	447,384.96	27,615.04
Contracted Services - Aid in Lieu of Payments	32,500.00		32,500.00	29,915.89	2,584.11
Miscellaneous Purchased Services - Transportation	3,522.00	100.00	3,622.00	2,193.12	1,428.88
Supplies and Materials	6,000.00		6,000.00	1,073.85	4,926.15
Total Student Transportation Services	<u>1,915,846.00</u>	<u>105,085.92</u>	<u>2,020,931.92</u>	<u>1,868,290.11</u>	<u>152,641.81</u>
					(Continued)

TOWNSHIP OF WATERFORD SCHOOL DISTRICT

Required Supplementary Information

Budgetary Comparison Schedule

General Fund

For the Fiscal Year Ended June 30, 2011

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
EXPENDITURES (CONT'D):					
GENERAL CURRENT EXPENSE (CONT'D):					
Undistributed Expenditures (Cont'd):					
Allocated Benefits:					
Regular Programs - Instruction - Employee Benefits:					
Social Security Contributions	\$ 44,600.00	\$ (5,975.00)	\$ 38,625.00	\$ 35,822.47	\$ 2,802.53
Other Retirement Contributions - Regular	24,000.00	3,732.00	27,732.00	27,732.00	
Workmen's Compensation	68,100.00	(5,000.00)	63,100.00	52,140.32	10,959.68
Health Benefits	<u>847,602.00</u>	<u>(18,609.00)</u>	<u>828,993.00</u>	<u>828,993.00</u>	
Total Regular Programs - Instruction - Employee Benefits	<u>984,302.00</u>	<u>(25,852.00)</u>	<u>958,450.00</u>	<u>944,687.79</u>	<u>13,762.21</u>
Special Programs - Instruction - Employee Benefits:					
Social Security Contributions	17,900.00		17,900.00	8,004.09	9,895.91
Other Retirement Contributions - Regular	10,800.00	3,425.00	14,225.00	14,218.68	6.32
Workmen's Compensation	3,900.00	88.00	3,988.00	3,655.63	332.37
Health Benefits	<u>87,600.00</u>	<u>(52,140.00)</u>	<u>35,460.00</u>	<u>27,115.47</u>	<u>8,344.53</u>
Total Special Programs - Instruction - Employee Benefits	<u>120,200.00</u>	<u>(48,627.00)</u>	<u>71,573.00</u>	<u>52,993.87</u>	<u>18,579.13</u>
Attendance and Social Work Services - Employee Benefits:					
Social Security Contributions	4,200.00	245.00	4,445.00	4,442.73	2.27
Other Retirement Contributions - Regular	4,600.00	715.00	5,315.00	5,315.00	
Workmen's Compensation	700.00		700.00	627.88	72.12
Health Benefits	<u>18,400.00</u>	<u>(250.00)</u>	<u>18,150.00</u>	<u>18,089.34</u>	<u>60.66</u>
Total Attendance and Social Work Services - Employee Benefits	<u>27,900.00</u>	<u>710.00</u>	<u>28,610.00</u>	<u>28,474.95</u>	<u>135.05</u>

(Continued)

TOWNSHIP OF WATERFORD SCHOOL DISTRICT

Required Supplementary Information

Budgetary Comparison Schedule

General Fund

For the Fiscal Year Ended June 30, 2011

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
EXPENDITURES (CONT'D):					
GENERAL CURRENT EXPENSE (CONT'D):					
Undistributed Expenditures (Cont'd):					
Health Services - Employee Benefits:					
Social Security Contributions	\$ 900.00	\$ (105.00)	\$ 795.00	\$ 701.96	\$ 93.04
Workmen's Compensation	2,800.00		2,800.00	2,247.63	552.37
Health Benefits	46,300.00	3,510.00	49,810.00	49,765.35	44.65
Total Health Services - Employee Benefits:	50,000.00	3,405.00	53,405.00	52,714.94	690.06
Other Support Services-Students-Related Services- Employee Benefits:					
Social Security Contributions	800.00		800.00	573.74	226.26
Workmen's Compensation	5,500.00	191.00	5,691.00	5,217.55	473.45
Health Benefits	76,300.00	(4,900.00)	71,400.00	71,193.95	206.05
Total Other Support Services - Student- Related Services - Employee Benefits	82,600.00	(4,709.00)	77,891.00	76,985.24	905.76
Other Support Services-Students-Extraordinary Services- Employee Benefits:					
Social Security Contributions	5,900.00	(3,290.00)	2,610.00	2,609.36	0.64
Other Retirement Contributions - Regular	4,300.00	669.00	4,969.00	4,969.00	
Workmen's Compensation	700.00	13.00	713.00	653.51	59.49
Health Benefits	39,400.00	(33,150.00)	6,250.00	6,097.96	152.04
Total Other Support Services - Student- Extraordinary Services - Employee Benefits	50,300.00	(35,758.00)	14,542.00	14,329.83	212.17

(Continued)

TOWNSHIP OF WATERFORD SCHOOL DISTRICT

Required Supplementary Information

Budgetary Comparison Schedule

General Fund

For the Fiscal Year Ended June 30, 2011

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
EXPENDITURES (CONT'D):					
GENERAL CURRENT EXPENSE (CONT'D):					
Undistributed Expenditures (Cont'd):					
Other Support Services - Child Study Team - Employee Benefits:					
Social Security Contributions	\$ 7,500.00		\$ 7,500.00	\$ 7,167.62	\$ 332.38
Other Retirement Contributions - Regular	7,500.00	\$ 1,166.00	8,666.00	8,666.00	
Workmen's Compensation	5,200.00		5,200.00	4,636.50	563.50
Health Benefits	101,600.00	(50.00)	101,550.00	101,545.97	4.03
Total Other Support Services - Child Study Team - Employee Benefits	<u>121,800.00</u>	<u>1,116.00</u>	<u>122,916.00</u>	<u>122,016.09</u>	<u>899.91</u>
Improvement of Instruction Services- Employee Benefits:					
Social Security Contributions	7,000.00		7,000.00	6,126.24	873.76
Other Retirement Contributions - Regular	5,500.00	855.00	6,355.00	6,355.00	
Workmen's Compensations	3,100.00	117.00	3,217.00	2,948.92	268.08
Health Benefits	34,433.00	15,489.00	49,922.00	49,173.07	748.93
Total Improvement of Instruction Services- Employee Benefits:	<u>50,033.00</u>	<u>16,461.00</u>	<u>66,494.00</u>	<u>64,603.23</u>	<u>1,890.77</u>
Educational Media Services - School Library - Employee Benefits					
Social Security Contributions	9,800.00	(4,000.00)	5,800.00	5,411.44	388.56
Other Retirement Contributions - Regular	9,800.00	1524.00	11,324.00	11,324.00	
Workmen's Compensation	2,900.00		2,900.00	1,478.51	1,421.49
Health Benefits	55,300.00	(11,515.00)	43,785.00	43,783.15	1.85
Total Educational Media Services - School Library	<u>77,800.00</u>	<u>(13,991.00)</u>	<u>63,809.00</u>	<u>61,997.10</u>	<u>1,811.90</u>

(Continued)

TOWNSHIP OF WATERFORD SCHOOL DISTRICT

Required Supplementary Information

Budgetary Comparison Schedule

General Fund

For the Fiscal Year Ended June 30, 2011

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
EXPENDITURES (CONT'D):					
GENERAL CURRENT EXPENSE (CONT'D):					
Undistributed Expenditures (Cont'd):					
Instructional Staff Training Services - Employee Benefits:					
Social Security Contributions	\$ 1,900.00	\$ 1,915.00	\$ 3,815.00	\$ 3,017.44	\$ 797.56
Other Retirement Contributions - Regular	1,500.00	233.00	1,733.00	1,733.00	
Workmen's Compensation	900.00		900.00	647.13	252.87
Health Benefits	16,948.00	235.00	17,183.00	16,832.83	350.17
Total Instructional Staff Training Services - Employee Benefits	21,248.00	2,383.00	23,631.00	22,230.40	1,400.60
Support Services - General Administration - Employee Benefits					
Social Security Contributions	6,900.00	(3,900.00)	3,000.00	2,843.38	156.62
Other Retirement Contributions - Regular	7,400.00	1,151.00	8,551.00	8,551.00	
Workmen's Compensation	3,100.00	47.00	3,147.00	2,884.75	262.25
Health Benefits	27,405.00	(5,600.00)	21,805.00	13,213.44	8,591.56
Total Support Services - General Administration - Employee Benefits	44,805.00	(8,302.00)	36,503.00	27,492.57	9,010.43
Support Services - School Administration - Employees Benefits					
Social Security Contributions	10,000.00	380.00	10,380.00	10,372.28	7.72
Other Retirement Contributions - Regular	10,900.00	1,695.00	12,595.00	12,595.00	
Workmen's Compensation	5,300.00	206.00	5,506.00	5,047.13	458.87
Health Benefits	76,809.00	(2,400.00)	74,409.00	72,960.99	1,448.01
Total Support Services - School Administration- Employee Benefits	103,009.00	(119.00)	102,890.00	100,975.40	1,914.60

(Continued)

TOWNSHIP OF WATERFORD SCHOOL DISTRICT

Required Supplementary Information

Budgetary Comparison Schedule

General Fund

For the Fiscal Year Ended June 30, 2011

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
EXPENDITURES (CONT'D):					
GENERAL CURRENT EXPENSE (CONT'D):					
Undistributed Expenditures (Cont'd):					
Support Services - Central Services - Employee Benefits					
Social Security Contributions	\$ 14,300.00		\$ 14,300.00	\$ 11,984.96	\$ 2,315.04
Other Retirement Contributions - Regular	15,500.00	\$ 2,411.00	17,911.00	17,911.00	
Workmen's Compensation	3,900.00		3,900.00	3,228.50	671.50
Health Benefits	63,339.00	1,030.00	64,369.00	63,673.87	695.13
	<u>97,039.00</u>	<u>3,441.00</u>	<u>100,480.00</u>	<u>96,798.33</u>	<u>3,681.67</u>
Total Support Services - Central Services-Employee Benefits					
Operation and Maintenance of Plant Services - Employee Benefits					
Social Security Contributions	29,096.00	(18,750.00)	10,346.00	10,344.15	1.85
Other Retirement Contributions - Regular	23,184.00	37,250.00	60,434.00	60,434.00	
Workmen's Compensation	16,155.00	(10,683.00)	5,472.00	2,130.26	3,341.74
Health Benefits	30,379.00	(6,600.00)	23,779.00	23,778.25	0.75
	<u>98,814.00</u>	<u>1,217.00</u>	<u>100,031.00</u>	<u>96,686.66</u>	<u>3,344.34</u>
Total Oper. and Maint. of Plant Services - Employee Benefits					
Student Transportation Services - Employee Benefits:					
Social Security Contributions	6,900.00		6,900.00	5,859.48	1,040.52
Other Retirement Contributions - Regular	7,300.00	1,135.00	8,435.00	8,435.00	
Workmen's Compensation	1,500.00		1,500.00	1,138.50	361.50
Health Benefits	46,000.00	(10,455.00)	35,545.00	34,955.61	589.39
	<u>61,700.00</u>	<u>(9,320.00)</u>	<u>52,380.00</u>	<u>50,388.59</u>	<u>1,991.41</u>
Total Student Transportation Services - Employee Benefits					
Total Allocated Benefits	<u>1,991,550.00</u>	<u>(117,945.00)</u>	<u>1,873,605.00</u>	<u>1,813,374.99</u>	<u>60,230.01</u>

(Continued)

TOWNSHIP OF WATERFORD SCHOOL DISTRICT

Required Supplementary Information

Budgetary Comparison Schedule

General Fund

For the Fiscal Year Ended June 30, 2011

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
EXPENDITURES (CONT'D):					
GENERAL CURRENT EXPENSE (CONT'D):					
Undistributed Expenditures (Cont'd):					
Unallocated Benefits - Employee Benefits:					
Group Insurance		\$ 16,325.00	\$ 16,325.00	\$ 14,301.30	\$ 2,023.70
Social Security		15,600.00	15,600.00	15,583.53	16.47
Unemployment		50,000.00	50,000.00	50,000.00	
Tuition Reimbursement	\$ 36,000.00	870.00	36,870.00	24,182.78	12,687.22
Other Retirement Contributions -- PERS		18,489.00	18,489.00	18,489.00	
Other Employee Benefits	3,325.00	207,725.00	211,050.00	201,719.47	9,330.53
Total Unallocated Benefits - Employee Benefits	39,325.00	309,009.00	348,334.00	324,276.08	24,057.92
Total Personal Services - Employee Benefits	2,030,875.00	191,064.00	2,221,939.00	2,137,651.07	84,287.93
On-behalf TPAF Pension Contributions- Post-Retirement Medical (non-budgeted)				441,023.00	(441,023.00)
On-behalf T.P.A.F. Pension Contributions (non-budgeted)				20,764.00	(20,764.00)
Reimbursed TPAF Social Security Contributions				458,749.35	(458,749.35)
Total TPAF Contributions	-	-	-	920,536.35	(920,536.35)
Total Undistributed Expenses	19,681,810.00	(97,958.95)	19,583,851.05	19,751,109.16	(167,258.11)
Total Expenditures - Current Expense	24,509,985.00	(10,689.38)	24,499,295.62	24,568,496.62	(69,201.00)

(Continued)

TOWNSHIP OF WATERFORD SCHOOL DISTRICT

Required Supplementary Information

Budgetary Comparison Schedule

General Fund

For the Fiscal Year Ended June 30, 2011

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
EXPENDITURES (CONT'D):					
CAPITAL OUTLAY:					
Capital Reserve - Interest Deposit to Capital Reserve	\$ 500.00		\$ 500.00		\$ 500.00
Equipment:					
Support Services - Instructional Staff		\$ 11,639.42	11,639.42	\$ 9,489.42	2,150.00
Undistributed Expenditures - Required Maintenance of School Facilities		355.00	355.00		355.00
Undistributed Expenditures - Custodial Services		4,000.00	4,000.00		4,000.00
Total - Equipment	-	15,994.42	15,994.42	9,489.42	6,505.00
Facilities Acquisition and Construction Services:					
Undistributed Expenditures:					
Construction Services		9,265.00	9,265.00	3,911.82	5,353.18
Other Objects	2,707.00		2,707.00	2,707.00	
Total Facilities Acquisition and Construction Services	2,707.00	9,265.00	11,972.00	6,618.82	5,353.18
Total Capital Outlay	3,207.00	25,259.42	28,466.42	16,108.24	12,358.18
SPECIAL SCHOOLS:					
Summer School - Instruction:					
Salaries of Teachers	27,274.00	(6,218.00)	21,056.00	18,196.91	2859.09
Other Salaries for Instruction	10,490.00		10,490.00	6,692.12	3797.88
Total Summer School - Instruction	37,764.00	(6,218.00)	31,546.00	24,889.03	6,656.97

(Continued)

TOWNSHIP OF WATERFORD SCHOOL DISTRICT

Required Supplementary Information

Budgetary Comparison Schedule

General Fund

For the Fiscal Year Ended June 30, 2011

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
EXPENDITURES (CONT'D):					
SPECIAL SCHOOLS (CONT'D):					
Summer School - Support Services:					
Salaries	\$ 11,276.00		\$ 11,276.00	\$ 10,905.46	\$ 370.54
Personal Services - Employee Benefits	4,400.00	\$ 21.00	4,421.00	3,771.84	649.16
Total Support Services	<u>15,676.00</u>	<u>21.00</u>	<u>15,697.00</u>	<u>14,677.30</u>	<u>1,019.70</u>
Total Special Schools	<u>53,440.00</u>	<u>(6,197.00)</u>	<u>47,243.00</u>	<u>39,566.33</u>	<u>7,676.67</u>
Total Expenditures	<u>24,566,632.00</u>	<u>8,373.04</u>	<u>24,575,005.04</u>	<u>24,624,171.19</u>	<u>(49,166.15)</u>
Calculation of Deficiency of Revenues Under Expenditures:					
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ (1,310,000.00)</u>	<u>\$ (5,873.04)</u>	<u>\$ (1,315,873.04)</u>	<u>\$ (167,803.49)</u>	<u>\$ 1,148,069.55</u>
Other Financing Sources (Uses):					
Cancellation of Prior Year Accounts Payable				660,598.07	660,598.07
Total - Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>660,598.07</u>	<u>660,598.07</u>

(Continued)

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

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
REVENUES:					
Local Sources:					
Revenue from Local Sources	\$ 8,976.00	\$ 43,942.59	\$ 52,918.59	\$ 48,509.97	\$ (4,408.62)
Total - Local Sources	<u>8,976.00</u>	<u>43,942.59</u>	<u>52,918.59</u>	<u>48,509.97</u>	<u>(4,408.62)</u>
State Sources:					
Nonpublic aid	<u>142,441.00</u>	<u>37,417.00</u>	<u>179,858.00</u>	<u>146,759.84</u>	<u>(33,098.16)</u>
Total - State Sources	<u>142,441.00</u>	<u>37,417.00</u>	<u>179,858.00</u>	<u>146,759.84</u>	<u>(33,098.16)</u>
Federal Sources:					
Title I	245,499.00	8,794.28	254,293.28	197,492.82	(56,800.46)
ARRA, Title I		84,886.40	84,886.40	936.91	(83,949.49)
Title IIA	39,974.00	3,020.16	42,994.16	37,798.69	(5,195.47)
Title IID	472.00	84.25	556.25	128.24	(428.01)
Title III					
Title IV		915.75	915.75	102.30	(813.45)
I.D.E.I.A., Basic Part B	363,172.00	13,545.04	376,717.04	358,106.04	(18,611.00)
ARRA, I.D.E.I.A., Basic		941.97	941.97	84,886.40	83,944.43
I.D.E.I.A., Part B, Preschool Incentive		5,860.37	5,860.37	23,928.37	18,068.00
ARRA, I.D.E.I.A., Preschool Incentive		<u>5,172.96</u>	<u>5,172.96</u>	<u>5,172.96</u>	
Total - Federal Sources	<u>649,117.00</u>	<u>123,221.18</u>	<u>772,338.18</u>	<u>708,552.73</u>	<u>(63,785.45)</u>
Total Revenues	<u>800,534.00</u>	<u>204,580.77</u>	<u>1,005,114.77</u>	<u>903,822.54</u>	<u>(101,292.23)</u>

(Continued)

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

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
EXPENDITURES:					
Instruction:					
Salaries	\$ 157,482.00	\$ 28,416.75	\$ 185,898.75	\$ 180,536.00	\$ 5,362.75
Purchased Educational and Technical Services	206,138.00	32,488.76	238,626.76	185,821.76	52,805.00
Other Purchased Services	259,793.00	3,104.46	262,897.46	239,386.46	23,511.00
General Supplies	15,344.00	66,746.96	82,090.96	74,091.96	7,999.00
Textbooks	9,720.00		9,720.00	9,720.00	
Other Objects		1,405.63	1,405.63	984.90	420.73
Total Instruction	648,477.00	132,162.56	780,639.56	690,541.08	90,098.48
Support Services:					
Salaries of Other Professional Staff	12,275.00	5,889.48	18,164.48	16,118.68	2,045.80
Salaries of Secretarial and Clerical Assistants					
Personal Services-Employee Benefits	46,470.00	2,532.76	49,002.76	46,747.17	2,255.59
Purchased Professional Educational Services	79,496.00	7,377.50	86,873.50	82,946.34	3,927.16
Travel		354.04	354.04		354.04
Other Purchased Services	9,140.00	2,830.59	11,970.59	9,766.59	2,204.00
Supplies and Materials	4,676.00	2,793.84	7,469.84	7,062.68	407.16
Total Support Services	152,057.00	21,778.21	173,835.21	162,641.46	11,193.75
Facilities Acquisition and Construction Services:					
Instructional Equipment		50,640.00	50,640.00	50,640.00	
Total Facilities Acquisition and Construction Services	-	50,640.00	50,640.00	50,640.00	-
Total Expenditures	800,534.00	204,580.77	1,005,114.77	903,822.54	101,292.23
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-

TOWNSHIP OF WATERFORD 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	\$ 24,456,367.70	\$ 903,822.54
Difference between the local grant award amounts and the amounts realized as revenue on a budgetary basis		(376.85)
Differences - Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		(83,340.34)
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes	1,212,652.00	
State aid payment recognized as revenue for budgetary purposes, not recognized for GAAP statements until the subsequent year	<u>(1,072,282.00)</u>	
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 24,596,737.70</u>	<u>\$ 820,105.35</u>
Uses / Outflows of Resources:		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 24,624,171.19	\$ 903,822.54
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.		<u>(92,431.24)</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (B-2)	<u>\$ 24,624,171.19</u>	<u>\$ 811,391.30</u>

OTHER SUPPLEMENTARY INFORMATION

SPECIAL REVENUE FUND

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

	Total	N.C.L.B.						Total Brought Forward
		Title I			Title IIA		Title IID	
		2010-2011	Summer 2009-2010	ARRA 2009-2010	2010-2011	Summer 2009-2010	2010-2011	
REVENUES:								
Federal Sources	\$ 708,552.73	\$ 194,922.03	\$ 2,570.79	\$ 936.91	\$ 36,889.57	\$ 909.12	\$ 128.24	\$ 472,196.07
State Sources	146,759.84							146,759.84
Local Sources	48,509.97							48,509.97
Total Revenues	903,822.54	194,922.03	2,570.79	936.91	36,889.57	909.12	128.24	667,465.88
EXPENDITURES:								
Instruction:								
Salaries	180,536.00	117,081.20			25,243.00			38,211.80
Purchased Educational and Technical Services	185,821.76	5,590.00						180,231.76
Other Purchased Services	239,386.46							239,386.46
General Supplies	74,091.96	8,602.23	151.92	736.91	2,183.90	532.71	10.24	61,874.05
Textbooks	9,720.00							9,720.00
Other Objects	984.90							984.90
Total Instruction	690,541.08	131,273.43	151.92	736.91	27,426.90	532.71	10.24	530,408.97
Support Services:								
Salaries of Other Professional Staff	16,118.68	10,229.20	2,289.48					3,600.00
Salaries of Secretarial and Clerical Assistants								
Personal Services-Employee Benefits	46,747.17	37,359.40	129.39		8,874.67	376.41		7.30
Purchased Professional Educational Services	82,946.34	7,212.00			588.00			75,146.34
Travel								
Other Purchased Services	9,766.59	8,848.00		200.00			118.00	600.59
Supplies and Materials	7,062.68							7,062.68
Total Support Services	162,641.46	63,648.60	2,418.87	200.00	9,462.67	376.41	118.00	86,416.91
Facilities Acquisition and Construction Services:								
Instructional Equipment								
Non Instructional Equipment	50,640.00							50,640.00
Total Facilities Acquisition and Construction Services	50,640.00	-	-	-	-	-	-	50,640.00
Total Expenditures	903,822.54	194,922.03	2,570.79	936.91	36,889.57	909.12	128.24	667,465.88
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-	-	-	-

(Continued)

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

	Total Carried Forward	N.C.L.B.	I. D. E. I.A. -- Part B			Total Brought Forward
		Title IV Summer 2009-2010	Basic 2010-2011	Basic Summer 2009-2010	ARRA Basic 2009-2010	
REVENUES:						
Federal Sources	\$ 472,196.07	\$ 102.30	\$ 344,561.00	\$ 13,545.04	\$ 84,886.40	\$ 29,101.33
State Sources	146,759.84					146,759.84
Local Sources	48,509.97					48,509.97
Total Revenues	667,465.88	102.30	344,561.00	13,545.04	84,886.40	224,371.14
EXPENDITURES:						
Instruction:						
Salaries	38,211.80	95.00	1,000.00	\$ 683.08		36,433.72
Purchased Educational and Technical Services	180,231.76		54,592.00		1.76	125,638.00
Other Purchased Services	239,386.46		226,533.90	12,852.56		
General Supplies	61,874.05				30,050.21	31,823.84
Textbooks	9,720.00					9,720.00
Other Objects	984.90					984.90
Total Instruction	530,408.97	95.00	282,125.90	13,535.64	30,051.97	204,600.46
Support Services:						
Salaries of Other Professional Staff	3,600.00					3,600.00
Salaries of Secretarial and Clerical Assistants						
Personal Services-Employee Benefits	7.30	7.30				
Purchased Professional Educational Services	75,146.34		59,735.10	9.40	1,200.00	14,201.84
Travel						
Other Purchased Services	600.59				600.59	
Supplies and Materials	7,062.68		2,700.00		2,393.84	1,968.84
Total Support Services	86,416.91	7.30	62,435.10	9.40	4,194.43	19,770.68
Facilities Acquisition and Construction Services:						
Instructional Equipment						
Non Instructional Equipment	50,640.00				50,640.00	
Total Facilities Acquisition and Construction Services	50,640.00	-	-	-	50,640.00	-
Total Expenditures	667,465.88	102.30	344,561.00	13,545.04	84,886.40	224,371.14
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-	-

(Continued)

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

	Total Carried Forward	I. D. E. I.A. -- Part B			Non-Public Textbook 2010-2011	Non-Public Nursing 2010-2011	Total Brought Forward
		Part B Preschool Incentive 2010-2011	Preschool Summer 2009-2010	ARRA Basic Preschool Incentive 2009-2010			
REVENUES:							
Federal Sources	\$ 29,101.33	\$ 18,068.00	\$ 5,860.37	\$ 5,172.96			
State Sources	146,759.84				\$ 9,720.00	\$ 11,401.84	\$ 125,638.00
Local Sources	48,509.97						48,509.97
Total Revenues	224,371.14	18,068.00	5,860.37	5,172.96	9,720.00	11,401.84	174,147.97
EXPENDITURES:							
Instruction:							
Salaries	36,433.72	18,068.00	4,563.56				13,802.16
Purchased Educational and Technical Services	125,638.00						125,638.00
Other Purchased Services							
General Supplies	31,823.84		1,296.81	5,172.96			25,354.07
Textbooks	9,720.00				9,720.00		
Other Objects	984.90						984.90
Total Instruction	204,600.46	18,068.00	5,860.37	5,172.96	9,720.00	-	165,779.13
Support Services:							
Salaries of Other Professional Staff	3,600.00						3,600.00
Salaries of Secretarial and Clerical Assistants							
Personal Services-Employee Benefits							
Purchased Professional Educational Services	14,201.84					11,401.84	2,800.00
Travel							
Other Purchased Services							
Supplies and Materials	1,968.84						1,968.84
Total Support Services	19,770.68				-	11,401.84	8,368.84
Facilities Acquisition and Construction Services:							
Instructional Equipment							
Non Instructional Equipment							
Total Facilities Acquisition and Construction Services	-	-	-	-	-	-	-
Total Expenditures	224,371.14	18,068.00	5,860.37	5,172.96	9,720.00	11,401.84	174,147.97
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-	-	-

(Continued)

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

	Total Carried Forward	Auxilliary Services (P.L. 192)		Handicapped Services (P.L. 193)			Total Brought Forward
		Non-Public Compensatory Education 2010-2011	Non-Public Transportation 2010-2011	Non-Public Supplemental Instruction 2010-2011	Non-Public Exam and Classification 2010-2011	Non-Public Corrective Speech 2010-2011	
REVENUES:							
Federal Sources							
State Sources	\$ 125,638.00	\$ 76,723.00	\$ 3,047.00	\$ 9,272.00	\$ 14,324.00	\$ 22,272.00	
Local Sources	48,509.97						\$ 48,509.97
Total Revenues	174,147.97	76,723.00	3,047.00	9,272.00	14,324.00	22,272.00	48,509.97
EXPENDITURES:							
Instruction:							
Salaries	13,802.16						13,802.16
Purchased Educational and Technical Services	125,638.00	76,723.00	3,047.00	9,272.00	14,324.00	22,272.00	
Other Purchased Services							
General Supplies	25,354.07						25,354.07
Textbooks							
Other Objects	984.90						984.90
Total Instruction	165,779.13	76,723.00	3,047.00	9,272.00	14,324.00	22,272.00	40,141.13
Support Services:							
Salaries of Other Professional Staff	3,600.00						3,600.00
Salaries of Secretarial and Clerical Assistants							
Personal Services-Employee Benefits							
Purchased Professional Educational Services	2,800.00						2,800.00
Travel							
Other Purchased Services							
Supplies and Materials	1,968.84						1,968.84
Total Support Services	8,368.84	-	-	-	-	-	8,368.84
Facilities Acquisition and Construction Services:							
Instructional Equipment							
Non Instructional Equipment							
Total Facilities Acquisition and Construction Services	-	-	-	-	-	-	-
Total Expenditures	174,147.97	76,723.00	3,047.00	9,272.00	14,324.00	22,272.00	48,509.97
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-	-	-

(Continued)

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

	<u>Total Carried Forward</u>	<u>Women's Club Mini Grant</u>	<u>WTH&S Club Teachers</u>	<u>Rowan University Aces</u>	<u>Atlantic City Electric Mini Grant</u>	<u>New Jersey School Boards Safety Grant</u>	<u>Newspaper Club Grants</u>	<u>Walmart Grants</u>
REVENUES:								
Federal Sources								
State Sources								
Local Sources	\$ 48,509.97	\$ 13,472.31	\$ 500.58	\$ 3,500.00	\$ 1,000.00	\$ 4,368.84	\$ 5,100.00	\$ 20,568.24
Total Revenues	<u>48,509.97</u>	<u>13,472.31</u>	<u>500.58</u>	<u>3,500.00</u>	<u>1,000.00</u>	<u>4,368.84</u>	<u>5,100.00</u>	<u>20,568.24</u>
EXPENDITURES:								
Instruction:								
Salaries	13,802.16	\$ 11,092.50					2,709.66	
Purchased Educational and Technical Services								
Other Purchased Services								
General Supplies	25,354.07	1,394.91	0.58		1,000.00		2,390.34	20,568.24
Textbooks								
Other Objects	984.90	484.90	500.00					
Total Instruction	<u>40,141.13</u>	<u>12,972.31</u>	<u>500.58</u>		<u>1,000.00</u>	<u>-</u>	<u>5,100.00</u>	<u>20,568.24</u>
Support Services:								
Salaries of Other Professional Staff	3,600.00	100.00		3,500.00				
Salaries of Secretarial and Clerical Assistants								
Personal Services-Employee Benefits								
Purchased Professional Educational Services	2,800.00					2,800.00		
Travel								
Other Purchased Services								
Supplies and Materials	1,968.84	400.00				1,568.84		
Total Support Services	<u>8,368.84</u>	<u>500.00</u>	<u>-</u>	<u>3,500.00</u>	<u>-</u>	<u>4,368.84</u>	<u>-</u>	<u>-</u>
Facilities Acquisition and Construction Services:								
Instructional Equipment								
Non Instructional Equipment								
Total Facilities Acquisition and Construction Services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>48,509.97</u>	<u>13,472.31</u>	<u>500.58</u>	<u>3,500.00</u>	<u>1,000.00</u>	<u>4,368.84</u>	<u>5,100.00</u>	<u>20,568.24</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

PROPRIETARY FUNDS

TOWNSHIP OF WATERFORD SCHOOL DISTRICT
Enterprise Funds
Combining Statement of Net Assets
June 30, 2011

	Food Service	School Age Child Care	Adult Piano	Totals
ASSETS:				
Current Assets:				
Cash and Cash Equivalents	\$ 4,688.91	\$ 50,268.23	\$ 1,857.77	\$ 56,814.91
Accounts Receivable:				
State	453.76			453.76
Federal	9,368.16			9,368.16
Other	12,958.16			12,958.16
Inventory	15,385.53			15,385.53
Interfund Accounts Receivable - General Fund	16,481.79			16,481.79
Total Current Assets	59,336.31	50,268.23	1,857.77	111,462.31
Noncurrent Assets:				
Restricted Cash and Cash Equivalents,				
Furniture, Machinery and Equipment	207,007.00			207,007.00
Less Accumulated Depreciation	(198,102.85)			(198,102.85)
Total Noncurrent Assets	8,904.15	-	-	8,904.15
Total Assets	68,240.46	50,268.23	1,857.77	120,366.46
LIABILITIES:				
Current Liabilities:				
Interfund Payable:				
General Fund	53,188.44	19,187.01	129.04	72,504.49
Deferred Revenue	1,178.86	1,150.00		2,328.86
Intergovernmental Accounts Payable	4,969.01			4,969.01
Accounts Payable		413.46		413.46
Total Current Liabilities	59,336.31	20,750.47	129.04	80,215.82
Noncurrent Liabilities:				
Compensated Absences Payable		11,688.89		11,688.89
Total Liabilities	59,336.31	32,439.36	129.04	91,904.71
NET ASSETS:				
Invested in Capital Assets, Net of Related Debt	8,904.15			8,904.15
Unrestricted		17,828.87	1,728.73	19,557.60
Total Net Assets	\$ 8,904.15	17,828.87	1,728.73	\$ 28,461.75

TOWNSHIP OF WATERFORD SCHOOL DISTRICT
Enterprise Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Net Assets
For the Fiscal Year Ended June 30, 2011

	<u>Food Service</u>	<u>School Age Child Care</u>	<u>Adult Piano</u>	<u>Totals</u>
OPERATING REVENUES:				
Local Sources:				
Daily Sales - Reimbursable Programs:				
School Breakfast Program	\$ 7,491.88			\$ 7,491.88
School Lunch Program	114,644.79			114,644.79
Daily Sales Non-Reimbursable Programs	55,941.42			55,941.42
Special Functions	5,645.84			5,645.84
Miscellaneous	14,473.56			14,473.56
Program Fees		\$ 234,378.60	\$ 1,364.00	235,742.60
Total Operating Revenue	<u>198,197.49</u>	<u>234,378.60</u>	<u>1,364.00</u>	<u>433,940.09</u>
OPERATING EXPENSES:				
Salaries	129,195.35	161,130.82	930.00	291,256.17
Employee Benefits	38,795.14	46,836.19	73.95	85,705.28
Purchased Professional and Technical Services	25,850.16	2,000.00		27,850.16
Other Purchases Services (400 and 500 Series)	11,599.87			11,599.87
Cost of Goods Sold	126,289.53			126,289.53
Supplies and Materials	9,600.24	7,209.30		16,809.54
Depreciation	3,318.50			3,318.50
Other Objects	3,893.44			3,893.44
Total Operating Expenses	<u>348,542.23</u>	<u>217,176.31</u>	<u>1,003.95</u>	<u>566,722.49</u>
Operating Income (Loss)	<u>(150,344.74)</u>	<u>17,202.29</u>	<u>360.05</u>	<u>(132,782.40)</u>
NONOPERATING REVENUES (EXPENSES):				
State Sources:				
State School Lunch Program	3,579.75			3,579.75
Federal Sources:				
National School Lunch Program	92,727.34			92,727.34
School Breakfast Program	31,269.26			31,269.26
Food Distribution Program	19,133.24			19,133.24
Interest Revenue	316.65	626.58	28.60	971.83
Total Nonoperating Revenues (Expenses)	<u>147,026.24</u>	<u>626.58</u>	<u>28.60</u>	<u>147,681.42</u>
Income (Loss) before Contributions and Transfers	(3,318.50)	17,828.87	388.65	14,899.02
Change in Net Assets	(3,318.50)	17,828.87	388.65	14,899.02
Net Assets - July 1	<u>12,222.65</u>	<u>-</u>	<u>1,340.08</u>	<u>13,562.73</u>
Net Assets - June 30	<u>\$ 8,904.15</u>	<u>17,828.87</u>	<u>\$ 1,728.73</u>	<u>\$ 28,461.75</u>

TOWNSHIP OF WATERFORD SCHOOL DISTRICT
Enterprise Funds
Combining Statement of Cash Flows
For the Fiscal Year Ended June 30, 2011

	Food Service	School Age Child Care	Adult Piano	Totals
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts from Customers	\$ 189,295.31	\$ 236,771.56	\$ 1,364.00	\$ 427,430.87
Payments to Employees	(129,195.35)	(161,271.14)	(986.52)	(291,453.01)
Payments for Employee Benefits	(38,795.14)	(46,836.19)	(73.95)	(85,705.28)
Payments to Suppliers	<u>(212,287.43)</u>	<u>(13,520.24)</u>	<u> </u>	<u>(225,807.67)</u>
Net Cash Provided by (used for) Operating Activities	<u>(190,982.61)</u>	<u>15,143.99</u>	<u>303.53</u>	<u>(175,535.09)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:				
State Sources	3,990.94			3,990.94
Federal Sources	131,276.98			131,276.98
Operating Subsidies and Transfers to Other Funds	<u>53,373.51</u>	<u>19,187.01</u>	<u>129.04</u>	<u>72,689.56</u>
Net Cash Provided by (used for) Non-Capital Financing Activities	<u>188,641.43</u>	<u>19,187.01</u>	<u>129.04</u>	<u>207,957.48</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest Revenue	<u>316.65</u>	<u>626.58</u>	<u>28.60</u>	<u>971.83</u>
Net Cash Provided by (used for) Investing Activities	<u>316.65</u>	<u>626.58</u>	<u>28.60</u>	<u>971.83</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(2,024.53)	34,957.58	461.17	33,394.22
Cash and Cash Equivalents, July 1	<u>6,713.44</u>	<u>15,310.65</u>	<u>1,396.60</u>	<u>23,420.69</u>
Cash and Equivalents, June 30	<u>\$ 4,688.91</u>	<u>\$ 50,268.23</u>	<u>\$ 1,857.77</u>	<u>\$ 56,814.91</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used)				
by Operating Activities:				
Operating Income (Loss)	\$ (150,344.74)	\$ 17,202.29	\$ 360.05	\$ (132,782.40)
Adjustments to Reconcile Operating Income (Loss)				
to Cash Provided (Used) by Operating Activities:				
Depreciation and Net Amortization	3,318.50			3,318.50
Food Distribution Program	19,133.24			19,133.24
Change in Assets and Liabilities:				
(Increase) / Decrease in Accounts Receivable	(10,081.04)	2,892.96		(7,188.08)
(Increase) / Decrease in Inventory	(15,385.53)			(15,385.53)
Increase / (Decrease) in Deferred Revenue	1,178.86	(500.00)		678.86
Compensated Absences Increase / (Decrease)		(140.32)		(140.32)
Increase / (Decrease) in Accounts Payable	<u>(38,801.90)</u>	<u>(4,310.94)</u>	<u>(56.52)</u>	<u>(43,169.36)</u>
Total Adjustments	<u>(40,637.87)</u>	<u>(2,058.30)</u>	<u>(56.52)</u>	<u>(42,752.69)</u>
Net Cash Provided (Used) in Operating Activities	<u>\$ (190,982.61)</u>	<u>\$ 15,143.99</u>	<u>\$ 303.53</u>	<u>\$ (175,535.09)</u>

FIDUCIARY FUNDS

TOWNSHIP OF WATERFORD SCHOOL DISTRICT
 Fiduciary Funds
 Combining Statement of Fiduciary Net Assets
 June 30, 2011

	Trust Fund	Agency Funds		Totals
	Unemployment Compensation Insurance	Student Activity	Payroll	
ASSETS:				
Cash and Cash Equivalents	\$ 46,275.40	\$ 8,921.53	\$ 55,632.36	\$ 110,829.29
Interfund Accounts Receivable:				
General Fund			2,000.00	2,000.00
Accounts Receivable -- Other		95.56		95.56
Total Assets	<u>46,275.40</u>	<u>\$ 9,017.09</u>	<u>\$ 57,632.36</u>	<u>112,924.85</u>
LIABILITIES:				
Payroll Deductions and Withholdings			\$ 55,077.34	55,077.34
Interfund Payable:				
General Fund			2,555.02	2,555.02
Payable to Student Groups		\$ 9,017.09		9,017.09
Total Liabilities	<u>-</u>	<u>\$ 9,017.09</u>	<u>\$ 57,632.36</u>	<u>66,649.45</u>
NET ASSETS:				
Held in Trust for Unemployment Claims and Other Purposes	<u>46,275.40</u>			<u>46,275.40</u>
Total Net Assets	<u>\$ 46,275.40</u>			<u>\$ 46,275.40</u>

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

	<u>Unemployment Compensation Trust Fund</u>
ADDITIONS:	
Investment Earnings:	
Interest on Investments	\$ 1,159.84
Board Contribution	50,000.00
Payroll Deductions	<u>13,114.86</u>
Total Additions	<u>64,274.70</u>
DEDUCTIONS:	
Unemployment Compensation Insurance Claims	<u>206,006.72</u>
Total Operating Expenditures	<u>206,006.72</u>
Change in Net Assets	(141,732.02)
Net Assets -- July 1	<u>188,007.42</u>
Net Assets -- June 30	<u>\$ 46,275.40</u>

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

	<u>Balance</u> <u>June 30, 2010</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>June 30, 2011</u>
ELEMENTARY SCHOOLS:				
Waterford Elementary Schools	<u>\$ 8,260.91</u>	<u>\$ 2,167.65</u>	<u>\$ 1,411.47</u>	<u>\$ 9,017.09</u>
Total Student Activity	<u><u>\$ 8,260.91</u></u>	<u><u>\$ 2,167.65</u></u>	<u><u>\$ 1,411.47</u></u>	<u><u>\$ 9,017.09</u></u>

TOWNSHIP OF WATERFORD 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>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2011</u>
ASSETS:				
Cash and Cash Equivalents	\$ 11,469.56	\$ 10,397,908.97	\$ 10,353,746.17	\$ 55,632.36
Interfund Accounts Receivable:				
Unemployment Trust		822.52	822.52	
General Fund		2,000.00		2,000.00
Intergovernmental Accounts Receivable:				
State	2.18		2.18	
Federal	46.84		46.84	
Accounts Receivable--Other	478.97		478.97	
Total Assets	<u>\$ 11,997.55</u>	<u>\$ 10,400,731.49</u>	<u>\$ 10,355,096.68</u>	<u>\$ 57,632.36</u>
LIABILITIES:				
Payroll Deductions and Withholdings	\$ 8,839.30	\$ 4,903,446.64	\$ 4,857,208.60	\$ 55,077.34
Intrafund Accounts Payable:				
Unemployment Trust Fund				
Interfund Accounts Payable:				
General Fund	2,680.00	206,188.57	206,313.55	2,555.02
Deposits Payable	478.25		478.25	
Net Payroll		5,291,096.28	5,291,096.28	
Total Liabilities	<u>\$ 11,997.55</u>	<u>\$ 10,400,731.49</u>	<u>\$ 10,355,096.68</u>	<u>\$ 57,632.36</u>

LONG-TERM DEBT

TOWNSHIP OF WATERFORD SCHOOL DISTRICT
Statement of Serial Bonds
For the Fiscal Year Ended June 30, 2011

	Date of <u>Issue</u>	Amount of <u>Issue</u>	<u>Annual Maturities</u>		Interest <u>Rate</u>	Balance <u>June 30, 2010</u>	<u>Retired</u>	Balance <u>June 30, 2011</u>
			<u>Date</u>	<u>Amount</u>				
Retirement of Unfunded Pension and Annuity Fund and Public Employees' Retirement System Under Early Retirement Incentive Programs	07/29/03	\$ 790,000.00	10/01/11	\$ 60,000.00	4.48%	<u>\$ 550,000.00</u>	<u>\$ 60,000.00</u>	<u>\$ 490,000.00</u>
			10/01/12	65,000.00				
			10/01/13	70,000.00				
			10/01/14	75,000.00				
			10/01/15	80,000.00				
			10/1/16,17	35,000.00				
			10/01/18	40,000.00				
			10/01/19	30,000.00				

TOWNSHIP OF WATERFORD SCHOOL DISTRICT
 Schedule of Obligations Under Capital Leases
 For the Fiscal Year Ended June 30, 2011

<u>SERIES</u>	<u>Date of Lease</u>	<u>Term of Lease</u>	<u>Interest Rate Payable</u>	<u>Amount of Original Issue</u>		<u>Amount Outstanding July 1, 2010</u>	<u>Issued Current Year</u>	<u>Retired Current Year</u>	<u>Amount Outstanding June 30, 2011</u>
				<u>Principal</u>	<u>Interest</u>				
Accounting, Payroll and Personnel Software and Equipment	October 8, 2008	October 8, 2007 to October 8, 2011	4.45%	\$ 55,705.00	\$ 4,953.00	\$ 22,734.67		\$ 11,119.91	\$ 11,614.76
Telephone System	July 22, 2008	July 22, 2008 to July 22, 2012	3.95%	130,552.00	10,516.45	<u>78,817.20</u>		<u>25,243.42</u>	<u>53,573.78</u>
						<u>\$ 101,551.87</u>	<u>-</u>	<u>\$ 36,363.33</u>	<u>\$ 65,188.54</u>

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

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 83,293.00	-	\$ 83,293.00	\$ 83,293.00	
Total Revenues	<u>83,293.00</u>	<u>-</u>	<u>83,293.00</u>	<u>83,293.00</u>	<u>-</u>
EXPENDITURES:					
Regular Debt Service:					
Interest on Bonds	23,296.00		23,296.00	23,294.64	\$ 1.36
Redemption of Principal	60,000.00		60,000.00	60,000.00	
Total Regular Debt Service	<u>83,296.00</u>	<u>-</u>	<u>83,296.00</u>	<u>83,294.64</u>	<u>1.36</u>
Total Expenditures	<u>83,296.00</u>	<u>-</u>	<u>83,296.00</u>	<u>83,294.64</u>	<u>1.36</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	(3.00)	-	(3.00)	(1.64)	1.36
Fund Balance, July 1	<u>-</u>		<u>-</u>	<u>48.83</u>	<u>48.83</u>
Fund Balance, June 30	<u>(3.00)</u>	<u>-</u>	<u>(3.00)</u>	<u>47.19</u>	<u>50.19</u>
Recapitulation:					
Unreserved and Undesignated				<u>\$ 47.19</u>	

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 seven 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.

WATERFORD TOWNSHIP 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	\$ 3,822,874.37	\$ 4,046,853.26	\$ 4,274,843.80	\$ 4,556,377.60	\$ 5,422,115.53	\$ 5,634,065.64	\$ 5,297,089.65	\$ 5,162,856.37	\$ 4,642,380.08
Restricted	105,476.75	1,088,757.74	2,423,543.55	2,736,586.89	2,962,493.96	1,717,112.37	1,245,286.83	1,304,026.70	833,928.69
Unrestricted	<u>436,862.51</u>	<u>(1,447,360.34)</u>	<u>(873,002.44)</u>	<u>(679,920.80)</u>	<u>(1,295,502.17)</u>	<u>(435,726.91)</u>	<u>(185,240.67)</u>	<u>(178,084.83)</u>	<u>695,740.62</u>
Total Governmental Activities Net Assets	<u>\$ 4,365,213.63</u>	<u>\$ 3,688,250.66</u>	<u>\$ 5,825,384.91</u>	<u>\$ 6,613,043.69</u>	<u>\$ 7,089,107.32</u>	<u>\$ 6,915,451.10</u>	<u>\$ 6,357,135.81</u>	<u>\$ 6,288,798.24</u>	<u>\$ 6,172,049.39</u>
Business-type Activities									
Invested in Capital Assets, Net of Related Debt	\$ 8,904.15	\$ 12,222.65	\$ 15,341.19	\$ 17,065.00	\$ 16,468.86	\$ 20,095.44	\$ 23,722.02	\$ 27,348.60	\$ 30,975.18
Restricted									
Unrestricted	<u>19,557.60</u>	<u>1,340.88</u>	<u>31,251.94</u>	<u>68,639.67</u>	<u>25,778.42</u>	<u>(31,761.46)</u>	<u>(26,815.83)</u>	<u>(12,494.83)</u>	<u>(7,959.01)</u>
Total Business-type Activities Net Assets	<u>\$ 28,461.75</u>	<u>\$ 13,563.53</u>	<u>\$ 46,593.13</u>	<u>\$ 85,704.67</u>	<u>\$ 42,247.28</u>	<u>\$ (11,666.02)</u>	<u>\$ (3,093.81)</u>	<u>\$ 14,853.77</u>	<u>\$ 23,016.17</u>
District-wide									
Invested in Capital Assets, Net of Related Debt	\$ 3,831,778.52	\$ 4,059,075.91	\$ 4,290,184.99	\$ 4,573,442.60	\$ 5,438,584.39	\$ 5,654,161.08	\$ 5,320,811.67	\$ 5,190,204.97	\$ 4,673,355.26
Restricted	105,476.75	1,088,757.74	2,423,543.55	2,736,586.89	2,962,493.96	1,717,112.37	1,245,286.83	1,304,026.70	833,928.69
Unrestricted	<u>456,420.11</u>	<u>(1,446,019.46)</u>	<u>(841,750.50)</u>	<u>(611,281.13)</u>	<u>(1,269,723.75)</u>	<u>(467,488.37)</u>	<u>(212,056.50)</u>	<u>(190,579.66)</u>	<u>687,781.61</u>
Total District-wide Net Assets	<u>\$ 4,393,675.38</u>	<u>\$ 3,701,814.19</u>	<u>\$ 5,871,978.04</u>	<u>\$ 6,698,748.36</u>	<u>\$ 7,131,354.60</u>	<u>\$ 6,903,785.08</u>	<u>\$ 6,354,042.00</u>	<u>\$ 6,303,652.01</u>	<u>\$ 6,195,065.56</u>

Source: District Records

WATERFORD TOWNSHIP 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	\$ 4,887,030.76	\$ 6,066,999.93	\$ 4,777,492.09	\$ 4,397,546.67	\$ 3,671,669.45	\$ 3,731,967.26	\$ 3,534,183.39	\$ 3,393,306.82	\$ 3,154,619.12
Special Education	1,405,173.55	1,488,698.09	1,923,928.68	1,980,177.91	1,373,277.94	1,223,854.07	1,164,908.64	1,164,319.19	1,033,686.04
Other Special Education	398,154.12	522,810.57	615,422.32	558,398.22	530,313.18	450,324.13	406,978.86	358,581.86	350,475.19
Support Services:									
Tuition	10,937,945.12	11,348,840.93	10,843,462.73	9,711,177.58	6,953,190.16	7,587,633.03	8,173,006.74	8,419,592.54	7,927,859.43
Student & Instruction Related Services	2,268,833.97	2,433,952.35	2,518,274.73	2,396,312.58	3,579,001.86	3,180,339.03	2,957,852.28	1,753,137.81	1,699,697.27
School Administrative Services	1,080,482.23	1,425,145.17	1,529,098.56	1,350,500.22	856,512.52	807,241.47	769,729.11	1,232,812.80	1,231,061.86
Plant Operations and Maintenance	1,254,758.03	1,637,980.61	1,560,586.21	1,509,458.38	1,539,529.65	1,477,331.10	1,405,367.67	1,056,210.94	1,063,250.56
Pupil Transportation	1,907,558.79	1,893,839.83	1,843,859.36	1,723,297.46	2,091,773.39	1,839,483.10	1,720,931.45	1,602,928.08	1,470,473.75
Special Schools	39,566.33	44,420.48	37,826.70	35,877.00					
Unallocated Benefits	371,023.25	366,690.60	71,531.72	189,425.71	781,284.65	487,212.29	525,819.30	1,137,868.74	1,304,485.95
Reimbursed TPAF and Social Security	906,437.64	943,355.49	912,848.54	1,211,365.24	1,160,023.80	704,693.93	601,750.88	566,476.26	507,604.12
Transfer to Charter Schools			17,204.00	17,906.00	17,218.00	12,458.00	8,008.00		
Amortization of Debt Issuance Costs	1,317.56	1,317.56	1,317.56	1,317.57	1,317.56	1,317.56	1,317.56	1,317.56	
Interest on Long-term Debt	25,489.80	29,411.13	33,272.43	43,537.38	30,206.00	31,584.00	32,928.26	22,939.26	
Unallocated Depreciation			299,363.00	168,742.83	184,307.76	249,276.13	282,177.30	360,747.39	
Total Governmental Activities Expenses	<u>25,483,771.15</u>	<u>28,203,462.74</u>	<u>26,686,125.63</u>	<u>25,425,660.92</u>	<u>22,754,060.99</u>	<u>21,719,746.73</u>	<u>21,552,058.01</u>	<u>20,991,669.16</u>	<u>20,103,960.68</u>
Business-type Activities:									
Food Service	348,542.23	460,192.92	441,776.02	387,631.62	325,800.48	330,865.84	332,561.26	319,153.46	309,814.51
School Age Child Care	217,176.31	189,736.64	187,748.13	189,362.92	187,691.65	188,695.34	182,242.14	144,066.11	139,193.90
Adult Piano	1,003.95	1,148.96	929.81	1,231.45	1,566.31	1,534.02	1,469.43	1,534.03	920.43
Total Business-type Activities Expense	<u>566,722.49</u>	<u>651,078.52</u>	<u>630,453.96</u>	<u>578,225.99</u>	<u>515,058.44</u>	<u>521,095.20</u>	<u>516,272.83</u>	<u>464,753.60</u>	<u>449,928.84</u>
Total District Expenses	<u>\$ 26,050,493.64</u>	<u>\$ 28,854,541.26</u>	<u>\$ 27,316,579.59</u>	<u>\$ 26,003,886.91</u>	<u>\$ 23,269,119.43</u>	<u>\$ 22,240,841.93</u>	<u>\$ 22,068,330.84</u>	<u>\$ 21,456,422.76</u>	<u>\$ 20,553,889.52</u>
Program Revenues									
Governmental Activities:									
Operating Grants and Contributions	\$ 1,731,927.65	\$ 2,268,578.95	\$ 1,641,352.23	\$ 1,870,127.20	\$ 1,829,247.34	\$ 1,482,058.72	\$ 1,307,509.73	\$ 1,368,961.43	\$ 1,185,160.11
Capital Grants and Contributions								187,418.00	
Total Governmental Activities Program Revenues	<u>1,731,927.65</u>	<u>2,268,578.95</u>	<u>1,641,352.23</u>	<u>1,870,127.20</u>	<u>1,829,247.34</u>	<u>1,482,058.72</u>	<u>1,307,509.73</u>	<u>1,556,379.43</u>	<u>1,185,160.11</u>
Business-type activities:									
Charges for services									
Food Service	198,197.49	176,868.28	189,764.71	183,777.49	171,789.22	184,948.47	176,106.85	153,550.30	163,675.28
School Age Child Care	234,378.60	172,665.54	172,989.62	218,847.88	134,685.55	154,016.21	157,206.27	148,349.23	159,465.24
Adult Piano	1,364.00	1,595.00	1,265.00	1,661.00	1,991.00	2,204.37	2,068.00	2,024.00	1,298.00
Operating Grants and Contributions	146,709.59	162,154.21	153,857.77	114,601.99	90,806.95	81,601.26	74,963.48	74,236.07	100,549.94
Total Business-type Activities Program Revenues	<u>580,649.68</u>	<u>513,283.03</u>	<u>517,877.10</u>	<u>518,888.36</u>	<u>399,272.72</u>	<u>422,770.31</u>	<u>410,344.60</u>	<u>378,159.60</u>	<u>424,988.46</u>
Total District Program Revenues	<u>\$ 2,312,577.33</u>	<u>\$ 2,781,861.98</u>	<u>\$ 2,159,229.33</u>	<u>\$ 2,389,015.56</u>	<u>\$ 2,228,520.06</u>	<u>\$ 1,904,829.03</u>	<u>\$ 1,717,854.33</u>	<u>\$ 1,934,539.03</u>	<u>\$ 1,610,148.57</u>
Net (Expense)/Revenue									
Governmental Activities	\$ (23,751,843.50)	\$ (25,934,883.79)	\$ (25,044,773.40)	\$ (23,555,533.72)	\$ (20,924,813.65)	\$ (20,237,688.01)	\$ (20,244,548.28)	\$ (19,435,289.73)	\$ (18,918,800.57)
Business-type Activities	13,927.19	(137,795.49)	(112,576.86)	(59,337.63)	(115,785.72)	(98,324.89)	(105,928.23)	(86,594.00)	(24,940.38)
Total District-wide Net Expense	<u>\$ (23,737,916.31)</u>	<u>\$ (26,072,679.28)</u>	<u>\$ (25,157,350.26)</u>	<u>\$ (23,614,871.35)</u>	<u>\$ (21,040,599.37)</u>	<u>\$ (20,336,012.90)</u>	<u>\$ (20,350,476.51)</u>	<u>\$ (19,521,883.73)</u>	<u>\$ (18,943,740.95)</u>

(Continued)

WATERFORD TOWNSHIP SCHOOL DISTRICT
 Changes in Net Assets
 Last Nine Fiscal Years (accrual basis of accounting)
 Unaudited

	<u>Fiscal Year Ending June 30,</u>								
	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
General Revenues and Other Changes in Net Assets									
Governmental Activities:									
Property Taxes Levied for General Purposes, Net	\$ 11,999,729.96	\$ 12,007,004.00	\$ 11,502,117.96	\$ 11,426,788.00	\$ 10,257,696.00	\$ 9,708,417.00	\$ 9,223,240.95	\$ 9,593,912.05	\$ 9,089,122.00
Taxes Levied for Debt Service	83,293.00	65,536.00	62,181.96	63,784.00	60,240.00	61,539.00	125,873.05		
Unrestricted Federal & State Aid	11,459,338.48	11,520,136.27	11,897,074.05	10,315,793.60	10,027,882.90	10,004,881.54	10,003,073.38	9,701,717.85	9,293,844.30
Restricted Federal & State Aid		5,636.65	15,986.69				4,558.00	255.54	63,542.64
Tuition Received	140,641.13	132,657.93	262,927.11	179,094.54	80,792.54	29,009.00	6,647.00	15,576.82	30,493.64
Investment Earnings	27,325.67	78,633.18	61,008.75	157,685.64					
Miscellaneous Income	57,880.16	88,952.48	607,662.70	1,639,918.86	836,099.04	1,076,906.55	808,443.47	317,326.32	595,332.27
Special Item -- Rounding Adjustment						0.21	225,800.00		(124,069.97)
Loss on Disposal of Capital Asset									
Donated Capital Assets		2,866.59							
Cancellation of Prior Year Accounts Payable	660,598.07								
Transfers		(103,673.57)	(72,416.41)	(100,000.00)	(164,240.61)	(84,750.00)	(84,750.00)	(76,750.00)	(65,475.00)
Total Governmental Activities	<u>24,428,806.47</u>	<u>23,797,749.53</u>	<u>24,335,175.42</u>	<u>23,683,064.64</u>	<u>21,098,469.87</u>	<u>20,796,003.30</u>	<u>20,312,885.85</u>	<u>19,552,038.58</u>	<u>18,882,789.88</u>
Business-type Activities:									
Investment Earnings	971.83	1,091.52	1,048.91	2,795.02	5,458.41	5,002.68	3,230.65	1,681.60	1,363.81
Transfers		103,673.57	72,416.41	100,000.00	164,240.61	84,750.00	84,750.00	76,750.00	65,475.00
Total Business-type Activities	<u>971.83</u>	<u>104,765.09</u>	<u>73,465.32</u>	<u>102,795.02</u>	<u>169,699.02</u>	<u>89,752.68</u>	<u>87,980.65</u>	<u>78,431.60</u>	<u>66,838.81</u>
Total District-wide	<u>\$ 24,429,778.30</u>	<u>\$ 23,902,514.62</u>	<u>\$ 24,408,640.74</u>	<u>\$ 23,785,859.66</u>	<u>\$ 21,268,168.89</u>	<u>\$ 20,885,755.98</u>	<u>\$ 20,400,866.50</u>	<u>\$ 19,630,470.18</u>	<u>\$ 18,949,628.69</u>
Change in Net Assets									
Governmental Activities	\$ 676,962.97	\$ (2,137,134.26)	\$ (709,597.98)	\$ 127,530.92	\$ 173,656.22	\$ 558,315.29	\$ 68,337.57	\$ 116,748.85	\$ (36,010.69)
Business-type Activities	14,899.02	(33,030.40)	(39,111.54)	43,457.39	53,913.30	(8,572.21)	(17,947.58)	(8,162.40)	41,898.43
Total District	<u>\$ 691,861.99</u>	<u>\$ (2,170,164.66)</u>	<u>\$ (748,709.52)</u>	<u>\$ 170,988.31</u>	<u>\$ 227,569.52</u>	<u>\$ 549,743.08</u>	<u>\$ 50,389.99</u>	<u>\$ 108,586.45</u>	<u>\$ 5,887.74</u>

Source: District Records

WATERFORD TOWNSHIP SCHOOL DISTRICT
Fund Balances, Governmental Funds
Last Nine Fiscal Years (modified accrual basis of accounting)
Unaudited

	<u>Fiscal Year Ending June 30,</u>								
	<u>2011(a)</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
General Fund									
Restricted	\$ 114,604.54	\$ 1,088,332.06	\$ 2,698,222.74	\$ 2,781,139.28	\$ 2,964,795.92	\$ 1,803,666.23	\$ 858,972.60	\$ 977,043.87	\$ 916,299.53
Committed	18,311.08								
Assigned	686,517.74								
Unassigned									
Unreserved	<u>632,550.30</u>	<u>(269,512.98)</u>	<u>1,169,411.23</u>	<u>580,457.84</u>	<u>69,609.76</u>	<u>559,634.75</u>	<u>863,702.46</u>	<u>929,869.07</u>	<u>1,336,825.78</u>
Total General Fund	<u>\$ 1,451,983.66</u>	<u>\$ 818,819.08</u>	<u>3867633.97</u>	<u>\$ 3,361,597.12</u>	<u>\$ 3,034,405.68</u>	<u>\$ 2,363,300.98</u>	<u>\$ 1,722,675.06</u>	<u>\$ 1,906,912.94</u>	<u>\$ 2,253,125.31</u>
All Other Governmental Funds									
Restricted	\$ 9,138.09								
Reserved							\$ 406,507.00	\$ 304,000.00	
Unreserved, Reported in:									
Special Revenue Fund		\$ 376.85	\$ 2,811.88	\$ (6,265.64)	\$ (1,305.15)	(1,305.15)	(1,305.15)	\$ (1,305.15)	\$ (1,560.69)
Capital Projects Fund					58,309.45	58,309.45	83,934.70	117,340.00	
Debt Service Fund		48.83	34.00	34.00	34.00		44.79	44.79	
Permanent Fund									
Total All Other Governmental Funds	<u>\$ 9,138.09</u>	<u>\$ 425.68</u>	<u>\$ 2,845.88</u>	<u>\$ (6,231.64)</u>	<u>\$ 57,038.30</u>	<u>\$ 57,004.30</u>	<u>\$ 489,181.34</u>	<u>\$ 420,079.64</u>	<u>\$ (1,560.69)</u>

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

Source: District Records

WATERFORD TOWNSHIP 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										
Local Sources	\$ 12,083,022.96	\$ 12,072,540.00	\$ 11,564,299.92	\$ 11,490,572.00	\$ 10,317,936.00	\$ 9,770,356.00	\$ 9,349,114.00	\$ 9,593,912.05	\$ 9,090,122.00	\$ 8,306,259.00
Tuition Charges	140,641.13	132,657.93	262,927.11	179,094.54	80,792.54	29,009.00	6,647.00	15,576.82	30,493.64	22,034.28
Interest Earnings										409.28
Miscellaneous	124,624.90	184,435.71	684,371.16	1,566,868.73	836,099.04	1,076,906.55	808,443.47	317,326.32	595,332.27	242,834.52
State Sources	12,498,803.79	10,780,732.55	12,989,381.77	11,839,861.06	11,343,586.42	10,851,890.29	10,724,041.68	10,596,468.73	10,020,105.24	9,935,146.07
Federal Sources	653,043.27	2,996,769.27	549,331.49	462,499.25	513,543.82	634,649.97	591,099.43	661,884.09	521,441.63	425,930.92
Total Revenue	<u>25,500,136.05</u>	<u>26,167,135.46</u>	<u>26,050,311.45</u>	<u>25,538,895.58</u>	<u>23,091,957.82</u>	<u>22,362,811.81</u>	<u>21,479,345.58</u>	<u>21,185,168.01</u>	<u>20,257,494.78</u>	<u>18,932,614.07</u>
Expenditures										
Instruction										
Regular Instruction	4,662,875.29	5,884,616.00	4,712,159.02	4,421,676.13	3,107,192.31	3,723,174.53	3,528,246.48	3,389,341.90	3,151,848.81	
Special Education Instruction	1,405,173.55	1,488,698.09	1,923,928.68	1,979,182.91	1,360,556.75	1,213,816.01	1,155,840.08	1,155,810.21	1,023,401.74	
Other Special Instruction	398,154.12	522,810.57	615,422.32	558,398.22	530,313.18	450,324.13	406,978.86	358,581.86	350,475.19	
Instruction - Pre-GASB 34 Implementation										4,158,162.93
Undistributed Expenditures - Pre-GASB 34 Implementation										14,029,047.57
Support Services:										
Tuition	10,937,945.12	11,348,840.93	10,843,462.87	9,711,177.58	7,506,816.87	7,587,633.03	8,173,006.74	8,419,592.54	7,927,859.43	
Student & Instruction Related Services	2,297,201.52	2,493,277.67	2,311,099.63	2,391,707.58	3,572,641.27	3,174,716.21	2,954,015.06	1,750,331.18	1,698,065.44	
School Administrative Services	1,214,672.12	1,417,943.81	1,381,231.50	1,348,532.22	853,893.45	804,448.93	767,419.63	1,251,799.97	1,229,847.49	
Plant Operations and Maintenance	1,253,627.90	1,639,702.90	1,567,487.18	1,507,553.38	1,536,162.28	1,475,702.56	1,434,777.96	1,084,088.55	1,089,647.97	
Pupil Transportation	1,918,678.70	1,904,485.98	1,855,990.96	1,717,526.46	2,057,209.41	1,928,780.29	1,704,670.54	1,618,220.67	1,574,977.55	
Unallocated Employee Benefits	371,023.25	366,690.60	65,400.85	189,425.71	467,069.84	471,420.27	546,377.33	1,388,949.90	1,330,807.28	
Reimbursed TPAF Pension/Social Security	920,536.35	953,036.03	912,848.54	1,211,365.24	1,160,023.80	704,693.93	601,750.88	566,476.26	507,604.12	
Special Schools	39,566.33	44,420.48	37,826.70	35,877.00						
Transfer to Charter Schools			17,204.00	17,906.00	17,218.00	12,458.00	8,008.00			
Capital Outlay	16,108.24	19,209.12	252,532.09	76,566.65	27,275.35	620,006.25	165,712.20	269,428.75	459,789.10	221,171.25
Debt Service:										
Principal - Early Retirement Bonds	60,000.00	40,000.00	35,000.00	35,000.00	30,000.00	30,000.00	30,000.00	40,000.00		
Interest on Early Retirement Bonds	23,294.64	25,489.84	27,213.29	28,784.00	30,206.00	31,584.00	32,928.00	22,939.26		
Total Expenditures	<u>25,518,857.13</u>	<u>28,149,222.02</u>	<u>26,558,807.63</u>	<u>25,230,679.08</u>	<u>22,256,578.51</u>	<u>22,228,758.14</u>	<u>21,509,731.76</u>	<u>21,315,561.05</u>	<u>20,344,324.12</u>	<u>18,408,381.75</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(18,721.08)	(1,982,086.56)	(508,496.18)	308,216.50	835,379.31	134,053.67	(30,386.18)	(130,393.04)	(86,829.34)	524,232.32
Other Financing Sources (Uses)										
Long-Term Debt Issued								790,000.00		
Repayment of ERIP Liability								(768,919.00)		
Capital Leases (Non-budgeted)			130,552.00	55,705.00		159,145.00		261,490.00	361,942.00	
Operating Transfers In	660,598.08			200,809.45	2,514.11	3,513.79	221,839.03	235,925.26		
Operating Transfers Out		(103,673.57)	(72,416.41)	(300,809.45)	(166,754.72)	(88,263.79)	(306,589.03)	(312,675.26)	(65,475.00)	(58,337.00)
Total Other Financing Sources (Uses)	<u>660,598.08</u>	<u>(103,673.57)</u>	<u>58,135.59</u>	<u>(44,295.00)</u>	<u>(164,240.61)</u>	<u>74,395.00</u>	<u>(84,750.00)</u>	<u>205,821.00</u>	<u>296,467.00</u>	<u>(58,337.00)</u>
Net Change in Fund Balances	<u>\$ 641,877.00</u>	<u>\$ (2,085,760.13)</u>	<u>\$ (450,360.59)</u>	<u>\$ 263,921.50</u>	<u>\$ 671,138.70</u>	<u>\$ 208,448.67</u>	<u>\$ (115,136.18)</u>	<u>\$ 75,427.96</u>	<u>\$ 209,637.66</u>	<u>\$ 465,895.32</u>
Debt Service as a Percentage of Noncapital Expenditures	0.2%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.2%		
Source: District Records										

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

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
Interest on Investments	\$ 27,232.72	\$ 78,633.18	\$ 61,008.75	\$ 157,685.64	\$ 176,934.44	\$ 87,255.14	\$ 52,988.48	\$ 25,823.98	\$ 32,472.56	\$ 57,222.08
Interest on Investments - Capital Reserve Account	92.95	73.50	97.79	333.93	545.16	172.69	460.82	1,632.29		
Refund of Prior Year Expenditures	43,377.93	50,671.65	25,559.20	43,468.96	21,667.69	16,239.02	22,877.24	6,838.45	19,670.80	34,966.68
Insurance Reimbursements			1,807.97	119,664.80	44,911.27			1,827.35		20,289.45
Donations from Private Sources					8,880.00		16,000.00			
Cancellation of Prior Year Accounts Payable		36,535.00							72,957.40	27,301.18
Miscellaneous Fines	1,190.36	2,126.87	300.50	2,495.00	7,704.56	5,933.62	1,178.13	2,395.19	2,961.74	4,440.26
Miscellaneous Sales										
Sale of Assets			50.00	658,217.34						
Use of Facilities	900.00	1,980.49	732.20	2,084.18						
Summer School			6,900.00							
Transportation Fees	3,697.82		1,318.64							
Revenue from Dissolution of Lower Camden County Regional School District			561,818.88	561,818.88	572,941.81	963,792.29	713,456.77	276,805.80	466,619.40	86,992.20
	<u>\$ 76,491.78</u>	<u>\$ 170,020.69</u>	<u>\$ 659,593.93</u>	<u>\$ 1,545,768.73</u>	<u>\$ 833,584.93</u>	<u>\$ 1,073,392.76</u>	<u>\$ 806,961.44</u>	<u>\$ 315,323.06</u>	<u>\$ 594,681.90</u>	<u>\$ 231,211.85</u>

Source: District Records.

Revenue Capacity Information

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

WATERFORD TOWNSHIP SCHOOL DISTRICT
 Assessed Value and Actual Value of Taxable Property
 Last Ten Fiscal Years
 Unaudited

<u>Fiscal Year Ended June 30,</u>	<u>Vacant Land</u>	<u>Residential</u>	<u>Farm Reg./Qual.</u>	<u>Commercial</u>	<u>Industrial</u>	<u>Apartment</u>	<u>Total Assessed Value</u>	<u>Public Utilities (1)</u>	<u>Net Valuation Taxable</u>	<u>Tax-Exempt Property</u>	<u>Estimated Actual (County Equalized) Value</u>	<u>Total Direct School Tax Rate (2)</u>
2011	\$ 10,740,700.00	\$ 408,702,000.00	\$ 13,738,400.00	\$ 33,880,600.00	\$ 1,225,400.00	\$ 2,394,900.00	\$ 470,682,000.00	\$ 1,128,609.00	471,810,609.00	\$ 53,869,900.00	902,203,592.00	2.560
2010	10,898,100.00	408,789,200.00	13,954,500.00	35,117,000.00	1,225,400.00	2,394,900.00	472,379,100.00	1,398,154.00	473,777,254.00	53,299,900.00	934,631,793.00	2.550
2009	10,902,800.00	408,423,200.00	13,652,000.00	34,906,500.00	1,225,400.00	2,394,900.00	471,504,800.00	1,478,184.00	472,982,984.00	52,765,300.00	933,331,419.00	2.552
2008	11,286,600.00	405,205,800.00	13,621,000.00	37,079,900.00	1,225,400.00	2,394,900.00	470,813,600.00	978,045.00	471,791,645.00	52,442,800.00	884,682,109.00	2.451
2007	11,499,800.00	402,157,300.00	12,381,700.00	37,241,100.00	1,225,400.00	2,144,900.00	466,650,200.00	1,022,401.00	467,672,601.00	52,765,500.00	805,027,924.00	2.457
2006	10,540,200.00	397,814,600.00	11,241,300.00	35,953,800.00	1,225,400.00	2,144,900.00	458,920,200.00	1,147,259.00	460,067,459.00	52,120,000.00	790,891,193.00	2.243
2005	10,522,900.00	395,510,400.00	11,060,000.00	35,951,200.00	1,225,400.00	2,144,900.00	456,414,800.00	1,365,134.00	457,779,934.00	52,071,200.00	684,518,554.00	2.134
2004	10,668,100.00	391,293,000.00	10,803,800.00	36,112,900.00	1,225,400.00	2,144,900.00	452,248,100.00	1,627,614.00	453,875,714.00	52,260,500.00	600,393,800.00	2.074
2003	11,117,900.00	389,020,200.00	9,973,900.00	35,990,900.00	1,225,400.00	2,144,900.00	449,473,200.00	1,884,023.00	451,357,223.00	52,305,700.00	532,611,618.00	2.112
2002	11,786,900.00	386,377,100.00	9,853,400.00	36,545,000.00	1,200,800.00	2,144,900.00	447,908,100.00	1,887,080.00	449,795,180.00	52,239,900.00	488,479,258.00	2.023

(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

WATERFORD TOWNSHIP SCHOOL DISTRICT

Direct and Overlapping Property Tax Rates

Last Ten Years

(rate per \$100 of assessed value)

Unaudited

Fiscal Year Ended June 30,	District Direct Rate			Overlapping Rates			Total Direct and Overlapping Tax Rate
	<u>Basic Rate (1)</u>	<u>General Obligation Debt Service (2)</u>	<u>Total Direct School Tax Rate</u>	<u>Regional School District (3)</u>	<u>Township of Waterford</u>	<u>County of Camden</u>	
2011	2.543	0.017	2.560	-	1.292	1.243	5.095
2010	2.533	0.018	2.550	-	1.355	1.205	5.110
2009	2.539	0.014	2.552	-	1.245	1.128	4.925
2008	2.438	0.013	2.451	-	1.205	1.115	4.771
2007	2.443	0.014	2.457	-	1.170	1.133	4.760
2006	2.230	0.013	2.243	-	1.109	1.132	4.484
2005	2.121	0.013	2.134	-	1.020	1.026	4.180
2004	2.046	0.028	2.074	-	0.970	0.974	4.018
2003	2.112	-	2.112	-	0.943	0.980	4.035
2002	2.023	-	2.023	-	0.880	0.937	3.840

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

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

(3) The Regional School District dissolved June 30, 2001.

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

Source: Municipal Tax Collector

WATERFORD TOWNSHIP SCHOOL DISTRICT

Principal Property Tax Payers
Current Year and Nine Years Ago
Unaudited

Taxpayer	2011			2002		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
Broadway Square Realty	\$ 3,000,000.00	1	0.64%	N/A		N/A
National Amusement Inc.	2,172,300.00	2	0.46%	\$ 6,452,100.00	1	1.43%
Pliner Leon Inc.	1,271,400.00	3	0.27%	1,271,400.00	4	0.29%
New Jersey Bell Telephone	1,128,609.00	4	0.24%	1,930,765.00	3	0.43%
Mobile Field Office	976,500.00	5	0.21%	976,500.00	5	0.22%
O'Hara, James H. (Shannon's)	963,200.00	6	0.20%	951,400.00	6	0.22%
Atco Equities LLC (Rite Aid Corp)	913,500.00	7	0.19%	N/A		N/A
Hays Mill Associates	896,100.00	8	0.19%	896,100.00	7	0.20%
Atco Raceway Inc.	846,700.00	9	0.18%	809,200.00	8	0.18%
Campbell Foundry Co.	806,900.00	10	0.17%	781,900.00	9	0.17%
Ultra Foods Inc.	N/A		N/A	3,000,000.00	2	0.67%
Cape Cumberland Construction	N/A		N/A	721,300.00	10	0.16%
Total	\$ 12,975,209.00		2.75%	\$ 17,790,665.00		3.97%

Source: Municipal Tax Assessor

WATERFORD TOWNSHIP SCHOOL DISTRICT
Property Tax Levies and Collections
Last Ten Fiscal Years
Unaudited

Fiscal Year <u>Ended June 30,</u>	School Taxes Levied for the <u>Fiscal Year</u>	<u>Collected within the Fiscal Year of the Levy (1)</u>		<u>Collections in Subsequent Years</u>
		<u>Amount</u>	<u>Percentage of Levy</u>	
2011	\$ 12,083,023.00	\$ 12,083,023.00	100.00%	
2010	12,007,004.00	12,007,004.00	100.00%	
2009	11,564,300.00	11,564,300.00	100.00%	
2008	11,490,572.00	11,490,572.00	100.00%	
2007	10,317,936.00	10,317,936.00	100.00%	
2006	9,769,956.00	9,769,956.00	100.00%	
2005	9,349,114.00	9,349,114.00	100.00%	
2004	9,593,912.05	9,593,912.05	100.00%	
2003	9,090,122.00	9,090,122.00	100.00%	
2002	8,306,259.00	8,306,259.00	100.00%	

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

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

Debt Capacity Information

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

WATERFORD TOWNSHIP SCHOOL DISTRICT
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
Unaudited

Fiscal Year Ended June 30,	<u>Governmental Activities</u>			<u>Business-Type Activities</u>		<u>Total District</u>	<u>Percentage of Personal Income (2)</u>	<u>Per Capita (2)</u>
	<u>General Obligation Bonds (1)</u>	<u>Certificates of Participation</u>	<u>Capital Leases</u>	<u>Bond Anticipation Notes (BANs)</u>	<u>Capital Leases</u>			
2011	\$ 490,000.00	-	\$ 65,188.54	-	-	\$ 555,188.54	(3)	(3)
2010	550,000.00	-	101,551.87	-	-	651,551.87	(3)	\$ 52.16
2009	590,000.00	-	136,465.34	-	-	726,465.34	0.165%	67.97
2008	625,000.00	-	43,573.40	-	-	668,573.40	0.152%	62.75
2007	660,000.00	-	95,824.37	-	-	755,824.37	0.181%	70.98
2006	690,000.00	-	230,751.52	-	-	920,751.52	0.228%	86.41
2005	720,000.00	-	325,091.77	-	-	1,045,091.77	0.274%	98.32
2004	-	-	493,367.20	-	-	493,367.20	0.135%	46.56
2003	-	-	420,991.95	-	-	420,991.95	0.120%	39.78
2002	-	-	94,406.99	-	-	94,406.99	0.028%	8.91

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

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

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

(3) Information not available

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

WATERFORD TOWNSHIP SCHOOL DISTRICT
 Ratios of Net General Bonded Debt Outstanding
 Last Ten Fiscal Years
 Unaudited

<u>General Bonded Debt Outstanding</u>					
<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>General</u> <u>Obligation</u> <u>Bonds</u>	<u>Deductions</u>	<u>Net General</u> <u>Bonded Debt</u> <u>Outstanding</u>	<u>Percentage of</u> <u>Actual Taxable</u> <u>Value of Property</u>	<u>Per Capita (2)</u>
2011	\$ 490,000.00		\$ 490,000.00	0.10%	(3)
2010	550,000.00		550,000.00	0.12%	44.03
2009	590,000.00		590,000.00	0.13%	55.20
2008	625,000.00		625,000.00	0.13%	58.66
2007	660,000.00		660,000.00	0.14%	61.98
2006	690,000.00		690,000.00	0.15%	64.75
2005	720,000.00		720,000.00	0.16%	67.73
2004	750,000.00		750,000.00	0.17%	70.78
2003	-		-	-	-
2002	-		-	-	-

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

- (1) See Exhibit No. J-6 for property tax data.
- (2) Population data can be found in Exhibit No. J-14.
- (3) Information not available.

Source: District Records.

WATERFORD TOWNSHIP SCHOOL DISTRICT
 Direct and Overlapping Governmental Activities Debt
 As of December 31, 2010
Unaudited

Township of Waterford:

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Statutory Net Debt Outstanding</u>	<u>Net Debt Outstanding Allocated to Waterford Township</u>
Municipal Debt: (1)				
Waterford Township School District	\$ 490,000.00	\$ 490,000.00		
Waterford Township Water and Sewer Utility	4,874,596.00	4,874,596.00	\$ -	\$ -
Waterford Township	<u>6,265,988.00</u>	<u>65,171.00</u>	<u>6,200,817.00</u>	<u>6,200,817.00</u>
	<u>11,630,584.00</u>	<u>5,429,767.00</u>	<u>6,200,817.00</u>	<u>6,200,817.00</u>
Overlapping Debt Apportioned to the Municipality:				
County of Camden: (2)				
General:				
Bonds	37,661,151.00	12,379,642.00 (3)	25,281,509.00	556,932.63 (5)
Loan Agreement	128,370,000.00		128,370,000.00	
Bonds Issued by Other Public Bodies Guaranteed by the County	<u>721,218,197.00</u>	<u>721,218,197.00 (4)</u>		
	<u>887,249,348.00</u>	<u>733,597,839.00</u>	<u>153,651,509.00</u>	<u>556,932.63</u>
	<u>\$ 898,879,932.00</u>	<u>\$ 739,027,606.00</u>	<u>\$ 159,852,326.00</u>	<u>\$ 6,757,749.63</u>

Sources:

- (1) 2010 Annual Debt Statement
- (2) County's 2010 Audit Report
- (3) Includes Reserve for Payment of Bonds, Other Accounts Receivable and General Obligation Pension Refunding Bonds.
- (4) Deductible in accordance with N.J.S. 40:37A-80.
- (5) Such debt is allocated as a proportion of the Township's share of the total 2009 Equalized Value, which is 2.20%.

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

WATERFORD TOWNSHIP SCHOOL DISTRICT
 Legal Debt Margin Information
 Last Ten Fiscal Years
 Unaudited

Legal Debt Margin Calculation for Fiscal Year 2010

Equalized valuation basis	
2010	\$ 903,210,516.00
2009	\$ 930,356,748.00
2008	929,359,653.00
[A]	\$ 2,762,926,917.00
Average equalized valuation of taxable property	[A/3] \$ 920,975,639.00
Debt limit (2.5% of average equalization value)	[B] 23,024,390.98
Total Net Debt Applicable to Limit	[C] _____
Legal Debt Margin	[B-C] <u><u>23,024,390.98</u></u>

	Fiscal Year									
	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
Debt limit	\$ 23,024,390.98	\$ 22,788,134.74	\$ 22,779,825.62	\$ 19,564,642.68	\$ 17,263,862.83	\$ 15,105,393.34	\$ 13,467,382.99	\$ 11,987,893.46	\$ 11,556,604.47	\$ 11,034,314.23
Total net debt applicable to limit	<u>550,000.00</u>	<u>550,000.00</u>	<u>590,000.00</u>	<u>625,000.00</u>	<u>660,000.00</u>	<u>690,000.00</u>	<u>720,000.00</u>	<u> </u>	<u> </u>	<u> </u>
Legal debt margin	<u>\$ 22,474,390.98</u>	<u>\$ 22,238,134.74</u>	<u>\$ 18,939,642.68</u>	<u>\$ 16,603,862.83</u>	<u>\$ 14,415,393.34</u>	<u>\$ 12,747,382.99</u>	<u>\$ 11,987,893.46</u>	<u>\$ 11,556,604.47</u>	<u>\$ 11,034,314.23</u>	<u>\$ 10,642,056.13</u>
Total net debt applicable to the limit as a percentage of debt limit	2.39%	2.59%	3.19%	3.82%	4.57%	5.35%	0.00%	0.00%	0.00%	0.00%

Source: Abstract of Ratables and District Records CAFR Schedule J-7

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.

WATERFORD TOWNSHIP SCHOOL DISTRICT
 Demographic and Economic Statistics
 Last Ten Fiscal Years
 Unaudited

<u>Year</u>	<u>Population (1)</u>	<u>Personal Income (2)</u>	<u>Per Capita Personal Income (3)</u>	<u>Unemployment Rate (4)</u>
2011	(5)	(5)	(5)	(5)
2010	12,492	(5)	(5)	10.2%
2009	10,688	\$ 441,222,016.00	\$ 41,282.00	9.7%
2008	10,655	439,348,270.00	41,234.00	6.2%
2007	10,648	418,104,368.00	39,266.00	4.7%
2006	10,656	403,968,960.00	37,910.00	5.1%
2005	10,630	381,563,850.00	35,895.00	4.7%
2004	10,596	366,409,680.00	34,580.00	0.0%
2003	10,583	352,032,912.00	33,264.00	0.0%
2002	10,594	339,166,910.00	32,015.00	0.0%

Source:

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

WATERFORD TOWNSHIP SCHOOL DISTRICT

Principal Employers
Current Year and Nine Years Ago
Unaudited

<u>Employer (1)</u>	<u>2011</u>			<u>2002 (2)</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Municipal Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Municipal Employment</u>
Archway Programs (and Subsidiaries)	500		8.91%	N/A	N/A	N/A
Gateway Communities Inc.	200		3.57%	N/A	N/A	N/A
Atco Foods, Inc	50		0.89%	N/A	N/A	N/A
Piney Hollow Properties LLC	50		0.89%	N/A	N/A	N/A
Morgan's Bus Service Inc	31		0.55%	N/A	N/A	N/A
Jersey Construction Inc.	30		0.53%	N/A	N/A	N/A
Mack Korp Associates LLC	27		0.48%			
O T Transportation, Inc.	26		0.46%			
United States Postal Service	26		0.46%	N/A	N/A	N/A
Waterford Township EMS Inc.	26		0.46%	N/A	N/A	N/A
	<u>966</u>		<u>17.22%</u>	<u>---</u>		<u>---</u>

(1) Source: D&B Regional Business Directory (2010), School District Records and the Township of Waterford.

(2) The data for 2001 was not available.

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.

WATERFORD TOWNSHIP 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	56.4	108.8	116.5	105.2	81.4	76.9	76.9	70.0	69.0	73.0
Special education	36.5				1.6	3.1	3.1	3.8	5.0	4.0
Support Services:										
Student & instruction related services	26.9	31.5	31.3	32.5	30.5	24.6	24.6	19.6	19.6	19.6
General administrative services	2.0	2.0	2.0	2.0	2.0	4.0	4.0	5.4	5.4	5.4
School administrative services	8.5	6.2	6.2	6.3	6.5	7.9	7.9	3.5	3.0	6.2
Business administrative services	4.0	5.0	4.5	4.5	4.0	4.0	4.0	4.0	4.0	4.0
Plant operations and maintenance	8.3	20.9	20.9	20.2	10.0	10.0	9.0	9.0	10.0	9.0
Pupil transportation	2.0	2.2	2.3	2.3	27.0	28.0	28.0			2.0
Other	2.6	10.9	12.3						0.8	0.8
Total	<u>147.2</u>	<u>187.5</u>	<u>196.0</u>	<u>173.0</u>	<u>163.0</u>	<u>158.5</u>	<u>157.5</u>	<u>115.3</u>	<u>116.8</u>	<u>124.0</u>

Source: District Personnel Records

WATERFORD TOWNSHIP SCHOOL DISTRICT
 Operating Statistics
 Last Ten Fiscal Years
 Unaudited

<u>Fiscal</u>	<u>Elementary Enrollment</u>	<u>Secondary Enrollment (1)</u>	<u>Operating Expenditures (2)</u>	<u>Cost Per Pupil</u>	<u>Percentage Change</u>	<u>Teaching Staff (3)</u>	<u>Pupil/Teacher Ratio Elementary</u>	<u>Average Daily Enrollment (ADE) (4)</u>	<u>Average Daily Attendance (ADA) (4)</u>	<u>% Change in Average Daily Enrollment</u>	<u>Student Attendance Percentage</u>
2011	889	839	\$ 28,064,523.06	\$16,241.04	10.23%	66.0	13.47	921.7	870.1	-1.72%	94.40%
2010	909	849	\$ 28,064,523.06	\$15,963.89	9.93%	76.0	11.96	920.9	869.4	2.47%	94.41%
2009	936	864	26,244,062.25	14,580.03	1.38%	76.0	11.01	937.8	889.0	4.35%	94.80%
2008	899	846	25,090,328.43	14,378.41	13.77%	71.5 (5)	12.57	898.7	852.6	-2.66%	94.87%
2007	923	865	22,169,097.16	12,398.82	4.46%	96.0	9.61	923.3	873.9	-1.84%	94.65%
2006	938	881	21,547,167.89	11,845.61	0.56%	96.0	9.77	940.6	892.4	-1.75%	94.88%
2005	960	847	21,285,649.56	11,779.55	4.28%	96.0	10.00	957.4	907.8	2.68%	94.82%
2004	925	936	20,983,193.04	11,275.22	-2.33%	97.0	9.54	932.4	885.2	1.76%	94.94%
2003	913	814	19,926,557.45	11,538.25	5.99%	87.0	10.49	916.3	869.0	-6.60%	94.84%
2002	974	708	18,243,904.53	10,846.55	100.00%	94.0	10.36	981.1	929.9	8.61%	94.78%

Sources: District records and ASSA

Note: Enrollment based on annual October district count.

- (1) Secondary students are sent on a tuition basis.
- (2) Operating expenditures equal total expenditures less debt service and capital outlay
- (3) Teaching staff includes only full-time equivalents of certificated staff.
- (4) Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS). and includes elementary students only, secondary students are sent on a tuition basis.
- (5) Beginning in 2008, the calculation was adjusted to exclude administrators and child study team.

WATERFORD TOWNSHIP SCHOOL DISTRICT
 School Building Information
 Last Ten Fiscal Years
 Unaudited

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
<u>District Building</u>										
<u>Elementary</u>										
Atco (1965)										
Square Feet	24,494	24,494	24,494	24,494	24,494	24,494	24,494	24,494	24,494	24,494
Capacity (students)	176	176	176	176	176	176	176	176	176	176
Enrollment	217	256	253	172	233	233	279	222	208	271
Thomas Richards (1979)										
Square Feet	32,723	32,723	32,723	32,723	32,723	32,723	32,723	32,723	32,723	32,723
Capacity (students)	262	262	262	262	262	262	262	262	262	262
Enrollment	259	234	220	269	281	281	283	307	280	252
Waterford (1985)										
Square Feet	78,000	78,000	78,000	78,000	78,000	78,000	78,000	78,000	78,000	78,000
Capacity (students)	450	450	450	450	450	450	450	450	450	450
Enrollment	413	442	461	413	427	427	396	403	429	458
<u>Other</u>										
Office Building (1985)										
Square Feet	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000

Number of Schools at June 30, 2010
 Elementary = 3

Source: District records, ASSA

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

WATERFORD TOWNSHIP SCHOOL DISTRICT
 Schedule of Required Maintenance
 Last Eight Fiscal Years
 Unaudited

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

* School Facilities	Project # (s)	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Waterford Elementary	N/A	\$ 90,480.13	\$ 76,213.18	\$ 70,920.83	\$ 73,145.53	\$ 82,699.08	\$ 111,000.85	\$ 115,039.55	\$ 73,355.35	\$ 72,665.02	\$ 97,101.66
Thomas Richards Elementary	N/A	34,039.60	28,715.83	28,665.68	27,041.82	34,695.00	40,013.00	32,521.00	61,259.27	34,426.12	40,725.48
Atco Elementary	N/A	32,005.14	39,122.79	20,530.71	32,572.46	25,970.00	37,540.00	27,666.00	32,991.90	28,355.09	30,459.96
Total School Facilities		156,524.87	144,051.80	120,117.22	132,759.81	143,364.08	188,553.85	175,226.55	167,606.52	135,446.23	168,287.10
Other Facilities	N/A	2,850.52	25,898.05	10,212.73	9,119.80	6,361.00	6,363.00	5,303.00	7436.33		
Grand Total		\$ 159,375.39	\$ 169,949.85	\$ 130,329.95	\$ 141,879.61	\$ 149,725.08	\$ 194,916.85	\$ 180,529.55	\$ 175,042.85	\$ 135,446.23	\$ 168,287.10

* 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

WATERFORD TOWNSHIP SCHOOL DISTRICT

Insurance Schedule

June 30, 2011

Unaudited

	<u>Coverage</u>	<u>Deductible</u>
Blanket Building and Contents (1)	\$ 21,714,170.00	\$ 1,000.00
Commercial General Liability (1):	1,000,000.00	
Each Occurrence	100,000.00	
Damage to Rented Premises	5,000.00	
Medical Expense (any one person)	1,000,000.00	
Personal & Adv Injury	2,000,000.00	
General Aggregate	1,000,000.00	
Products - Comp/OP AGG		
Automobile Liability (1):		
Any Auto, Hired Autos and Non-owned Autos		
Combined Single Limit	1,000,000.00	
Auto Physical Damage (1):		
Scheduled Vehicles		
Collision		500.00
Other than Collision		500.00
Excess Liability (1):		
Umbrella Form		
Each Occurrence	10,000,000.00	
Aggregate	10,000,000.00	
Self-Insured Retention	10,000.00	
Workers' Compensation and Employer's Liability (2)		
Statutory Limits		
Excess Liability Each Accident	2,000,000.00	
Excess Liability Disease, Each Employee	2,000,000.00	
Excess Liability Disease, Policy Limit	2,000,000.00	
Asbestos General Liability (3)	1,000,000.00	780.00
Surety Bonds (4)		
Treasurer	250,000.00	
Board Secretary/Business Administrator	2,000.00	

(1) - Utica National Insurance Company

(2) - New Jersey School Boards Association Insurance Group

(3) American Empire Surplus Lines Insurance Company

(4) Per Claim/Annual Aggregate

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
Township of Waterford School District
Waterford, New Jersey 08089

Compliance

We have audited Township of Waterford 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 Township of Waterford 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, Township of Waterford 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 Township of Waterford 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.

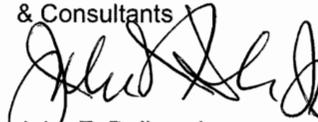
Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did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



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

Voorhees, New Jersey
October 17, 2011

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

Federal Grantor/ Pass-through Grantor/Program Title	Federal CFDA Number	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2010		Carryover/ Walkover Amount
				From	To	Deferred Revenue/ Accounts Receivable	Due to Grantor	
U.S. Department of Agriculture								
Passed-through State Department of Education:								
Child Nutrition Cluster:								
Non-Cash Assistance (Food Distribution):								
National School Lunch Program	10.555	N/A	\$ 19,133.24	7-1-10	6-30-11	-	-	-
Cash Assistance:								
School Breakfast Program	10.553	N/A	39,924.92	7-1-09	6-30-10	\$ (3,502.04)		
School Breakfast Program	10.553	N/A	31,269.26	7-1-10	6-30-11			
National School Lunch Program	10.555	N/A	92,285.47	7-1-09	6-30-10	(8,225.92)		
National School Lunch Program	10.555	N/A	92,727.34	7-1-10	6-30-11			
After School Snack Program	10.555	N/A	1,056.53	7-1-09	6-30-10	(91.98)		
Cash Assistance Subtotal						(11,819.94)	-	-
Total Enterprise Fund						(11,819.94)	-	-
U.S. Department of Education								
General Fund:								
Medical Assistance Program (SEMI)	93.778	N/A	30,316.27	7-1-09	6-30-10	(3,739.51)		
Medical Assistance Program (SEMI)	93.778	N/A	27,830.88	7-1-10	6-30-11			
Total General Fund						(3,739.51)	-	-
U.S. Department of Education								
Passed-through State Department of Education:								
No Child Left Behind Programs:								
Title I, Part A Cluster								
Title I, Part A Carryover	84.010A	NCLB5560-09	102,866.00	9-1-08	8-31-09	(3,639.06)		
Title I, Part A, Summer	84.010A	NCLB5560-10	267,280.00	9-1-09	8-31-10	(260,252.05)		
Title I, Part A	84.010A	NCLB5560-11	245,499.00	9-1-10	8-31-11			
ARRA, Title I, Part A	84.389	ARRA5560-10	110,597.00	7-1-09	8-31-11	(109,655.03)		
Total Title I, Part A Cluster						(373,546.14)	-	-
Title II, Part A Summer	84.367	NCLB5560-10	39,474.00	9-1-09	8-31-10	(36,884.48)		
Title II, Part A	84.367	NCLB5560-11	39,974.00	9-1-10	8-31-11			
Total Title II, Part A						(36,884.48)	-	-
Title II, Part D Summer	84.318	NCLB5560-10	2,732.00	9-1-09	8-31-10	(2,647.75)		
Title II, Part D	84.318	NCLB5560-11	472.00	9-1-10	8-31-11			
Total Title II, Part D						(2,647.75)	-	-
Title IV, Part A Summer	84.186	NCLB5560-09	4,835.00	9-1-09	8-31-10	(3,976.25)		
Total Title IV, Part A						(3,976.25)	-	-
Total No Child Left Behind (NCLB)						(417,054.62)	-	-
I.D.E.I.A., Part B Cluster:								
Basic - Regular, Summer	84.027	FT-5560-10	341,276.00	9-1-09	8-31-10	(78,407.96)		
Basic - Regular	84.027	FT-5560-11	345,104.00	9-1-10	8-31-11			
ARRA, Basic	84.391	ARRA5560-10	418,473.00	7-1-09	8-31-11	(24,826.60)		
Preschool Incentive - Summer	84.173	PS-5560-10	17,450.00	9-1-09	8-31-10	(2,210.63)		
Preschool Incentive	84.173	PS-5560-11	18,068.00	9-1-10	8-31-11			
ARRA, Preschool Incentive	84.392	ARRA5560-10	15,121.00	7-1-09	8-31-11	2,865.96		
Total I.D.E.I.A. Part B Cluster						(102,579.23)	-	-
Total U.S. Department of Education						(519,633.85)	-	-
Total Special Revenue Fund						(519,633.85)	-	-
Total Federal Financial Assistance						\$ (535,193.30)	-	-

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

Cash Received	Budgetary Expenditures	Adjustments (A)	Repayment of Prior Years' Balances	Balance at June 30, 2011		
				Accounts Receivable	Deferred Revenue	Due to Grantor
\$ 20,011.48	\$ (19,133.24)	-	-		\$ 878.24	-
3,502.04						
30,129.72	(31,269.26)			\$ (2,392.96)		\$ 1,253.42
8,225.92						
89,327.32	(92,727.34)			(6,975.20)		3,575.18
91.98						
131,276.98	(123,996.60)	-	-	(9,368.16)	-	4,828.60
151,288.46	(143,129.84)	-	-	(9,368.16)	878.24	4,828.60
3,739.51						
22,085.91	(27,830.88)			(5,744.97)		
25,825.42	(27,830.88)	-	-	(5,744.97)	-	-
3,639.00				(0.06)		
260,928.00	(2,570.79)			(1,894.84)		
128,945.00	(194,922.03)			(65,977.03)		
110,137.00	(936.91)			(454.94)		
503,649.00	(198,429.73)	-	-	(68,326.87)	-	-
32,655.00	(909.12)			(5,138.60)		
24,897.00	(36,889.57)			(11,992.57)		
57,552.00	(37,798.69)	-	-	(17,131.17)	-	-
2,647.75						
118.25	(128.24)			(9.99)		
2,766.00	(128.24)	-	-	(9.99)	-	-
4,008.00	(102.30)			(70.55)		
4,008.00	(102.30)	-	-	(70.55)	-	-
567,975.00	(236,458.96)	-	-	(85,538.58)	-	-
81,988.96	(13,545.04)			(9,964.04)		
242,497.00	(344,561.00)			(102,064.00)		
27,013.00	(84,886.40)			(82,700.00)		
8,071.00	(5,860.37)					
15,093.00	(18,068.00)			(2,975.00)		
1,812.00	(5,172.96)			(495.00)		
376,474.96	(472,093.77)	-	-	(198,198.04)	-	-
944,449.96	(708,552.73)	-	-	(283,736.62)	-	-
944,449.96	(708,552.73)	-	-	(283,736.62)	-	-
\$ 1,121,563.84	\$ (879,513.45)	-	-	\$ (298,849.75)	\$ 878.24	\$ 4,828.60

TOWNSHIP OF WATERFORD SCHOOL DISTRICT
 Schedule of Expenditures of State Financial Assistance, Schedule B
 For the Fiscal Year Ended June 30, 2010

State Grantor/ Program Title	Grant or State Project Number	Program or Award Amount	Local Share	Grant Period		Balance at June 30, 2010	
				From	To	Deferred Revenue/ Accounts Receivable	Due to Grantor
State Department of Education (State Aid):							
General Fund:							
Transportation Aid	10-495-034-5120-014	\$ 863,229.00		7-1-2009	6-30-2010	\$ (109,328.64)	
Special Education Categorial Aid	10-495-034-5120-089	930,731.00		7-1-2009	6-30-2010	(117,877.82)	
Special Education Categorial Aid	11-495-034-5120-089	912,969.00		7-1-2010	6-30-2011		
Equalization Aid	10-495-034-5120-078	7,658,171.00		7-1-2009	6-30-2010	(969,913.46)	
Equalization Aid	11-495-034-5120-078	10,087,096.00		7-1-2010	6-30-2011		
Security Aid	10-495-034-5120-084	122,637.00		7-1-2009	6-30-2010	(15,532.07)	
Security Aid	11-495-034-5120-084	132,595.00		7-1-2010	6-30-2011		
Other State Aid - Extraordinary Aid	10-495-034-5120-473	106,221.00		7-1-2009	6-30-2010	(106,221.00)	
Other State Aid - Extraordinary Aid	11-495-034-5120-473	149,417.00		7-1-2010	6-30-2011		
Other State Aid - Nonpublic School Transportation Aid	10-495-034-5120-014	8,585.00		7-1-2009	6-30-2010	(8,585.00)	
Other State Aid - Nonpublic School Transportation Aid	11-495-034-5120-014	9,060.60		7-1-2010	6-30-2011		
Reimbursed T.P.A.F. Social Security	10-495-034-5095-002	520,419.03		7-1-2009	6-30-2010	(25,051.10)	
Reimbursed T.P.A.F. Social Security	11-495-034-5095-002	458,749.35		7-1-2010	6-30-2011		
Total General Fund						(1,352,509.09)	-
State Grants:							
Special Revenue Fund:							
N.J. Nonpublic Aid							
Nursing Aid							
Prior Year	10-100-034-5120-070	11,998.80		7-1-2009	6-30-2010		\$ 121.20
Current Year	11-100-034-5120-070	11,517.00		7-1-2010	6-30-2011		
Textbook Aid							
Prior Year	10-100-034-5120-064	10,167.58		7-1-2009	6-30-2010		53.42
Current Year	11-100-034-5120-064	9,720.00		7-1-2010	6-30-2011		
Auxiliary Services (P.L. 192)							
Compensatory Education - Basic Skills	10-100-034-5120-067	81,953.00		7-1-2009	6-30-2010		8,834.00
Compensatory Education - Basic Skills	11-100-034-5120-067	86,489.00		7-1-2010	6-30-2011		
Transportation	10-100-034-5120-068	2,526.00		7-1-2009	6-30-2010		6,225.00
Transportation	11-100-034-5120-068	6,262.00		7-1-2010	6-30-2011		
Home Instruction	10-100-034-5120-067	959.14		7-1-2009	6-30-2010	(959.14)	
Handicapped Services (P.L. 193)							
Supplementary Instruction	10-100-034-5120-066	10,281.00		7-1-2009	6-30-2010		6,444.00
Supplementary Instruction	11-100-034-5120-066	14,591.00		7-1-2010	6-30-2011		
Examination and Classification	10-100-034-5120-066	9,986.00		7-1-2009	6-30-2010		16,149.00
Examination and Classification	11-100-034-5120-066	22,801.00		7-1-2010	6-30-2011		
Corrective Speech	10-100-034-5120-066	31,163.00		7-1-2009	6-30-2010		311.00
Corrective Speech	11-100-034-5120-066	28,478.00		7-1-2010	6-30-2011		
Total Special Revenue Fund						(959.14)	38,137.62
Enterprise Fund:							
State School Breakfast Program	10-100-010-3350-021	3,146.20		7-1-2009	6-30-2010	(258.40)	
State School Lunch Program	10-100-010-3350-023	5,249.94		7-1-2009	6-30-2010	(466.14)	
State School Lunch Program	11-100-010-3350-023	3,579.75		7-1-2010	6-30-2011		
Total Enterprise Fund						(724.54)	-
Total State Financial Assistance						\$ (1,354,192.77)	\$ 38,137.62

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

Carryover/ Walkover Amount	Balance at June 30, 2011						Memo	
	Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Accounts Receivable	Deferred Revenue	Due to Grantor	Budgetary Receivable June 30, 2011	Cumulative Total Expenditures
	\$ 109,328.64							\$ (863,229.00)
	117,877.82							(930,731.00)
	825,033.12	\$ (912,969.00)		\$ (87,935.88)			\$ (87,935.88)	(912,969.00)
	969,913.46							(7,658,171.00)
	9,115,521.24	(10,087,096.00)		(971,574.76)			(971,574.76)	(10,087,096.00)
	15,532.07							(122,637.00)
	119,823.64	(132,595.00)		(12,771.36)			(12,771.36)	(132,595.00)
	106,221.00	(149,417.00)		(149,417.00)			(149,417.00)	(106,221.00)
								(149,417.00)
	8,585.00							(8,585.00)
		(9,060.60)		(9,060.60)			(9,060.60)	(9,060.60)
	25,051.10							(520,419.03)
	436,302.16	(458,749.35)		(22,447.19)			(22,447.19)	(458,749.35)
-	11,849,189.25	(11,749,886.95)	-	(1,253,206.79)	-	-	(1,253,206.79)	(21,959,879.98)
			\$ (121.20)			\$ 115.16		(11,401.84)
	11,517.00	(11,401.84)	(53.42)					(9,720.00)
	9,720.00	(9,720.00)	(8,834.00)					(76,723.00)
	86,489.00	(76,723.00)	(6,225.00)			9,766.00		(3,047.00)
	6,262.00	(3,047.00)	(6,444.00)			3,215.00		(9,272.00)
	959.14		(16,149.00)			5,319.00		(14,324.00)
	14,591.00	(9,272.00)	(311.00)			8,477.00		(22,272.00)
	22,801.00	(14,324.00)				6,206.00		
	28,478.00	(22,272.00)						
-	180,817.14	(146,759.84)	(38,137.62)	-	-	33,098.16	-	(146,759.84)
	258.40							(3,146.20)
	466.14							(5,249.94)
	3,125.99	(3,579.75)		(453.76)			(453.76)	(3,579.75)
-	3,850.53	(3,579.75)	-	(453.76)	-	-	(453.76)	(11,975.89)
-	\$ 12,033,856.92	\$ (11,900,226.54)	\$ (38,137.62)	#####	-	\$ 33,098.16	\$ (1,253,660.55)	\$ (22,118,615.71)

TOWNSHIP OF WATERFORD 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 Township of Waterford 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 \$140,370.00 for the general fund and (\$92,431.24) 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	\$ 27,830.88	\$ 12,352,043.95	\$ 12,379,874.83
Special Revenue	625,212.39	146,759.84	771,972.23
Food Service	<u>143,129.84</u>	<u>3,579.75</u>	<u>146,709.59</u>
	<u>\$ 796,173.11</u>	<u>\$ 12,502,383.54</u>	<u>\$ 13,298,556.65</u>

Note 4: RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

Note 5: OTHER

Revenues and expenditures reported 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 6: MAJOR PROGRAMS

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

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

Section 1- Summary of Auditor's Results

Financial Statements

Type of auditor's report issued Unqualified

Internal control over financial reporting:

Material weaknesses identified? ___ yes X no

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

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

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

Identification of major programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
84.027	I.D.E.I.A. - Basic Regular
84.391	ARRA, I.D.E.I.A. - Basic Regular
84.173	I.D.E.I.A. - Prechool Incentive
84.392	ARRA, I.D.E.I.A. - Preschool Incentive

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

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

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

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

State Financial Assistance

Internal control over compliance:

Material weaknesses identified? ___ yes X no

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

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

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

Identification of major programs:

<u>GMIS Numbers</u>	<u>Name of State Program</u>
495-034-5120-89	Special Education Categorical Aid
495-034-5120-078	Equalization Aid
495-034-5120-084	Security Aid
495-034-5095-002	Reimbursed TPAF Social Security Contributions

Dollar threshold used to determine Type A programs \$ 357,007.00

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

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

Section 2- Schedule of Financial Statement Findings

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

None.

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

Section 3- Schedule of Federal Award Findings and Questioned Costs

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

None.

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

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

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

None.

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

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

FINANCIAL STATEMENT FINDINGS

None.

FEDERAL AWARDS

None.

STATE FINANCIAL ASSISTANCE PROGRAMS

None

