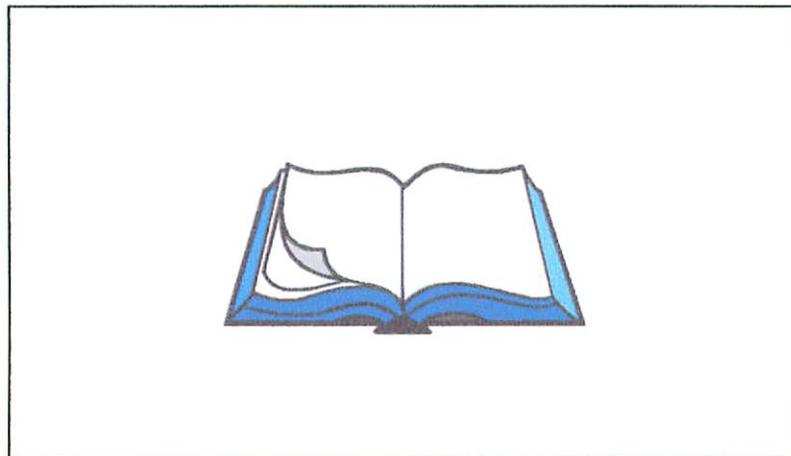


SCHOOL DISTRICT
OF
**WESTAMPTON
TOWNSHIP**



Westampton Township Board of Education
Westampton, New Jersey

Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2011

**Comprehensive Annual
Financial Report**

of the

Westampton Township Board of Education

Westampton, New Jersey

For the Fiscal Year Ended June 30, 2011

**Prepared by
Westampton Township Board of Education
Finance Department**

WESTAMPTON SCHOOL DISTRICT

INTRODUCTORY SECTION

	<u>Page</u>
Letter of Transmittal	2
Organizational Chart	11
Roster of Officials	12
Consultants and Advisors	13

FINANCIAL SECTION

Independent Auditor's Report	15
K-1 Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	17
Required Supplementary Information - Part I Management's Discussion and Analysis	20
Basic Financial Statements	
A. District-wide Financial Statements:	
A-1 Statement of Net Assets	31
A-2 Statement of Activities	32
B. Fund Financial Statements:	
Governmental Funds:	
B-1 Balance Sheet	34
B-2 Statement of Revenues, Expenditures, and Changes in Fund Balances	35
B-3 Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	36
Proprietary Funds:	
B-4 Statement of Net Assets	37
B-5 Statement of Revenues, Expenses, and Changes in Fund Net Assets	38
B-6 Statement of Cash Flows	39
Fiduciary Funds:	
B-7 Statement of Fiduciary Net Assets	40
B-8 Statement of Changes in Fiduciary Net Assets	41
Notes to the Financial Statements	42

Required Supplementary Information - Part II

C. Budgetary Comparison Schedules

C-1	Budgetary Comparison Schedule - General Fund	59
C-1a	Combining Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (if applicable)	N/A
C-1b	Budgetary Comparison Schedule - American Recovery & Reinvestment Act General Fund - Education Stabilization Funds	N/A
C1ba	Budgetary Comparison Schedule - American Recovery & Reinvestment Act General Fund - Government Service Funds	N/A
C-2	Budgetary Comparison Schedule - Special Revenue Fund	64

Notes to the Required Supplementary Information

C-3	Budget-to-GAAP Reconciliation	65
-----	-------------------------------	----

Other Supplementary Information

D.	School Level Schedules :	N/A
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E. Special Revenue Fund:

E-1	Combining Schedule of Revenues and Expenditures Special Revenue Fund - Budgetary Basis	68
E-2	Demonstrably Effective Program Aid Schedule of Expenditures - Budgetary Basis	N/A
E-3	Early Childhood Program Aid Schedule of Expenditures - Budgetary Basis	N/A
E-4	Distance Learning Network Aid Schedule of Expenditures - Budgetary Basis	N/A
E-5	Instructional Supplement Aid Schedule of Expenditures - Budgetary Basis	N/A

F. Capital Projects Fund:

F-1	Summary Statement of Revenues, Expenditures, and Changes in Fund Balance - Budgetary Basis	71
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G. Proprietary Fund:

Enterprise Fund:

G-1	Combining Statement of Net Assets	75
G-2	Combining Statement of Revenues, Expenses and Changes in Fund Net Assets	76
G-3	Combining Statement of Cash Flows	77

	Internal Service Fund:	N/A
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H. Fiduciary Funds:

H-1	Combining Statement of Fiduciary Net Assets	79
H-2	Combining Statement of Changes in Fiduciary Net Assets	80
H-3	Student Activity Agency Fund Schedule of Receipts and Disbursements	81
H-4	Payroll Agency Fund Schedule of Receipts and Disbursements	82

I. Long-Term Debt:

I-1	Schedule of Serial Bonds	84
I-2	Schedule of Obligations under Capital Leases	85
I-3	Budgetary Comparison Schedule - Debt Service Fund	86

STATISTICAL SECTION (Unaudited)

J-1	Net Assets by Component	88
J-2	Changes in Net Assets, Last Four Fiscal Years	89
J-3	Fund Balances, Governmental Funds, Last Four Fiscal Years	91
J-4	Changes in Fund Balances, Governmental Funds, Last Ten Fiscal Years	92
J-5	General Fund - Other Local Revenue by Source, Last Ten Fiscal Years	93
J-6	Assessed Value and Actual Value of Taxable Property, Last Ten Fiscal Years	94
J-7	Direct and Overlapping Property Tax Rates, Last Ten Fiscal Years	95
J-8	Principal Property Tax Payers, Current Year and Nine Years Ago	96
J-9	Property Tax Levies and Collections, Last Ten Fiscal Years	97
J-10	Ratios of Outstanding Debt by Type, Last Ten Fiscal Years	98
J-11	Ratios of Net General Bonded Debt Outstanding, Last Ten Fiscal Years	99
J-12	Ratios of Overlapping Governmental Activities Debt, As of December 31, 2010	100
J-13	Legal Debt Margin Information, Last Ten Fiscal Years	101
J-14	Demographic and Economic Statistics	102
J-15	Principal Employers, Current Year & Nine Years Ago (information not available)	N/A
J-16	Full-time Equivalent District Employees by Function/Program, Last Ten Fiscal Years	103
J-17	Operating Statistics, Last Ten Fiscal Years	104
J-18	School Building Information, Last Ten Fiscal Years	105
J-19	Schedule of Required Maintenance, Last Six Fiscal Years	106
J-20	Insurance Schedule	107

SINGLE AUDIT SECTION

K-2	Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133 and New Jersey OMB Circular Letter 04-04	109
K-3	Schedule of Expenditures of Federal Awards, Schedule A	111
K-4	Schedule of Expenditures of State Financial Assistance, Schedule B	112
K-5	Notes to the Schedules of Awards and Financial Assistance	113
K-6	Schedule of Findings and Questioned Costs	115
K-7	Summary Schedule of Prior Audit Findings	119

Introductory Section

WESTAMPTON TOWNSHIP BOARD OF EDUCATION

700 Rancocas Road

Westampton, New Jersey 08060

Tel. (609) 261-1969 Fax: (609) 267-2760

July 30, 2011

Honorable President and
Members of the Board of Education
Westampton Township School District
County of Burlington, New Jersey

Dear Board Members:

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

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the general purpose financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984 and the U. S. Office of Management and Budget Circular A-128, "Audits of State and Local Governments", and the state Treasury Circular Letter 04-04 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments". Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendation, are included in the single audit section of this report.

1. **REPORTING ENTITY AND ITS SERVICES:** Westampton 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 Westampton Township Board of Education and all its schools constitute the District's reporting entity.

Overview

The School District is a Type II district located in the County of Burlington ("County"), State of New Jersey. As a Type II school district, the School District functions independently through the Board. The Board is comprised of nine (9) members elected to three (3) staggered year terms. The purpose of the School District is to educate students in grades K-8.

Administration

The administration of the School District is the responsibility of the Superintendent of Schools. The Business Administrator and Board Secretary oversee the business functions and reports through the Superintendent to the Board.

Pupil Enrollment

The District provides a full range of educational services appropriate to grade levels K through 8. These include regular and special education for identified handicapped students. The District completed the 2010-2011 fiscal year with an enrollment of 994 students, which is 37 students above the reported previous year's enrollment. The following details the changes in the student enrollments of the District over the last ten (10) years.

AVERAGE DAILY ENROLLMENT

<u>FISCAL YEAR</u>	<u>STUDENT ENROLLMENT</u>	<u>INCREASE/ DECREASE</u>	<u>PERCENT CHANGE</u>
2010-2011	994	37	3.7
2009-2010	957	41	4.5
2008-2009	916	(15)	(1.6)
2007-2008	931	(7)	(0.7)
2006-2007	938	(24)	(2.5)
2005-2006	962	(35)	(3.5)
2004-2005	997	22	2.3
2003-2004	975	(32)	(3.2)
2002-2003	1007	47	4.9
2001-2002	960	5	0.5

Facilities and Capacity

The following table outlines the facility of the School District and capacity thereof:

<u>Name of School</u>	<u>Date Constructed</u>	<u>Date of Last Major Renovations/ Additions</u>	<u>Grade Level</u>	<u>Capacity</u>
Holly Hills School	1967	1988	K-4	447
Westampton School	1955	1995	5-8	521

Employment

The following table provided the number of the instruction and non-instructional personnel employed by the School District from school year 2003-2004 through school year 2010-2011:

<u>School Year</u>	<u>Certified – Full Time</u>	<u>Non-Certified – Full Time</u>
2003-2004	93	22
2004-2005	86	23
2005-2006	88	22
2006-2007	87	22
2007-2008	88	24
2008-2009	91	21
2009-2010	91	28
2010-2011	80	24

2. **ECONOMIC CONDITION AND OUTLOOK:**

Housing growth within the community continues to be moderate. Growth in student population will come from completion of new townhouses in Westampton Woods and the development of the Sunnyside property which is targeted for 500 units comprising 250 carriage houses and 250 age-restricted units and by an ongoing turnover market in Spring Meadows, Tarnsfield and Holly Hills developments. The real estate turnover rate has slowed with conditions throughout the country and particularly the Northeast.

The community of Westampton is a K to 8 District that is served by two schools that are a source of great pride to this mid-sized community located in the heart of Burlington County. The Holly Hills School serves 514 students in grades K to 4, while the Westampton Middle School has an enrollment of 480 students in grades 5 through 8. The community of Westampton is a sending district to the Rancocas Valley Regional High School District and is proud of the fact that our students are active and vital participants in all of the programs offered at the Rancocas Valley Regional High School.

Location and Character

The Township of Westampton (“Township”) is a municipal corporation which was incorporated in 1850. The Township covers a land area of approximately 11.2 square miles in the northeastern section of the County, approximately 65 miles northwest of Atlantic City, 80 miles southwest of New York and 22 miles northeast of Philadelphia. The Township is readily accessible to these metropolitan areas on Route 295, the New Jersey Turnpike and the Atlantic City Expressway.

Utilities

Water and sewer service within the Township is provided by Mount Holly Water Company, Mount Holly Sewer Authority, and Willingboro Municipal Utilities Authority. All three entities bill its users directly for water and sewer service on a quarterly basis.

Public Services

The Township is protected by an approximately 21 member police force, with a 24-hour police dispatching network. One volunteer fire company provides fire protection. The Township provides once-a-week garbage collection to all residential and commercial properties. Communication services are provided by Verizon and AT&T. Natural gas and electric service is provided by Public Service and Gas Company.

Population

The following table outlines the population of the Township, the County and the State:

<u>Year</u>	<u>Township</u>	<u>County</u>	<u>State</u>
2000 Federal Census	7,217	423,394	8,414,350
1990 Federal Census	6,004	395,066	7,730,188
1980 Federal Census	3,383	362,542	7,365,001
1970 Federal Census	2,680	323,132	7,171,112

Health Care Facilities

The only hospital located in the Township is Hampton Hospital, which is a mental health care facility. The closest hospital to service the Township is located in the adjoining Township of Mount Holly. Virtual Health Memorial Hospital is a 369 bed facility. The hospital is part of the Virtua health system which includes West Jersey - Voorhees, West Jersey - Berlin, West Jersey - Marlton, and West Jersey – Camden, making up the state’s

largest multi-hospital group. Memorial Hospital has intensive care and progressive care units as well as a 24-hour emergency room.

Transportation

The major highways serving the Township are US Route 295, which runs from Trenton to the Delaware Memorial Bridge and the New Jersey Turnpike which runs North to South the entire length of New Jersey. Burlington – Mount Holly Road (Route 541) which bisects the Township runs in a north-south direction from Burlington County to Mount Holly, then continues via a by-pass through Lumberton, Medford Township and Tabernacle to intersect with Route 206 which connects with the Atlantic City Expressway in Hammonton.

A private bus service, Academy Lines, Inc., services the Township with several bus routes. The major routes provide access to Atlantic City and New York City.

Labor Force

The following table outlines employment information for the Township, the County and the State as of 2009:

	<u>Unemployment Rate</u>	<u>Total Labor Force</u>	<u>Total Employed</u>	<u>Total Unemployment</u>
Township	7.6%	4,230	3,910	320
County	8.5	241,797	221,132	20,665
State	9.6	4,551,307	4,113,111	438,196

While there are reported proposals for smaller developments of 100 homes or less, the possibility exists for additional court-mandated Affordable Housing. Their magnitudes are not quantifiable. In general the Township Master Plan, and significant local wetlands, discourages development beyond that which is identified above.

The Westampton Board of Education meets on the second Monday of each month at 7:00 PM. The meetings are held in the Media Center of the Westampton Middle School, 700 Rancocas Road. The members of the Board of Education ensure that each and every child is provided an education that challenges them academically and nurtures them socially. They are committed to accomplishing this in the most cost effective manner possible, a responsibility to the taxpayers that they take very seriously.

The school facilities are not only educational centers but also serve the community as the sites for a very comprehensive recreational program that is available to citizens of all ages. The continual use of our school facilities is only one example of the cooperative working arrangement that exists between the elected political leaders of the community and the Westampton Board of Education.

The educational programs in Westampton continue to be served by an administrative, teaching and support staff that is committed to creating an educational environment which is focused on the following Mission Statement: The Westampton Township Public Schools will provide a high quality, age appropriate educational experience that empowers children to reach their academic potential, become well-rounded individuals, and develop a love for learning with a safe, secure, nurturing social and academic environment. The social environment is one which fosters: risk taking; development of positive self-esteem; individuality; respect for diversity; social consciousness; positive social interaction; and encourages students to expand their roles as active participants in their community and world.

In support of the Mission Statement, the Board of Education provides a wide variety of programs and services including a Special Education Program that is committed to educating all of our children in the “least restrictive environment”. Both of our schools provide a wide variety of services and extra-curricular programs that are designed to give every child opportunities to grow academically, athletically and socially.

3. **MAJOR INITIATIVES:**

Major School District initiatives during the 2010-2011 school year included the following:

- The District concluded the modernization and upgrading of facilities at both the Holly Hills and Westampton Middle Schools, as well as the construction of a new Central Office facility. These improvements consisted of air-conditioning the school facilities, upgrading the security systems, replacing windows, upgrading sound systems, upgrading of the exterior lighting and parking lots in addition to the fire alarm systems and improvements to the athletic fields. A new 3,000 square foot administration building has been constructed and occupied adjacent to the Middle School.
- Additional initiatives are in place which continue to focus on improving and enhancing the instructional programs that are already in place and have resulted in sustained student improvement with respect to meeting the state standards. Our

budgets exceed adequacy, as defined by the state due to extending support services to children requiring added assistance in order to meet the state standards. This is reflected in class size as well as support staff budget to sustain the effort which has consistently received community support.

- Additionally, we have made a concerted effort to reduce out-of-district placements by offering in-class support and inclusion-based services to eligible students. Our community is nestled in the Rancocas Woods area which sprawls across 12 square miles. This encompasses several hazardous routes which necessitates transportation needs that may not be easily calculated in state formulas to ascertain adequacy spending.

New construction will impact student enrollment as well. The District implemented a full-day Kindergarten and pre-K services program.

Westampton's budget has been developed to maintain existing programs and services which have proven to yield favorable results on state assessment and generate community support. The District continues to exercise discretion with its spending. Special emphasis has been placed on supporting educational programs that provide remediation and essential professional development. The budget is built with a focus on teaching and learning. Our guiding objective has been to continue the excellence for which our District is well known. With an eye on expanding our current kindergarten programs, resources have been devoted to enhancing early literacy, immediate identification of students with learning gaps and to close the achievement gaps wherever they may exist.

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 statements in conformity with generally accepted accounting principles (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurances that these objectives are met. The concept of reasonable assurances recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits it requires estimates and judgments by management.

As a recipient of Federal and State financial assistance, the District also is responsible for ensuring that an 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.

5. **BUDGETARY CONTROLS:**

In addition to internal controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the general fund, the special revenue fund, and the debt service fund.

Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as a 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. **FINANCIAL INFORMATION AT FISCAL YEAR-END:**

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

7. **CASH MANGEMENT:**

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

8. **RISK MANGEMENT:**

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

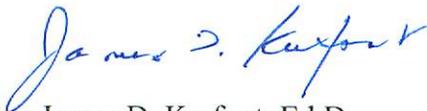
9. **OTHER INFORMATION:**

State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Inverso & Stewart, 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 1984 and the related OMB Circular A-133 and state Treasury 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 the report. The auditor's reports related specifically to the single audit are included in the single audit section of the report.

10. **ACKNOWLEDGEMENTS:**

We would like to express our appreciation to the members of the Westampton 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.

Respectfully submitted,

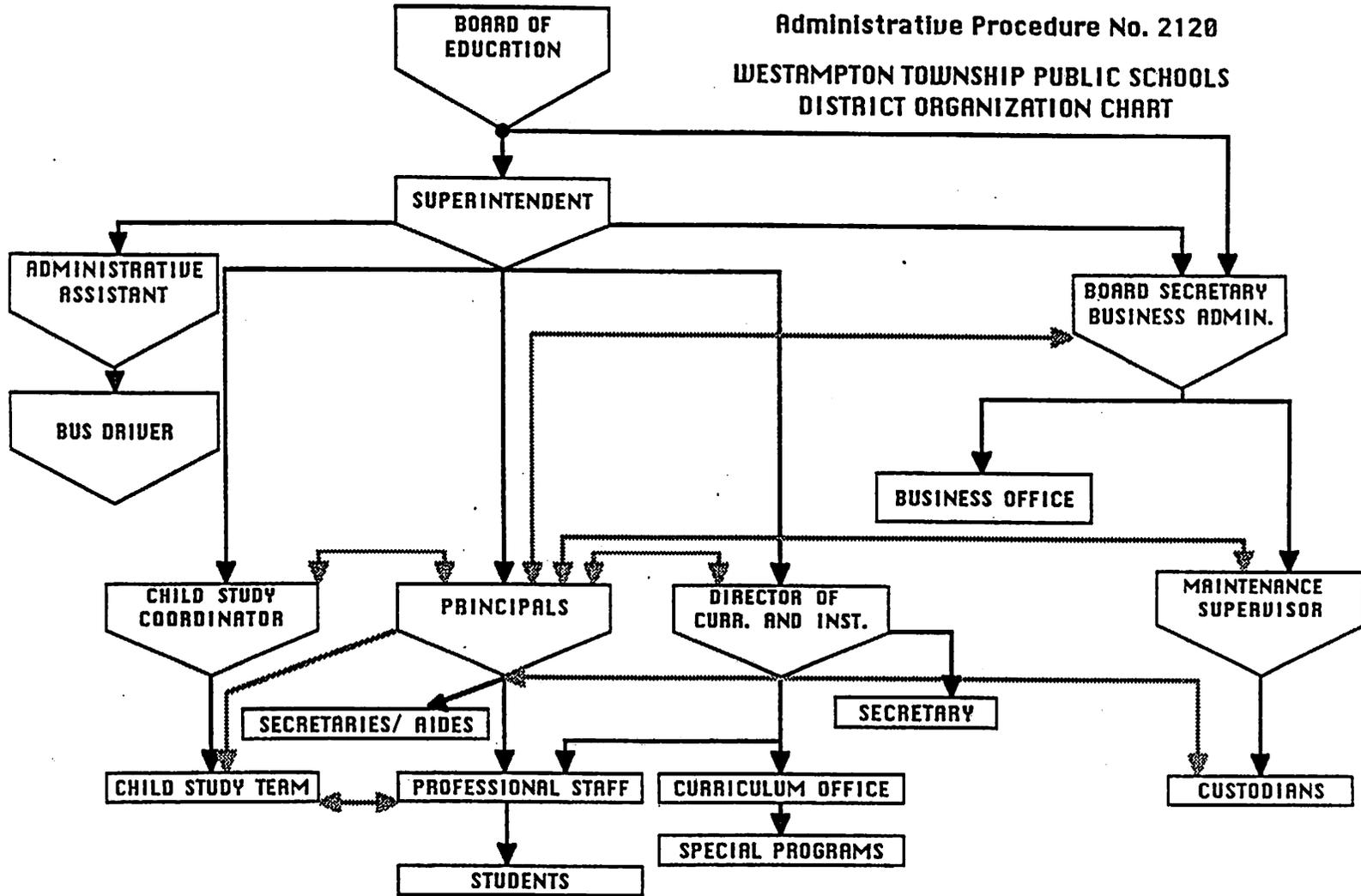


James D. Kerfoot, Ed.D
Interim Superintendent



Tracy L. McGuire
Board Secretary

**Administrative Procedure No. 2120
WESTAMPTON TOWNSHIP PUBLIC SCHOOLS
DISTRICT ORGANIZATION CHART**



Direct Line Relationship ———> □
 Staff Relationship <-----> □

**WESTAMPTON TOWNSHIP BOARD OF EDUCATION
WESTAMPTON, NEW JERSEY**

**ROSTER OF OFFICIALS
JUNE 30, 2011**

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Daniel Dole, President	2012
Christina Daily, Vice President	2013
Harry Freeman, Jr.	2012
Russell Hansel	2013
William Freeman	2014
Melanie Logan	2013
LaToya Myers	2014
Vanessa L. Nichols	2013
Teri Stallone	2012

Other Officials

James D. Kerfoot, Ed.D., Interim Superintendent
Tracy L. McGuire, Board Secretary
Thomas Rende, Interim Business Administrator
Margaret E. Garber of MS Accounting Firm, Treasurer
Frank Cavallo, Parker McCay, Solicitor

**WESTAMPTON TOWNSHIP SCHOOL DISTRICT
Consultants and Advisors**

Audit Firm

Inverso & Stewart, LLC
12000 Lincoln Drive West, Suite 402
Marlton, NJ 08053

Attorney

Frank Cavallo, Esq.
Parker/McCay
3 Greentree Center, 7001 Lincoln Drive West
PO Box 974
Marlton, NJ 08053

Architect

Garrison Architect
14000 F. Commerce Parkway
Mount Laurel, NJ 08054

Broker of Record

EJA & Associates
217 Route 130
Bordentown, NJ 08505

Official Depository

Beneficial Bank
611 Beverly-Rancocas Road
Westampton, NJ 08046

Financial Section

INVERSO & STEWART, LLC

**Certified Public Accountants
Registered Municipal Accountants**

12000 Lincoln Drive West, Suite 402
Marlton, New Jersey 08053
(856) 983-2244
Fax (856) 983-6674
E-Mail: iscpas@concentric.net

-Member of-
American Institute of CPAs
New Jersey Society of CPAs

INDEPENDENT AUDITOR'S REPORT

The Honorable President and Members
of the Board of Education
Westampton Township School District
County of Burlington
Westampton, New Jersey

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Westampton Township School District, in the County of Burlington, State of New Jersey (School District), 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 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 examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

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

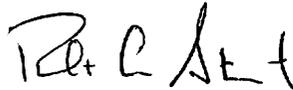
In accordance with *Government Auditing Standards*, we have also issued our report dated July 30, 2011 on our consideration of the Westampton Township School District, in the County of Burlington, State of New Jersey's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Westampton Township School District's financial statements as a whole. The introductory section, combining and individual nonmajor fund financial statements, and statistical section, are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedule 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 New Jersey OMB's Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, and are also not a required part of the financial statements. The combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards and state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements 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 do not express an opinion or provide any assurance on them.

Respectfully submitted,

INVERSO & STEWART, LLC
Certified Public Accountants



Robert A. Stewart
Certified Public Accountant
Registered Municipal Accountant

Marlton, New Jersey
July 30, 2011

INVERSO & STEWART, LLC

**Certified Public Accountants
Registered Municipal Accountants**

12000 Lincoln Drive West, Suite 402
Marlton, New Jersey 08053
(856) 983-2244
Fax (856) 983-6674
E-Mail: iscpas@concentric.net

-Member of-
American Institute of CPAs
New Jersey Society of CPAs

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
Westampton Township School District
County of Burlington
Westampton, New Jersey

We have audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Westampton Township School District (School District), in the County of Burlington, 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 and have issued our report thereon dated July 30, 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

In planning and performing our audit, we considered the Westampton Township School District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions 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 Westampton Township 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.

We noted certain matters that we reported to management of the Westampton Township School District in a separate report entitled, *Auditors Management Report on Administrative Findings - Financial, Compliance and Performance* dated July 30, 2011.

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

Respectfully submitted,

INVERSO & STEWART, LLC
Certified Public Accountants

A handwritten signature in black ink, appearing to read "R. A. Stewart". The signature is written in a cursive, somewhat stylized font.

Robert A. Stewart
Certified Public Accountant
Registered Municipal Accountant

Marlton, New Jersey
July 30, 2011

Required Supplementary Information - Part I

Management's Discussion and Analysis

**Westampton Township School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2011**

As management of the Board of Education of the Township of Westampton, New Jersey (School District), we offer readers of the School District's financial statements this narrative overview and analysis of the School District for the fiscal year ended June 30, 2011. We encourage readers to consider the information presented in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

Financial Highlights

- The assets of the School District exceeded its liabilities at the close of the most recent fiscal year by \$6,008,529 (*net assets*).
- Governmental activities have an unrestricted net assets deficit balance of \$736,593. The accounting treatments in the governmental funds for compensated absences payable, accrued interest payable and the June state aid payments plus state statutes that prohibit school districts from maintaining more than 2% of its adopted budget as unrestricted fund balance are primarily responsible for this deficit balance.
- The total net assets of the School District increased by \$408,187 from the prior fiscal year-end balance. The increase is a net result of a decrease in the percentage of the budget expended during the year in comparison to the prior year.
- Fund balance of the School District's governmental funds increased by \$68,478 resulting in an ending fund balance of \$554,077. The majority of this increase is the result of the reduction in the budget expenditures.
- Business-type activities have unrestricted net assets of \$57,384 which may be used to meet the School District's ongoing obligations of the enterprise-related activities (food services).
- The School District's long-term obligations decreased by \$839,260 which constitutes the annual payment of existing debt obligations (\$820,224) and reduction in the compensated absences balance of (\$7,236) and capital leases of (\$11,800).

Overview of the Basic Financial Statements

This discussion and analysis is intended to serve as an introduction to the School District's basic financial statements. Comparison to the prior year's activity is provided in this document. The basic financial statements are comprised of three components: 1) District-wide financial statements, 2) Fund financial statements, and 3) Notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

District-wide Financial Statements

The *district-wide financial statements* are designed to provide the reader with a broad overview of the financial activities in a manner similar to a private-sector business. The district-wide financial statements include the statement of net assets and the statement of activities.

The *statement of net assets* presents information about all of the School District's assets and liabilities. The difference between the assets and liabilities is reported as net assets. Over time, changes in net assets may serve as a useful indicator of whether the financial position of the School District is improving or deteriorating.

The *statement of activities* presents information showing how the net assets of the School District changed during the current fiscal year. Changes in net assets are recorded in the statement of activities when the underlying event occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement even though the resulting cash flows may be recorded in a future period.

Both of the district-wide financial statements distinguish functions of the School District that are supported from taxes and intergovernmental revenues (*governmental activities*) and other functions that are intended to recover all or most of their costs from user fees and charges (*business-type activities*). Governmental activities consolidate governmental funds including the General Fund, Special Revenue Fund, Capital Projects Fund, and Debt Service Fund. Business-type activities consolidate the Food Service Fund.

Fund Financial Statements

Fund financial statements are designed to demonstrate compliance with finance-related requirements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific objectives. All of the funds of the School District are divided into three categories: *governmental funds*, *proprietary funds* and *fiduciary funds*.

Governmental funds account for essentially the same information reported in the governmental activities of the district-wide financial statements. However, unlike the district-wide financial statements, the governmental fund financial statements focus on near-term financial resources and fund balances. Such information may be useful in evaluating the financing requirements in the near term.

Since the governmental funds and the governmental activities report information using the same functions, it is useful to compare the information presented. Because the focus of each report differs, reconciliation is provided on the fund financial statements to assist the reader in comparing the near-term requirements with the long-term needs.

The School District maintains four individual governmental funds. The major funds are the General Fund, the Special Revenue Fund, the Capital Projects Fund, and the Debt Service Fund. They are presented separately in the fund financial statements.

The School District adopts an annual appropriated budget for the General Fund, Special Revenue Fund and the Debt Service Fund. A budgetary comparison statement has been provided for each of these funds to demonstrate compliance with budgetary requirements.

Proprietary funds are used to present the same functions as the business-type activities presented in the district-wide financial statements. The School District maintains one type of proprietary fund - the Enterprise Fund. The fund financial statements of the enterprise fund provides the same information as the district-wide financial statements, only in more detail.

The School District's one enterprise funds (Food Service Fund) is listed individually and is considered to be a major fund.

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 School District's programs.

Notes to the Basic Financial Statements

The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report also contains other supplementary information and schedules required by the New Jersey Audit Program, issued by the New Jersey Department of Education.

District-wide Financial Analysis

The assets of the School District are classified as current assets and capital assets. Cash, investments, receivables, inventories and prepaid expenses are current assets. These assets are available to provide resources for the near-term operations of the School District. The majority of the current assets are the results of the tax levy and state aid collection process.

Capital assets are used in the operations of the School District. These assets are land, buildings, improvements and equipment. Capital assets are discussed in greater detail in the section titled, Capital Assets and Debt Administration, elsewhere in this analysis.

Current and long-term liabilities are classified based on anticipated liquidation either in the near-term or in the future. Current liabilities include accounts payable, accrued interest expense on long-term debt, unearned revenues, and current debt obligations. The liquidation of current liabilities is anticipated to be either from currently available resources, current assets or new resources that become available during fiscal year 2011. Long-term liabilities such as long-term debt obligations and compensated

absences payable will be liquidated from resources that will become available after fiscal year 2011.

The assets of the primary government activities exceeded liabilities by \$5,937,560 with an unrestricted deficit balance of \$736,593. As mentioned earlier, deficit unrestricted net assets are primarily due to the accounting treatment for compensated absences payable, capital lease payable, accrued interest expense and the June state aid payments, and state statutes that prohibit school districts from maintaining more than 2% of its adopted budget as unrestricted fund balance.

The net assets of the primary government do not include internal balances.

A net investment of \$6,143,514 in land, improvements, buildings and equipment which provide the services to the School District's 994 public school students, represents 102.25% of the School District's net assets.

Net assets of \$544,224 have been restricted as follows:

Designated for the 2011/12 budget	\$ 328,046
Capital projects	109,296
Debt service	20,474
Excess surplus	86,408

Comparative Summary of Net Assets As of June 30, 2011 and 2010

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>District-Wide</u>	
	2011	2010	2011	2010	2011	2010
Assets:						
Current assets	\$ 670,815	\$ 621,914	\$ 57,384	\$ 59,263	\$ 728,199	\$ 678,177
Capital assets	<u>14,234,599</u>	<u>14,732,842</u>	<u>13,585</u>	<u>15,799</u>	<u>14,248,184</u>	<u>14,748,641</u>
Total assets	<u>14,905,414</u>	<u>15,354,756</u>	<u>70,969</u>	<u>72,062</u>	<u>14,976,383</u>	<u>15,426,818</u>
Liabilities:						
Current Liabilities	973,939	942,770		5,531	973,939	948,301
Concurrent Liabilities	<u>7,993,915</u>	<u>8,878,175</u>			<u>7,993,915</u>	<u>8,878,175</u>
Total liabilities	<u>8,967,854</u>	<u>9,820,945</u>		<u>5,531</u>	<u>8,967,854</u>	<u>9,826,476</u>
Net assets	<u>\$ 5,937,560</u>	<u>\$ 5,533,811</u>	<u>\$ 70,969</u>	<u>\$ 66,531</u>	<u>\$ 6,008,529</u>	<u>\$ 5,600,342</u>
Net assets consist of:						
Invested in capital assets,						
net of related debt	\$ 6,129,929	\$ 5,807,948	\$ 13,585	\$ 15,799	\$ 6,143,514	\$ 5,823,747
Restricted net assets	544,224	693,744			544,224	693,744
Unrestricted net assets (deficit)	<u>(736,593)</u>	<u>(967,881)</u>	<u>57,384</u>	<u>50,732</u>	<u>(679,209)</u>	<u>(917,149)</u>
Net assets	<u>\$ 5,937,560</u>	<u>\$ 5,533,811</u>	<u>\$ 70,969</u>	<u>\$ 66,531</u>	<u>\$ 6,008,529</u>	<u>\$ 5,600,342</u>

Governmental Activities

Governmental activities increased the net assets of the School District by \$403,749 during the current fiscal year. Key elements of the increase in net assets for governmental activities are as follows:

- The tax levy increased by \$709,570.
- School District expenses were well within anticipated revenues. This is due, in part to a reduction in anticipated special education tuition and health benefit costs.

Business-type Activities

Business-type activities increased the School District's net assets by \$4,438. Key elements of the increase in net assets for business-type activities are as follows:

- The Food Service program had a net profit in operations of \$4,438.

**Westampton Township School District
Comparative Schedule of Changes in Net Assets
As of and for the Fiscal Year Ended June 30, 2011 and 2010**

	Governmental Activities		Business-Type Activities		District-Wide	
	2011	2010	2011	2010	2011	2010
Revenues:						
Program Revenues						
Charges for services			\$ 203,889	\$ 252,199	\$ 203,889	\$ 252,199
Operating grants and Contributions	\$ 1,395,050	\$ 1,597,001	97,341	96,134	1,492,391	1,693,135
General Revenues:						
Property Taxes	9,245,409	8,535,839			9,245,409	8,535,839
State Aid	3,274,145	3,846,440			3,274,145	3,846,440
Other Revenues	48,746	41,160	338	283	49,084	41,443
Total Revenues	13,963,350	14,020,440	301,568	348,616	14,264,918	14,369,056

	Governmental Activities		Business-Type Activities		District-Wide	
	2011	2010	2011	2010	2011	2010
Expenses:						
Governmental Activities:						
Instruction	\$ 5,688,705	\$ 5,576,029			\$ 5,688,705	\$ 5,576,029
Tuition	369,032	456,160			369,032	456,160
Related Services	1,146,572	1,179,351			1,146,572	1,179,351
Administrative Services	1,030,138	1,178,995			1,030,138	1,178,995
Operations and Maintenance	1,424,141	1,268,480			1,424,141	1,268,480
Transportation	597,504	617,065			597,504	617,065
Unallocated benefits	2,881,582	2,666,852			2,881,582	2,666,852
Interest on long-term Debt	299,485	318,646			299,485	318,646
Other	122,442	233,097			122,442	233,097
Business-Type Activities:						
Food Service Operations			\$ 297,130	\$ 340,281	297,130	340,281
Total Expenses	13,559,601	13,493,675	297,130	340,281	13,856,731	13,833,956
Increase (Decrease) in Net Assets Before transfers						
	403,749	526,765	4,438	8,335	408,187	535,100
Transfers						
Changes in net assets	403,749	526,765	4,438	8,335	408,187	535,100
Net assets, July 1,	5,533,811	5,007,046	66,531	58,196	5,600,342	5,065,242
Net assets, June 30,	\$ 5,937,811	\$ 5,533,811	\$ 70,969	\$ 66,531	\$ 6,008,529	\$ 5,600,342

Financial Analysis of the Governmental Funds

As noted earlier, the School District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds - The focus of the School District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the School District's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the School District's governmental funds reported a combined ending fund balance of \$554,077, an increase of \$68,478 in comparison with the prior year. The majority of the increase is due to the reduction of budgetary expenditures from 96.60% in 2010 to 95.26% in 2011.

The unassigned fund balance of \$437,342 for the School District at the end of the fiscal year represents the unassigned fund balance in the General Fund of \$9,853 and Debt Service Fund of \$20,474. The remainder of the fund balance is restricted to indicate that it is not available for new spending because it has already been committed, as follows: 1) restricted for future appropriation in accordance with state statutes (\$86,408), 2) appropriated as a revenue source in the subsequent year's budget (\$328,046), or 3) reserved for future capital expenditures (\$109,296).

The general fund is the chief operating fund of the School District. As discussed earlier, the minimal unassigned fund balance is due, primarily, to the accounting treatments of compensated absences payable, the June state aid payments, and state statutes that prohibit New Jersey school districts from maintaining more than 2% of its adopted budget as unassigned fund balance.

In the special revenue fund revenues are generally recognized at the time that the outlays are identified; therefore no fund balances are normally generated.

General Fund Budgetary Highlights

There was no change between the original budget and the final amended budget.

At the end of the current fiscal year, unassigned fund balance (budgetary basis) of the general fund was \$279,641, while total fund balance (budgetary basis) was \$666,049. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance (budgetary basis) and total fund balance (budgetary basis) to total general fund expenditures. Actual (budgetary basis) expenditures of the General Fund including other financing uses amounted to \$12,076,791. Unassigned fund balance (budgetary basis) represents 2.31% of expenditures while total fund balance (budgetary basis) represents 5.51% of that same amount

Capital Asset and Debt Administration

The School District's investment in capital assets for its governmental and business-type activities as of June 30, 2011, totaled \$14,248,184 (net of accumulated depreciation). This investment in capital assets includes land, improvements, buildings, equipment and vehicles. The total decrease in the District's investment in capital assets for the current fiscal year was \$500,457, or a 3.39% decrease. The decrease is due to current year depreciation.

Capital Asset (net of accumulated depreciation) June 30, 2011 and 2010

	Governmental Activities		Business-Type Activities		District-Wide	
	2011	2010	2011	2010	2011	2010
Land	\$ 12,455	\$ 12,455			\$ 12,455	\$ 12,455
Site Improvements	225,447	253,864			225,447	253,864
Buildings and Building Improvements	13,688,561	14,155,711			13,688,561	14,155,711
Equipment	265,154	260,156	\$ 13,585	\$ 15,799	278,739	275,955
Vehicles	42,982	50,656			42,982	50,656
Net assets	<u>\$ 14,234,599</u>	<u>\$ 14,732,842</u>	<u>\$ 13,585</u>	<u>\$ 15,799</u>	<u>\$ 14,248,184</u>	<u>\$ 14,748,641</u>

Additional information on the School District's capital assets can be found in the notes to the basic financial statements (Note 4) of this report.

Long-term debt – During the fiscal year ended June 30, 2011, the School District had total bonded debt outstanding of \$8,104,670 backed by the full faith and credit of the School District. Additionally, the School District has long-term obligations for compensated absences in the amount of \$754,469.

General obligation bonds decreased \$820,224 and capital lease obligations were paid off during the year in accordance with the annual payments due.

The School District continues to maintain its AA rating from Standard & Poor's Corporation for its general obligation bond issues.

State statutes limit the amount of general obligation debt that the District may issue. At the end of the current fiscal year, the legal debt limit was \$36,349,696 and the legal debt margin was \$28,245,026.

Additional information on the School District's long-term obligations can be found in the notes to the basic financial statements (Note 6) of this report.

Economic Factors and Next Year's Budgets and Rates

The following factors were considered and incorporated into the preparation of the School District's budget for the 2011-12 fiscal years.

- State aid has diminished over the last several years, failing to keep pace with the inflationary factors that impact our economic structure. This is a major impact on desirable programs due to the lack of adequate financial support. This makes it increasingly difficult to further develop or maintain, in certain instances, desired activities. Although the state marginally increased state aid to Westampton during this budget cycle, they did not bring aid up to the level of the previous years. Our challenge to keep educational costs low while faced with inflationary factors remains challenging.
- Schools are faced with increases in fixed costs such as insurance and utilities. This continues to put a significant burden on property taxpayers to come up with additional funds to maintain facilities and to cover fixed costs. This has resulted in our drawing down of existing fund balances in order to minimize the impact on local property owners. The School District is working toward building an adequate fund balance. For the last number of years the state has postponed the final aid payment. The restrictions on surplus create further financial issues for the District.
- The per pupil regular spending remains as one of the lowest in Burlington County. The administrative cost per pupil remains lower than the regional or District's approved budgeted per pupil cost. In excess of 85% of every dollar spent in the District goes directly to the schools for Instruction and student services. This leaves less than 15% to conduct all of the remaining necessary activities within the School District.

- The District continues to pursue all opportunities to enter into shared services agreements and has been successful in this area with the municipality and neighboring school districts.

Requests for Information

This financial report is designed to provide a general overview of the School District's finances for all those with an interest in the School District. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Westampton Township School District Business Administrator, 700 Rancocas Road, Westampton, New Jersey, 08060, telephone number (609) 261-1969.

Basic Financial Statements

District-Wide Financial Statements

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

WESTAMPTON TOWNSHIP SCHOOL DISTRICT
Statement of Net Assets
June 30, 2011

	Governmental Activities	Business-Type Activities	Total
ASSETS:			
Cash and Cash Equivalents	\$ 431,596	\$ 46,186	\$ 477,782
Receivables, net	139,109	5,488	144,597
Internal balances	(2,908)	2,908	
Inventory		2,802	2,802
Deferred Bond Issuance Costs - Net	103,018		103,018
Capital Assets - Net (Note 4)	14,234,599	13,585	14,248,184
Total Assets	14,905,414	70,969	14,976,383
LIABILITIES:			
Intergovernmental Payable:			
State	13,720		13,720
Accrued Interest Payable	94,995		94,995
Noncurrent Liabilities (Note 6):			
Due within one year	865,224		865,224
Due beyond one year	7,993,915		7,993,915
Total Liabilities	8,967,854		8,967,854
NET ASSETS:			
Invested in Capital Assets, Net of Related Debt	6,129,929	13,585	6,143,514
Restricted for:			
Capital Projects	109,296		109,296
Debt Service Funds	48,520		48,520
Other Purposes	386,408		386,408
Unrestricted (Deficit)	(736,593)	57,384	(679,209)
Total Net Assets	\$ 5,937,560	\$ 70,969	\$ 6,008,529

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

WESTAMPTON TOWNSHIP 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	\$ 4,225,938				\$ (4,225,938)		\$ (4,225,938)
Special Education	1,150,010		\$ 250,858		(899,152)		(899,152)
Other instruction	312,757				(312,757)		(312,757)
Support Services:							
Tuition	369,032				(369,032)		(369,032)
Student & instruction related services	1,146,572		183,352		(963,220)		(963,220)
General administrative services	572,062				(572,062)		(572,062)
School administrative services	458,076				(458,076)		(458,076)
Plant operations and maintenance	1,424,141				(1,424,141)		(1,424,141)
Pupil transportation	597,504				(597,504)		(597,504)
Unallocated benefits	2,881,582		779,383		(2,102,199)		(2,102,199)
Interest on long-term debt	299,485		181,457		(118,028)		(118,028)
Unallocated depreciation and amortization	122,442				(122,442)		(122,442)
Total Governmental Activities	<u>13,559,601</u>		<u>1,395,050</u>		<u>(12,164,551)</u>		<u>(12,164,551)</u>
Business-Type Activities:							
Food service	297,130	\$ 203,889	97,341			\$ 4,100	4,100
Total Business-Type Activities	<u>297,130</u>	<u>203,889</u>	<u>97,341</u>			<u>4,100</u>	<u>4,100</u>
Total Primary Government	<u>\$ 13,856,731</u>	<u>\$ 203,889</u>	<u>\$ 1,492,391</u>	<u>\$ -</u>	<u>(12,164,551)</u>	<u>4,100</u>	<u>(12,160,451)</u>
General Revenues:							
Taxes:							
Property taxes, levied for general purposes, net					8,306,970		8,306,970
Taxes levied for debt service					938,439		938,439
Federal and State aid not restricted					3,274,145		3,274,145
Investment Earnings						338	338
Miscellaneous Income					48,746		48,746
Transfers							
Total general revenues, special items, extraordinary items and transfers					<u>12,568,300</u>	<u>338</u>	<u>12,568,638</u>
Change in Net Assets					<u>403,749</u>	<u>4,438</u>	<u>408,187</u>
Net Assets - July 1, 2010					<u>5,533,811</u>	<u>66,531</u>	<u>5,600,342</u>
Net Assets - June 30, 2011					<u>\$ 5,937,560</u>	<u>\$ 70,969</u>	<u>\$ 6,008,529</u>

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

Fund Financial Statements

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

WESTAMPTON TOWNSHIP SCHOOL DISTRICT
Balance Sheet
Governmental Funds
June 30, 2011

ASSETS	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Assets:					
Cash and cash equivalents	\$ 349,659	\$ (75,879)	\$ 139,258	\$ 18,558	\$431,596
Receivables, net					
Intergovernmental	49,510	89,599			139,109
Interfund				29,962	29,962
Total Assets	<u>\$ 399,169</u>	<u>\$ 13,720</u>	<u>\$ 139,258</u>	<u>\$ 48,520</u>	<u>\$ 600,667</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Intergovernmental payable:					
State		\$ 13,720			\$ 13,720
Interfund	\$ 2,908		\$ 29,962		32,870
Total Liabilities	<u>2,908</u>	<u>13,720</u>	<u>29,962</u>		<u>46,590</u>
Fund Balances:					
Restricted for:					
Excess surplus	86,408				86,408
Assigned to:					
Subsequent year's budget	300,000		109,296	\$ 28,046	437,342
Unassigned	9,853			20,474	30,327
Total Fund Balances	<u>396,261</u>		<u>109,296</u>	<u>48,520</u>	<u>554,077</u>
Total Liabilities and Fund Balances	<u>\$ 399,169</u>	<u>\$ 13,720</u>	<u>\$ 139,258</u>	<u>\$ 48,520</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 \$21,751,529 and the accumulated depreciation is \$7,516,930.	14,234,599
Bond issuance costs are amortized over the life of the bonds on the statement of net assets.	103,018
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds:	
General Obligation Bonds	\$ (8,104,670)
Accrued Interest Payable	(94,995)
Compensated Absences Payable	<u>(754,469)</u>
	<u>(8,954,134)</u>
Net assets of governmental activities	<u>\$ 5,937,560</u>

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

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

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES:					
Local sources:					
Local tax levy	\$ 8,306,970			\$ 938,439	\$ 9,245,409
Miscellaneous	20,699		\$ 28,047		48,746
Total local sources	8,327,669		28,047	938,439	9,294,155
State sources	4,053,528	\$ 42,331		181,457	4,277,316
Federal sources		391,879			391,879
Total Revenues	12,381,197	434,210	28,047	1,119,896	13,963,350
EXPENDITURES:					
Current expense:					
Regular instruction	3,605,693	250,858			3,856,551
Special education instruction	1,150,010				1,150,010
Other instruction	312,757				312,757
Support services and undistributed costs:					
Tuition	369,032				369,032
Student & instruction related services	963,220	183,352			1,146,572
General administrative services	269,306				269,306
School administrative services	431,174				431,174
Central services	275,854				275,854
Plant operations and maintenance	1,186,058				1,186,058
Pupil transportation	597,504				597,504
Unallocated employee benefits	2,881,582				2,881,582
Capital outlay	34,601		255,072		289,673
Debt service:					
Principal				820,224	820,224
Interest and other charges				308,575	308,575
Total Expenditures	12,076,791	434,210	255,072	1,128,799	13,894,872
Excess (Deficiency) of Revenues over (under) Expenditures	304,406		(227,025)	(8,903)	68,478
Other Financing Sources (Uses):					
Transfers in				28,047	28,047
Transfers out			(28,047)		(28,047)
Total Other Financing Sources (Uses)			(28,047)	28,047	
Net Change in Fund Balances	304,406		(255,072)	19,144	68,478
Fund Balances - July 1, 2010	91,855		364,368	29,376	485,599
Fund Balances - June 30, 2011	\$ 396,261	\$ -	\$ 109,296	\$ 48,520	\$ 554,077

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

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

Total Net Change in Fund Balances - Governmental Funds (from B-2)	\$	68,478
Amounts reported for governmental activities in the statement of activities (A-2) are different because:		
<p>Governmental Funds report capital outlays 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 current period.</p>		
Depreciation expense	\$ (538,033)	
Fixed asset additions	<u>39,790</u>	(498,243)
<p>Repayment of long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities.</p>		
General obligation bonds	820,224	
Capital leases	11,800	
Accrued interest	<u>9,090</u>	841,114
<p>Governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences.</p>		
		(14,836)
<p>In the statement of activities, certain operating expenses, (e.g. compensated absences) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+)</p>		
		<u>7,236</u>
Change in Net Assets of Governmental Activities	\$	<u>403,749</u>

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

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

	<u>Food Service Fund</u>
ASSETS:	
Current Assets:	
Cash and cash equivalents	\$ 46,186
Accounts receivable:	
State	289
Federal	5,199
Interfund	2,908
Inventories	<u>2,802</u>
Total Current Assets	<u>57,384</u>
Noncurrent Assets:	
Equipment	185,389
Less - accumulated depreciation	<u>(171,804)</u>
Total Noncurrent Assets	<u>13,585</u>
Total Assets	<u>70,969</u>
 LIABILITIES:	
Current Liabilities:	
Accounts payable	<u> </u>
Total Current Liabilities	<u> </u>
 NET ASSETS:	
Invested in capital assets	13,585
Unrestricted	<u>57,384</u>
Total Net Assets	<u>\$ 70,969</u>

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

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

	<u>Food Service Fund</u>
OPERATING REVENUES:	
Charges for Services:	
Daily sales reimbursable programs:	
School lunch	\$ 146,530
Daily sales non-reimbursable programs:	
Adult and alacarte sales	54,179
Other	<u>3,180</u>
Total Operating Revenues	<u>203,889</u>
OPERATING EXPENSES:	
Salaries and fringe benefits	138,735
Management fee	15,739
Supplies and materials	9,385
Repairs and maintenance	2,968
Other costs	10,095
Depreciation	2,214
Cost of sales	<u>117,994</u>
Total Operating Expenses	<u>297,130</u>
Operating Income (Loss)	<u>(93,241)</u>
Non-Operating Revenues:	
State sources:	
State school lunch program	4,049
Federal sources:	
National school lunch program	75,492
Food distribution program	17,800
Local sources:	
Interest earned	<u>338</u>
Total Non-Operating Revenues	<u>97,679</u>
Income (Loss) before Contributions and Transfers	4,438
Operating Transfer out	<u> </u>
Changes in Net Assets	4,438
Net Assets - July 1, 2010	<u>66,531</u>
Net Assets - June 30, 2011	<u>\$ 70,969</u>

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

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

	<u>Food Service Fund</u>
Cash Flows from Operating Activities:	
Cash receipts from customers	\$ 203,889
Cash payments to employees for services	(138,735)
Cash payments to suppliers for goods and services	<u>(155,281)</u>
Net cash provided by (used for) operating activities	<u>(90,127)</u>
Cash Flows from Noncapital Financing Activities:	
Cash received from state sources	4,230
Cash received from federal sources	94,965
Operating transfer out	<u> </u>
Net cash provided by noncapital financing activities	<u>99,195</u>
Cash Flows Used by Capital and Related Financing Activities:	
Purchase of equipment	<u> </u>
Cash Flow Provided by Investing Activities:	
Interest on cash equivalents	<u>338</u>
Net increase (decrease) in cash and cash equivalents	9,406
Cash and cash equivalents - July 1, 2010	<u>36,780</u>
Cash and cash equivalents - June 30, 2011	<u>\$ 46,186</u>
Reconciliation of Operating Income (Loss) to Net Cash provided by (used for)	
Operating Activities:	
Operating income (loss)	\$ 297,130
Adjustments to reconcile operating income (loss) to cash provided by (used for) operating activities:	
Depreciation	2,968
Change in assets and liabilities:	
(Increase) decrease in accounts receivable	2,800
(Increase) decrease in inventories	3,631
Increase (decrease) in accounts payable	<u>(5,531)</u>
Net cash provided by (used for) operating activities	<u>\$ 300,998</u>
Noncash Noncapital Financing Activities:	
During the year the District received \$17,800 of food commodities from the U.S. Department of Agriculture.	

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

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

	<u>Trust Funds</u>		
	<u>Unemployment Compensation Insurance Trust</u>	<u>Private Purpose Scholarship Fund</u>	<u>Agency Funds</u>
ASSETS:			
Cash and cash equivalents	<u>\$ 1,182</u>	<u>\$ 7,959</u>	<u>\$ 144,230</u>
 Total Assets	 <u>1,182</u>	 <u>7,959</u>	 <u>\$ 144,230</u>
 LIABILITIES:			
Payroll deductions and withholdings			\$ 130,869
Due to student groups	<u> </u>	<u> </u>	<u>13,361</u>
Total Liabilities	<u> </u>	<u> </u>	<u>\$ 144,230</u>
 NET ASSETS:			
Held in trust for unemployment claims and other purposes	<u>\$ 1,182</u>		
Reserved for scholarships		<u>\$ 7,959</u>	

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

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

	Unemployment Compensation Insurance Trust	Private Purpose Scholarship Fund
ADDITIONS:		
Contributions:		
Employee	\$ 24,295	
Employer	44,858	
Total contributions	69,153	
Investment earnings:		
Interest	71	\$ 79
Net investment earnings	71	79
Total Additions	69,224	79
DEDUCTIONS:		
Unemployment claims	68,837	
Scholarships awarded		40
Total Deductions	68,837	40
Change in Net Assets	387	39
Net assets - July 1, 2010	795	7,920
Net assets - June 30, 2011	\$ 1,182	\$ 7,959

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

**Westampton Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2011**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity - The Township of Westampton School District ("School District") is a Type II district located in the County of Burlington, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The Board of Education 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 provide educational services for resident students in grades K through 8. Students in grades 9 through 12 attend the Rancocas Valley Regional High School District. The Westampton School District has an approximate enrollment at June 30, 2011 of 994 students.

Criteria for determining if other entities are potential component units which should be reported within the School District's basic financial statements are identified and described in the Governmental Accounting Standards Board's (GASB) Codification of Governmental Accounting and Financial Reporting Standards, Section 2100 and 2600. The application of these criteria provides for identification of any entities for which the School District is financially accountable and other organizations that the nature and significance of their relationship with the School District are such that exclusion would cause the School District's basic financial statements to be misleading or incomplete.

Based on the application of these criteria, there were no organizations that are considered to be component units.

Basis of Presentation

The basic financial statements of the Westampton Township 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 below.

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

Government-wide 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:

**Westampton Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2011**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

General Fund - The general fund is the general operating fund of the School District and 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.

Special Revenue Fund - The special revenue fund is used to account for the proceeds of specific revenues from the state and federal governments, other than major capital projects, debt service, or the enterprise funds, and local appropriations that are legally restricted to expenditures for specified purposes.

Capital Projects Fund - The capital projects fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities, other than those financed by proprietary funds. The financial resources are derived from 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 the accumulation of resources for, and the payment of, general-long-term debt principal, interest and related costs.

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

Enterprise Funds - The enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the School District is that all 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, 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.

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	12 Years
Light Trucks and Vehicles	4 Years
Heavy Trucks and Vehicles	6 Years

**Westampton Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2011**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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. Agency funds are used to account for assets held by the School District in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds (i.e. payroll and student activities). They are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The School District has four fiduciary funds; an unemployment compensation trust fund, a private purpose scholarship fund, a student activity fund, and a payroll fund.

Measurement Focus

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

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

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

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. "Measurable" means the amount of the transaction can be determined and "available" means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the School District, available means expected to be received within thirty days of 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 monies under the established payment schedule and the unpaid amount is considered to be an "accounts receivable". With the exception of 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.

Westampton Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2011

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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, if any, 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. 6:23A-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.

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 as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

The accounting records of the special revenue fund are maintained on the 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 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. Open encumbrances in governmental funds, other than the special revenue fund, are reported as assigned fund balances at fiscal year end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services.

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

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

Cash, Cash Equivalents and Investments - Cash and cash equivalents, for all funds, include petty cash, change funds, cash in banks and all highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest. 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.

**Westampton Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2011**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash, Cash Equivalents and Investments (Continued) - 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.

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 institution 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 full 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 school 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 basis.

The cost of inventories in governmental fund types is recorded as expenditures when purchased rather than when consumed, and is not recorded since any amounts are considered immaterial to the basic financial statements.

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

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

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

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

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 repairs and maintenance that do not add to the value of the asset or materially extend 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.

**Westampton Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2011**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets (Continued) - Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Governmental Activities Estimated Lives</u>	<u>Business -Type Activities Estimated Lives</u>
Land Improvements	10-20 years	N/A
Buildings and Improvements	10-50 years	N/A
Furniture and Equipment	5-20 years	12 years
Vehicles	5-10 years	4-6 years

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

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 on 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.

Net Assets - Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any 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 Equity - In the fund financial statements, governmental funds report aggregate amounts for five classifications of fund balances based on the constraints imposed on the use of these resources. The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form - prepaid items or inventories; or (b) legally or contractually required to be maintained intact.

**Westampton Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2011**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The spendable portion of the fund balance comprises the remaining four classifications: restricted, committed, assigned and unassigned.

Restricted fund balance – This classification reflects constraints imposed on resources either (a) externally by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed fund balances – These amounts can only be used for specific purposes pursuant to constraints imposed by formal resolutions or ordinances of the School District – the government's highest level of decision making authority. Those committed amounts cannot be used for any other purpose unless the Board of Education removes the specified use by taking the same type of action imposing the commitment. This classification also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned fund balance – This classification reflects the amounts constrained by the School District's "intent" to be used for specific purposes, but are neither restricted nor committed. The Board of Education and the Chief School Administrator have the authority to assign amounts to be used for specific purposes. Assigned fund balances include all remaining amounts (except negative balances) that are reported in governmental funds, other than the General Fund, that are classified as nonspendable and are neither restricted nor committed.

Unassigned fund balance – This fund balance is the residual classification for the General Fund. It is also used to report negative fund balances in other governmental funds.

When both restricted and unrestricted fund balances are available for use, it is the School District's policy to use externally restricted fund balances first, then unrestricted fund balance – committed, assigned, and unassigned – in order as needed.

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 before and after school program. Non-operating revenues principally consist of interest income earned on various interest bearing accounts and federal and state subsidy reimbursements for the food service program.

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

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

Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United State 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.

2. CASH AND CASH EQUIVALENTS

Custodial Credit Risk Related to Deposits – With respect to deposits, custodial credit risk refers to the risk that, in the event of a bank failure, the School District's deposits may not be returned to it. Although the School District does not have a formal policy regarding custodial credit risk, state statutes requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Unit. Banks that qualify as public depositories under New Jersey statutes hold cash deposits, with bank balances totaling \$1,041,056.27 at June 30, 2011. All deposits are insured by federal depository insurance and/or collateralized with securities held in New Jersey's multiple financial institution collateral pool as required by N.J.S.A. 17.9-41 et seq.

**Westampton Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2011**

3. ACCOUNTS RECEIVABLES

Accounts receivables at June 30, 2011 consisted of accounts (fees) and intergovernmental grants. All intergovernmental 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 at June 30, 2011 for the School District's individual major and fiduciary funds, in the aggregate, are as follows:

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Proprietary Funds</u>	<u>Total</u>
Intergovernmental	\$ 49,510	\$ 89,599	\$ 5,488	\$ 144,597
Total Accounts Receivable	<u>\$ 49,510</u>	<u>\$ 89,599</u>	<u>\$ 5,488</u>	<u>\$ 144,597</u>

4. CAPITAL ASSETS

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

	<u>Balance July 1, 2010</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2011</u>
Governmental Activities:				
<i>Capital Assets, not being depreciated:</i>				
Land	\$ 12,455			\$ 12,455
Construction in progress				
Total capital assets, not being depreciated	<u>12,455</u>			<u>12,455</u>
<i>Capital Assets, being depreciated:</i>				
Site Improvements	562,342			562,342
Building and Building Improvements	19,535,802		\$ (1,095)	19,534,707
Equipment	1,439,948	\$ 40,885		1,480,833
Vehicles	161,192			161,192
Totals at historical cost	<u>21,699,284</u>	<u>40,885</u>	<u>(1,095)</u>	<u>21,739,074</u>
<i>Less Accumulated Depreciation:</i>				
Site Improvements	(308,478)	(28,417)		(336,895)
Building and Building Improvements	(5,380,091)	(466,055)		(5,846,146)
Equipment	(1,179,792)	(35,887)		(1,215,679)
Vehicle	(110,536)	(7,674)		(118,210)
Totals accumulated depreciation	<u>(6,978,897)</u>	<u>(538,033)</u>		<u>(7,516,930)</u>
Total Capital Assets, being depreciated, net	<u>14,720,387</u>	<u>(497,148)</u>	<u>(1,095)</u>	<u>14,222,144</u>
Governmental Activities Capital Assets, Net	<u>\$ 14,732,842</u>	<u>\$ (497,148)</u>	<u>\$ (1,095)</u>	<u>\$ 14,234,599</u>
 Business-Type Activities:				
<i>Capital Assets, being depreciated:</i>				
Equipment	\$ 185,389			\$ 185,389
Less Accumulated Depreciation	<u>(169,590)</u>	<u>\$ (2,214)</u>		<u>(171,804)</u>
Business-Type Activities Capital Assets, Net	<u>\$ 15,799</u>	<u>\$ (2,214)</u>	<u>\$ 0</u>	<u>\$ 13,585</u>

**Westampton Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2011**

4. CAPITAL ASSETS (Continued)

Depreciation expense in the amount of \$538,033 was charged to governmental functions as follows:

Function	Amount
Regular Instruction	\$ 376,623
General Administration	26,902
School Administration	26,902
Unallocated	107,606
Total depreciation expense	\$ 538,033

5. INVENTORY

Inventory in the Food Service Fund at June 30, 2011 consisted of the following:

Food	\$ 1,806
Supplies	996
	\$ 2,802

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, 2010</u>	<u>Additions</u>	<u>Reductions</u>	<u>Principal Outstanding June 30, 2011</u>	<u>Due Within One Year</u>
Governmental Activities:					
Compensated Absences	\$ 761,705		\$ 7,236	\$ 754,469	
Obligations under Capital Lease	11,800		11,800	0	
General Obligation Bonds	8,924,894	_____	820,224	8,104,670	\$ 865,224
	\$ 9,698,399	\$ 0	\$ 839,260	\$ 8,859,139	\$ 865,224

Bonds Payable - Bonds and loans are authorized in accordance with State law by the voters of the School District through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the School District are as follows:

2011 Refunding Bonds dated March 1, 2011 in the amount of \$1,775,000 due in annual installments through March 1, 2015, bearing interest rate of 2.25% to 3.25%.

1993 Safe School Loan dated August 18, 1993 in the amount of \$420,670 due in annual installments through July 15, 2013, bearing interest rate of 1.50%.

2006 General Obligation Bonds dated February 1, 2006 in the amount of \$5,909,000 due in annual installments through March 1, 2025, bearing interest rate of 3.75% to 3.95%.

**Westampton Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2011**

6. LONG-TERM OBLIGATIONS (Continued)

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	\$ 865,224	\$ 282,356	\$ 1,147,580
2013	875,223	258,826	1,134,049
2014	905,223	234,008	1,139,231
2015	930,000	209,490	1,139,490
2016	450,000	177,540	627,540
2017-2021	2,260,000	624,257	2,884,257
2022-2025	<u>1,819,000</u>	<u>179,567</u>	<u>1,998,567</u>
	<u>\$ 8,104,670</u>	<u>\$ 1,966,044</u>	<u>\$ 10,070,714</u>

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.

7. OPERATING LEASES

The School District has various non-cancelable operating lease agreements for copiers. Total costs for such leases were approximately \$15,594 for the fiscal year ended June 30, 2011. The future minimum lease payments for these leases are as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Amount</u>
2012	\$ 15,777
2013	14,805
2014	<u>2,890</u>
Total future minimum lease payments	<u>\$ 33,472</u>

8. PENSION PLANS

Description of Plans – Substantially all of the School District's employees participate in one of the following pension plans which have been established by State statute, and are administered by the New Jersey Division of Pensions and Benefits (Division): the Teachers' Pension and Annuity Fund (TPAF), the Public Employees' Retirement System (PERS) or the Defined Contribution Retirement Program (DCRP). The TPAF and PERS are defined benefit pension plans while the DCRP is a defined contribution pension plan. Each plan has a Board of Trustees that is primarily responsible for its administration. The Division issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole, but not by individual employer. That report may be obtained by writing to the State of New Jersey, Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey, 08625-0295.

Teachers' Pension and Annuity Fund (TPAF)

The Teachers' Pension and Annuity Fund is a cost-sharing contributory defined benefit pension plan which was established on 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.

**Westampton Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2011**

8. PENSION PLANS (Continued)

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 92 and Chapter 103, P.L. 2007, plan members were required to contribute 5.5% of their annual covered salary. The State Treasurer has the right under the current law to make temporary reductions in 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 exists.

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 School District has been required over the several preceding fiscal years.

Public Employees' Retirement System (PERS)

The Public Employees' Retirement System is a cost-sharing multiple-employer defined benefit pension plan which was established on January 1, 1955. The PERS provides retirement, death and disability, and medical benefits to certain 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 92 and Chapter 103, P.L. 2007, plan members were required to contribute 5.5% of their annual covered salary. The State Treasurer has the right under the current law to make temporary reductions in 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 exists.

The School District is billed annually for its normal contribution plus any accrued liability.

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

<u>Fiscal Year</u>	<u>Normal Contribution</u>	<u>Accrued Liability</u>	<u>Non Contributory Life</u>	<u>Total Liability Paid by District</u>
2011	\$ 57,508	\$ 91,635	\$ 11,327	\$ 160,470
2010	45,901	58,977	14,544	119,422
2009	45,522	52,652	12,203	110,377

Defined Contribution Retirement Program (DCRP)

The Defined Contribution Retirement Program is a cost-sharing multiple-employer defined contribution pension plan 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 Divisions 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.

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. The State Treasurer has the right under the current law to make temporary reductions in 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 exists. 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.

**Westampton Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2011**

8. PENSION PLANS (Continued)

The School District's contributions to the DCRP were as follows:

<u>Year</u>	<u>Total Liability</u>	<u>Employee Contribution</u>	<u>Paid by School District</u>
2011	\$ 1,706	\$ 602	\$ 1,104
2010	0	0	0
2009	0	0	0

Related Party Investments – The Division of Pensions and Benefits does not invest in securities issued by the School District.

9. POST-RETIREMENT BENEFITS

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

The State's contribution rate is based on the annual required contribution (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years.

The State made post-retirement (PRM) contributions of \$592.7 million for TPAF and \$224.3 million for PERS in Fiscal Year 2009.

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 Alternate Benefit Program who retired 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.

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 of New Jersey for normal costs and post-retirement costs related to TPAF. The amounts recognized as revenues and expenditures for normal costs and post-retirement were \$16,935 and \$348,236, respectively. In addition, the State of New Jersey reimbursed the School District \$414,752 during the fiscal year ended June 30, 2011 for the employer's share of social security contributions for TPAF members, as calculated on their base salaries. This amount has also been included as a revenue and expenditure in the basic financial statements, and the combining and individual fund statements and schedules in accordance with GASB 24.

11. DEFERRED COMPENSATION

The School District offers its employees a choice of various deferred compensation plans created in accordance with Internal Revenue Code Section 403(b) and 457. The plans, available to all permanent School District employees, permit them to defer a portion of their current salary to all future years. Participation in the plans is optional. The deferred compensation is not available to the participants until termination, retirement, death, or an unforeseeable emergency occurs. The plan assets are held in trust for the benefit of the employee and therefore are not reflected on the financial statements of the School District.

**Westampton Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2011**

12. RISK MANAGEMENT

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

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

Joint Insurance Pool - The School District is a member of the School Alliance Insurance Fund. Insurance coverage as provided by the Fund can be found in the Statistical Section of this Comprehensive Annual Financial Report.

Annual contributions to the Fund are determined by the Fund's Board of Trustees. The School District is jointly and personally liable for claims insured by the Fund and its members during the period of its membership, including liability for supplemental assessments, if necessary. The Fund's Board of Trustees may authorize refunds to its members in any fund year for which contributions exceed the amount necessary to fund all obligations for that year.

The Fund publishes its own financial report which can be obtained by writing to: School Alliance Insurance Fund, c/o PEGAS, 51 Everett Drive, Lawrenceville, New Jersey, 08648.

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, employee 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 Ended June 30,</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2010-2011	\$ 44,930	\$ 24,295	\$ 68,838	\$ 1,182
2009-2010	85	0	29,161	795
2008-2009	256	15,664	21,475	29,871

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

The liability for vested compensated absences is recorded within those funds as the benefits accrued to the employees. As of June 30, 2011, the liability for compensated absences in the governmental activities and proprietary fund types was \$754,469 and \$0, respectively.

**Westampton Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2011**

14. INTERFUND RECEIVABLES/PAYABLES

Interfund receivables/payables are recorded to cover temporary cash shortages and/or timing differences in the respective funds. There are no interfund balances that are not expected to be repaid by June 30, 2012. The following interfund receivables/payables were recorded on the various balance sheets as of June 30, 2011:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General		\$ 2,908
Capital Projects		29,962
Debt Service	\$ 29,962	
Enterprise	2,908	
	\$ 32,870	\$ 32,870

15. CONTINGENCIES

The School District participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the School District may be required to reimburse the grantor government.

At June 30, 2011, significant amounts of grant expenditures have not been audited by the granting agency, but the School District believes that disallowed expenditures discovered in subsequent audits, if any, will not have a material effect on any of the individual funds or the overall financial position of the School District. Additionally, deferred revenues are recognized in those funds that have received grant monies in advance of future, reimbursable expenditures.

16. DEFICIT UNRESTRICTED NET ASSETS

The governmental activities has a deficit in unrestricted net assets of \$736,593 as of June 30, 2011. This deficit is attributable to the allocation of compensated absences balances payable, accrued interest payable and unamortized bond issuance costs to unrestricted net assets.

17. FUND BALANCES

The School District has classified its fund balances with the following hierarchy:

Nonspendable – This category includes the principal (corpus) of an endowment fund totaling \$25,000 and inventories totaling \$15,000 not available for appropriation. [Or] The School District does not have any nonspendable funds.

Spendable – The School District has classified the spendable fund balances as *Restricted, Assigned and Unassigned* and considered each to have been spent when expenditures are incurred. The School District currently has no funds classified as *Committed*.

Restricted Items:

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 restrict general fund, 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 \$86,408.

**Westampton Township School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2011**

17. FUND BALANCES (Continued)

Assigned:

Designated for Subsequent Year's Budget – The School District has assigned a total of \$437,342 for appropriation of existing unassigned fund balance at year-end to eliminate a deficit in the upcoming 2011-2012 budget. The amounts are \$300,000 in the General Fund, \$109,296 in the Capital Projects Fund and \$28,046 in the Debt Service Fund.

Unassigned items - Represents the remainder of the School District's equity in governmental fund type balances. The balance at June 30, 2011 of \$30,327 is allocated as follows: General Fund \$9,853 and Debt Service Fund \$20,474.

Required Supplementary Information - Part II

Budgetary Comparison Schedules

WESTAMPTON TOWNSHIP SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local sources:					
Local Tax Levy	\$ 8,306,970		\$ 8,306,970	\$ 8,306,970	
Unrestricted misc. revenues	25,000		25,000	20,699	\$ (4,301)
Total local sources	8,331,970		8,331,970	8,327,669	(4,301)
State sources:					
Categorical special education aid	468,860		468,860	468,860	
Equalization aid	2,725,815		2,725,815	2,725,815	
Extraordinary aid	30,951		30,951	29,641	(1,310)
On-behalf TPAF pension contrib.. (non-budgeted)				364,631	364,631
Reimbursed TPAF social security contribution (non-budgeted)				414,752	414,752
Total state sources	3,225,626		3,225,626	4,003,699	778,073
TOTAL REVENUES	11,557,596	-	11,557,596	12,331,368	773,772
EXPENDITURES:					
CURRENT EXPENSE:					
Regular Programs - Instruction:					
Salaries of teachers					
Preschool/Kindergarten	328,399	\$ 26,040	354,439	354,439	
Grades 1-5	1,610,039		1,610,039	1,596,993	13,046
Grades 6-8	1,606,715	(117,000)	1,489,715	1,488,081	1,634
Regular Programs - Home Instruction:					
Salaries of teachers	6,500		6,500	1,462	5,038
Regular Programs - Undistributed Instruction:					
Other purchased services	25,367	(2,852)	22,515	17,326	5,189
General supplies	200,913	(45,699)	155,214	142,059	13,155
Other objects	5,450	11	5,461	5,333	128
Total - Regular Programs - Instruction	3,783,383	(139,500)	3,643,883	3,605,693	38,190
Special Education Instruction:					
Cognitive - Moderate:					
Salaries of teachers	120,627	(87,353)	33,274	33,273	1
Other salaries for instruction	23,133	31,000	54,133	49,534	4,599
Total cognitive - moderate	143,760	(56,353)	87,407	82,807	4,600
Learning and/or Language Disabilities:					
Salaries of teachers	250,134	14,100	264,234	264,234	
Other salaries for instruction	252,422	69,113	321,535	321,534	1
General supplies	4,040	200	4,240	3,439	801
Total learning and/or language disab.	506,596	83,413	590,009	589,207	802

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

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WESTAMPTON TOWNSHIP SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2011

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Special Education Instruction:					
Resource room/resource center:					
Salaries of teachers	\$ 387,418	\$ 90,578	\$ 477,996	\$ 477,996	
Other objects	800		800		\$ 800
Total resource room/resource center	388,218	90,578	478,796	477,996	800
Total Special Education - Instruction	1,038,574	117,638	1,156,212	1,150,010	6,202
Basic Skills/Remedial - Instruction					
Salaries of teachers	406,732	(145,607)	261,125	242,499	18,626
General supplies	1,800		1,800	1,028	772
Total basic skills/remedial - instruction	408,532	(145,607)	262,925	243,527	19,398
Bilingual Education - Instruction					
Salaries of teachers	50,439	(17,282)	33,157	25,746	7,411
General supplies	800	(200)	600	505	95
Total bilingual education - instruction	51,239	(17,482)	33,757	26,251	7,506
School-Sponsored Cocurricular Act - Instruction:					
Salaries		25,282	25,282	25,281	1
Purchased services	500	(500)			
Total school-sponsored cocurr. act. - instruct.	500	24,782	25,282	25,281	1
School-Sponsored Athletics - Instruction:					
Salaries		15,917	15,917	14,615	1,302
Purchased services		3,083	3,083	3,083	
Total school-sponsored athletics - instruct.		19,000	19,000	17,698	1,302
Total Instruction	5,282,228	(141,169)	5,141,059	5,068,460	72,599
Undistributed Expenditures - Instruction					
Tuition to CSSD & Reg. Day Schools	195,000	117,000	312,000	311,979	21
Tuition to priv. sch. for the disabled in state	36,762	(10,458)	26,304	26,303	1
Tuition other		30,750	30,750	30,750	
Total undistributed expenditures - instruction	231,762	137,292	369,054	369,032	22
Attendance and Social Work Services:					
Salaries	300		300		300
Total attendance and social work services	300		300		300

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

(CONTINUED TO NEXT PAGE)

WESTAMPTON TOWNSHIP SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2011

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Health Services:					
Salaries	\$ 106,934		\$ 106,934	\$ 106,471	\$ 463
Purchased professional and technical services	6,500		6,500	4,081	2,419
Other purchased services	9,630		9,630	4,420	5,210
Supplies and materials	4,000		4,000	3,957	43
Total health services	127,064		127,064	118,929	8,135
Speech, OT, PT & Related Services:					
Purchased professional & educational services	70,000	\$ (20,292)	49,708	23,780	25,928
Total speech, ot, pt & related services	70,000	(20,292)	49,708	23,780	25,928
Other Support Services Student - Extra. Serv.					
Salaries	139,714		139,714	127,300	12,414
Supplies and materials	1,039		1,039	534	505
Total other support services student - extra. serv.	140,753		140,753	127,834	12,919
Guidance:					
Salaries of other professional staff	143,545		143,545	143,545	
Supplies and materials	1,800		1,800	416	1,384
Total guidance	145,345		145,345	143,961	1,384
Child Study Teams:					
Salaries of other professional staff	168,384	3,719	172,103	172,103	
Salaries of secretarial and clerical assistants	35,251	871	36,122	36,122	
Purchased professional - educational services	1,200	(44)	1,156		1,156
Other purchased prof. and technical services	5,000	2,000	7,000	6,765	235
Miscellaneous purchased services	4,020	(900)	3,120	3,029	91
Supplies and materials	4,550	(4,215)	335	334	1
Other objects		537	537	358	179
Total child study teams	218,405	1,968	220,373	218,711	1,662
Improvement of Instruction Services:					
Salaries of supervisors of instruction		29,105	29,105	29,105	
Salaries of secretarial and clerical assistants	33,976	818	34,794	34,793	1
Purchased professional - educational services	4,000	(4,000)			
Other purchased services	5,800	(500)	5,300	5,227	73
Supplies and materials	2,200	(1,700)	500	404	96
Other objects	300	(300)			
Total improvement of instructional services	46,276	23,423	69,699	69,529	170
Educational Media Services/School Library:					
Salaries	165,090	567	165,657	165,198	459
Salaries of technology coordinator	73,813	705	74,518	74,518	
Other purchased services (400-500 series)	7,200	(818)	6,382	5,960	422
Supplies and materials	24,000	(1,676)	22,324	14,800	7,524
Total educational media services/school library	270,103	(1,222)	268,881	260,476	8,405

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

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WESTAMPTON TOWNSHIP SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2011

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Support Services - General Administration:					
Salaries	\$ 217,296	\$ (12,591)	\$ 204,705	\$ 180,535	\$ 24,170
Legal services	10,000		10,000	6,806	3,194
Other purchased professional services	32,500	12,600	45,100	45,100	
Communications / telephone	55,500		55,500	15,021	40,479
Other purchased services	13,200		13,200	3,455	9,745
General Supplies	9,800	(1,000)	8,800	2,898	5,902
Miscellaneous expenditures	14,500	991	15,491	15,491	
Total support services - general administration	352,796		352,796	269,306	83,490
Support Services - School Administration:					
Salaries of principals/assist. principals	314,892		314,892	308,225	6,667
Salaries of secretarial and clerical assistants	109,983		109,983	108,808	1,175
Other purchased services	13,100		13,100	7,682	5,418
Supplies and materials	14,560		14,560	6,145	8,415
Other objects	2,572		2,572	314	2,258
Total support services - school administration	455,107		455,107	431,174	23,933
Support Services - Central Services:					
Salaries	259,339		259,339	251,698	7,641
Purchased professional services		3,690	3,690	3,689	1
Purchased technical services	14,750	(2,750)	12,000	12,000	
Misc. purchased services	7,750	(2,076)	5,674	4,766	908
Sale/Lease-back Payments		486	486	418	68
Supplies and materials	5,962		5,962	1,938	4,024
Misc. expenditures	1,085	650	1,735	1,345	390
Total support services - central services	288,886		288,886	275,854	13,032
Required Maintenance School Facilities:					
Salaries	65,655	842	66,497	66,119	378
Cleaning, repair and maintenance services	88,850	(842)	88,008	74,646	13,362
General supplies	44,100		44,100	34,472	9,628
Total required maintenance school facilities	198,605		198,605	175,237	23,368
Custodial Services:					
Salaries	534,470	(19,073)	515,397	515,039	358
Purchased professional and technical services	12,000		12,000	5,145	6,855
Other purchased property services	18,800		18,800	16,814	1,986
Insurance	77,760	3,683	81,443	76,859	4,584
Misc. purchased services	4,500		4,500	3,225	1,275
Energy (natural gas)		96,317	96,317	38,657	57,660
Energy (electricity)	350,000	(80,927)	269,073	269,073	
Total custodial services	997,530		997,530	924,812	72,718
Care & Upkeep of Grounds:					
Other objects	94,000		94,000	86,009	7,991
Total care & upkeep of grounds	94,000		94,000	86,009	7,991
Total operation & maint. of plant services	1,290,135		1,290,135	1,186,058	104,077

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

(CONTINUED TO NEXT PAGE)

WESTAMPTON TOWNSHIP SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2011

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Student Transportation Services:					
Salaries for Pupil Trans (between home and school) - regular	\$ 63,116		\$ 63,116	\$ 50,472	\$ 12,644
Contr. serv. (between home & school) - vendor	322,152		322,152	290,207	31,945
Contr. serv. (not between home & sch) - vendor	10,000		10,000	9,851	149
Contr. Serv. (Spl. Ed. Students) - vendor	245,000		245,000	206,216	38,784
Contr. Serv. (Spl. Ed. Students) - joint agree.	8,000		8,000	6,268	1,732
Misc. purchased services - transportation	13,500		13,500	12,444	1,056
Supplies and materials	22,500		22,500	22,046	454
Total student transportation services	684,268		684,268	597,504	86,764
Unallocated Benefits - Employee Benefits:					
Social security contributions	250,000	\$ (30,470)	219,530	145,469	74,061
Other Retirement contributions	130,000	30,470	160,470	160,470	
Health benefits	1,839,567		1,839,567	1,796,260	43,307
Total unallocated benefits - employee benefits	2,219,567		2,219,567	2,102,199	117,368
On-behalf TPAF pension contr. (non-budgeted)				364,631	(364,631)
Reimbursed TPAF social security contr. (non-budgeted)				414,752	(414,752)
Total Undistributed Expenditures	6,540,767	141,169	6,681,936	6,973,730	(291,794)
Total General Current Expense	11,822,995		11,822,995	12,042,190	(219,195)
CAPITAL OUTLAY:					
Facilities Acquisition and Construction Services:					
Other objects	34,601		34,601	34,601	
Total Capital Outlay	34,601		34,601	34,601	
TOTAL EXPENDITURES	11,857,596		11,857,596	12,076,791	(219,195)
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses):	(300,000)		(300,000)	254,577	992,967
Fund Balance - July 1, 2010	411,472		411,472	411,472	
Fund Balance - June 30, 2011	\$ 111,472	\$ -	\$ 111,472	\$ 666,049	\$ 992,967
Recapitulation:					
Restricted Fund Balance:					
Excess surplus				86,408	
Assigned Fund Balance:					
Designated for subsequent year's expenditures				300,000	
Unassigned Fund Balance				279,641	
				666,049	
Reconciliation to Governmental Funds Statements (GAAP):					
Last State Aid Payment not Recognized on GAAP Basis				(269,788)	
Fund Balance per Governmental Funds (GAAP)				\$ 396,261	

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

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

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
State sources	\$ 56,051		\$ 56,051	\$ 42,331	\$ (13,720)
Federal sources	421,082		421,082	391,879	(29,203)
Total Revenues	477,133		477,133	434,210	(42,923)
EXPENDITURES:					
Instruction:					
Salaries of teachers	74,999		74,999	74,999	
Tuition	133,924		133,924	133,924	
General supplies	32,848		32,848	32,810	38
Textbooks	9,776		9,776	9,125	651
Total Instruction	251,547		251,547	250,858	689
Support Services:					
Salaries of other professional staff	2,200		2,200	2,193	7
Personal services - employee benefits	37,409		37,409	25,005	12,404
Purchased professional - educ. services	158,857		158,857	133,392	25,465
Purchased professional - tech. services	15,227		15,227	15,227	
Other purchased services	11,593		11,593	7,235	4,358
Travel	300		300	300	
Total Support Services	225,586		225,586	183,352	42,234
Facilities Acquisition and Construction Services:					
Instructional equipment					
Total Facilities Acq. and Const. Services					
Total Expenditures	477,133		477,133	434,210	42,923
Total Outflows	477,133		477,133	434,210	42,923
Excess (Deficiency) of Revenues over (under) Expenditures and other financing sources (uses)	---	---	---	---	---

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

WESTAMPTON TOWNSHIP SCHOOL DISTRICT
Notes to Required Supplementary Information
Budgetary Comparison
For the Fiscal Year Ended June 30, 2011

**Explanation of Differences between Budgetary Inflows and Outflows and GAAP
Revenues and Expenditures**

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources/inflows of resources		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedules	\$ 12,331,368	\$ 434,210
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
State aid payment recognized for GAAP statements in current year, previously recognized for budgetary purposes.	319,617	
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	<u>(269,788)</u>	
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 12,381,197</u>	<u>\$ 434,210</u>
Uses/outflows of resources		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 12,076,791	\$ 434,210
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.		
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 12,076,791</u>	<u>\$ 434,210</u>

Other Supplementary Information

**Special Revenue Fund
Detail Statements**

The Special Revenue Fund is used to account for proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted for specific purposes.

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

	IDEA Basic	IDEA Basic Carryover	Nonpublic Exam. & Class.	Nonpublic Corrective Speech	Nonpublic Supple. Instruc.	IDEA Preschool	ARRA IDEA Basic	Carryforward From Exh. E-1A	Total
REVENUES:									
State sources			\$ 4,625	\$ 5,554	\$ 1,390			\$ 30,762	\$ 42,331
Federal sources	\$ 224,447	\$ 7,974				\$ 8,924	\$ 74,324	76,210	391,879
Total Revenues	224,447	7,974	4,625	5,554	1,390	8,924	74,324	106,972	434,210
EXPENDITURES:									
Instruction:									
Salaries of Teachers							29,935	45,064	74,999
Tuition	125,000					8,924			133,924
General supplies							11,767	21,043	32,810
Textbooks								9,125	9,125
Total Instruction	125,000					8,924	41,702	75,232	250,858
Support Services:									
Salaries								2,193	2,193
Personal services-employee benefits							17,395	7,610	25,005
Purchased prof. educational services	99,447	7,974	4,625	5,554	1,390			14,402	133,392
Purchased prof. technical services							15,227		15,227
Other purchased services								7,235	7,235
Travel								300	300
Total support Services	99,447	7,974	4,625	5,554	1,390		32,622	31,740	183,352
Facilities Acquisition and Const. Serv.:									
Building improvements									
Instructional equipment									
Total Facilities Acq. and Const. Serv.									
Total Expenditures	224,447	7,974	4,625	5,554	1,390	8,924	74,324	106,972	434,210
Excess (deficiency) of revenues over (under) expenditures and other financing sources (uses)	---	---	---	---	---	---	---	---	---

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

	Nonpublic Textbook Aid	Title I	ARRA Title I	Title II A	Title II D	Title III	Nonpublic Nursing Aid	Nonpublic Comp. Educ.	Total
REVENUES:									
State sources	\$ 9,125						\$ 7,235	\$ 14,402	\$ 30,762
Federal sources		\$ 50,869	\$ 601	\$ 16,128	\$ 98	\$ 8,514			76,210
Total Revenues	9,125	50,869	601	16,128	98	8,514	7,235	14,402	106,972
EXPENDITURES:									
Instruction:									
Salaries of teachers		36,550				8,514			45,064
General supplies		7,009	601	13,335	98				21,043
Textbooks	9,125								9,125
Total Instruction	9,125	43,559	601	13,335	98	8,514			75,232
Support Services:									
Salaries				2,193					2,193
Personal services-employee benefits		7,310		300					7,610
Purchased prof. educ. services								14,402	14,402
Other purchased services							7,235		7,235
Travel				300					300
Total Support Services		7,310		2,793			7,235	14,402	31,740
Facilities Acquisition and Const. Serv.:									
Instructional equipment									
Total Facilities Acq. and Const. Serv.									
Total Expenditures	9,125	50,869	601	16,128	98	8,514	7,235	14,402	106,972
Excess (deficiency) of revenues over (under) expenditures and other financing sources (uses)	---	---	---	---	---	---	---	---	---

**Capital Projects Fund
Detail Statements**

The Capital Projects Fund is used to account for the acquisition, construction and/or renovation of major facilities and equipment purchases other than those financed by Proprietary Funds.

WESTAMPTON TOWNSHIP SCHOOL DISTRICT
Capital Projects Fund
Summary Statement of Revenues, Expenditures,
and Changes in Fund Balance - Budgetary Basis
For the Fiscal Year ended June 30, 2011

Revenues and Other Financing Sources:	
Interest earned on investments	\$ 28,047
Total revenues and other financing sources	<u>28,047</u>
Expenditures and Other Financing (Uses):	
Purchased professional services	255,072
Construction services	28,047
Transfer to debt service for interest earned	<u>283,119</u>
Total expenditures and other financing (uses)	<u>283,119</u>
Excess (deficiency) or revenues over (under) expenditures	(255,072)
Fund Balance - July 1, 2010	<u>364,368</u>
Fund Balance - June 30, 2011	<u>\$ 109,296</u>

WESTAMPTON TOWNSHIP SCHOOL DISTRICT
Capital Projects Fund
Statement of Project Revenues, Expenditures, Project Balance,
and Project Status - Budgetary Basis
Additions and Renovations to Westampton Middle School
From Inception and for the Fiscal Year ended June 30, 2011

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Total</u>	<u>Revised Authorized Costs</u>
Revenues and Other Financing Sources:				
State sources - SCC Grant	\$ 2,018,594		\$ 2,018,594	\$ 2,018,594
Bond proceeds	4,068,906		4,068,906	4,068,906
Total revenues	6,087,500		6,087,500	6,087,500
 Expenditures and Other Financing Uses:				
Purchased professional services	1,015,331		1,015,331	1,015,331
Construction services	4,972,790		4,972,790	4,972,790
	5,988,121		5,988,121	5,988,121
Excess (deficiency) or revenues over (under) expenditures	\$ 99,379	\$ -	\$ 99,379	\$ 99,379
 Additional project information:				
Project Number	5720-020-05-1000			
Grant Date	06/15/05			
Bond Authorization Date	02/01/06			
Bonds Authorized	\$ 4,068,906			
Bonds Issued	\$ 4,068,906			
Original Authorized Cost	\$ 6,087,500			
Additional Authorized Cost	\$ -			
Revised Authorized Cost	\$ 6,087,500			
Percentage Increase over Original Authorized Cost	0.00%			
Percentage Completion	95.00%			
Original target completion date	12/31/07			
Revised target completion date	12/31/08			

WESTAMPTON TOWNSHIP SCHOOL DISTRICT
Capital Projects Fund
Statement of Project Revenues, Expenditures, Project Balance,
and Project Status - Budgetary Basis
Additions and Renovations to Holly Hills School
From Inception and for the Fiscal Year ended June 30, 2011

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Total</u>	<u>Revised Authorized Costs</u>
State sources - SCC Grant	\$ 1,317,874		\$ 1,317,874	\$ 1,317,874
Bond proceeds	2,475,099		2,475,099	2,475,099
Total revenues	3,792,973		3,792,973	3,792,973
Expenditures and Other Financing Uses:				
Purchased professional services	651,824		651,824	651,824
Construction services	2,876,160	\$ 255,072	3,131,232	3,131,232
	3,527,984	255,072	3,783,056	3,783,056
Excess (deficiency) or revenues over (under) expenditures	\$ 264,989	\$ (255,072)	\$ 9,917	\$ 9,917
Additional project information:				
Project Number	5720-020-05-1000			
Grant Date	06/15/05			
Bond Authorization Date	02/01/06			
Bonds Authorized	\$ 2,475,099			
Bonds Issued	\$ 2,475,099			
Original Authorized Cost	\$ 4,045,053			
Additional Authorized Cost	\$ -			
Revised Authorized Cost	\$ 4,045,053			
Percentage Increase over Original Authorized Cost	0.00%			
Percentage Completion	95.00%			
Original target completion date	12/31/07			
Revised target completion date	12/31/08			

Proprietary Funds Detail Statements

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

Food Service Fund - This fund provides for the operation of food services in all all schools within the school district.

Substitute Service Fund - This fund provides for the operations associated with providing substitute teachers to various school districts.

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

	<u>Food Service Fund</u>
ASSETS:	
Current Assets:	
Cash and cash equivalents	\$ 46,186
Accounts receivable:	
State	289
Federal	5,199
Interfund	2,908
Inventories	<u>2,802</u>
Total Current Assets	<u>57,384</u>
Noncurrent Assets:	
Equipment	185,389
Less - accumulated depreciation	<u>(171,804)</u>
Total Noncurrent Assets	<u>13,585</u>
Total Assets	<u>70,969</u>
 LIABILITIES:	
Current Liabilities:	
Accounts payable	<u> </u>
Total Current Liabilities	<u> </u>
 NET ASSETS:	
Invested in capital assets	13,585
Unrestricted	<u>57,384</u>
Total Net Assets	<u>\$ 70,969</u>

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

	<u>Food Service Fund</u>
OPERATING REVENUES:	
Charges for Services:	
Daily sales reimbursable programs:	
School lunch	\$ 146,530
Daily sales non-reimbursable programs:	
Adult and a la carte sales	54,179
Other	<u>3,180</u>
Total Operating Revenues	<u>203,889</u>
OPERATING EXPENSES:	
Salaries and fringe benefits	138,735
Management fee	15,739
Supplies and materials	9,385
Repairs and maintenance	2,968
Other costs	10,095
Depreciation	2,214
Cost of sales	<u>117,994</u>
Total Operating Expenses	<u>297,130</u>
Operating Income (Loss)	<u>(93,241)</u>
Non-Operating Revenues:	
State sources:	
State school lunch program	4,049
Federal sources:	
National school lunch program	75,492
Food distribution program	17,800
Local sources:	
Interest earned	<u>338</u>
Total Non-Operating Revenues	<u>97,679</u>
Income (Loss) before Contributions and Transfers	4,438
Operating Transfer out	<u> </u>
Changes in Net Assets	4,438
Net Assets - July 1, 2010	<u>66,531</u>
Net Assets - June 30, 2011	<u><u>\$ 70,969</u></u>

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

	<u>Food Service Fund</u>
Cash Flows from Operating Activities:	
Cash receipts from customers	\$ 203,889
Cash payments to employees for services	(138,735)
Cash payments to suppliers for goods and services	<u>(155,281)</u>
Net cash provided by (used for) operating activities	<u>(90,127)</u>
Cash Flows from Noncapital Financing Activities:	
Cash received from state sources	4,230
Cash received from federal sources	94,965
Operating transfer out	<u> </u>
Net cash provided by noncapital financing activities	<u>99,195</u>
Cash Flows Used by Capital and Related Financing Activities:	
Purchase of equipment	<u> </u>
Cash Flow Provided by Investing Activities:	
Interest on cash equivalents	<u>338</u>
Net increase (decrease) in cash and cash equivalents	9,406
Cash and cash equivalents - July 1, 2010	<u>36,780</u>
Cash and cash equivalents - June 30, 2011	<u>\$ 46,186</u>
Reconciliation of Operating Income (Loss) to Net Cash provided by (used for)	
Operating Activities:	
Operating income (loss)	\$ (93,241)
Adjustments to reconcile operating income (loss) to cash provided by (used for)	
operating activities:	
Depreciation	2,214
Change in assets and liabilities:	
(Increase) decrease in accounts receivable	2,800
(Increase) decrease in inventories	3,631
Increase (decrease) in accounts payable	<u>(5,531)</u>
Net cash provided by (used for) operating activities	<u>\$ (90,127)</u>
Noncash Noncapital Financing Activities:	
During the year the District received \$17,800 of food commodities from the U.S. Department of Agriculture.	

Fiduciary Funds Detail Statements

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

Unemployment Compensation Insurance Fund - This fiduciary fund is used to pay unemployment compensation claims.

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

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

Student Activity Fund - This agency fund is used to account for the funds held by the district to be used for student related projects.

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

	Trust Funds		Agency Funds		
	Unemployment Compensation Insurance	Scholarship Funds	Student Activity	Payroll	Total
ASSETS:					
Cash and cash equivalents	\$ 1,182	\$ 7,959	\$ 13,361	\$ 130,869	\$ 153,371
Total Assets	1,182	7,959	\$ 13,361	\$ 130,869	153,371
LIABILITIES:					
Liabilities:					
Payroll deductions payable				\$ 130,869	130,869
Due to student groups			\$ 13,361		13,361
Total Liabilities			\$ 13,361	\$ 130,869	144,230
NET ASSETS:					
Held in trust for unemployment claims	1,182				1,182
Held in trust for scholarsips		7,959			7,959
Total Net Assets	\$ 1,182	\$ 7,959			\$ 9,141

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

	<u>Scholarship Trust Fund</u>	<u>Unemployment Compensation Insurance Trust Fund</u>	<u>Totals</u>
Additions:			
Interest on investments	\$ 79	\$ 71	\$ 150
Employer contributions		44,858	44,858
Employee withholdings		24,295	24,295
	<u>79</u>	<u>69,224</u>	<u>69,303</u>
Total Additions			
Deductions:			
Unemployment compensation insurance claims		68,837	68,837
Scholarships	40		40
	<u>40</u>	<u>68,837</u>	<u>68,877</u>
Total Deductions			
Change in Net Assets	39	387	426
Net Assets - July 1, 2010	<u>7,920</u>	<u>795</u>	<u>8,715</u>
Net Assets - June 30, 2011	<u>\$ 7,959</u>	<u>\$ 1,182</u>	<u>\$ 9,141</u>

WESTAMPTON TOWNSHIP 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>July 1, 2010</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursements</u>	<u>Accounts</u> <u>Payable</u>	<u>Balance</u> <u>June 30, 2011</u>
Middle School	\$ 9,110	\$ 26,526	\$ 29,133		\$ 6,503
Elementary School	<u>3,945</u>	<u>20,141</u>	<u>17,228</u>		<u>6,858</u>
Total all schools	<u><u>\$ 13,055</u></u>	<u><u>\$ 46,667</u></u>	<u><u>\$ 46,361</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 13,361</u></u>

WESTAMPTON TOWNSHIP SCHOOL DISTRICT
Fiduciary Funds
Payroll Agency Fund Schedule of Receipts and Disbursements
for the Fiscal Year ended June 30, 2011

	<u>Balance July 1, 2010</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2011</u>
ASSETS:				
Cash and cash equivalents	<u>\$ 36,319</u>	<u>\$ 9,542,074</u>	<u>\$ 9,447,524</u>	<u>\$ 130,869</u>
Total Assets	<u>\$ 36,319</u>	<u>\$ 9,542,074</u>	<u>\$ 9,447,524</u>	<u>\$ 130,869</u>
 LIABILITIES:				
Net payroll	\$ 672	\$ 4,598,399	\$ 4,599,071	
Payroll deductions and withholdings	<u>35,647</u>	<u>4,943,675</u>	<u>4,848,453</u>	<u>\$ 130,869</u>
Total Liabilities	<u>\$ 36,319</u>	<u>\$ 9,542,074</u>	<u>\$ 9,447,524</u>	<u>\$ 130,869</u>

Long-Term Debt Schedules

The Long-Term Debt Schedules are used to reflect the outstanding principal balances of the general long-term liabilities of the school district. This includes serial bonds outstanding and obligations under capital leases.

WESTAMPTON TOWNSHIP SCHOOL DISTRICT
Statement of Serial Bonds
For the Fiscal Year Ended June 30, 2010

Issue	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance July 1, 2010	Issued	Retired	Balance June 30, 2011
			Date	Amount					
Refunding Bonds of 2009	03/01/09	2,505,000	03/01/12	\$ 415,000	3.25%	\$ 2,145,000		\$ 370,000	\$ 1,775,000
			03/01/13	425,000	2.50%				
			03/01/14	455,000	2.50%				
			03/01/15	480,000	3.00%				
Renovations and Improvements to various school buildings (EDA Loan)	08/18/93	2,664,250	07/15/11	140,224	1.50%	560,894		140,224	420,670
			07/15/12	140,224					
			07/15/13	140,224					
Construction of Board Office	02/21/06	6,544,000	03/01/11-14	310,000	3.90%	6,219,000		310,000	5,909,000
			03/01/15-19	450,000	3.95%				
			03/01/20-24	455,000	3.95%				
			03/01/25	454,000	3.95%				
						<u>\$ 8,924,894</u>	<u>\$ -</u>	<u>\$ 820,224</u>	<u>\$ 8,104,670</u>

WESTAMPTON TOWNSHIP SCHOOL DISTRICT
Statement of Obligations Under Capital Leases
For the Fiscal Year Ended June 30, 2011

Series	Date of Lease	Maturity Date	Interest Rate	Amount of Original Issue		Amount Outstanding July 1, 2010	Issued	Retired	Amount Outstanding June 30, 2011
				Principal	Interest				
54 Passenger School Bus	07/13/06	07/06/10	4.76%	\$ 56,041	\$ 5,766	\$11,800		\$ 11,800	\$ -
						\$ 11,800	\$ -	\$ 11,800	\$ -

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

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local sources:					
Local tax levy	\$ 938,439		\$ 938,439	\$ 938,439	
State sources:					
Debt Service Aid Type II	181,457		181,457	181,457	
Total Revenues	1,119,896		1,119,896	1,119,896	
EXPENDITURES:					
Regular debt service:					
Interest	820,224		820,224	820,224	
Redemption of principal	308,574		308,574	308,575	
Total Expenditures	1,128,798		1,128,798	1,128,799	
Excess (Deficiency) of revenues over (under) expenditures	(8,902)		(8,902)	(8,903)	
Other Financing Sources:					
Operating Transfer In				28,047	28,047
Total Other Financing Sources				28,047	28,047
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses):	(8,902)		(8,902)	19,144	28,047
Fund Balance - July 1, 2010	29,376		29,376	29,376	
Fund Balance - June 30, 2011	<u>\$ 20,474</u>	<u>\$ -</u>	<u>\$ 20,474</u>	<u>\$ 48,520</u>	<u>\$ 28,047</u>
Recapitulation of Excess (Deficiency) or revenues over (under) expenditures					
Undesignated	<u>\$ (8,902)</u>	<u>\$ -</u>	<u>\$ (8,902)</u>	<u>\$ (8,903)</u>	<u>\$ -</u>

Statistical Section

Westampton Township School District
Net Assets by Component,
Last Eight Fiscal Years
(accrual basis of accounting)

J-1

		Fiscal Year Ending June 30,							
		2004	2005	2006	2007	2008	2009	2010	2011
Governmental activities:									
	Invested in capital assets, net of related debt	\$ 2,606,437	\$ 2,928,215	\$ 3,273,923	\$ 4,401,631	\$ 4,813,771	\$ 6,063,662	\$ 5,807,948	\$ 6,129,929
	Restricted for:								
	Capital projects	56	56	1,726,502	1,124,013	893,074	419,268	364,368	109,296
	Debt service			116,557	234,852	169,882	60,489	29,376	48,520
	Other purposes	655,971	677,585	702,039	471,947	520,535	450,000	300,000	386,408
	Unrestricted	(54,813)	(356,780)	(435,204)	(1,545,238)	(1,654,679)	(1,986,373)	(967,881)	(736,593)
	Total governmental activities net assets	\$ 3,207,651	\$ 3,249,076	\$ 5,383,817	\$ 4,687,205	\$ 4,742,583	\$ 5,007,046	\$ 5,533,811	\$ 5,937,560
Business-type activities:									
	Invested in capital assets, net of related debt	\$ 34,828	\$ 22,562	\$ 11,885	\$ 29,225	\$ 23,288	\$ 20,431	\$ 15,799	\$ 13,585
	Unrestricted	99,798	102,146	102,418	59,389	48,077	37,765	50,732	57,384
	Total business-type activities net assets	\$ 134,626	\$ 124,708	\$ 114,303	\$ 88,614	\$ 71,365	\$ 58,196	\$ 66,531	\$ 70,969
District-wide:									
	Invested in capital assets, net of related debt	\$ 2,641,265	\$ 2,950,777	\$ 3,285,808	\$ 4,430,856	\$ 4,837,059	\$ 6,084,093	\$ 5,823,747	\$ 6,143,514
	Restricted:								
	Capital projects	56	56	1,726,502	1,124,013	893,074	419,268	364,368	109,296
	Debt service	-	-	116,557	234,852	169,882	60,489	29,376	48,520
	Other purposes	655,971	677,585	702,039	471,947	520,535	450,000	300,000	386,408
	Unrestricted	44,985	(254,634)	(332,786)	(1,485,849)	(1,606,602)	(1,948,608)	(917,149)	(679,209)
	Total district net assets	\$ 3,342,277	\$ 3,373,784	\$ 5,498,120	\$ 4,775,819	\$ 4,813,948	\$ 5,065,242	\$ 5,600,342	\$ 6,008,529

District was not required to follow GASB 34 reporting format until fiscal year 2004.

Westampton Township School District
Changes in Net Assets, Last Eight Fiscal Years
(accrual basis of accounting)

		Fiscal Year Ending June 30,							
		2004	2005	2006	2007	2008	2009	2010	2011
Expenses:									
Governmental activities:									
Instruction:									
	Regular	\$ 4,431,311	\$ 4,873,884	\$ 4,429,268	\$ 5,559,929	\$ 4,305,790	\$ 4,597,809	\$ 4,090,056	\$ 4,225,938
	Special education	1,236,708	1,205,093	973,641	1,032,091	1,330,981	995,160	991,371	1,150,010
	Other instruction	417,651	502,989	412,670	454,407	449,759	472,222	494,602	312,757
Support Services:									
	Tuition	232,701	191,185	342,015	149,958	172,242	289,851	456,160	369,032
	Student & instruction related services	1,450,906	1,197,372	991,693	1,047,465	1,048,537	1,083,599	1,179,351	1,146,572
	School administrative services	676,871	731,037	819,070	610,133	639,539	615,223	491,908	458,076
	General and business administrative services	398,281	725,753	365,746	656,085	607,461	654,385	687,087	572,062
	Plant operations and maintenance	896,122	989,291	863,365	951,623	922,149	1,004,940	1,268,480	1,424,141
	Pupil transportation	564,167	545,240	644,855	651,426	646,810	680,618	617,065	597,504
	Business and other support services	282,507							
	Unallocated employee benefits			2,197,751	2,707,102	2,823,297	2,601,951	2,665,852	2,881,582
	Interest on long-term debt	295,719	335,366	326,010	469,272	424,245	370,026	318,646	299,485
	Unallocated depreciation	100,557	100,557	198,094	140,925	140,926	113,402	233,097	122,442
	Total governmental activities expenses	10,983,301	11,397,767	12,564,178	14,430,416	13,511,736	13,479,186	13,493,675	13,559,601
Business-type activities:									
	Food service	289,720	318,232	300,425	305,225	355,686	337,267	340,281	297,130
	After School Program					9,655	5,001		
	Substitute service program	17,641	18,224	25,465	26,202	26,997	27,845		
	Total business-type activities expense	307,361	336,456	325,890	331,427	392,338	370,113	340,281	297,130
	Total district expenses	\$ 11,290,662	\$ 11,734,223	\$ 12,890,068	\$ 14,761,843	\$ 13,904,074	\$ 13,849,299	\$ 13,833,956	\$ 13,856,731
Program Revenues:									
Governmental activities:									
	Operating grants and contributions	1,208,352	1,062,127	1,334,753	1,732,196	1,757,338	1,462,890	1,597,001	1,395,050
	Total governmental activities program revenues	1,208,352	1,062,127	1,334,753	1,732,196	1,757,338	1,462,890	1,597,001	1,395,050

(Continued)

Westampton Township School District
Changes in Net Assets, Last Eight Fiscal Years
(accrual basis of accounting)

Fiscal Year Ending June 30,

	2004	2005	2006	2007	2008	2009	2010	2011
Business-type activities:								
Charges for services:								
Food service	\$ 225,288	\$ 249,709	\$ 227,320	\$ 216,379	\$ 265,703	\$ 254,183	\$ 252,199	\$ 203,889
After School Program					10,111	4,545		
Substitute service program	11,537	19,022	25,495	28,041	26,998	27,845		
Operating grants and contributions	54,732	48,509	51,474	58,748	71,223	77,009	96,134	97,341
Capital grants and contributions								
Total business type activities program revenues	<u>291,557</u>	<u>317,240</u>	<u>304,289</u>	<u>303,168</u>	<u>374,035</u>	<u>363,582</u>	<u>348,333</u>	<u>301,230</u>
Total district program revenues	<u>\$ 1,499,909</u>	<u>\$ 1,379,367</u>	<u>\$ 1,639,042</u>	<u>\$ 2,035,364</u>	<u>\$ 2,131,373</u>	<u>\$ 1,826,472</u>	<u>\$ 1,945,334</u>	<u>\$ 1,696,280</u>
Net (Expense)/Revenue:								
Governmental activities	\$ (9,774,949)	\$ (10,335,640)	\$ (11,229,425)	\$ (12,698,220)	\$ (11,754,398)	\$ (12,016,296)	\$ (11,896,674)	\$ (12,164,551)
Business-type activities	(15,804)	(19,216)	(21,601)	(28,259)	(18,303)	(6,531)	8,052	4,100
Total district-wide net expense	<u>\$ (9,790,753)</u>	<u>\$ (10,354,856)</u>	<u>\$ (11,251,026)</u>	<u>\$ (12,726,479)</u>	<u>\$ (11,772,701)</u>	<u>\$ (12,022,827)</u>	<u>\$ (11,888,622)</u>	<u>\$ (12,160,451)</u>
General Revenues and Other Changes in Net Assets:								
Governmental activities:								
Property taxes levied for general purposes, net	\$ 5,646,881	\$ 6,046,918	\$ 6,480,378	\$ 6,859,335	\$ 7,139,593	\$ 7,370,164	\$ 7,664,970	\$ 8,306,970
Taxes levied for debt service	622,817	636,741	592,675	882,417	735,788	717,420	870,869	938,439
Unrestricted grants and contributions	3,494,717	3,641,953	3,638,519	3,614,259	3,710,821	3,616,520	3,846,440	3,274,145
State aid restricted for capital projects			2,437,547	451,235	104,383	315,871		
Investment earnings			116,501	112,535	51,587	3,904		
Miscellaneous income	29,072	59,154	106,437	114,701	67,604	26,204	41,160	48,746
Loss on disposal of capital assets				(32,874)				
Transfers	(4,214)	(7,701)	(7,891)			6,922		
Total governmental activities	<u>9,789,273</u>	<u>10,377,065</u>	<u>13,364,166</u>	<u>12,001,608</u>	<u>11,809,776</u>	<u>12,057,005</u>	<u>12,423,439</u>	<u>12,568,300</u>
Business-type activities:								
Investment earnings	636	1,597	3,305	2,570	1,054	284	283	338
Transfers	4,214	7,701	7,891			(6,922)		
Total business-type activities	<u>4,850</u>	<u>9,298</u>	<u>11,196</u>	<u>2,570</u>	<u>1,054</u>	<u>(6,638)</u>	<u>283</u>	<u>338</u>
Total district-wide	<u>\$ 9,794,123</u>	<u>\$ 10,386,363</u>	<u>\$ 13,375,362</u>	<u>\$ 12,004,178</u>	<u>\$ 11,810,830</u>	<u>\$ 12,050,367</u>	<u>\$ 12,423,722</u>	<u>\$ 12,568,638</u>
Change in Net Assets:								
Governmental activities	\$ 14,324	\$ 41,425	\$ 2,134,741	\$ (696,612)	\$ 55,378	\$ 40,709	\$ 526,765	\$ 403,749
Business-type activities	(10,954)	(9,918)	(10,405)	(25,689)	(17,249)	(13,169)	8,335	4,438
Total district-wide	<u>\$ 3,370</u>	<u>\$ 31,507</u>	<u>\$ 2,124,336</u>	<u>\$ (722,301)</u>	<u>\$ 38,129</u>	<u>\$ 27,540</u>	<u>\$ 535,100</u>	<u>\$ 408,187</u>

District was not required to follow GASB 34 reporting format until fiscal year 2004.

Westampton Township School District
Fund Balances, Governmental Funds,
Last Eight Fiscal Years
(modified accrual basis of accounting)

		Fiscal Year Ending June 30,							
		2004	2005	2006	2007	2008	2009	2010	2011
General Fund:									
Restricted for:									
Excess surplus		\$ 192,501	\$ 277,585	\$ 186,970	\$ 71,947				\$ 86,408
Assigned for:									
Year-end Encumbrances				115,069					
Designated for subsequent year's budget		463,470	400,000	400,000	400,000	\$ 520,535	\$ 450,000	\$ 300,000	300,000
Unassigned		111,211	27,347	33,873	96,735	(3,552)	(327,463)	(208,145)	9,853
Total general fund		<u>\$ 767,182</u>	<u>\$ 704,932</u>	<u>\$ 735,912</u>	<u>\$ 568,682</u>	<u>\$ 516,983</u>	<u>\$ 122,537</u>	<u>\$ 91,855</u>	<u>\$ 396,261</u>
All Other Governmental Funds									
Restricted For:									
Capital projects fund		\$ 56	\$ 56	\$ 1,726,502	\$ 1,124,013	\$ 893,074	\$ 419,268	\$ 364,368	\$ 109,296
Debt service fund				116,557	234,852	169,882	60,489	29,376	48,520
Total all other governmental funds		<u>\$ 56</u>	<u>\$ 56</u>	<u>\$ 1,843,059</u>	<u>\$ 1,358,865</u>	<u>\$ 1,062,956</u>	<u>\$ 479,757</u>	<u>\$ 393,744</u>	<u>\$ 157,816</u>

District was not required to follow GASB 34 reporting format until fiscal year 2004.

Westampton Township School District
 Changes in Fund Balances, Governmental Funds,
 Last Ten Fiscal Years
 (modified accrual basis of accounting)

	Fiscal Year Ending June 30,									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Revenues										
Tax levy	\$ 5,130,218	\$ 5,551,668	\$ 6,269,698	\$ 6,683,659	\$ 7,073,053	\$ 7,741,752	\$ 7,875,381	\$ 8,087,584	\$ 8,535,839	\$ 9,245,409
Tuition charges		60,407								
Interest earnings	6,218				116,501	112,535	51,587			
Miscellaneous	48,563	106,673	29,072	59,154	106,437	114,701	67,604	30,108	41,160	48,746
State sources	3,618,193	4,091,769	4,430,951	4,428,026	7,129,097	5,506,869	5,284,450	5,086,789	4,506,293	4,277,316
Federal sources	208,624	245,231	272,118	276,054	281,722	290,821	288,092	308,492	937,148	391,879
Total revenue	9,011,816	10,055,748	11,001,839	11,446,893	14,706,810	13,766,678	13,567,114	13,512,973	14,020,440	13,963,350
Expenditures										
Instruction										
Regular instruction	3,020,507	3,170,640	3,250,498	3,604,667	3,735,937	3,963,278	3,824,353	4,197,182	4,232,296	3,856,551
Special education instruction	610,363	834,600	956,154	930,331	973,641	1,032,091	1,330,981	995,160	991,371	1,150,010
Other instruction	291,669	359,049	326,830	389,458	412,670	454,407	449,759	472,222	494,602	312,757
Support Services:										
Tuition	258,130	329,312	232,701	191,185	342,015	149,958	172,242	289,851	456,150	369,032
Student & instruction related services	812,760	916,995	1,213,638	967,074	991,693	1,047,465	1,048,537	1,083,599	1,179,351	1,146,572
General and business admin. services	428,887	498,510	520,037	549,663	316,223	623,164	574,541	632,197	632,589	545,160
School administrative services	443,789	486,120	528,678	565,260	769,546	577,213	606,619	593,035	437,410	431,174
Plant operations and maintenance	693,016	757,287	779,364	844,763	890,924	963,985	932,014	1,015,692	1,197,451	1,186,058
Pupil transportation	421,866	483,983	556,343	536,429	644,855	651,426	646,810	680,618	617,065	597,504
Other support services	1,297,458	1,508,103	1,832,563	1,861,683	2,120,233	2,707,102	2,823,297	2,601,951	2,665,852	2,881,582
Capital outlay	171,328	177,370	59,211	106,633	7,258,220	1,053,724	335,322	789,677	106,347	289,673
Debt service:										
Principal	580,224	595,224	650,224	694,224	675,224	709,224	735,224	741,224	810,224	820,224
Interest and other charges	354,336	325,372	295,719	263,072	234,760	485,065	435,023	405,132	316,427	308,575
Total expenditures	9,384,333	10,442,565	11,201,960	11,504,442	19,365,941	14,418,102	13,914,722	14,497,540	14,137,135	13,894,872
Excess (Deficiency) of revenues over (under) expenditures	(372,517)	(386,817)	(200,121)	(57,549)	(4,659,131)	(651,424)	(347,608)	(984,567)	(116,695)	68,478
Other Financing sources (uses)										
Proceeds from borrowing					6,544,005					
Transfers in	146,218				116,557	112,535	51,587	10,826	1,916	28,047
Transfers out	(153,220)	(7,659)	(4,214)	(7,701)	(124,448)	(112,535)	(51,587)	(3,904)	(1,916)	(28,047)
Total other financing sources (uses)	(7,002)	(7,659)	(4,214)	(7,701)	6,536,114	-	-	6,922	-	-
Net change in fund balances	\$ (379,519)	\$ (394,476)	\$ (204,335)	\$ (65,250)	\$ 1,876,983	\$ (651,424)	\$ (347,608)	\$ (977,645)	\$ (116,695)	\$ 68,478
Debt service as a percentage of noncapital expenditures	10.14%	8.97%	8.49%	8.40%	7.52%	8.94%	8.62%	8.36%	8.03%	8.30%

Source: District records

Note: Noncapital expenditures are total expenditures less capital outlay.

Westampton Township School District
General Fund - Other Local Revenue by Source
Last Ten Fiscal Years
(modified accrual basis of accounting)

J-5

<u>Fiscal Year Ending June 30,</u>	<u>Interest on Investments</u>	<u>Tuition</u>	<u>Prior Year Refunds</u>	<u>Rentals</u>	<u>Community Service</u>	<u>Miscellaneous</u>	<u>Total</u>
2002	\$ 31,270	\$ 5,592	\$ 3,175	\$ 7,500		\$ 1,026	\$ 48,563
2003	32,328	60,407	72,841	1,504			167,080
2004	12,872	8,496	6,569	1,135			29,072
2005	33,836	9,958	13,841	432		1,087	59,154
2006	176,900	9,695	34,779	645		919	222,938
2007	195,421	7,270	23,126			1,419	227,236
2008	98,978				\$ 9,786	10,427	119,191
2009	16,470	6,548	4,998			2,092	30,108
2010	15,937	22,970				2,253	41,160
2011	45,110		3,636				48,746
	<u>\$ 659,122</u>	<u>\$ 130,936</u>	<u>\$ 162,965</u>	<u>\$ 11,216</u>	<u>\$ 9,786</u>	<u>\$ 19,223</u>	<u>\$ 993,248</u>

93

Source: District records

**Westampton Township School District
Assessed Value and Actual Value of Taxable Property,
Last Ten Fiscal Years**

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Total Assessed Value	Public Utilities a	Net Valuation Taxable	Tax-Exempt Property	Total Direct School Tax Rate b	Estimated Actual (County Equalized) Value
2002	\$ 21,099,100	\$ 318,667,600	\$ 4,311,900	\$ 1,311,950	\$ 144,453,600	\$ 11,261,400	\$ 501,105,550	\$ 2,150,414	\$ 503,255,964	\$ 104,756,500	\$ 1.103	\$ 537,168,766
2003	21,896,200	348,376,700	4,245,600	1,283,750	159,655,500	11,261,400	546,519,150	2,131,007	548,650,157	104,917,600	1.143	604,915,541
2004	22,842,600	386,642,400	4,220,700	1,276,350	159,631,500	11,261,400	585,874,950	1,953,759	587,828,709	105,081,600	1.137	722,248,415
2005	13,891,500	417,541,700	4,220,700	1,094,650	172,621,100	11,261,400	620,631,050	1,675,960	622,307,010	107,922,800	1.137	864,337,817
2006	12,721,100	446,894,400	4,117,400	1,048,950	180,183,900	11,261,400	656,227,150	1,447,205	657,674,355	109,805,100	1.177	998,224,187
2007	11,196,200	456,815,600	4,214,100	1,043,250	187,973,100	11,261,400	672,503,650	1,342,566	673,846,216	110,583,600	1.169	1,128,558,828
2008	10,919,600	463,505,000	4,013,700	996,650	199,197,200	11,261,400	689,893,550	1,313,152	691,206,702	113,479,900	1.170	1,235,266,586
2009	9,594,800	471,418,100	3,393,900	1,335,000	197,854,500	11,261,400	694,857,700	1,398,525	696,256,225	118,686,000	1.225	1,258,699,814
2010	5,765,300	476,102,200	3,393,900	1,332,100	205,709,800	11,261,400	703,564,700	1,413,756	704,978,456	118,994,700	1.311	1,248,552,779
2011	R 11,867,200	762,879,400	5,198,300	1,309,800	194,915,400	192,508,100	1,168,678,200	2,084,423	1,170,762,623	203,366,800	0.804	Not available

64

Source:

Municipal Tax Assessor

Note:

Real property is required to be assessed at some percentage of true value (fair or market value) established by each county board of taxation. Reassessment occurs when ordered by the County Board of Taxation

a Taxable Value of Machinery, Improvements and Equipment of Telephone, Telegraph and Messenger System Companies

b Tax rates are per \$100 of assessed valuation.

R Revaluation

**Westampton Township School District
 Direct and Overlapping Property Tax Rates
 Last Ten Fiscal Years**
(rate per \$100 of assessed value)

Fiscal Year Ended June 30,	Westampton Township School District Direct Rate			Overlapping Rates			Total Direct and Overlapping Tax Rate
	Basic Rate	General Obligation Debt Service	Total Direct	Township of Westampton	Regional School	Burlington County	
2002	\$ 1.040	\$ 0.103	\$ 1.143	\$ 0.484	\$ 0.386	\$ 0.573	\$ 2.586
2003	1.037	0.106	1.143	0.484	0.461	0.562	2.650
2004	1.031	0.106	1.137	0.495	0.570	0.577	2.779
2005	1.035	0.102	1.137	0.504	0.576	0.635	2.852
2006	1.043	0.134	1.177	0.544	0.643	0.670	3.034
2007	1.060	0.109	1.169	0.554	0.664	0.703	3.090
2008	1.064	0.106	1.170	0.621	0.617	0.696	3.104
2009	1.100	0.125	1.225	0.631	0.645	0.688	3.189
2010	1.178	0.133	1.311	0.748	0.624	0.665	3.348
2011	R 0.742	0.062	0.804	0.498	0.358	0.379	2.039

Source: Municipal Tax Collector

R Revaluation

**Westampton Township School District
Principal Property Tax Payers,
Current Year and Nine Years Ago**

J-8

96

Taxpayer	2010-2011		Taxpayer	2001-2002	
	Taxable Assessed Value	% of Total District Net Assessed Value		Taxable Assessed Value	% of Total District Net Assessed Value
The Dolan Group, IV	\$ 43,677,100	3.73%	IKEA Wholesale	\$ 29,988,400	5.96%
IKEA Wholesale	38,700,000	3.31%	Brandywine Realty Trust	15,400,500	3.06%
Brandywine Industrial, LLC	27,148,200	2.32%	The Dolan Group	13,645,600	2.71%
Rowan Technologies	18,462,500	1.58%	Inductotherm Industries	11,558,850	2.30%
Bre/Ex Properties, LLC	18,138,400	1.55%	H.A.T. Inc	9,178,000	1.82%
Prologis-MacQuarie	17,805,400	1.52%	Home Depot	7,338,600	1.46%
Shri Sai Dev., LLC	17,569,300	1.50%	UHS of Hampton, Inc	5,858,000	1.16%
Home Depot	12,981,800	1.11%	Kohl's Department Store	5,053,800	1.00%
Jenicky, LLC	9,719,900	0.83%	ALS, Inc	4,497,000	0.89%
UHS of Hampton, Inc	9,389,100	0.80%	Rose Hotel, LTD	3,130,800	0.62%
Total	\$ 213,591,700	18.24%		\$ 105,649,550	20.99%

Source: Municipal Tax Assessor

**Westampton Township School District
Property Tax Levies and Collections,
Last Ten Fiscal Years**

J-9

<u>Fiscal Year Ended June 30,</u>	<u>Taxes Levied for the Calendar Year</u>	<u>Collected within the Fiscal Year of the Levy^a</u>		<u>Collections in Subsequent Years</u>
		<u>Amount</u>	<u>Percentage of Levy</u>	
2002	\$ 5,130,218	\$ 5,130,218	100.00%	-
2003	5,551,668	5,551,668	100.00%	-
2004	6,269,698	6,269,698	100.00%	-
2005	6,683,659	6,683,659	100.00%	-
2006	7,073,053	7,073,053	100.00%	-
2007	7,741,752	7,741,752	100.00%	-
2008	7,875,381	7,875,381	100.00%	-
2009	8,087,584	8,087,584	100.00%	-
2010	8,535,839	8,535,839	100.00%	-
2011	9,245,409	9,245,409	100.00%	-

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

a School taxes are collected by the Municipal Tax Collector. Under New Jersey State Statutes, 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.

**Westampton Township School District
 Ratios of Outstanding Debt by Type
 Last Ten Fiscal Years**

J-10

Fiscal Year Ended June 30,	Governmental Activities		Business-Type Activities		Percentage of Personal Income ^b	Per Capita ^c
	General Obligation Bonds ^a	Capital Leases	Capital Leases	Total District		
2002	\$ 7,930,684	\$ 27,587	\$ -	\$ 7,958,271	2.96%	\$ 1,094
2003	7,335,460	13,615	-	7,349,075	2.62%	977
2004	6,685,237	-	-	6,685,237	2.22%	842
2005	5,991,013	-	-	5,991,013	1.81%	718
2006	11,859,790	56,041	-	11,915,831	3.41%	1,392
2007	11,150,566	43,680	-	11,194,246	2.96%	1,289
2008	10,415,342	38,815	-	10,454,157	2.68%	1,217
2009	9,735,118	23,063	-	9,758,181	2.41%	1,133
2010	8,924,894	11,800	-	8,936,694	2.22%	1,032
2011	8,104,670	-	-	8,104,670	Unavailable	936

Sources:

- a District Records
- b Personal Income has been estimated based upon the municipal population and per capita personal income.
- c Per Capita Personal Income Data provided by the NJ Dept. of Labor and Workforce.

**Westampton Township School District
 Ratios of Net General Bonded Debt Outstanding
 Last Ten Fiscal Years**

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Net Assessed Valuation Taxable ^b	Per Capita ^c
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding ^a		
2002	\$ 7,930,684	\$ -	\$ 7,930,684	1.58%	\$ 1,094
2003	7,335,460	-	7,335,460	1.34%	977
2004	6,685,237	-	6,685,237	1.14%	842
2005	5,991,013	-	5,991,013	0.96%	718
2006	11,859,790	-	11,859,790	1.80%	1,392
2007	11,150,566	-	11,150,566	1.65%	1,289
2008	10,415,342	-	10,415,342	1.51%	1,217
2009	9,735,118	-	9,735,118	1.40%	1,133
2010	8,924,894	-	8,924,894	1.27%	1,032
2011	8,104,670	-	8,104,670	0.69%	936

Sources:

- a District Records
- b Net Assessed Valuation provided by Anstract of Ratables, County Board of Taxation
- c Per Capita Personal Inome Data provided by the NJ Dept. of Labor and Workforce.

Westampton Township School District
 Ratios of Overlapping Governmental Activities Debt
 As of December 31, 2010

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes:			
Township of Westampton	\$ 2,118,111 (1)	100.000%	\$ 2,118,111
Burlington County General Obligation Debt	379,858,498 (1)	1.740% (2)	6,609,538
Rancocas Valley Regional School District	22,400,000 (1)	24.653% (3)	5,522,272
			<hr/>
Subtotal, overlapping debt			14,249,921
Westampton Township School District Direct Debt			<hr/> 8,104,670
Total direct and overlapping debt			<hr/> \$ 22,354,591 <hr/>

Sources:

- (1) Entity's Audit Report
- (2) The County percentage is based upon a calculation reflecting the Township's share of the 2010 Equalized Valuation. The source for this computation was the 2009 County Abstract of Ratables, provided by the County Board of Taxation.
- (3) The debt for this entity was apportioned by dividing the Township's 2010 average equalized value by the total 2010 average equalized value for the entire Regional School District.

Legal Debt Margin Calculation for Fiscal Year 2011

	Equalized valuation basis (1)
2010	\$ 1,160,040,725
2009	1,229,183,973
2008	1,245,744,944
	<u>\$ 3,634,969,642</u>
Average equalized valuation of taxable property	<u>\$ 1,211,656,547</u>
Debt limit (3% of average equalized valuation) (2)	36,349,696
Net bonded school debt (3)	<u>8,104,670</u>
Legal debt margin	<u>\$ 28,245,026</u>

101

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2010
Debt limit	\$ 13,846,491	\$ 15,070,376	\$ 17,312,505	\$ 20,336,066	\$ 24,232,735	\$ 28,508,460	\$ 32,388,427	\$ 35,439,525	\$ 36,753,996	\$ 36,349,696
Total net debt applicable to limit (3)	<u>7,930,684</u>	<u>7,335,460</u>	<u>6,685,237</u>	<u>5,991,013</u>	<u>11,859,790</u>	<u>11,150,566</u>	<u>10,415,342</u>	<u>9,735,118</u>	<u>8,924,894</u>	<u>8,104,670</u>
Legal debt margin	<u>\$ 5,915,807</u>	<u>\$ 7,734,916</u>	<u>\$ 10,627,268</u>	<u>\$ 14,345,053</u>	<u>\$ 12,372,945</u>	<u>\$ 17,357,894</u>	<u>\$ 21,973,085</u>	<u>\$ 25,704,407</u>	<u>\$ 27,829,102</u>	<u>\$ 28,245,026</u>
Total net debt applicable to the limit as a percentage of debt limit	57.28%	48.67%	38.62%	29.46%	48.94%	39.11%	32.16%	27.47%	24.28%	22.30%

Sources:

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

**Westampton Township School District
Demographic and Economic Statistics
Last Ten Fiscal Years**

J-14

<u>Year</u>	<u>Population ^a</u>	<u>Personal Income ^b</u>	<u>Per Capita Personal Income ^c</u>	<u>Unemployment Rate ^d</u>
2001	7,277	\$ 268,608,624	\$ 36,912	3.8%
2002	7,523	280,600,377	37,299	3.9%
2003	7,941	301,615,062	37,982	3.5%
2004	8,349	330,670,494	39,606	3.0%
2005	8,562	349,286,790	40,795	3.5%
2006	8,682	378,109,782	43,551	3.3%
2007	8,590	390,527,170	45,463	3.2%
2008	8,609	404,347,512	46,968	4.4%
2009	8,661	402,875,076	46,516	7.6%
2010	8,661	e	e	8.1%

Source:

- ^a Population information provided by the NJ Dept of Labor and Workforce Development
- ^b Personal income has been established based upon the municipal population and per capita personal income presented.
- ^c Per Capita personal income provided by the NJ Dept. of Labor and Workforce Development.
- ^d Unemployment data provided by the NJ Dept of Labor and Workforce Development
- ^e Information not available

**Westampton Township School District
 Full-time Equivalent District Employees by Function/Program,
 Last Ten Fiscal Years**

J-16

<u>Function/Program</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Instruction										
Regular	55	54	58	60	60	60	60	60	60	58
Special education	30	31	41	39	40	40	41	41	41	41
Other special education	1	1	1	1	1	1	1	1	1	1
Support Services:										
Student & instruction related services	12	14	14	14	14	14	14	14	14	12
School administrative services	15	14	14	14	14	14	14	14	14	9
General and business administrative services	5	3	3	2	3	3	3	3	3	2
Plant operations and maintenance	11	11	11	11	11	10	9	9	9	9
Pupil transportation	1	1	1	1	1	1	1	1	2	2
Business and other support services	-	3	3	3	3	3	3	3	3	3
Total	130	132	146	145	147	146	146	146	147	137

Source:
 District Personnel Records

Westampton Township School District
 Operating Statistics,
 Last Ten Fiscal Years

J-17

Fiscal Year	Enrollment	Operating Expenditures ^a	Cost Per Pupil	Percentage Change	Teaching Staff ^b	Pupil/Teacher Ratio		Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change In Average Daily Enrollment	Student Attendance Percentage
						Westampton Middle School	Holly Hills Elementary				
2002	989	\$ 8,278,445	\$ 8,370.52	2.75%	91	1:12	1:12	960.0	920.7	0.47%	95.91%
2003	1,053	9,344,599	8,874.26	6.02%	93	1:11	1:11	1,007.2	958.0	4.92%	95.12%
2004	965	10,196,806	10,566.64	19.07%	97	1:11	1:11	974.7	929.9	-3.23%	95.40%
2005	997	10,440,513	10,471.93	-0.90%	94	1:11	1:12	993.1	946.7	1.89%	95.33%
2006	962	11,197,737	11,640.06	11.15%	87	1:11	1:12	960.5	920.7	-3.28%	95.86%
2007	938	12,170,089	12,974.51	11.46%	88	1:10	1:13	938.1	896.3	-2.33%	95.54%
2008	931	12,409,153	13,328.84	2.73%	87	1:10	1:13	929.8	888.2	-0.88%	95.53%
2009	916	12,561,507	13,713.44	2.89%	87	1:10	1:13	926.7	885.1	-0.33%	95.51%
2010	957	12,904,137	13,483.95	-1.67%	87	1:10	1:13	953.2	908.5	2.86%	95.31%
2011	994	12,476,400	12,551.71	-6.91%	91	1:10	1:11	960.5	910.3	0.77%	94.77%

104

Sources: District records

Note: Enrollment based on annual October district count.

- a Operating expenditures equal total expenditures less debt service and capital outlay.
- b Teaching staff includes only full-time equivalents of certificated staff.
- c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

**Westampton Township School District
 School Building Information
 Last Ten Fiscal Years**

J-18

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
District Building										
Elementary										
Westampton Elementary (1956)										
Square Feet	61,000	61,000	61,000	61,000	61,000	61,000	64,000	64,000	64,000	64,000
Capacity (students)	521	521	521	521	521	521	521	521	521	521
Enrollment	437	495	482	482	494	486	495	488	451	514
Middle School										
Holly Hills (1956)										
Square Feet	83,000	83,000	83,000	83,000	83,000	83,000	83,000	83,000	83,000	83,000
Capacity (students)	447	447	447	447	447	447	447	447	447	447
Enrollment	552	558	485	516	468	452	436	428	506	480

105

Number of Schools at June 30, 2011
 Elementary = 1
 Middle School = 1
 Senior High School = 0
 Other = 0

Source: District Facilities Office

Westampton Township School District
 Schedule of Required Maintenance
 Last Ten Fiscal Years

J-19

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

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	Total
* School Facilities											
Holly Hills School	\$ 80,725	\$ 18,462	\$ 13,275	\$ 6,165	\$ 9,600	\$ 9,600	\$ 9,600	\$ 9,600	\$ 13,112	\$ 9,600	\$ 179,739
Westampton School	115,478	25,411	18,427	10,142	20,700	20,700	20,700	20,700	21,000	12,700	285,958
Other Facilities	305,281	318,299	187,862	207,414	229,400	198,015	218,850	250,558	247,000	210,310	2,372,989
Project # (s)											
Total School Facilities	<u>\$ 501,484</u>	<u>\$ 362,172</u>	<u>\$ 219,564</u>	<u>\$ 223,721</u>	<u>\$ 259,700</u>	<u>\$ 228,315</u>	<u>\$ 249,150</u>	<u>\$ 280,858</u>	<u>\$ 281,112</u>	<u>\$ 232,610</u>	<u>\$ 2,838,686</u>

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

Source: District records

**Westampton Township School District
Insurance Schedule
June 30, 2011**

J-20

	<u>Coverage</u>	<u>Self-insured Retention</u>	<u>Deductible</u>
School Package Policy (1)			
Building and Contents (All Locations)			
Limits of liability per occurrence	\$ 26,299,000		\$ 1,000
General liability	5,000,000		
Automobile Liability	5,000,000		250
Workers' Compensation	Statutory		
Crime Coverage	100,000		500
Commercial Umbrella	5,000,000	\$ 10,000	
School Leaders Errors & Omissions (3)	2,000,000		5,000
Surety Bonds (2)			
Treasurer	200,000		
Board Secretary	110,000		
Interim Business Administrator	150,000		

- (1) School Alliance Insurance Fund
- (2) Selective Insurance Company
- (3) NJ School Boards

Source: District records

Single Audit Section

INVERSO & STEWART, LLC

**Certified Public Accountants
Registered Municipal Accountants**

12000 Lincoln Drive West, Suite 402
Marlton, New Jersey 08053
(856) 983-2244
Fax (856) 983-6674
E-Mail: iscpas@concentric.net

-Member of-
American Institute of CPAs
New Jersey Society of CPAs

INDEPENDENT AUDITOR'S 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 NEW JERSEY OMB CIRCULAR 04-04

The Honorable President and Members
of the Board of Education
Westampton Township School District
County of Burlington
Westampton, New Jersey

Compliance

We have audited Westampton Township School District (School District), in the County of Burlington, State of New Jersey's compliance with the types of compliance requirements described in the *New Jersey State Grant Compliance Supplement* that could have a direct and material effect on each of the School District's major state programs for the fiscal year ended June 30, 2011. The School District's major 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 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; and New Jersey OMB's Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards and New Jersey OMB's Circular 04-04, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the 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, the Westampton Township School District, in the County of Burlington, State of New Jersey, 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 state programs for the fiscal year ended June 30, 2011.

Internal Control Over Compliance

Management of the Westampton Township School District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to state programs. In planning and performing our audit, we considered the School District's internal control over compliance with the requirements that could have a direct and material effect on a major 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 New Jersey OMB's Circular 04-04, 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.

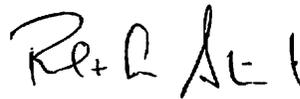
A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement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

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

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

Respectfully submitted,

INVERSO & STEWART, LLC
Certified Public Accountants



Robert A. Stewart
Public School Accountant

Marlton, New Jersey
July 30, 2011

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

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Grant or State Project Number	Program or Award Amount	Grant Period	Balance June 30, 2010			Adjustment	Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance June 30, 2011		
					(Accounts Receivable)	Deferred Revenue	Due to Grantor						(Accounts Receivable)	Deferred Revenue	Due to Grantor
U.S. Department of Education															
Special Revenue Fund:															
Title I:															
Fiscal Year 2010	84.010A	NCLB-5720-10	\$ 51,162	9/1/09 - 8/31/10		\$ 301		\$ (301)							
Fiscal Year 2011	84.010A	NCLB-5720-11	50,869	9/1/10 - 8/31/11					\$ 43,859	\$ (50,869)		\$ (7,010)			
ARRA	84.389	ARRA5720-10	16,812	9/1/09 - 8/31/11	\$ (841)	624		1	601	(601)		(240)	\$ 24		
Title II A:															
Fiscal Year 2010	84.367	NCLB-5720-10	12,292	9/1/09 - 8/31/10	(622)	35		587							
Fiscal Year 2011	84.367	NCLB-5720-11	16,158	9/1/10 - 8/31/11					3,416	(16,128)		(12,742)	30		
Fiscal Year 2009	84.367A	NCLB-5720-09	11,669	9/1/08 - 8/31/09	(557)			125	432						
Title II D:															
Fiscal Year 2011	84.318X	NCLB-5720-11	98	9/1/10 - 8/31/11						(98)		(98)			
Fiscal Year 2009	84.318X	NCLB-5720-09	376	9/1/08 - 8/31/09	(376)				376						
Fiscal Year 2010	84.318X	NCLB-5720-10	522	9/1/09 - 8/31/10	(526)	115			411						
Title III:															
Fiscal Year 2010	84.365A	NCLB-5720-11	8,514	9/1/10 - 8/31/11					8,514	(8,514)					
Fiscal Year 2009	84.365A	NCLB-5720-09	7,513	9/1/08 - 8/31/09		1,503	(1,503)								
Title IV:															
Fiscal Year 2010	84.186A	NCLB-5720-10	2,164	9/1/09 - 8/31/10	(325)	645	(320)								
Title V:															
Fiscal Year 2008	84.298	NCLB-5720-08	1,319	9/1/07 - 8/31/08		7	(7)								
Fiscal Year 2009	84.298	NCLB-5720-09	1,000	9/1/08 - 8/31/09	(1,000)				1,000						
IDEA - Part B - Basic:															
Fiscal Year 2011	84.027	FT-5720-11	241,192	9/1/10 - 8/31/11					179,787	(224,447)		(61,405)	16,745		
Fiscal Year 2010	84.027	FT-5720-10	233,217	9/1/09 - 8/31/10	(57,671)	8,068	(94)		57,671	(7,974)					
ARRA	84.391	ARRA5720-10	233,473	9/1/09 - 8/31/11	(96,702)	85,394			61,287	(74,324)		(36,749)	12,404		
IDEA - Part B - Preschool:															
Fiscal Year 2010	84.027	PS-5720-10	8,492	9/1/09 - 8/31/10	(8,492)				8,492						
Fiscal Year 2011	84.027	PS-5720-11	8,924	9/1/10 - 8/31/11					8,366	(8,924)		(558)			
ARRA	84.392	ARRA5720-10	8,440	9/1/09 - 8/31/11	(8,440)	1,335			7,105						
Total Department of Education					(175,552)	98,027		(1,512)		381,317	(391,879)		(118,802)	29,203	
U.S. Department of Agriculture															
Enterprise Fund:															
Food Distribution Program	10.555	N/A	17,800	7/1/10 - 6/30/11					17,800	(17,800)					
National School Lunch Program															
Fiscal Year 2010	10.555	N/A	68,817	7/1/09 - 6/30/10	(6,872)				6,872			(5,199)			
Fiscal Year 2011	10.555	N/A	75,492	7/1/10 - 6/30/11					70,293	(75,492)		(5,199)			
Total Enterprise Fund					(6,872)				94,965	(93,292)		(5,199)			
Total Federal Awards					\$ (182,424)	\$ 98,027	\$ -	\$ (1,512)	\$ -	\$ 476,282	\$ (485,171)	\$ -	\$ (124,001)	\$ 29,203	

111

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

WESTAMPTON SCHOOL DISTRICT
Schedule of Expenditures of State Financial Assistance
For the Fiscal Year Ended June 30, 2011

State Grantor / Program Title	Grant or State Project Number	Program or Award Amount	Grant Period	Balance June 30, 2010			Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance June 30, 2011		
				(Accounts Receivable)	Deferred Revenue	Due to Grantor					(Accounts Receivable)	Deferred Revenue	Due to Grantor
State Department of Education													
General Fund:													
Equalization Aid	11-495-034-5120-078	\$ 2,725,815	7/1/10 - 6/30/11					\$ 2,456,027	\$ (2,725,815)		\$ (269,788)		
Equalization Aid	10-495-034-5120-078	2,480,247	7/1/09 - 6/30/10	\$ (319,617)				319,617					
Special Education Categorical Aid	11-495-034-5120-089	468,860	7/1/10 - 6/30/11					468,860	(468,860)				
Extraordinary Aid	10-495-034-5120-044	30,951	7/1/09 - 6/30/10	(30,951)				30,951					
Extraordinary Aid	11-495-034-5120-044	29,641	7/1/10 - 6/30/11						(29,641)		(29,641)		
On-behalf TPAF Pension Contribution	11-100-034-5095-001	364,631	7/1/10 - 6/30/11					364,631	(364,631)				
Reimbursed TPAF Social Security Contr.	10-100-034-5095-002	443,405	7/1/09 - 6/30/10	(21,837)				21,837					
Reimbursed TPAF Social Security Contr.	11-100-034-5095-002	414,752	7/1/10 - 6/30/11					394,883	(414,752)		(19,869)		
Total General Fund				<u>(372,405)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,056,806</u>	<u>(4,003,699)</u>	<u>-</u>	<u>(319,298)</u>	<u>-</u>	
Special Revenue Fund													
N.J. Nonpublic Aid:													
Textbook Aid	11-100-034-5120-064	9,776	7/1/10 - 6/30/11					9,776	(9,125)			\$ 651	
Textbook Aid	10-100-034-5120-064	10,611	7/1/09 - 6/30/10			\$ 6,020				\$ (6,020)			
Nursing Aid	11-100-034-5120-070	11,584	7/1/10 - 6/30/11					11,584	(7,235)			4,349	
Auxiliary Services:													
Compensatory Education	10-100-034-5120-067	18,426	7/1/09 - 6/30/10			4,049				(4,049)			
Compensatory Education	11-100-034-5120-067	14,652	7/1/10 - 6/30/11					14,652	(14,402)			250	
Handicapped Services:													
Exam. and Classification	10-100-034-5120-066	6,034	7/1/09 - 6/30/10			1,580				(1,580)			
Exam. and Classification	11-100-034-5120-066	7,176	7/1/10 - 6/30/11					7,176	(4,625)			2,551	
Supplementary Instruction	10-100-034-5120-066	6,053	7/1/09 - 6/30/10			1,920				(1,920)			
Supplementary Instruction	11-100-034-5120-066	3,474	7/1/10 - 6/30/11					3,474	(1,390)			2,084	
Corrective Speech	10-100-034-5120-066	11,657	7/1/09 - 6/30/10			3,801				(3,801)			
Corrective Speech	11-100-034-5120-066	9,388	7/1/10 - 6/30/11					9,388	(5,554)			3,834	
Total Special Revenue Fund				<u>-</u>	<u>-</u>	<u>17,370</u>	<u>-</u>	<u>56,050</u>	<u>(42,331)</u>	<u>(17,370)</u>	<u>-</u>	<u>13,719</u>	
Debt Service Fund													
Debt Service Aid Type II	11-495-034-5120-125	181,457	7/1/10 - 6/30/11					181,457	(181,457)				
Total Debt Service Fund				<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>181,457</u>	<u>(181,457)</u>	<u>-</u>	<u>-</u>	<u>-</u>	
State Department of Agriculture													
Enterprise Fund:													
State School Lunch Program	10-100-010-3350-023	4,811	7/1/09 - 6/30/10	\$ (470)				470					
State School Lunch Program	11-100-010-3350-023	4,049	7/1/10 - 6/30/11					3,760	(4,049)		(289)		
Total Enterprise Fund				<u>(470)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,230</u>	<u>(4,049)</u>	<u>-</u>	<u>(289)</u>	<u>-</u>	
Total State Financial Assistance				<u>\$ (372,875)</u>	<u>\$ -</u>	<u>\$ 17,370</u>	<u>\$ -</u>	<u>\$ 4,298,543</u>	<u>\$ (4,231,536)</u>	<u>\$ (17,370)</u>	<u>\$ (319,587)</u>	<u>\$ 13,719</u>	

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

**Westampton Township School District
Notes to Schedules of Expenditures
of Federal Awards and State Financial Assistance
For the Fiscal Year Ended June 30, 2011**

I. GENERAL

The accompanying schedules of expenditures of federal awards and state financial assistance include federal and state award activity of the Board of Education, Westampton Township School District. The Board of Education is defined in Note 1 to the Board's basic financial statements. All federal and state awards received directly from 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.

2. BASIS OF ACCOUNTING

The accompanying schedules of expenditures of federal awards and state financial assistance are presented on 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 Board's basic financial statements. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of State, 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.

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 the expenditures have been made.

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the last state aid payment in the current budget year, which is mandated pursuant to *N.J.S.A. 18A:22-44.2*. For GAAP purposes that payment is not recognized until the subsequent budget year due to the state deferral and recording of the last state aid payment in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The special revenue fund also recognizes the last state aid payment in the current budget year, consistent with *N.J.S.A. 18A:22-4.2*.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$49,829 for the general fund and \$0 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. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund		\$ 4,053,528	\$ 4,053,528
Special Revenue Fund	\$ 391,879	42,331	434,210
Debt Service Fund		181,457	181,457
Food Service Fund	<u>93,292</u>	<u>4,049</u>	<u>97,341</u>
Total Awards & Financial Assistance	<u>\$ 485,171</u>	<u>\$ 4,281,365</u>	<u>\$ 4,766,536</u>

**Westampton Township School District
Notes to the Schedules of Expenditures
of Federal Awards and State Financial Assistance
For the Fiscal Year Ended June 30, 2011
(Continued)**

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.

5. OTHER

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the District for the year ended June 30, 2011. TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2011.

6. MAJOR PROGRAMS

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

7. ADJUSTMENTS

Amounts reported in the column entitled "Adjustments" represent the following:

	<u>Federal</u>
Reclassification of balances	\$ <u>(1,512)</u>

**WESTAMPTON TOWNSHIP 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 paragraph 5.18 through 5.20 of *Government Auditing Standards* and with audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey.

No findings identified.

**WESTAMPTON TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

***Section 3 -- Schedule of Federal Awards and State Financial Assistance
Findings and Questioned Costs***

This section identifies the audit findings required to be reported by section .510(a) of Circular A-133 and NJOMB Circular 04-04.

FEDERAL AWARDS

No findings and/or questioned costs identified.

STATE AWARDS

No findings and/or questioned costs identified.

**WESTAMPTON TOWNSHIP SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR-YEAR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT
FOR THE FISCAL YEAR ENED JUNE 30, 2011**

This section identifies the status of prior year findings related to the basic financial statements and federal and state awards that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*, USOMB Circular A-133 and State of NJOMB Circular 04-04.

FINANCIAL STATEMENT FINDINGS

There were no prior year audit findings.

FEDERAL AWARDS

A Federal single audit was not required.

STATE AWARDS

There were no prior year audit findings.