

**WHITE TOWNSHIP  
BOARD OF EDUCATION  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

**OF THE**

**WHITE TOWNSHIP BOARD OF EDUCATION  
WHITE TOWNSHIP, NEW JERSEY  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**Prepared by**

**WHITE TOWNSHIP BOARD OF EDUCATION  
DEPARTMENT OF ADMINISTRATION**

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**INTRODUCTORY SECTION**

**WHITE TOWNSHIP BOARD OF EDUCATION**  
**565 C.R. 519**  
**Belvidere, NJ 07863**  
**(908) 475-4773**

**Alfred Annunziata**  
**Chief School Administrator**

**Dawn Huff**  
**School Business Administrator**

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November 2, 2011

Honorable President and  
Members of the Board of Education of the  
White Township School District  
Warren County, New Jersey

Dear Board Members:

The Comprehensive Annual Financial Report (CAFR) of the White Township School District for the fiscal year ending June 30, 2011 is hereby submitted. Responsibility for both the accuracy of the data, the completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds 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 therein. 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 Action of 1996 and the U.S. Office of Management and the Budget Circular A-133, "Audits of State and Local Governments", and the State Treasury Circular Letter 98-07 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments". Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

The White 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 White Township Board of Education and its school constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels K through 8. These include regular, as well as special education for handicapped

youngsters. The District completed the 2010-2011 fiscal year with an enrollment of 381.4 students, which is slightly below the previous year's enrollment. The following details the changes in the student enrollment of the District over the last six years.

### AVERAGE DAILY ENROLLMENT

<u>FISCAL YEAR</u>	<u>ENROLLMENT</u>
2010-2011	381.4
2009-2010	407.0
2008-2009	402.0
2007-2008	427.0
2006-2007	435.0
2005-2006	438.2
2004-2005	424.2

Management of the District is responsible for establishing and maintaining an internal control structure designed to insure that the assets of the District are protected from loss, theft, or misuse, and to insure that the adequate accounting data is compiled to allow for the preparation of financial statements in conformity with General Accepted Accounting Principles (GAAP).

As a recipient of federal and state financial assistance, the District is also responsible for insuring that an adequate internal control structure is in place to insure compliance with applicable laws and regulations related to those programs.

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

In addition to internal accounting controls, the District maintains budgetary controls. The object of these budgetary controls is to insure 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 Capital Improvements accounted for in the Capital Projects Fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

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

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The following schedule represents a summary of the general fund, special revenue and debt service fund revenues for the 2010-2011 school year:

	<u>Amount</u>	<u>Percentage of Total</u>	<u>Increase (Decrease) from Prior Year</u>	<u>Percentage of Increase (Decrease)</u>
REVENUES				
Local Sources:				
Tax Levy:				
General	\$ 6,581,939	73.25%	\$ 197,999	3.10%
Debt Service	324,840	3.62%	29,167	9.86%
Other Revenues	24,624	0.27%	3,827	18.40%
State Aid	1,768,984	19.69%	(392,161)	-18.15%
Federal Aid	<u>284,652</u>	<u>3.17%</u>	<u>(91,630)</u>	-24.35%
Total	<u>\$ 8,985,039</u>	<u>100.0%</u>	<u>\$ (252,798)</u>	-2.74%

The following schedule presents a summary of general fund, special revenue fund and debt service fund expenditures for the fiscal year ending June 30, 2011 and the percentage of increases and decrease in relation to prior year amounts:

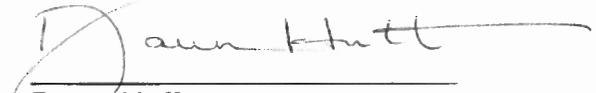
	<u>Amount</u>	<u>Percentage of Total</u>	<u>Increase (Decrease) from Prior Year</u>	<u>Percentage of Increase (Decrease)</u>
EXPENDITURES				
Current Expense	\$ 7,818,265	92.21%	\$ (560,385)	-6.69%
Capital Outlay	3,670	0.04%	3,670	
Special Revenue	284,652	3.36%	(19,791)	-6.50%
Debt Service				
Principal	275,000	3.24%	10,000	3.77%
Interest	<u>97,100</u>	<u>1.15%</u>	<u>(10,447)</u>	-9.71%
Total	<u>\$ 8,478,687</u>	<u>100.0%</u>	<u>\$ (576,953)</u>	-6.37%

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.

We would like to express our appreciation to the members of the White Township Board of Education for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without your support.

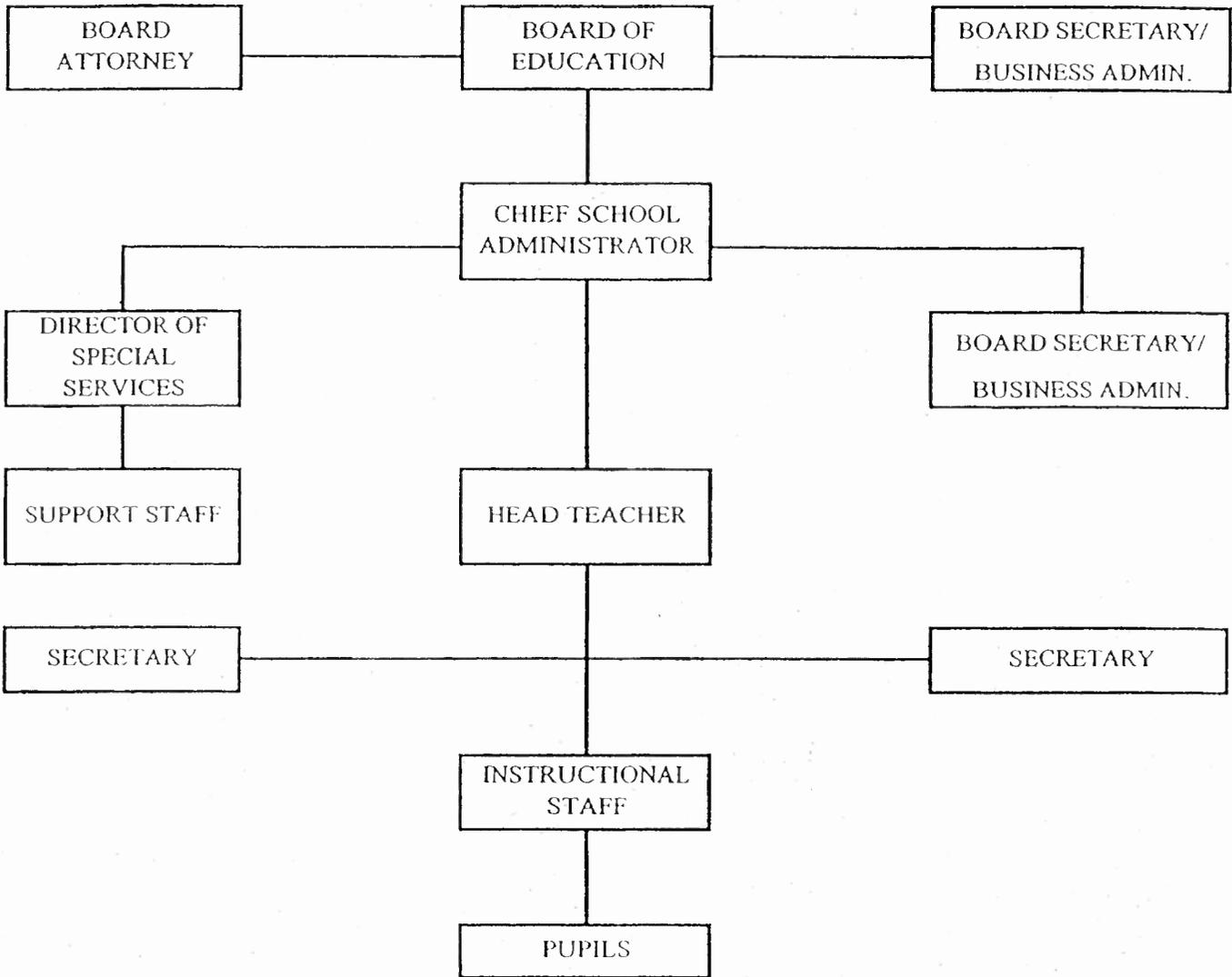
Respectfully submitted,

  
Alfred Annunziata  
Chief School Administrator

  
Dawn Huff  
School Business Administrator/  
Board Secretary

WHITE TOWNSHIP BOARD OF EDUCATION

ORGANIZATIONAL CHART  
(Unit Control)



## WHITE TOWNSHIP SCHOOL DISTRICT

ROSTER OF OFFICIALS  
JUNE 30, 2011

<b>Members of the Board of Education</b>		<b>Term Expires</b>
Gary Meddaugh	President	2012
Stephen Muscat	Vice President	2013
David Rader		2012
Tracy Rowe		2012
Chanda Collom		2013
Patricia Kosten		2013
Nelson J. Abrams		2014
Frank Panetta		2014
Anna Marie Skoog		2014

**Other Officials**

Alfred Annunziata	Chief School Administrator
Dawn Huff	Business Administrator/ Board Secretary
Dawn Werkheiser	Principal
Kathleen Reinalda	Treasurer
William J. Gold	Solicitor

**WHITE TOWNSHIP SCHOOL DISTRICT  
CONSULTANTS AND ADVISORS**

**Audit Firm**

William M. Colantano, Jr., CPA

**Attorney**

William J. Gold, Esquire

**Official Depository**

First Hope Bank

**FINANCIAL SECTION**

Certified Public Accountant  
Public School Accountant  
Registered Municipal Accountant

100 Route 31 North  
Washington, NJ 07882 - 1530  
Fax # (908) 689-8388  
(908) 689-5002

## INDEPENDENT AUDITOR'S REPORT

November 1, 2011

Honorable President and  
Members of the Board of Education  
White Township School District  
County of Warren, New Jersey

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Board of Education of the White Township School District in the County of Warren, as of and for the fiscal year ended June 30, 2011, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the White Township Board of Education management. Our responsibility is to express an opinion 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 and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the White Township Board of Education in the County of Warren, as of June 30, 2011, and the respective changes in financial position and cash flows, where applicable 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 a report dated November 1, 2011 on our consideration of the White Township Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

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

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

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



William M. Colantano, Jr.  
Public School Accountant  
No. CS 0128

**REQUIRED SUPPLEMENTARY INFORMATION-PART I**

MANAGEMENT'S DISCLOSURE AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
UNAUDITED

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

**Financial Highlights**

Key financial highlights for 2011 are as follows:

- In total, net assets increased \$708,455, which represents a 51.33 percent increase from 2010.
- General revenues accounted for \$9,083,918 in revenue or 95.78 percent of all revenues. Program specific revenues in the form of charges for services and operating grants were \$400,364 or 4.22 percent of total revenues of \$9,484,282.
- Total assets of governmental activities increased by \$191,922 as cash and cash equivalents increased by \$474,417, receivables decreased by \$130,860 and capital assets decreased by \$151,635.
- The School District had \$8,775,827 in expenses; only \$400,364 of these expenses were offset by program specific charges for services, grants or contributions. General Revenues (primarily property taxes) of \$9,083,918 were adequate to provide for these programs.
- Among major funds, the General Fund had \$8,711,785 in revenues and \$8,167,583 in expenditures. The General Fund's balance increased \$544,202 over 2010.

**Using this Generally Accepted Principals Report (GAAP)**

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand White Township School District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities. The Statement of Net Assets and Statement of Activities provide information about the activities of the whole School District, presenting both an aggregate view of the School District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail.

For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the School District's most significant funds with all other non-major funds presented in total in one column. In the case of White Township School District, the General Fund is by far the most significant fund.

MANAGEMENT'S DISCLOSURE AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
UNAUDITED

### **Reporting the School District as a Whole**

#### **Statement of Net Assets and the Statement of Activities**

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks the question, "How did we do financially during 2011?" The Statement of Net Assets and the Statement of Activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

- **Governmental Activities** – All of the School District's programs and services are reported here including instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities.
- **Business-type Activity** – This service is provided on a charge for goods or services basis to recover all the expenses of the goods or services provided. The Food Service enterprise fund is reported as a business activity.

### **Reporting the School District's Most Significant Funds**

#### **Fund Financial Statements**

The analysis of the School District's major funds begins on page 16. Fund financial reports provide detailed information about the School District's major funds. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District's most significant funds. The School District's major governmental funds are the General Fund, Special Revenue Fund, Capital Projects Fund and Debt Service Fund.

MANAGEMENT'S DISCLOSURE AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
UNAUDITED

### Governmental Funds

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

### The School District as a Whole

Recall that the Statement of Net Assets provides the perspective of the School District as a whole.

Table 1 provides a summary of the School District's net assets for 2011 compared to 2010.

**TABLE 1**  
**NET ASSETS**

	<u>6/30/2011</u>	<u>6/30/2010</u>	<u>Variance</u>	
			<u>Dollars</u>	<u>Percent</u>
<b>ASSETS</b>				
Current & Other Assets	\$ 1,017,052	\$ 673,625	\$ 343,427	50.98%
Capital Assets	\$ 4,029,629	\$ 4,182,982	\$ (153,353)	-3.67 %
Total Assets	<u>\$ 5,046,681</u>	<u>\$ 4,856,607</u>	<u>\$ 190,074</u>	<u>3.91 %</u>
<b>LIABILITIES</b>				
Long Term Liabilities	\$ 2,892,994	\$ 3,217,728	\$ (324,734)	-10.09%
Other Liabilities	\$ 65,076	\$ 258,723	\$ (193,647)	-74.85%
Total Liabilities	<u>\$ 2,958,070</u>	<u>\$ 3,476,451</u>	<u>\$ (518,381)</u>	<u>-14.91%</u>
<b>NET ASSETS</b>				
Invested in Capital Assets, Net of Related Debt	\$ 1,739,629	\$ 1,617,982	\$ 121,647	7.52%
Restricted	\$ 526,109	\$ 195,758	\$ 330,351	168.75%
Unrestricted	\$ (177,127)	\$ (433,584)	\$ 256,457	59.15%
	<u>\$ 2,088,611</u>	<u>\$ 1,380,156</u>	<u>\$ 708,455</u>	<u>51.33%</u>

MANAGEMENT'S DISCLOSURE AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
UNAUDITED

Total assets increased by \$190,074. Cash and cash equivalents increased by \$474,219, receivables and other assets decreased by \$130,792 and capital assets decreased by \$153,353. Unrestricted net assets (the part of net assets that can be used to finance day to day activities without constraints established by grants or legal requirements) of the School District increased by \$256,457 mainly due to additional state aid and a reduction in expenditures.

1. Table 2 shows the changes in net assets from fiscal year 2010.

**TABLE 2  
CHANGES IN NET ASSETS**

	<u>06/30/11</u>	<u>06/30/10</u>	<u>Variance</u>	
			<u>Dollars</u>	<u>Percent</u>
<b>REVENUES</b>				
Program Revenues:				
Charges for Services	\$ 83,684	\$ 88,310	\$ (4,626)	-5.24%
Operating Grants and Contributions	\$ 316,680	\$ 340,344	\$ (23,664)	-6.95%
General Revenues:				
Property Taxes	\$ 6,906,779	\$ 6,679,613	\$ 227,166	3.40%
Unrestricted Grants	\$ 2,152,484	\$ 2,594,473	\$ (441,989)	-17.04%
Capital Grants		\$ 44,145	\$ (44,145)	-100.00%
Other	\$ 24,655	\$ 20,858	\$ 3,797	18.20%
Total Revenue	<u>\$ 9,484,282</u>	<u>\$ 9,767,743</u>	<u>\$ (283,461)</u>	<u>-2.90%</u>
<b>PROGRAM EXPENSES</b>				
Instruction:				
Regular	\$ 2,177,363	\$ 2,556,623	\$ (379,260)	-14.83%
Special	\$ 976,435	\$ 857,528	\$ 118,907	13.87%
Other	\$ 1,378	\$ 2,099	\$ (721)	-34.35%
Support Services:				
Tuition	\$ 3,045,211	\$ 3,249,258	\$ (204,047)	-6.28%
Student & Instructional Staff	\$ 885,676	\$ 914,596	\$ (28,920)	-3.16%
General & Business Administration	\$ 346,582	\$ 452,409	\$ (105,827)	-23.39%
School Administration	\$ 193,206	\$ 105,794	\$ 87,412	82.62%
Maintenance	\$ 451,178	\$ 482,056	\$ (30,878)	-6.41%
Transportation	\$ 464,662	\$ 517,216	\$ (52,554)	-10.16%
Food Service	\$ 121,564	\$ 122,303	\$ (739)	-0.60%
After School Program	\$ -	\$ 2,959	\$ (2,959)	-100.00%
Transfer of Funds to Charter Schools	\$ 8,775		\$ 8,775	
Interest on Long Term Debt	\$ 103,797	\$ 110,724	\$ (6,927)	-6.26%
Total Expenses	<u>\$ 8,775,827</u>	<u>\$ 9,373,565</u>	<u>\$ (597,738)</u>	<u>-6.38%</u>
Increase (Decrease) in Net Assets	<u>\$ 708,455</u>	<u>\$ 394,178</u>	<u>\$ 314,277</u>	<u>79.73%</u>

MANAGEMENT'S DISCLOSURE AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
UNAUDITED

**Governmental Activities**

The unique nature of property taxes in New Jersey creates the need to routinely seek voter approval for the School District operations. Property taxes made up 73.72 percent of revenues for governmental activities for the White Township School District for the fiscal year 2011.

Instruction comprises 35.95 percent of district expenses. Support services including high school tuition expenses make up 64.05 percent of the expenses.

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows the total cost of services and the net cost of services compared to 2010. That is, it identifies the cost of these services supported by tax revenue and unrestricted State entitlements.

**TABLE 3  
COST OF GOVERNMENTAL SERVICES**

	TOTAL COST OF SERVICES		NET COST OF SERVICES	
	<u>06/30/11</u>	<u>06/30/10</u>	<u>06/30/11</u>	<u>06/30/10</u>
Instruction	\$ 3,155,176	\$ 3,416,250	\$ 3,051,992	\$ 3,239,807
Support Services:				
Tuition	\$ 3,045,211	\$ 3,249,258	\$ 2,868,854	\$ 3,121,258
Student & Instructional Staff	\$ 885,676	\$ 914,596	\$ 880,565	\$ 914,596
General & Business Administration	\$ 346,582	\$ 452,409	\$ 346,582	\$ 452,409
School Administration	\$ 193,206	\$ 105,794	\$ 193,206	\$ 105,794
Plant Operations & Maintenance	\$ 451,178	\$ 482,056	\$ 451,178	\$ 482,056
Pupil Transportation	\$ 464,662	\$ 517,216	\$ 464,662	\$ 517,216
Food Service	\$ 121,564	\$ 122,303	\$ 5,852	\$ 3,186
After School Program		\$ 2,959		\$ (2,135)
Transfer of Funds to Charter Schools	\$ 8,775		\$ 8,775	
Interest on Long-Term Debt	\$ 103,797	\$ 110,724	\$ 103,797	\$ 110,724
	<u>\$ 8,775,827</u>	<u>\$ 9,373,565</u>	<u>\$ 8,375,463</u>	<u>\$ 8,944,911</u>

MANAGEMENT'S DISCLOSURE AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
UNAUDITED

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

Pupils and instructional staff include the activities involved with assisting staff with the content and process of teaching students.

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

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

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

Business-type activities include expenses related to activities provided by the School District which are designed to provide for students to participate in food service and child care.

Interest and fiscal charges involve the transactions associated with the payment of interest and other related charges to debt of the School District and unallocated depreciation.

The dependence upon tax revenues is apparent. Over 72.82 percent of program activities are supported through taxes; for all activities general revenue support is 95.78 percent. The community, as a whole, is the primary support for the White Township School District.

### **The School District's Funds**

Information about the School District's major funds starts on page 16 (Balance Sheet/Exhibit B-1). These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$9,368,537 and expenditures of \$8,824,335. The net change in fund balance for the year was most significant in the General Fund, an increase of \$544,202.

### **General Fund Budgeting Highlights**

The School District's budget is prepared according to New Jersey law, and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund.

During the course of the fiscal 2011 year, the School District amended its General Fund budget as needed. The School District uses program based budgeting and the budgeting systems are designed to tightly control total program budgets but provide flexibility for program management.

MANAGEMENT'S DISCLOSURE AND ANALYSIS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
 UNAUDITED

For the General Fund, budget basis revenue and other financing sources, excluding TPAF on-behalf amount, was \$8,328,285; \$60,285 over original budgeted estimates of \$8,268,000.

The General fund revenues and other financing sources of the School District exceeded expenditures by approximately \$506,350., again, as a result of state aid and a reduction in expenditures.

**Capital Assets**

At the end of the fiscal year 2011, the School District had \$4,029,629 invested in land, buildings, furniture and equipment, and vehicles. Table 4 shows fiscal 2010 balances compared to 2011.

**TABLE 4  
 CAPITAL ASSETS AT YEAR END (Net of Depreciation)**

	<u>06/30/11</u>	<u>06/30/10</u>	<u>VARIANCE</u>	
			<u>DOLLARS</u>	<u>PERCENT</u>
Land & Land Improvements	\$ 73,405	\$ 76,657	\$ (3,252)	-4.24%
Building & Improvements	\$ 3,877,959	\$ 4,012,465	\$ (134,506)	-3.35%
Machinery & Equipment	\$ 78,265	\$ 93,860	\$ (15,595)	-16.62%
	<u>\$ 4,029,629</u>	<u>\$ 4,182,982</u>	<u>\$ (153,353)</u>	<u>-3.67%</u>

Overall capital assets decreased \$153,353 from fiscal year 2010 to fiscal year 2011. Increases in capital assets (primarily buildings and improvements, machinery and equipment) were offset by depreciation expenses for the year.

**Debt Administration**

At June 30, 2011, the School District had \$2,892,994 as outstanding debt. Of this amount \$135,536 is for compensated absences, \$467,458 is for early retirement incentive programs, and the balance of \$2,290,000 for bonds for school construction.

At June 30, 2011, the School District's overall legal debt margin was \$28,880,750 and the unvoted margin was \$26,590,750.

MANAGEMENT'S DISCLOSURE AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
UNAUDITED

**TABLE 5  
OUTSTANDING DEBT AT YEAR END**

	<u>06/30/11</u>	<u>06/30/10</u>	<u>VARIANCE</u>	
			<u>DOLLARS</u>	<u>PERCENT</u>
General Obligations Bonds	\$ 2,290,000	\$ 2,565,000	\$ (275,000)	-10.72%
ERIP Payable	\$ 467,458	\$ 508,837	\$ (41,379)	-8.13%
Compensated Absences Payable	\$ 135,536	\$ 143,891	\$ (8,355)	-5.81%
	<u>\$ 2,892,994</u>	<u>\$ 3,217,728</u>	<u>\$ (324,734)</u>	<u>-10.09%</u>

#### **For the Future**

The White Township School District is presently in good financial condition. Some major concerns are the anticipated tuition adjustment from Belvidere High School, the new state aid funding formula, and the increasing costs for special education.

In conclusion, the White Township School District has committed itself to financial excellence for many years. In addition, the School District's system for financial planning, budgeting, and internal financial controls are well regarded. The School District plans to continue its sound fiscal management to meet the challenges of the future.

#### **Contracting the School District's Financial Management**

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional information contact the School Business Administrator/Board Secretary at White Township School District, 565 C.R. Route 519, Belvidere, NJ 07823.

**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.

WHITE TOWNSHIP SCHOOL DISTRICT  
STATEMENT OF NET ASSETS  
JUNE 30, 2011

	Govern- mental Activities	Business- Type Activities	Total
<b>ASSETS</b>			
Cash & Cash Equivalents	\$ 361,888	\$ 13,593	\$ 375,481
Receivables, Net	61,813		61,813
Internal Balances	545	(545)	
Inventory		3,624	3,624
Bond Issuance Costs, Net	50,025		50,025
Restricted Assets:			
Capital Reserve Account-Cash	345,727		345,727
Tuition Reserve Account-Cash	100,000		100,000
Maintenance Reserve Account-Cash	80,001		80,001
Debt Service Reserve Account-Cash	381		381
Capital Assets, Net (Note 4)	4,015,506	14,123	4,029,629
Total Assets	<u>5,015,886</u>	<u>30,795</u>	<u>5,046,681</u>
<b>LIABILITIES</b>			
Accounts Payable	24,043	4,375	28,418
Accrued Interest	34,350		34,350
Payable to Governments	1,063		1,063
Deferred Revenue	200	1,045	1,245
Long-Term Liabilities (Note 5):			
Due Within One Year	327,403		327,403
Due Beyond One Year	2,430,055		2,430,055
Compensated Absences Payable	135,536		135,536
Total Liabilities	<u>2,952,650</u>	<u>5,420</u>	<u>2,958,070</u>
<b>NET ASSETS</b>			
Invested in Capital Assets, Net of Related Debt	1,725,506	14,123	1,739,629
Restricted For:			
Capital Reserve	345,727		345,727
Tuition Reserve	100,000		100,000
Maintenance Reserve	80,001		80,001
Debt Service	381		381
Unrestricted	<u>(188,379)</u>	<u>11,252</u>	<u>(177,127)</u>
TOTAL NET ASSETS	<u>\$ 2,063,236</u>	<u>\$ 25,375</u>	<u>\$ 2,088,611</u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

WHITE TOWNSHIP SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Functions/Programs	Direct Expenses	Indirect Expenses Allocation	Program Revenues			Net (Expense) Revenue & Changes in Net Assets		
			Charges for Services	Operating Grants & Contribution	Capital Grants & Contribution	Governmental Activities	Business-Types Activities	Total
Government Activities:								
Instruction:								
Regular	\$ 1,393,817	\$ 783,546		\$ 52,665		\$ (2,124,698)		\$ (2,124,698)
Special Education	515,111	303,637		5,810		(812,938)		(812,938)
Other Special Education	111,940	45,747		44,709		(112,978)		(112,978)
Other Instruction	1,311	67				(1,378)		(1,378)
Support Services:								
Tuition	3,045,211			176,357		(2,868,854)		(2,868,854)
Students & Instruction Related Services	620,814	264,862		5,111		(880,565)		(880,565)
General & Business Administrative Services	284,679	61,903				(346,582)		(346,582)
School Administrative Services	108,943	84,263				(193,206)		(193,206)
Plant Operations & Maintenance	381,119	70,059				(451,178)		(451,178)
Pupil Transportation	464,662					(464,662)		(464,662)
Transfer of Funds to Charter Schools	8,775					(8,775)		(8,775)
Interest on Long-Term Debt	103,797					(103,797)		(103,797)
Total Government Activities	<u>7,040,179</u>	<u>1,614,084</u>	<u>\$ -</u>	<u>284,652</u>	<u>\$ -</u>	<u>(8,369,611)</u>	<u>\$ -</u>	<u>(8,369,611)</u>
Business-Type Activities:								
Food Service	121,564		83,684	32,028			(5,852)	(5,852)
Total Business-Type Activities	<u>121,564</u>	<u>-</u>	<u>83,684</u>	<u>32,028</u>	<u>-</u>	<u>-</u>	<u>(5,852)</u>	<u>(5,852)</u>
Total Primary Government	<u>\$ 7,161,743</u>	<u>\$ 1,614,084</u>	<u>\$ 83,684</u>	<u>\$ 316,680</u>	<u>\$ -</u>	<u>(8,369,611)</u>	<u>(5,852)</u>	<u>(8,375,463)</u>
			General Revenues					
						6,581,939		6,581,939
						324,840		324,840
						2,152,484		2,152,484
						3,059	33	3,092
						21,563		21,563
						9,083,885	33	9,083,918
						714,274	(5,819)	708,455
						1,348,962	31,194	1,380,156
						<u>\$ 2,063,236</u>	<u>\$ 25,375</u>	<u>\$ 2,088,611</u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

## **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.

WHITE TOWNSHIP SCHOOL DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2011

	General Fund	Special Revenue Fund	Capital Project Fund	Debt Service Fund	Total Govern- mental Funds
<b>ASSETS</b>					
Cash & Cash Equivalents	\$ 360,625	\$ 1,263			\$ 361,888
Receivables from Other Governments:					
State	61,813				61,813
Interfund Receivable	545				545
Restricted Cash & Equivalents	525,728			\$ 381	526,109
<b>TOTAL ASSETS</b>	<b>\$ 948,711</b>	<b>\$ 1,263</b>	<b>\$ -</b>	<b>\$ 381</b>	<b>\$ 950,355</b>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>LIABILITIES</b>					
Accounts Payable	\$ 24,043				\$ 24,043
Due to Other Governments:					
Federal		\$ 11			11
State		1,052			1,052
Deferred Revenue		200			200
<b>Total Liabilities</b>	<b>24,043</b>	<b>1,263</b>	<b>\$ -</b>	<b>\$ -</b>	<b>25,306</b>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

WHITE TOWNSHIP SCHOOL DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2011  
(Continued)

	General Fund	Special Revenue Fund	Capital Project Fund	Debt Service Fund	Total Govern- mental Funds
LIABILITIES AND FUND BALANCES (Cont'd)					
Fund Balances:					
Restricted Fund Balance:					
Capital Reserve Account	\$ 345,727				\$ 345,727
Tuition Reserve Account	100,000				100,000
Maintenance Reserve Account	80,001				80,001
Excess Surplus-Designated for Subsequent Year's Expenditures	262,040				262,040
Designated for Subsequent Year's Expenditures				\$ 381	381
Unassigned Fund Balance	136,900				136,900
Total Fund Balances	<u>924,668</u>	<u>\$ -</u>	<u>\$ -</u>	<u>381</u>	<u>925,049</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 948,711</u>	<u>\$ 1,263</u>	<u>\$ -</u>	<u>\$ 381</u>	

Amounts Reported for Governmental Activities in the Statement of Net Assets

(A-1) are Different Because:

Capital assets used in government activities are not financial resources & therefore are not reported in the funds. The cost of the assets is and the accumulated depreciation is

\$ 6,419,031  
2,403,525

4,015,506

Long-term liabilities, including bonds payable, are not due & payable in the current period & therefore are not reported as liabilities in the funds

(2,892,994)

Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.

(34,350)

Bond issuance costs are reported as expenditures in the governmental funds. The cost is and the accumulated amortization is

77,739  
27,714

50,025

Total Net Assets of Governmental Activities

\$ 2,063,236

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

WHITE 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 Govern- mental Funds
<b>REVENUES</b>					
Local Sources:					
Local Tax Levy	\$ 6,581,939			\$ 324,840	\$ 6,906,779
Interest on Investments	3,059				3,059
Miscellaneous	21,563				21,563
<b>Total</b>	<b>6,606,561</b>	<b>\$ -</b>	<b>\$ -</b>	<b>324,840</b>	<b>6,931,401</b>
State Sources	2,105,224			47,260	2,152,484
Federal Sources		284,652			284,652
<b>Total Revenues</b>	<b>8,711,785</b>	<b>284,652</b>	<b>-</b>	<b>372,100</b>	<b>9,368,537</b>
<b>EXPENDITURES</b>					
Current :					
Instructional:					
Regular Instruction	1,368,102	44,544			1,412,646
Special Education Instruction	517,487	5,810			523,297
Other Special Instruction	68,275	44,709			112,984
Other Instruction	1,311				1,311
Support Service and Undistributed Costs:					
Tuition	2,868,854	176,357			3,045,211
Student and Instruction Related Services	623,591	5,111			628,702
General and Business Administrative Services	285,782				285,782
School Administrative Services	110,468				110,468
Plant Operations & Maintenance	383,923				383,923
Pupil Transportation	464,662				464,662
Employee Benefits	1,462,683				1,462,683

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

WHITE TOWNSHIP SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
(Continued)

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Govern- mental Funds
EXPENDITURES (Cont'd)					
Capital Outlay		\$ 8,121			\$ 8,121
Transfer of Funds to Charter Schools	\$ 8,775				8,775
Debt Service:					
Principal				\$ 275,000	275,000
Interest & Other Charges	3,670			97,100	100,770
Total Expenditures	<u>8,167,583</u>	<u>284,652</u>	<u>\$ -</u>	<u>372,100</u>	<u>8,824,335</u>
Net Change in Fund Balance	544,202	-	-	-	544,202
Fund Balances, July 1	<u>380,466</u>			<u>381</u>	<u>380,847</u>
Fund Balances, June 30	<u>\$ 924,668</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 381</u>	<u>\$ 925,049</u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

WHITE 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 Changes in Fund Balances-Governmental Fund (from B-2)	\$	544,202
Amounts Reported for Governmental Activities in the Statement of Activities (A-2) are Different Because:		
<p>Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expenses. This is the amount by which depreciation exceeds capital outlays in the period:</p>		
Capital Outlays	\$	8,121
Depreciation Expenses		<u>(159,756)</u>
		(151,635)
<p>Repayment of debt principal and capital leases are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and are not reported in the statement of activities:</p>		
Bond Principal Payments		275,000
Early Retirement Incentive Payments		<u>41,379</u>
		316,379
<p>Governmental funds report the effect of issuance costs and premiums when debt is first issued, whereas these amounts are deferred &amp; amortized in the statement of activities:</p>		
Amortization of Bond Issuance Costs		(7,152)
<p>In the statement of activities, interest on long-term debt is accrued regardless of when due. In the governmental funds interest is reported when due. The accrued interest is a reconciling item.</p>		
		4,125
<p>In the statement of activities, compensated absences &amp; early retirement benefits 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>8,355</u>
Change in Net Assets of Governmental Activities	\$	<u><u>714,274</u></u>

WHITE TOWNSHIP SCHOOL DISTRICT  
COMBINING STATEMENT OF FUND NET ASSETS  
ENTERPRISE FUND  
JUNE 30, 2011

	Food Service Fund	After School Program	Total
<b>ASSETS</b>			
Current Assets:			
Cash & Cash Equivalents	\$ 11,458	\$ 2,135	\$ 13,593
Inventories	3,624		3,624
Total Current Assets	<u>15,082</u>	<u>2,135</u>	<u>17,217</u>
Fixed Assets:			
Capital Assets	20,627		20,627
Accumulated Depreciation	6,504		6,504
Total Fixed Assets	<u>14,123</u>	<u>-</u>	<u>14,123</u>
Total Assets	<u>29,205</u>	<u>2,135</u>	<u>31,340</u>
<b>LIABILITIES</b>			
Current Liabilities:			
Accounts Payable	4,375		4,375
Interfund Payable	545		545
Deferred Revenue	1,045		1,045
Total Current Liabilities	<u>5,965</u>	<u>-</u>	<u>5,965</u>
<b>NET ASSETS</b>			
Invested in Capital Assets, Net of Related Debt	14,123		14,123
Unrestricted	<u>9,117</u>	<u>2,135</u>	<u>11,252</u>
<b>TOTAL NET ASSETS</b>	<u>\$ 23,240</u>	<u>\$ 2,135</u>	<u>\$ 25,375</u>

WHITE TOWNSHIP SCHOOL DISTRICT  
 COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS  
 ENTERPRISE FUNDS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Food Services	After School Program	Total
Operating Revenues:			
Charges for Services:			
Daily Sales-Reimbursable Programs	\$ 65,717		\$ 65,717
Daily Sales-Nonreimbursable Programs	17,967		17,967
Total Operating Revenues	<u>83,684</u>	<u>\$ -</u>	<u>83,684</u>
Operating Expenses:			
Costs of Sales	51,057		51,057
Salaries	46,151		46,151
Employee Benefits	4,527		4,527
Insurance	2,962		2,962
Management Fees	7,640		7,640
Other Purchased Services	2,017		2,017
General Supplies	3,717		3,717
Office Expense	1,775		1,775
Depreciation	1,718		1,718
Total Operating Expenses	<u>121,564</u>	<u>-</u>	<u>121,564</u>
Operating Income (Loss)	<u>(37,880)</u>	<u>-</u>	<u>(37,880)</u>
Nonoperating Revenues (Expenses):			
State Sources:			
State School Lunch Program	1,326		1,326
Federal Sources:			
National School Lunch Program	22,718		22,718
National Milk Program	257		257
Food Distribution Program	7,727		7,727
Interest Earned on Investments	33		33
Total Nonoperating Revenues (Expenses)	<u>32,061</u>	<u>-</u>	<u>32,061</u>
Change in Net Assets	(5,819)	-	(5,819)
Total Net Assets, Beginning	<u>29,059</u>	<u>2,135</u>	<u>31,194</u>
Total Net Assets, Ending	<u>\$ 23,240</u>	<u>\$ 2,135</u>	<u>\$ 25,375</u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

WHITE TOWNSHIP SCHOOL DISTRICT  
COMBINING STATEMENT OF CASH FLOWS  
ENTERPRISE FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Food Services	Child Care Program	Total
Cash Flows from Operating Activities:			
Receipts from Customers	\$ 83,684		\$ 83,684
Payments to Employees	(14,619)		(14,619)
Payments to Food Services Management Co	(92,042)		(92,042)
Payments to Vendors	(2,100)		(2,100)
Net Cash Provided by (Used For) Operating Activities	(25,077)	\$ -	(25,077)
Cash Flows from Noncapital Financing Activities:			
State Sources	1,443		1,443
Federal Sources	24,717		24,717
Net Interfund Transactions	(1,314)		(1,314)
Net Cash Provided by (Used For) Noncapital Financing Activities	24,846	-	24,846
Cash Flows from Investing Activities:			
Interest Earned on Investments	33		33
Net Cash Provided by (Used For) Investing Activities	33	-	33
Net Increase (Decrease) in Cash and Cash Equivalents	(198)	-	(198)
Cash and Cash Equivalents, July 1, 2010	11,656	2,135	13,791
Cash and Cash Equivalents, June 30, 2011	\$ 11,458	\$ 2,135	\$ 13,593
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used For) Operating Activities:			
Operating Income (Loss)	\$ (37,880)	\$ -	\$ (37,880)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used For) Operating Activities:			
Depreciation	1,718		1,718
Federal Food Distribution Program	7,323		7,323
(Increase) Decrease in Inventory	(613)		(613)
Increase (Decrease) in Accounts Payable	4,375		4,375
Net Cash Provided by (Used For) Operating Activities	\$ (25,077)	\$ -	\$ (25,077)

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

WHITE TOWNSHIP SCHOOL DISTRICT  
COMBINING STATEMENT OF FIDUCIARY NET ASSETS  
JUNE 30, 2011

	Student Activity Agency Fund	Payroll Agency Fund	Total
ASSETS			
Cash & Cash Equivalents	\$ 8,091	\$ 9,231	\$ 17,322
TOTAL ASSETS	<u>\$ 8,091</u>	<u>\$ 9,231</u>	<u>\$ 17,322</u>
LIABILITIES			
Payroll Deductions & Withholdings Due to Student Groups	\$ 8,091	\$ 9,231	\$ 9,231 8,091
TOTAL LIABILITIES	<u>\$ 8,091</u>	<u>\$ 9,231</u>	<u>\$ 17,322</u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

WHITE TOWNSHIP SCHOOL DISTRICT  
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS  
FOR THE YEAR ENDED JUNE 30, 2011

(NOT APPLICABLE TO THIS REPORT)

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

**NOTES TO FINANCIAL STATEMENTS**

WHITE TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2011

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the Board of Education (Board) of the White Township School District (District) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to local governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies of the District are described below.

The basic financial statements include:

A Management's Discussion and Analysis (MD&A) providing an analysis of the Districts overall financial position and results of operations.

Basic financial statements prepared using full-accrual accounting for all of the District's activities.

A. Reporting Entity

The District is a Type II district located in the County of Warren, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The Board is comprised of nine members elected to three-year-terms. The purpose of the district is to educate students in Grades K-12. The District had an approximate enrollment at June 30, 2011 of 381 students.

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

1. The organization is legally separate (can sue or be sued in their own name.)
2. The District holds the corporate powers of the organization.
3. The District appoints a voting majority of the organization's board.
4. The District is able to impose its will on the organization.
5. The organization has the potential to impose a financial benefit/ burden on the District.
6. There is a fiscal dependency by the organization on the District.

Based on the aforementioned criteria, the District has no component units.

WHITE TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2011  
(Continued)

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements.

The statement of activities demonstrates the degree to which the direct expenses of a given program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific program. Program revenues include 1) charges to students or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function.

Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. The District has elected to treat all of its governmental funds as major funds and they are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, early retirement, arbitrage rebates, and post employment healthcare benefits, are recorded only when payment is due.

Property taxes, tuition and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. As under New Jersey State Statute, a municipality is required to remit to its school district the entire property tax balance, in the amount voted upon or certified prior to the end of the school year. The 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 District is entitled to receive moneys under the established payment schedule and the unpaid amount is considered to be an accounts receivable. All other revenue items are considered to be measurable and available only when the District receives cash.

WHITE TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2011  
(Continued)

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Cont'd)

Amounts reported as program revenues include 1) charges to students for tuition, fees, rental, material, supplies, or services, provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all property taxes, and unrestricted state aids.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted, as they are needed.

The District reports the following major governmental funds:

General Fund - The General Fund is the general operating fund of the 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 noninstructional equipment, which are classified in the Capital Outlay sub fund.

As required by the New Jersey State Department of Education, the District includes budgeted Capital Outlay in this fund. Generally accepted accounting principles as they pertain to governmental entities state that General Fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues.

Resources for budgeted capital outlay purposes are normally derived from State of New Jersey aid, district taxes and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to fixed assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to Current Expense by board resolution.

Special Revenue Fund - The District accounts for the proceeds of specific revenue sources from State and Federal Government (other than major capital projects, Debt Service or the Enterprise Funds) and local appropriations that are legally restricted to expenditures for specified purposes in the Special Revenue Fund.

Capital Projects Fund - The Capital Projects Fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary Funds). The financial resources are derived from temporary notes or serial bonds that are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election.

Debt Service Fund - The Debt Service Fund is used to account for the accumulation of resources for, and the payment of principal and interest on bonds issued to finance major property acquisition, construction and improvement programs.

WHITE TOWNSHIP SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2011  
 (Continued)

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Cont'd)

Additionally, the District reports the following fund types:

Proprietary Fund Types

Proprietary Fund - The focus of Proprietary Fund measurement is upon determination of net income, financial position and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. The following is a description of the Proprietary Funds of the District:

Enterprise Fund - The Enterprise Fund is utilized to account for operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that the cost (i.e. expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis are financed or recovered primarily through user charges; or, where the 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 District's Enterprise Fund is comprised of the Food Service Fund.

All proprietary funds are accounted for on a current financial resources measurement focus. This means that all assets and liabilities, whether current or noncurrent, associated with their activity are included on their balance sheets. Their reported fund equity (net total assets) is segregated into contributed capital and unreserved retained earnings, 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 & Vehicles	4 Years
Heavy Trucks & Vehicles	6 Years

WHITE TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2011  
(Continued)

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Cont'd)

Fiduciary Fund Types

Trust and Agency Funds - The Trust and Agency Funds are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments and/ or other funds. Agency funds are custodial in nature and do not involve measurement of results of operations. The following is a description of the Trust and Agency Funds of the District.

Student Activities Agency Fund – This fund is used to account for funds derived from athletic events or other activities of pupil organizations and accumulated for payment of student group activities.

Payroll Agency Fund – This fund accounts for the withholding and remittance of employee salary deductions.

In its accounting and financial reporting, the District follows the pronouncements of the Governmental Accounting Standards Board (GASB) and the pronouncements of the Financial Accounting Standards Board (FASB) and its predecessor organizations issued on or before November 30, 1989, unless they conflict with or contradict GASB pronouncements. The District's Proprietary Funds have elected not to apply the standards issued by FASB after November 30, 1989.

D. Budgets/Budgetary Control

Annual appropriated budgets are prepared in the spring of each year for the General, Special Revenue, and Debt Service Funds. The budgets are submitted to the county office 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 NJAC 6:20-2A.2(m)1. All budget amendments must be approved by School Board resolution. Budget amendments during the year ended June 30, 2011 were insignificant.

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

WHITE TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2011  
(Continued)

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

D. Budgets/Budgetary Control (Cont'd)

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

E. 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 reservations of fund balances at fiscal yearend as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services.

Open encumbrances in the Special Revenue Fund for which the District has received advances are reflected in the balance sheet as deferred revenues at fiscal year end.

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

F. Tuition Receivable

Tuition charges were established by the Board of Education based on estimated costs. The charges are subject to adjustment when the final costs have been determined.

G. Tuition Payable

Tuition charges for the fiscal years 2010-2011 and 2009-2010 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

H. Short-Term Interfund Receivables/Payables

Short-Term Interfund receivables/payables represents amounts that are owed, other than charges for goods or services rendered to/from a particular fund in the District and that are due within one year.

I. Inventories and Prepaid Items

Inventories and prepaid items, which benefit future periods, other than those recorded in the Enterprise Fund are recorded as an expenditure during the year of purchase.

Enterprise Fund inventories are valued at cost, which approximates market, using the first-in-first-out (FIFO) method. The commodities inventory value at balance sheet date is reported as a deferred revenue as title does not pass to the school district until the commodities are used. Prepaid items in the Enterprise Fund represent payments made to vendors for services that will benefit periods beyond June 30, 2011.

WHITE TOWNSHIP SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2011  
 (Continued)

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

J. Capital Assets

Capital assets, which include land, land improvements, buildings and improvements, vehicles and furniture and equipment, are reported in the government-wide financial statements. The District defines capital assets as assets with an initial, individual cost of more than \$2,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

All reported capital assets, except for land and construction in progress, of the District are depreciated using the straight-line method over the following estimated lives:

<u>Assets</u>	<u>Years</u>
Buildings	50
Building Improvements & Portable Classroom	50
Land Improvements	20
Furniture	20
Maintenance Equipment	10
Musical Instruments	10
Athletic Equipment	10
Audio Visual Equipment	10
Office Equipment	5 to 10
Computer Equipment	5 to 10

K. Compensated Absences

The District accounts for compensated absences (e.g., unused vacation and sick leave) as directed by Governmental Accounting Standards Board statement number 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.

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

The liability for compensated absences was accrued using the vesting method, whereby the liability is calculated by vesting balances as of the balance sheet date for which a payment is probable. Salary related payments for the employer's share of social security and medicare taxes are included.

For the government-wide statements, the current portion is the amount estimated to be used in the following year. In accordance with GAAP, in the fund financial statements, all of the compensated absences are considered long-term and therefore are not a fund liability. This represents a reconciling item between the fund and government-wide presentations.

WHITE TOWNSHIP SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2011  
 (Continued)

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

L. Deferred Revenue

Deferred revenue in the General Fund and Special Revenue Fund represents cash, which has been received but not yet earned. See Note 1 (E) regarding the Special Revenue Fund.

Deferred revenue in the Enterprise Fund includes United States government commodity inventories at year-end. The aid revenue associated with this commodity inventory is deferred until it is used in the operations of the Food Service Fund. Prepaid lunch debit card revenue balances at year-end are also included in deferred revenue.

M. Long-Term Obligations

In the government-wide financial statements and in internal service fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuance are reported as other financing uses.

N. Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a restricted purpose. Designations of fund balance represent tentative plans for future use of financial resources that are subject to change.

In the government-wide statements, net assets represent the difference between assets and liabilities. Invested in Capital Assets, Net of Related Debt consists of capital assets, net of accumulated depreciation, and reduced by the balance of long-term debt used to finance these assets. Net assets are reported as restricted when there are limitations externally imposed on their use either through enabling legislation or other restrictions imposed by creditors, grantors or laws or regulations of other governments. The District's restricted net assets in the governmental activities as of June 30, 2011 consists of the following:

Capital Reserve Account	\$ 345,727
Tuition Reserve Account	100,000
Maintenance Reserve Account	80,001
Debit Service Reserve Account	<u>381</u>
	<u>\$ 526,109</u>

WHITE TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2011  
(Continued)

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

O. Comparative Data/Reclassifications

Comparative total data for the prior year have been presented in selected sections of the accompanying financial statements in order to provide an understanding of the changes in the District's financial position and operations. Also, certain immaterial amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

P. Allocation of Indirect Expenses

Certain expenses, which have not been charged to a specific function in the District's fund financial statements, have been allocated to the functions for the government-wide statements. Employee benefits, on-behalf TPAF pension contributions, reimbursed TPAF social security contributions and compensated absences accruals have been allocated based on salaries by function. Depreciation expense which was not specifically identified by function has been allocated based on the current year expenses by function.

**NOTE 2. TAX ASSESSMENTS AND PROPERTY TAXES**

Property valuations (assessments) are determined on true values as arrived at by a cost approach, market data approach and capitalization of net income where appropriate. Current assessments are the results of new assessments on a like basis with established comparable properties for newly assessed or purchased properties. This method assures equitable treatment to like property owners.

Upon the filing of certified adopted budgets by the municipality, the municipality's local school districts, and the county, the tax rate is struck by the County Board of Taxation based on the certified amounts in each of the taxing districts for collection to fund the budgets. The statutory provision for the assessment of property, levying of taxes and the collection thereof are set forth in NJSA 54:4 et seq. Special taxing districts are permitted in New Jersey for various special services rendered to the properties located within the special districts.

Tax bills are mailed annually in June. The taxes are due August 1 and November 1 respectively, and are adjusted to reflect the current fiscal year's total tax liability. The preliminary taxes due February 1 and May 1 of the succeeding fiscal year are based upon one-half of the current year's total tax.

Tax installments not paid on or before the due date are subject to interest penalties of eight percent per annum on the first \$1,500 of the delinquency and eighteen percent per annum on any amount in excess of \$1,500. Pursuant to Chapter 75, PL 1991, the governing body may also fix a penalty to be charged to a taxpayer with a delinquency in excess of \$10,000 who fails to pay that delinquency prior to the end of the calendar year. The penalty so fixed shall not exceed six percent of the amount of the delinquency. These interest and penalties are the highest permitted under the New Jersey statutes. Delinquent taxes are annually included in a tax sale in accordance with New Jersey statutes.

School taxes are guaranteed as to amount of collection by the municipality, the collection agency, and are transmitted to the school district in accordance with the schedule of tax installments as certified by the school district's Board of Education on an annual basis.

WHITE TOWNSHIP SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2011  
 (Continued)

**NOTE 3. DEPOSITS AND CASH EQUIVALENTS AND INVESTMENTS**

Cash and cash equivalents 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. US Treasury and agency obligations and certificates of deposit with maturities of one year or less when purchased are stated at amortized cost. All other investments are stated at fair value.

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

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

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

Deposits at June 30, 2011 appear in the financial statements as summarized below:

Cash		\$ <u>918,912</u>
	<u>Ref.</u>	
Cash:		
Governmental Funds, Statement of Net Assets	B-1	\$ 887,997
Enterprise Fund, Statement of Net Assets	B-4	13,593
Fiduciary Funds, Statement of Net Assets	B-7	<u>17,322</u>
Total Cash		\$ <u>918,912</u>

Deposits – The District's carrying amount of bank deposits at June 30, 2011 is \$918,912 and the bank balance is \$1,311,254. Of the bank balance, \$250,000 is covered by federal depository insurance and \$1,061,254 is insured by GUDPA.

WHITE TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2011  
(Continued)

**NOTE 3. DEPOSITS AND CASH EQUIVALENTS AND INVESTMENTS (Cont'd)**

Deposit and Investment Risk

GASB Statement No. 40 "Deposit and Investment Risk Disclosures" requires state and local governments to communicate key information about deposit and investment risks. Required disclosures are as follows:

1. Custodial credit risk disclosures for investments defined as category 3 assets under GASB Statement No. 3. Since all of the deposits and investments of the district are category 1 assets, these disclosures are not required.
2. Credit quality ratings for investments in debt securities, external investment pools, money market funds, bond mutual funds, and other pooled investments of fixed-income securities. As the district has no such investments, this disclosure is not applicable.
3. Disclosure of investments by amount and issuer for any issuer that represents five percent of more of total investments. This requirement does not apply to investments issued or explicitly guaranteed by the US government and investments in mutual funds or pools. This disclosure is reported below under Concentration of Credit Risk.
4. Interest rate risk disclosures are required for all debt investments and non-money market like pools. As the district has no such investments, this disclosure is not applicable.
5. Investments that are exposed to foreign currency risk should be disclosed. As the district has no such investments this disclosure is not applicable.

Concentration of Credit Risk

The State of New Jersey does not place any limit on the amount that the district may invest with any one issuer. As of June 30, 2011, the district has no investments.

**NOTE 4. CAPITAL ASSETS**

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

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>GOVERNMENTAL ACTIVITIES</b>				
Capital Assets, Not Being Depreciated:				
Land	\$ 49,010	\$ -0-	\$ -0-	\$ 49,010
Capital Assets, Being Depreciated:				
Land Improvements	83,550			83,550
Building & Improvements	5,767,532			5,767,532
Furniture & Equipment	510,818	8,121		518,939
Total	<u>6,361,900</u>	<u>8,121</u>	<u>-0-</u>	<u>6,370,021</u>
Accumulated Depreciation:				
Land Improvements	55,903	3,252		59,155
Building & Improvements	1,755,067	134,506		1,889,573
Furniture & Equipment	432,799	21,998		454,797
Total	<u>2,243,769</u>	<u>159,756</u>	<u>-0-</u>	<u>2,403,525</u>

WHITE TOWNSHIP SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2011  
 (Continued)

**NOTE 4. CAPITAL ASSETS (Cont'd)**

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>GOVERNMENTAL ACTIVITIES</b>				
Total Capital Assets, Being Depreciated, Net	\$ 4,118,131	\$ (151,635)	\$ -0-	\$ 3,966,496
Governmental Activities Capital Assets, Net	<u>\$ 4,167,141</u>	<u>\$ (151,635)</u>	<u>\$ -0-</u>	<u>\$ 4,015,506</u>
<b>Business-Type Activities:</b>				
Furniture & Equipment	\$ 20,627			\$ 20,627
Less: Accum Depreciation	<u>4,786</u>	<u>\$ 1,718</u>		<u>6,504</u>
Business-Type Activities Capital Assets, Net	<u>\$ 15,841</u>	<u>\$ (1,718)</u>	<u>\$ -0-</u>	<u>\$ 14,123</u>

Depreciation expense was charged to governmental functions in the current year as follows:

Instruction:	
Regular	\$ 72,245
Special Education	26,762
Other Special Instruction	5,778
Other Instruction	67
Support Services:	
Student & Instruction	32,152
General & Business Admin	14,615
School Administration	5,649
Plant & Maintenance	<u>2,488</u>
Total Depreciation Expense, Governmental Activities	<u>\$ 159,756</u>

WHITE TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2011  
(Continued)

**NOTE 5. LONG-TERM DEBT**

Long-Term Liability Activity for the Year Ended June 30, 2011 is as Follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities:					
General Obligation Bonds Payable	\$ 2,565,000		\$ 275,000	\$ 2,290,000	\$ 285,000
ERIP Payable	508,837		41,379	467,458	42,403
Compensated Absences Payable	<u>143,891</u>	\$ 20,689	<u>29,044</u>	<u>135,536</u>	
Total Governmental Activities Long-Term Liabilities	<u>\$ 3,217,728</u>	<u>\$ 20,689</u>	<u>\$ 345,423</u>	<u>\$ 2,892,994</u>	<u>\$ 327,403</u>

Payments on the general obligation bonds are made in the debt service fund from property taxes and state aid. The other long-term debts are paid in the current expenditures budget of the District's general fund.

The annual requirements to amortize all general obligation bonds outstanding as of June 30, 2011 including interest payments are listed as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 285,000	\$ 85,900	\$ 370,900
2013	300,000	74,200	374,200
2014	315,000	61,900	376,900
2015	325,000	49,100	374,100
2016	340,000	35,800	375,800
2017	355,000	21,900	376,900
2018	<u>370,000</u>	<u>7,400</u>	<u>377,400</u>
Total	<u>\$ 2,290,000</u>	<u>\$ 336,200</u>	<u>\$ 2,626,200</u>

WHITE TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2011  
(Continued)

**NOTE 5. GENERAL LONG-TERM DEBT (Cont'd)**

General Obligation Bonds – General obligation school building bonds at June 30, 2011, with their outstanding balances are comprised of the following individual issues:

\$3,080,000 - 2007 general obligation school refunding bonds, interest at 4.00%, due in annual installments beginning August 15, 2008, through August 15, 2018	<u>\$ 2,290,000</u>
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The general obligation bonded debt of the District is limited by state law to 4% of the average equalized assessed values of the total taxable property in the District for the past three years. The legal debt limit at June 30, 2011 is \$28,880,750. General obligation debt at June 30, 2011 is \$2,290,000, resulting in a legal debt margin of \$26,590,750.

**NOTE 6. PENSION PLANS**

Description of Systems

Substantially all of the Board's employees participate in one of the following contributory defined benefit public employee retirement systems which have been established by State statute: the Teachers' Pension and Annuity Fund (TPAF), the Public Employees' Retirement System (PERS) and the Defined Contribution Retirement Program (DCRP). The PERS and TPAF systems are sponsored and administered by the State of New Jersey. The DCRP system is administered by Prudential Financial for the Division of Pensions and Benefits. The Teachers' Pension and Annuity Fund retirement system is considered a cost-sharing multiple-employer plan with a special funding situation, as under current statute, all employer contributions are made by the State of New Jersey on behalf of the Board and the system's other related non-contributing employers. The Public Employees Retirement System and Defined Contribution Retirement Program are considered cost sharing multiple-employer plans.

A. Teachers' Pension and Annuity Fund - The Teachers' Pension and Annuity Fund was established in January, 1955 under the provisions of NJSA 18A:66 to provide coverage including post-retirement health care to substantially all full time public school employees in the State. Membership is mandatory for such employees and vesting occurs after 10 years of service for pension benefits and 25 years for health care coverage. Members are eligible for retirement at age 55 with an annual benefit generally determined to be 1/55th of the average annual compensation for the highest three fiscal years' compensation for each year of membership during years of creditable service. Early retirement is available to those under age 55 with 25 or more years of credited service. Anyone who retires early and is under age 55 receives retirement benefits as calculated in the above mentioned formula but at a reduced rate (one quarter of one percent for each month the member lacks of attaining age 55).

B. Public Employees' Retirement System - The Public Employees' Retirement System was established in January, 1955 under the provisions of NJSA 43:15A to provide coverage including post-retirement health care to substantially all full time employees of the State or any county, municipality, school district or public agency provided the employee is not a member of another State-administered retirement system. Membership is mandatory for such employees and vesting occurs after 8 to 10 years of service and 25 years for health care coverage. Members are eligible for retirement at age 55 with an annual benefit generally determined to be 1/55th of the average annual compensation for the highest three fiscal years' compensation for each year of membership during years of creditable service. Early retirement is available to those under age 55 with 25 or more years of credited service. Anyone who retires early and is under age 55 receives retirement benefits as calculated in the above mentioned formula but at a reduced rate (one quarter of one percent for each month the member lacks of attaining age 55).

WHITE TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2011  
(Continued)

**NOTE 6. PENSION PLANS** (Cont'd)

Description of Systems (Cont'd)

C. Defined Contribution Retirement Program – The Defined Contribution Retirement Program (DCRP) was established under the provisions Ch 92, PL 2007 and expanded under the provisions of Ch 89, PL 2008 and Ch 1, PL 2010 to provide eligible members with a tax sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Employees eligible to enroll in the program include the following: First, employees enrolled in the Public Employees Retirement System (PERS) or Teachers Pension and Annuity Fund (TPAF) on or after July 1, 2007 who earn salary in excess of maximum compensation limits. Also, employees otherwise eligible to enroll in the TPAF and PERS who do not earn the minimum salary (\$7,700 in 2010) but who earn salary of at least \$5,000 annually are eligible to participate. The program administrator, Prudential Financial, makes information regarding the program available on its New Jersey Defined Contribution Program Web Site: [www.prudential.com/njdcrp](http://www.prudential.com/njdcrp).

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statement and required supplementary information for TPAF and PERS. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey 08625-0295.

Significant Legislation

During the year ended June 30, 1997, legislation was enacted authorizing the New Jersey Economic Development Authority (the "Authority") to issue bonds, notes or other obligations for the purpose of financing, in full or in part, the State of New Jersey's portion of the unfunded accrued liability under the State of New Jersey retirement systems. On June 30, 1997, the Authority issued bonds pursuant to this legislation and \$1,547,688,633 and \$241,106,642 from the proceeds of the bonds were deposited into the investment account of TPAF and PERS, respectively.

As a result of additional legislation enacted during the year ended June 30, 1997 (Ch 115, PL 1997), the asset valuation method was changed from market related value to full market value for the valuation reports dated March 31, 1996. The legislation also provides for a reduction in the normal contributions of the State to the systems from excess assets for FY's 1997 and 1998, and local employers for FY 1999, and, thereafter, authorizes the State Treasurer to reduce the normal contributions of State and local employers to the systems, to the extent possible, from up to 100% of excess assets through FY 2002, and on a declining maximum percentage of excess thereafter.

Due to the enactment of the legislation described above, the State of New Jersey's portion of the unfunded accrued liability under each retirement system was eliminated except for the unfunded liability for local early retirement incentive benefits; accordingly, the pension costs for TPAF and PERS were reduced.

Contribution Requirements

The contribution policy is set by New Jersey State Statutes and contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. TPAF, PERS and DCRP provide for employee contribution of 5.50% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in TPAF, PERS and DCRP. The actuarially determined contribution includes funding for cost-of-living adjustments, non-contributory death benefits and post-retirement medical premiums. Under current statute the Board is a non-contributing employer of the TPAF.

WHITE TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2011  
(Continued)

**NOTE 6. PENSION PLANS** (Cont'd)

Contribution Requirements (cont'd)

Three-Year Trend Information for TPAF (Paid On-Behalf of the District)

Year Funding	Post Retirement Benefit Costs	Percentage of APC Contributed
06/30/11	\$ 184,396	100%
06/30/10	176,989	100%
06/30/09	178,324	100%

Three-Year Trend Information for PERS

Year Funding	Annual Pension Cost (APC)	Percentage of APC Contributed
06/30/11	\$ 65,882	100%
06/30/10	58,214	100%
06/30/09	41,039	100%

During the year ended June 30, 2011, the State of New Jersey contributed \$176,105 to the TPAF for post-retirement medical benefits and \$8,291 for non-contributory insurance premiums on behalf of the Board. Also, in accordance with NJSA 18A:66-66 the State of New Jersey reimbursed the Board \$161,252 during the year ended June 30, 2011 for the employer's share of social security contributions for TPAF members calculated on their base salaries. These amounts have been included in the financial statements and the combining and individual fund and account group statements and schedules as revenues and expenditures in accordance with GASB 27.

**NOTE 7. POST-RETIREMENT BENEFITS**

Chapter 384 of PL 1987 and Ch 6 of PL 1990 required TPAF and PERS, respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. PL 2007, Ch 103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside 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 eligible for post-retirement medical benefits. The cost of these benefits is funded through contributions by the State in accordance with Ch 62, PL 1994. Funding of post-retirement medical premiums changed from a prefunding basis to a pay-as-you-go basis beginning the fiscal year 1994.

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

GASB Statement 45 requires certain disclosures relating to governmental entities obligations for other post-employment benefits (OPEB), which are post-employment benefits other than pensions. The District's only material OPEB obligation is for healthcare provided to eligible retirees through the NJ State Health Benefits Program.

WHITE TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2011  
(Continued)

**NOTE 7. POST-RETIREMENT BENEFITS (Cont'd)**

**Plan Description-**The School District contributes to the State Health Benefits Program (SHBP), a cost-sharing, multiple-employer defined benefit post-employment healthcare plan administered by the State of New Jersey Division of Pensions and Benefits. SHBP was established in 1961 under NJSA 52:14-17.25 et seq., to provide health benefits to State employees, retirees, and their dependents. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code, SHBP provides medical, prescription drugs, mental health/substance abuse, and Medicare Part B reimbursement to retirees and their covered dependents.

The SHBP was extended to employees, retirees, and dependents of participating local public employers in 1964. The school district adopted a resolution to participate in the SHBP. The State Health Benefits Commission is the executive body established by the statute to be responsible for the operation of the SHBP. The State of New Jersey Division of Pensions and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for the SHBP. That report may be obtained by writing to: State of New Jersey Division of Pensions and Benefits, PO Box 295, Trenton, NJ 08625-0295 or by visiting their website at <http://www.state.nj.us/treasury/pensions/pdf/financial/gasb-43-aug2010.pdf>

**Funding Policy-**Participating employers are contractually required to contribute based on the amount of premiums attributable to their retirees. Post-retirement medical benefits under the plan have been funded on a pay-as-you-go basis since 1994. Prior to 1994, medical benefits were funded on an actuarial basis. Information regarding the State's annual contributions, annual OPEB cost and net OPEB obligations is available through the State as noted in the previous paragraph.

**NOTE 8. DEFERRED COMPENSATION**

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

Equitable Oppenheimer First Investors	Kemper Franklin Trust T Rowe Price
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**NOTE 9. INTERFUND RECEIVABLE AND PAYABLES**

Interfund balances as of June 30, 2011 consisted of the following:

	Interfund Receivable	Interfund Payable
General Fund	\$ 545	
Food Service Fund		\$ 545
	\$ 545	\$ 545

The balance due to the General Fund of by the Food Service Fund is a result of interfund payroll and subsidy transactions.

WHITE TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2011  
(Continued)

**NOTE 10. INVENTORY**

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

Food	\$	2,913
Supplies		711
Total	\$	3,624

The value of Federal donated commodities as reflected on Schedule A (required by the Single Audit Law of 1984) is the difference between market value and cost of the commodities at the date of purchase and has been included as an item of nonoperating revenue in the financial statements.

**NOTE 11. CONTINGENT LIABILITIES**

The District is involved in various legal proceedings that are incidental to its operations. These legal proceedings are not likely to have a material adverse effect on the financial position of the School District.

**NOTE 12. RISK MANAGEMENT**

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

Property and Liability Insurance - The District maintains commercial insurance coverage for property, liability, and student accident and surety bonds. There was no significant reduction in insurance coverage from coverage of the prior year. The District did not have any insurance settlements which exceeded insurance coverage for the past three years. A complete schedule of insurance coverage can be found in the Statistical Section of the Comprehensive Annual Financial Report.

**NOTE 13. LEGAL RESERVE ACCOUNTS**

A capital reserve account was established by the District by inclusion of \$1 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

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

Beginning in fiscal year 2008, Districts are allowed as per NJSA 18A:7F-41(a) & 41(b) to deposit to the legal reserves by board resolution during the month of June for any unanticipated revenue and/or unexpended line-item appropriation amounts. Pursuant to this state statute, the District deposited \$150,000 to their Capital Reserve account and \$80,000 to their Maintenance Reserve account and \$100,000 to the Tuition Reserve by board resolution in June 2011 as summarized in the following schedule.

WHITE TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2011  
(Continued)

**NOTE 13. LEGAL RESERVE ACCOUNTS (Cont'd)**

The following is a summarization of the Legal Reserve Accounts for the Current year.

Type	Beginning Balance	District Contribution	Interest Earnings	Return of Unused With-drawal	With-drawal	Ending Balance
Capital	\$ 195,377	\$ 150,000	\$ 350			\$ 345,727
Maintenance		80,000	1			80,001
Tuition		100,000				100,000
Totals	<u>\$ 195,377</u>	<u>\$ 330,000</u>	<u>\$ 351</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 525,728</u>

**NOTE 14. FUND BALANCES-BUDGETARY BASIS**

As described in Note 1 N-Fund Equity (Fund Balance) may be restricted, committed or assigned. An analysis of the General Fund Balance on June 30, 2011 and 2010 is as follows:

	2011	2010
Restricted:		
Excess Surplus-Represents amount in excess of allowable percentage of expenditures. In accordance with state statute, the excess surplus is designated for utilization in succeeding year's budgets	\$ 236,115	\$ 25,925
Excess Surplus-Designated for Subsequent Year's Expenditures-Amount appropriated in the succeeding year's budget to reduce tax requirements	25,925	
Capital Reserve Account-represents funds restricted to capital projects in the Districts Long Range Facilities Plan	345,727	195,377
Maintenance Reserve-Represents funds accumulated for the required maintenance of a facility in accordance with the EFCFA (NJSA18A:76-9)	80,001	
Tuition Reserve	100,000	
Assigned:		
Designated Surplus-Designated for subsequent year's Expenditures-Represents amount appropriated in the succeeding year's budget to reduce tax requirements		25,000
Unassigned:		
Undesignated-Represents fund balance which has not been restricted or designated	<u>300,663</u>	<u>335,779</u>
Total Fund Balance	<u>\$ 1,088,431</u>	<u>\$ 582,081</u>

**NOTE 15. CALCULATION OF EXCESS SURPLUS**

In accordance with NJSA 18A:7F-7, as amended by PL 2004, Ch 73 (S1701), the designation for Reserved Fund Balance-Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund 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 \$236,115.

**REQUIRED SUPPLEMENTARY INFORMATION-PART II**

**BUDGETARY COMPARISON SCHEDULES**

WHITE TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>REVENUES</b>					
Local Sources:					
Local Tax Levy	\$ 6,581,939		\$ 6,581,939	\$ 6,581,939	
Interest on Investments				2,709	\$ 2,709
Interest on Capital Reserve Investments				350	350
Miscellaneous	15,000		15,000	21,563	6,563
Total	<u>6,596,939</u>	<u>\$ -</u>	<u>6,596,939</u>	<u>6,606,561</u>	<u>9,622</u>
State Sources:					
Categorical Special Education Aid	305,636		305,636	305,636	
Equalization Aid	726,318		726,318	726,318	
Categorical Security Aid	51,316		51,316	51,316	
Adjustment Aid	335,992		335,992	335,992	
Categorical Transportation Aid	251,799		251,799	251,799	
Extraordinary Aid				42,719	42,719
Nonpublic Transportation Aid				7,944	7,944
On-Behalf TPAF Pension Contribution				184,396	184,396
Reimbursed TPAF Social Security Contribution				161,252	161,252
Total	<u>1,671,061</u>	<u>-</u>	<u>1,671,061</u>	<u>2,067,372</u>	<u>396,311</u>
<b>TOTAL REVENUES</b>	<u>\$ 8,268,000</u>	<u>\$ -</u>	<u>\$ 8,268,000</u>	<u>\$ 8,673,933</u>	<u>\$ 405,933</u>
<b>EXPENDITURES</b>					
Current:					
Regular Programs:					
Instruction-Salaries of Teachers:					
Kindergarten	\$ 46,961		\$ 46,961	\$ 45,271	\$ 1,690
Grades 1-5	748,461	\$ (16,071)	732,390	703,132	29,258
Grades 6-8	644,473	(64,397)	580,076	512,522	67,554
Home Instruction:					
Salaries of Teachers	4,000	12,275	16,275	16,275	
Purchased Professional Educational Services	1,000		1,000		1,000
Undistributed Instruction:					
Other Salaries for Instruction	38,185	(10,913)	27,272	3,781	23,491
Other Purchased Services	25,500		25,500	14,469	11,031
General Supplies	38,234	38,197	76,431	63,847	12,584
Textbooks	12,500	87	12,587	8,805	3,782
Total	<u>1,559,314</u>	<u>(40,822)</u>	<u>1,518,492</u>	<u>1,368,102</u>	<u>150,390</u>
Learning and/or Language Disabilities:					
Salaries of Teachers	99,222	(99,222)			
General Supplies	1,000		1,000		1,000
Total	<u>100,222</u>	<u>(99,222)</u>	<u>1,000</u>	<u>-</u>	<u>1,000</u>
Cognitive-Severe:					
Other Salaries for Instruction	13,546	22,000	35,546	34,073	1,473
Resource Room/Center:					
Salaries of Teachers	335,365	94,482	429,847	429,847	
General Supplies	150	113	263	263	
Total	<u>335,515</u>	<u>94,595</u>	<u>430,110</u>	<u>430,110</u>	<u>-</u>
Preschool Disabilities - Part-Time:					
Salaries of Teachers	32,985	2,068	35,053	35,053	
Other Salaries for Instruction	22,066	(1,500)	20,566	18,251	2,315
Total	<u>55,051</u>	<u>568</u>	<u>55,619</u>	<u>53,304</u>	<u>2,315</u>
Total Special Education	<u>504,334</u>	<u>17,941</u>	<u>522,275</u>	<u>517,487</u>	<u>4,788</u>

WHITE TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
(Continued)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES (Cont'd)					
Current: (cont'd)					
Basic Skills/Remedial-Instruction:					
Salaries of Teachers	\$ 83,548	\$ (15,273)	\$ 68,275	\$ 68,275	
Total	83,548	(15,273)	68,275	68,275	\$ -
School-Sponsored Co-Curricular Activities:					
Supplies and Materials	2,000		2,000	1,311	689
Total	2,000	-	2,000	1,311	689
Total Instruction Regular	\$ 2,149,196	\$ (38,154)	\$ 2,111,042	\$ 1,955,175	\$ 155,867
Undistributed Expenditures:					
Instruction Tuition:					
Other LEAs Within the State-Regular	\$ 2,342,400	\$ 55,909	\$ 2,398,309	\$ 2,398,309	
Other LEAs Within the State-Special	183,787	29,679	213,466	213,466	
County Vocational School District-Regular	52,535	6,190	58,725	52,535	\$ 6,190
County Vocational School District-Special	6,500		6,500	6,500	
Tuition to CSSD & Regional Day Schools	88,830	(43,980)	44,850	21,062	23,788
Tuition to Private School for the Disable Within State	236,644	(70,773)	165,871	146,232	19,639
Tuition to State Facilities	30,750		30,750	30,750	
Total	2,941,446	(22,975)	2,918,471	2,868,854	49,617
Attendance & Social Work:					
Salaries	61,506		61,506	60,097	1,409
Supplies and Materials	7,630		7,630	7,450	180
Total	69,136	-	69,136	67,547	1,589
Health Services:					
Salaries	48,385	2,642	51,027	51,027	
Purchased Professional & Technical Services	2,000	(1,550)	450	450	
Supplies and Materials	2,300	(1,000)	1,300	953	347
Total	52,685	92	52,777	52,430	347
Other Support Services-Students-Extra Services:					
Salaries - Aide		22,529	22,529	22,529	
Purchased Professional-Educational Services	163,837	(52,029)	111,808	109,832	1,976
Total	163,837	(29,500)	134,337	132,361	1,976
Child Study Team:					
Salaries of Other Professional Staff	241,733	37,729	279,462	279,462	
Supplies and Materials	500	4,285	4,785	3,964	821
Total	242,233	42,014	284,247	283,426	821
Improvement of Instructional Services:					
Other Purchased Services	2,000	1,304	3,304	3,304	-
Educational Media Services/School Library:					
Salaries	84,631	(135)	84,496	82,492	2,004
Supplies and Materials	2,000	(93)	1,907	1,869	38
Total	86,631	(228)	86,403	84,361	2,042
Instructional Staff Training Services:					
Other Purchased Services	2,000	(254)	1,746	162	1,584

WHITE TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
(Continued)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES (Cont'd)					
Current: (cont'd)					
Support Services-General Administration:					
Salaries	\$ 39,360	\$ 17,758	\$ 57,118	\$ 43,500	\$ 13,618
Legal Services	3,500	608	4,108	1,576	2,532
Audit Fees	13,250	325	13,575	13,575	
Architectural/Engineering Services	2,000	(54)	1,946		1,946
Other Purchased Professional Services	99,000		99,000	98,978	22
Communications & Telephone	22,000	(4,332)	17,668	6,573	11,095
Miscellaneous Purchased Services	16,000	4,486	20,486	24,226	(3,740)
General Supplies	2,500	(350)	2,150	933	1,217
Miscellaneous Expenditures	13,000	196	13,196	9,408	3,788
Board of Education Membership Dues & Fees	6,000		6,000	5,088	912
Total	216,610	18,637	235,247	203,857	31,390
Support Services-School Administration:					
Salaries of Principals & Assistant Principals	80,000	11,463	91,463	76,923	14,540
Salaries of Secretarial & Clerical Assistants	33,626		33,626	32,886	740
Supplies and Materials	1,000		1,000	659	341
Total	114,626	11,463	126,089	110,468	15,621
Central Services:					
Salaries	15,000	6,736	21,736	14,600	7,136
Purchased Professional Services	67,245	80	67,325	67,325	
Total	82,245	6,816	89,061	81,925	7,136
Required Maintenance for School Facilities:					
Salaries	109,608	(21,764)	87,844	61,009	26,835
Cleaning, Repair & Maintenance Services	48,000	42,860	90,860	90,860	
General Supplies	15,000	9,575	24,575	22,773	1,802
Total	172,608	30,671	203,279	174,642	28,637
Custodial Services:					
Salaries	44,340	26,432	70,772	70,772	
Cleaning, Repair & Maintenance Services	27,500	(1,964)	25,536	15,496	10,040
Insurance	22,393	(80)	22,313	14,950	7,363
Miscellaneous Purchased Services		778	778	778	
General Supplies	20,000		20,000	6,537	13,463
Energy (Electricity)	86,190	(166)	86,024	67,008	19,016
Energy (Natural Gas)	56,000	(10,000)	46,000	28,740	17,260
Total	256,423	15,000	271,423	204,281	67,142
Care and Upkeep of Grounds:					
Cleaning, Repair, and Maintenance Services	5,000	-	5,000	5,000	-
Student Transportation Services:					
Contracted Services (Between Home & School)- Vendors	342,092	6,486	348,578	343,318	5,260
Contracted Services (Between Home & School)- Joint Agreements	5,400	(912)	4,488		4,488
Contracted Services (Special Education Students)-Vendors	162,015	(20,235)	141,780	102,869	38,911
Contracted Services-AIL of Payments-Non Public	15,000	1,599	16,599	15,475	1,124
Miscellaneous Purchased Services		3,000	3,000	3,000	
Total	524,507	(10,062)	514,445	464,662	49,783

WHITE TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
(Continued)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES (Cont'd)					
Current: (cont'd)					
Allocated Benefits-Employees:					
Regular Programs:					
Health Benefits	\$ 512,848	\$ (80,073)	\$ 432,775	\$ 389,408	\$ 43,367
Special Programs:					
Health Benefits	183,356	(33,004)	150,352	150,340	12
Basic Skills/Remedial-Instruction:					
Health Benefits		22,461	22,461	22,461	
Attendance & Social Work Service:					
Health Benefits	27,009		27,009	25,570	1,439
Health Services:					
Health Benefits	10,697	(92)	10,605	10,377	228
Child Study Team:					
Health Benefits	37,570	36,077	73,647	71,519	2,128
Educational Media Services/School Library:					
Health Benefits	23,196	2,529	25,725	25,725	
Support Services-General Administration:					
Health Benefits	23,784		23,784	22,146	1,638
Support Services-School Administration:					
Health Benefits	54,636		54,636	51,107	3,529
Custodial Services:					
Health Benefits	38,770	(1,227)	37,543	37,543	
Total Allocated Benefits	<u>911,866</u>	<u>(53,329)</u>	<u>858,537</u>	<u>806,196</u>	<u>52,341</u>
Unallocated Benefits-Employee Benefits:					
Social Security Contributions	44,325	14,006	58,331	57,606	725
TPAF Contributions-ERIP	28,738	(1,960)	26,778	26,778	
Other Retirement Contributions-PERS	61,527	4,355	65,882	65,882	
Unemployment Compensation	9,000	5,000	14,000	11,660	2,340
Workmen's Compensation	50,000	(3,000)	47,000	46,384	616
Tuition Reimbursement	10,000	22,724	32,724	32,139	585
Health Benefits	38,000	(9,000)	29,000	28,885	115
Other Employee Benefits	54,691	(12,395)	42,296	41,505	791
Total	<u>296,281</u>	<u>19,730</u>	<u>316,011</u>	<u>310,839</u>	<u>5,172</u>
Total Personal Services-Employee Benefits	<u>1,208,147</u>	<u>(33,599)</u>	<u>1,174,548</u>	<u>1,117,035</u>	<u>57,513</u>
On-Behalf TPAF Payments				184,396	(184,396)
Reimbursement TPAF Social Security Contribution				161,252	(161,252)
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>345,648</u>	<u>(345,648)</u>
Total Undistributed Expenditures	<u>\$ 6,140,134</u>	<u>\$ 29,379</u>	<u>\$ 6,169,513</u>	<u>\$ 6,199,963</u>	<u>\$ (30,450)</u>
TOTAL CURRENT	<u>\$ 8,289,330</u>	<u>\$ (8,775)</u>	<u>\$ 8,280,555</u>	<u>\$ 8,155,138</u>	<u>\$ 125,417</u>

WHITE TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
(Continued)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES (Cont'd)					
CAPITAL OUTLAY					
Facilities Acquisition and Construction Services:					
Other Objects	\$ 3,670		\$ 3,670	\$ 3,670	
TOTAL CAPITAL OUTLAY	<u>\$ 3,670</u>	<u>\$ -</u>	<u>\$ 3,670</u>	<u>\$ 3,670</u>	<u>\$ -</u>
TRANSFER OF FUNDS TO CHARTER SCHOOLS	<u>\$ -</u>	<u>\$ 8,775</u>	<u>\$ 8,775</u>	<u>\$ 8,775</u>	<u>\$ -</u>
TOTAL EXPENDITURES	<u>\$ 8,293,000</u>	<u>\$ -</u>	<u>\$ 8,293,000</u>	<u>\$ 8,167,583</u>	<u>\$ 125,417</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (25,000)	\$ -	\$ (25,000)	\$ 506,350	\$ 531,350
Fund Balances, July 1	<u>582,081</u>		<u>582,081</u>	<u>582,081</u>	
Fund Balances, June 30	<u>\$ 557,081</u>	<u>\$ -</u>	<u>\$ 557,081</u>	<u>\$ 1,088,431</u>	<u>\$ 531,350</u>
Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures					
Increase (Decrease) in Capital Reserve		\$ 150,000	\$ 150,000	\$ 150,350	\$ 350
Increase (Decrease) in Maintenance Reserve		80,001	80,001	80,001	
Increase (Decrease) in Tuition Reserve		100,000	100,000	100,000	
Budgeted Fund Balance	<u>\$ (25,000)</u>	<u>(330,001)</u>	<u>(355,001)</u>	<u>175,999</u>	<u>531,000</u>
TOTAL	<u>\$ (25,000)</u>	<u>\$ -</u>	<u>\$ (25,000)</u>	<u>\$ 506,350</u>	<u>\$ 531,350</u>
RECAPITULATION OF FUND BALANCE					
Restricted Fund Balance:					
Capital Reserve				\$ 345,727	
Maintenance Reserve				80,001	
Tuition Reserve				100,000	
Excess Surplus:					
Prior Year-Designated for 2011-2012 Budget				25,925	
Current Year-Designated for 2012-2013 Budget				<u>236,115</u>	
					\$ 787,768
Unassigned Fund Balance					<u>300,663</u>
					1,088,431
Reconciliation to Governmental Statements (GAAP):					
Last State Aid Payments not Recognized on GAAP Basis					<u>(163,763)</u>
Fund Balance Per Governmental Funds (GAAP)					<u>\$ 924,668</u>

WHITE TOWNSHIP SCHOOL DISTRICT  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE-BUDGET AND ACTUAL  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

(NOT APPLICABLE TO THIS REPORT)

WHITE TOWNSHIP SCHOOL DISTRICT  
EDUCATION JOBS FUND  
AMERICAN RECOVERY AND REINVESTMENT ACT-BUDGET AND ACTUAL  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

(NOT APPLICABLE TO THIS REPORT)

WHITE TOWNSHIP SCHOOL DISTRICT  
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					
Federal Sources	\$ 241,419	\$ 43,433	\$ 284,852	\$ 284,652	\$ (200)
TOTAL REVENUES	<u>\$ 241,419</u>	<u>\$ 43,433</u>	<u>\$ 284,852</u>	<u>\$ 284,652</u>	<u>\$ (200)</u>
EXPENDITURES					
Instruction:					
Salaries for Teachers	\$ 43,125		\$ 43,125	\$ 43,125	
Other Salaries for Instruction	23,397		23,397	23,397	
Supplies	20,443		20,443	20,443	
Totals	<u>86,965</u>	<u>\$ -</u>	<u>86,965</u>	<u>86,965</u>	<u>\$ -</u>
Support Services:					
Personal Services Employee Benefits	8,098		8,098	8,098	
Purchased Professional Educational Services	2,000		2,000	2,000	
Tuition	133,124	43,433	176,557	176,357	200
Supplies	109		109	109	
Other Purchased Services	3,002		3,002	3,002	
Total	<u>146,333</u>	<u>43,433</u>	<u>189,766</u>	<u>189,566</u>	<u>200</u>
Capital Outlay:					
Equipment:					
Instructional	8,121		8,121	8,121	
TOTAL EXPENDITURES	<u>\$ 241,419</u>	<u>\$ 43,433</u>	<u>\$ 284,852</u>	<u>\$ 284,652</u>	<u>\$ 200</u>

**NOTES TO THE REQUIRED SUPPLEMENTAL INFORMATION**

WHITE TOWNSHIP SCHOOL DISTRICT  
NOTES TO REQUIRED SUPPLEMENTAL INFORMATION  
BUDGETARY COMPARISON SCHEDULE

Explanation of Differences Between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures:

	General Fund	Special Revenue Fund
<u>Sources/Inflows of Resources</u>		
Actual amounts (budgetary) "revenues" from the budgetary comparison schedules	\$ 8,673,933	\$ 284,652
Difference-Budget to GAAP:		
The last State aid payment is recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expenses (GASB 33):		
State Aid Receivable Prior Year	201,615	
State Aid Receivable Current Year	(163,763)	
Total Revenues (GAAP Basis)	\$ 8,711,785	\$ 284,652
<u>Uses/Outflows of Resources</u>		
Actual Amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	\$ 8,167,583	\$ 284,652
Total Expenditures (GAAP Basis)	\$ 8,167,583	\$ 284,652

**OTHER SUPPLEMENTAL INFORMATION**

**SCHOOL LEVEL SCHEDULES**

(NOT APPLICABLE TO THIS REPORT)

## **SPECIAL REVENUE FUND**

### **DETAIL STATEMENTS**

The special revenue fund is used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted expenditures for specific purposes.

WHITE TOWNSHIP SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES-BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	IDEA Basic	IDEA P S	NCLB I	NCLB IIA	NCLB IID & IV	REAP	ARRA IDEA Basic	Total 2011
<b>REVENUES</b>								
Federal Sources	\$ 133,124	\$ 5,810	\$ 49,711	\$ 24,101	\$ 109	\$ 28,564	\$ 43,233	\$ 284,652
<b>TOTAL REVENUES</b>	<b>\$ 133,124</b>	<b>\$ 5,810</b>	<b>\$ 49,711</b>	<b>\$ 24,101</b>	<b>\$ 109</b>	<b>\$ 28,564</b>	<b>\$ 43,233</b>	<b>\$ 284,652</b>
<b>EXPENDITURES</b>								
Instruction:								
Salaries for Teachers			\$ 22,100	\$ 21,025				\$ 43,125
Other Salaries for Instruction		\$ 5,397	18,000					23,397
Supplies						\$ 20,443		20,443
<b>Totals</b>	<b>\$ -</b>	<b>5,397</b>	<b>40,100</b>	<b>21,025</b>	<b>\$ -</b>	<b>20,443</b>	<b>\$ -</b>	<b>86,965</b>
Support Services:								
Employee Benefits		413	4,609	3,076				8,098
Purchased Professional Educational Services			2,000					2,000
Tuition	133,124						43,233	176,357
Supplies					109			109
Other Purchased Services			3,002					3,002
<b>Total</b>	<b>133,124</b>	<b>413</b>	<b>9,611</b>	<b>3,076</b>	<b>109</b>	<b>-</b>	<b>43,233</b>	<b>189,566</b>
Capital Outlay:								
Equipment:								
Instructional						8,121		8,121
<b>TOTAL EXPENDITURES</b>	<b>\$ 133,124</b>	<b>\$ 5,810</b>	<b>\$ 49,711</b>	<b>\$ 24,101</b>	<b>\$ 109</b>	<b>\$ 28,564</b>	<b>\$ 43,233</b>	<b>\$ 284,652</b>

**CAPITAL PROJECTS FUND**

**DETAIL STATEMENTS**

The capital projects fund is used to account for the acquisition and construction of major capital facilities and equipment purchases other than those financed by proprietary funds.

(NOT APPLICABLE TO THIS REPORT)

## **PROPRIETARY FUND**

### **DETAIL STATEMENTS**

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

WHITE TOWNSHIP SCHOOL DISTRICT  
COMBINING STATEMENT OF FUND NET ASSETS  
ENTERPRISE FUND  
JUNE 30, 2011

	Food Service Fund	After School Program	Total
<b>ASSETS</b>			
Current Assets:			
Cash & Cash Equivalents	\$ 11,458	\$ 2,135	\$ 13,593
Inventories	3,624		3,624
Total Current Assets	<u>15,082</u>	<u>2,135</u>	<u>17,217</u>
Fixed Assets:			
Capital Assets	20,627		20,627
Accumulated Depreciation	6,504		6,504
Total Fixed Assets	<u>14,123</u>	<u>-</u>	<u>14,123</u>
Total Assets	<u>29,205</u>	<u>2,135</u>	<u>31,340</u>
<b>LIABILITIES</b>			
Current Liabilities:			
Accounts Payable	4,375		4,375
Interfund Payable	545		545
Deferred Revenue	1,045		1,045
Total Current Liabilities	<u>5,965</u>	<u>-</u>	<u>5,965</u>
<b>NET ASSETS</b>			
Invested in Capital Assets, Net of Related Debt	14,123		14,123
Unrestricted	9,117	2,135	11,252
TOTAL NET ASSETS	<u>\$ 23,240</u>	<u>\$ 2,135</u>	<u>\$ 25,375</u>

WHITE TOWNSHIP SCHOOL DISTRICT  
 COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS  
 ENTERPRISE FUNDS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Food Services	After School Program	Total
Operating Revenues:			
Charges for Services:			
Daily Sales-Reimbursable Programs	\$ 65,717		\$ 65,717
Daily Sales-Nonreimbursable Programs	17,967		17,967
Total Operating Revenues	<u>83,684</u>	<u>\$ -</u>	<u>83,684</u>
Operating Expenses:			
Costs of Sales	51,057		51,057
Salaries	46,151		46,151
Employee Benefits	4,527		4,527
Insurance	2,962		2,962
Management Fees	7,640		7,640
Other Purchased Services	2,017		2,017
General Supplies	3,717		3,717
Office Expense	1,775		1,775
Depreciation	1,718		1,718
Total Operating Expenses	<u>121,564</u>	<u>-</u>	<u>121,564</u>
Operating Income (Loss)	<u>(37,880)</u>	<u>-</u>	<u>(37,880)</u>
Nonoperating Revenues (Expenses):			
State Sources:			
State School Lunch Program	1,326		1,326
Federal Sources:			
National School Lunch Program	22,718		22,718
National Milk Program	257		257
Food Distribution Program	7,727		7,727
Interest Earned on Investments	33		33
Total Nonoperating Revenues (Expenses)	<u>32,061</u>	<u>-</u>	<u>32,061</u>
Change in Net Assets	(5,819)	-	(5,819)
Total Net Assets, Beginning	<u>29,059</u>	<u>2,135</u>	<u>31,194</u>
Total Net Assets, Ending	<u>\$ 23,240</u>	<u>\$ 2,135</u>	<u>\$ 25,375</u>

WHITE TOWNSHIP SCHOOL DISTRICT  
COMBINING STATEMENT OF CASH FLOWS  
ENTERPRISE FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>Food Services</u>	<u>Child Care Program</u>	<u>Total</u>
Cash Flows from Operating Activities:			
Receipts from Customers	\$ 83,684		\$ 83,684
Payments to Employees	(14,619)		(14,619)
Payments to Food Services Management Co	(92,042)		(92,042)
Payments to Vendors	(2,100)		(2,100)
Net Cash Provided by (Used For) Operating Activities	<u>(25,077)</u>	<u>\$ -</u>	<u>(25,077)</u>
Cash Flows from Noncapital Financing Activities:			
State Sources	1,443		1,443
Federal Sources	24,717		24,717
Net Interfund Transactions	(1,314)		(1,314)
Net Cash Provided by (Used For) Noncapital Financing Activities	<u>24,846</u>	<u>-</u>	<u>24,846</u>
Cash Flows from Investing Activities:			
Interest Earned on Investments	33		33
Net Cash Provided by (Used For) Investing Activities	<u>33</u>	<u>-</u>	<u>33</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(198)	-	(198)
Cash and Cash Equivalents, July 1, 2010	<u>11,656</u>	<u>2,135</u>	<u>13,791</u>
Cash and Cash Equivalents, June 30, 2011	<u>\$ 11,458</u>	<u>\$ 2,135</u>	<u>\$ 13,593</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used For) Operating Activities:			
Operating Income (Loss)	\$ (37,880)	\$ -	\$ (37,880)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used For) Operating Activities:			
Depreciation	1,718		1,718
Federal Food Distribution Program	7,323		7,323
(Increase) Decrease in Inventory	(613)		(613)
Increase (Decrease) in Accounts Payable	4,375		4,375
Net Cash Provided by (Used For) Operating Activities	<u>\$ (25,077)</u>	<u>\$ -</u>	<u>\$ (25,077)</u>

**FIDUCIARY FUND**

**DETAIL STATEMENTS**

Fiduciary Fund are used to account for funds received by the school district as an agent for individuals, private organizations, other governments and/or other funds.

WHITE TOWNSHIP SCHOOL DISTRICT  
COMBINING STATEMENT OF FIDUCIARY FUND NET ASSETS  
JUNE 30, 2011

	Student Activity Agency Fund	Payroll Agency Fund	Total
ASSETS			
Cash & Cash Equivalents	\$ 8,091	\$ 9,231	\$ 17,322
TOTAL ASSETS	<u>\$ 8,091</u>	<u>\$ 9,231</u>	<u>\$ 17,322</u>
LIABILITIES			
Payroll Deductions & Withholdings Due to Student Groups	\$ 8,091	\$ 9,231	\$ 9,231
TOTAL LIABILITIES	<u>\$ 8,091</u>	<u>\$ 9,231</u>	<u>\$ 17,322</u>

WHITE TOWNSHIP SCHOOL DISTRICT  
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS  
FOR THE YEAR ENDED JUNE 30, 2011

(NOT APPLICABLE TO THIS REPORT)

WHITE TOWNSHIP SCHOOL DISTRICT  
STUDENT ACTIVITY AGENCY FUND  
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>Balance 07/01/10</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 06/30/11</u>
ASSETS				
Cash & Cash Equivalents	\$ 10,824	\$ 38,558	\$ 41,291	\$ 8,091
TOTAL ASSETS	<u>\$ 10,824</u>	<u>\$ 38,558</u>	<u>\$ 41,291</u>	<u>\$ 8,091</u>
LIABILITIES				
Student Activities	\$ 1,259	\$ 21	\$ 1,280	
Class Funds	<u>9,565</u>	<u>38,537</u>	<u>40,011</u>	<u>\$ 8,091</u>
TOTAL LIABILITIES	<u>\$ 10,824</u>	<u>\$ 38,558</u>	<u>\$ 41,291</u>	<u>\$ 8,091</u>

WHITE TOWNSHIP SCHOOL DISTRICT  
PAYROLL AGENCY FUND  
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Balance 07/01/10	Additions	Deletions	Balance 06/30/11
<b>ASSETS</b>				
Cash & Cash Equivalents	\$ 25,462	\$ 3,172,837	\$ 3,189,068	\$ 9,231
<b>TOTAL ASSETS</b>	<u>\$ 25,462</u>	<u>\$ 3,172,837</u>	<u>\$ 3,189,068</u>	<u>\$ 9,231</u>
<b>LIABILITIES</b>				
Payroll Deductions & Withholdings	\$ 22,208	\$ 1,230,594	\$ 1,247,313	\$ 5,489
Net Payroll	3,254	1,942,243	1,941,755	3,742
<b>TOTAL LIABILITIES</b>	<u>\$ 25,462</u>	<u>\$ 3,172,837</u>	<u>\$ 3,189,068</u>	<u>\$ 9,231</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, obligations under capital leases, and early retirement program.



WHITE TOWNSHIP SCHOOL DISTRICT  
LONG-TERM DEBT  
SCHEDULE OF EARLY INCENTIVE RETIREMENT OBLIGATION  
JUNE 30, 2011

Issue	Date of Issue	Amount of Issue	Annual Maturities		Balance 07/01/10	Issued	Retired	Balance 06/30/11
			Date	Amount				
Early Retirement Incentive Program-TPAF	4/1/1995	\$ 746,064	4/1/2012 to 4/1/2021	\$ 27,632	\$ 303,952		\$ 27,632	\$ 276,320
Early Retirement Incentive Program-PERS	4/1/1995	343,693	4/1/2012 to 4/1/2021	5,395 to 23,695	204,885		13,747	191,138
					<u>\$ 508,837</u>	<u>\$ -</u>	<u>\$ 41,379</u>	<u>\$ 467,458</u>

WHITE 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	\$ 324,840		\$ 324,840	\$ 324,840	
State Source:					
Debt Service Aid Type II	47,260		47,260	47,260	
Total Revenues	<u>372,100</u>	<u>\$ -</u>	<u>372,100</u>	<u>372,100</u>	<u>\$ -</u>
EXPENDITURES					
Regular Debt Service:					
Interest	97,100		97,100	97,100	
Redemption of Principal	275,000		275,000	275,000	
Total Expenditures	<u>372,100</u>	<u>-</u>	<u>372,100</u>	<u>372,100</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	-	-	-	-	-
Fund Balance, July 1	<u>381</u>	<u>-</u>	<u>381</u>	<u>381</u>	
Fund Balance, June 30	<u>\$ 381</u>	<u>\$ -</u>	<u>\$ 381</u>	<u>\$ 381</u>	<u>\$ -</u>

**STATISTICAL SECTION**

WHITE TOWNSHIP SCHOOL DISTRICT  
STATISTICAL SECTION J SERIES

CONTENTS	PAGE
<b>FINANCIAL TRENDS</b>	
These Schedules Contain Trend Information to Help the Reader Understand how the District's Financial Performance and Well Being have Changed Over Time.	J-1 to J-5
<b>REVENUE CAPACITY</b>	
These Schedules Contain Trend Information to Help the Reader Assess the District's Most Significant Local Revenue Sources, the Property Tax.	J-6 to J-9
<b>DEBT CAPACITY</b>	
These Schedules Contain Trend Information to Help the Reader Assess the Affordability of the District's Current Levels of Outstanding Debt and the District's Ability to Issue Additional Debt in the Future.	J-10 to J-13
<b>DEMOGRAPHIC AND ECONOMIC INFORMATION</b>	
These Schedules Offer Demographic and Economic Indicators to Help the Reader Understand the Environment Within Which the District's Financial Activities Take Place.	J-14 to J-15
<b>OPERATING INFORMATION</b>	
These Schedules Contain Service and Infrastructure Data to Help the Reader Understand how the Information in the District's Financial Report Relates to the Services the District Provides and the Activities it Performs.	J-16 to J-20

Sources: Unless Otherwise noted, the Information in these Schedules is Derived from the Comprehensive Annual Financial Reports (CAFR) for the Relevant Year. The District Implemented GASB Statement 34 in the Fiscal Year Ending June 30, 2004; Schedules Presenting District-Wide Information Include Information Beginning in That Year.

WHITE TOWNSHIP SCHOOL DISTRICT  
 NET ASSETS BY COMPONENT  
 LAST EIGHT FISCAL YEARS  
 (ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year Ending June 30,							
	2004	2005	2006	2007	2008	2009	2010	2011
<b>GOVERNMENT ACTIVITIES</b>								
Invested in Capital Assets, Net of Related Debt	\$ 1,668,182	\$ 1,549,024	\$ 1,471,668	\$ 1,044,189	\$ 1,257,371	\$ 1,353,502	\$ 1,602,141	\$ 1,725,506
Restricted	(486,215)	(172,314)	(44,065)	(80,528)	121,513	221,898	195,758	526,109
Unrestricted	(1,049,307)	(1,197,770)	(763,542)	(277,874)	(358,826)	(621,603)	(448,937)	(188,379)
<b>TOTAL GOVERNMENTAL ACTIVITIES NET ASSETS</b>	<b>\$ 132,660</b>	<b>\$ 178,940</b>	<b>\$ 664,061</b>	<b>\$ 685,787</b>	<b>\$ 1,020,058</b>	<b>\$ 953,797</b>	<b>\$ 1,348,962</b>	<b>\$ 2,063,236</b>
<b>BUSINESS-TYPE ACTIVITIES</b>								
Invested in Capital Assets, Net of Related Debt	\$ 3,010	\$ 2,580	\$ 2,150	\$ 8,257	\$ 7,438	\$ 8,309	\$ 15,841	\$ 14,123
Unrestricted	50,870	44,946	42,441	33,625	23,395	23,872	15,353	11,252
<b>TOTAL BUSINESS-TYPE ACTIVITIES</b>	<b>\$ 53,880</b>	<b>\$ 47,526</b>	<b>\$ 44,591</b>	<b>\$ 41,882</b>	<b>\$ 30,833</b>	<b>\$ 32,181</b>	<b>\$ 31,194</b>	<b>\$ 25,375</b>
<b>DISTRICT-WIDE</b>								
Invested in Capital Assets, Net of Related Debt	\$ 1,671,192	\$ 1,551,604	\$ 1,473,818	\$ 1,052,446	\$ 1,264,809	\$ 1,361,811	\$ 1,617,982	\$ 1,739,629
Restricted	(486,215)	(172,314)	(44,065)	(80,528)	121,513	221,898	195,758	526,109
Unrestricted	(998,437)	(1,152,824)	(721,101)	(244,249)	(335,431)	(597,731)	(433,584)	(177,127)
<b>TOTAL DISTRICT-WIDE</b>	<b>\$ 186,540</b>	<b>\$ 226,466</b>	<b>\$ 708,652</b>	<b>\$ 727,669</b>	<b>\$ 1,050,891</b>	<b>\$ 985,978</b>	<b>\$ 1,380,156</b>	<b>\$ 2,088,611</b>

WHITE 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	\$ 3,133,162	\$ 3,051,925	\$ 2,998,220	\$ 2,949,638	\$ 2,876,801	\$ 2,694,505	\$ 2,556,623	\$ 2,177,363
Special Education	340,891	448,568	464,035	621,648	760,145	755,833	717,918	818,748
Other Special Education	200,237	156,143	120,239	102,695	152,069	143,671	139,610	157,687
Other Instruction				30,227	16,905	35,910	2,099	1,378
Support Services:								
Tuition	1,926,519	1,967,346	1,874,298	2,171,129	2,462,511	2,859,364	3,249,258	3,045,211
Student & Instruction Related Services	874,727	1,041,290	941,522	917,972	921,789	930,583	914,596	885,676
General & Business Administrative Services	473,463	581,112	412,973	426,434	509,173	467,406	452,409	346,582
School Administrative Services	77,837	132,619	46,716	106,479	54,620	90,254	105,794	193,206
Plant Operations & Maintenance	458,392	464,397	459,242	486,522	445,067	489,361	482,056	451,178
Pupil Transportation	612,237	653,768	628,267	650,995	594,097	643,560	517,216	464,662
Special Schools	34,369	25,793	29,475	1,779	4,164			
Transfer of Funds to Charter Schools								8,775
Interest on Long-Term Debt	214,658	193,289	184,666	171,933	133,108	121,574	110,724	103,797
Unallocated Depreciation	34,394	34,493	35,308					
Total Governmental Activities Expenses	<u>8,380,886</u>	<u>8,750,743</u>	<u>8,194,961</u>	<u>8,637,451</u>	<u>8,930,449</u>	<u>9,232,021</u>	<u>9,248,303</u>	<u>8,654,263</u>
Business-Type Activities:								
Food Services	127,810	126,936	125,268	122,673	133,288	118,938	122,303	121,564
After School Program							2,959	
Total Business-Type Activities	<u>127,810</u>	<u>126,936</u>	<u>125,268</u>	<u>122,673</u>	<u>133,288</u>	<u>118,938</u>	<u>125,262</u>	<u>121,564</u>
TOTAL DISTRICT EXPENSES	<u>\$ 8,508,696</u>	<u>\$ 8,877,679</u>	<u>\$ 8,320,229</u>	<u>\$ 8,760,124</u>	<u>\$ 9,063,737</u>	<u>\$ 9,350,959</u>	<u>\$ 9,373,565</u>	<u>\$ 8,775,827</u>

WHITE TOWNSHIP SCHOOL DISTRICT  
CHANGES IN NET ASSETS  
LAST EIGHT FISCAL YEARS  
(ACCRUAL BASIS OF ACCOUNTING)  
(Continued)

	Fiscal Year Ending June 30,							
	2004	2005	2006	2007	2008	2009	2010	2011
<b>PROGRAM REVENUES</b>								
Governmental Activities:								
Operating Grants & Contributions	\$ 27,520	\$ 216,495	\$ 483,329	\$ 350,830	\$ 241,638	\$ 211,096	\$ 304,443	\$ 284,652
Charges for Services			9,318					
Total Governmental Activities Program Revenues	<u>27,520</u>	<u>216,495</u>	<u>492,647</u>	<u>350,830</u>	<u>241,638</u>	<u>211,096</u>	<u>304,443</u>	<u>284,652</u>
Business-Type Activities:								
Charges for Services:								
Food Service	106,414	98,442	104,393	98,422	95,993	92,623	83,216	83,684
After School Program							5,094	
Operating Grants & Contributions	22,261	21,962	17,771	23,735	25,199	27,557	35,901	32,028
Total Business-Type Activities Program Revenues	<u>128,675</u>	<u>120,404</u>	<u>122,164</u>	<u>122,157</u>	<u>121,192</u>	<u>120,180</u>	<u>124,211</u>	<u>115,712</u>
<b>TOTAL DISTRICT-PROGRAM REVENUES</b>	<u>\$ 156,195</u>	<u>\$ 336,899</u>	<u>\$ 614,811</u>	<u>\$ 472,987</u>	<u>\$ 362,830</u>	<u>\$ 331,276</u>	<u>\$ 428,654</u>	<u>\$ 400,364</u>
<b>NET (EXPENSE) REVENUES</b>								
Governmental Activities	\$ (8,353,366)	\$ (8,534,248)	\$ (7,702,314)	\$ (8,286,621)	\$ (8,688,811)	\$ (9,020,925)	\$ (8,943,860)	\$ (8,369,611)
Business-Type Activities	865	(6,532)	(3,104)	(516)	(12,096)	1,242	(1,051)	(5,852)
<b>TOTAL DISTRICT-WIDE NET EXPENSES</b>	<u>\$ (8,352,501)</u>	<u>\$ (8,540,780)</u>	<u>\$ (7,705,418)</u>	<u>\$ (8,287,137)</u>	<u>\$ (8,700,907)</u>	<u>\$ (9,019,683)</u>	<u>\$ (8,944,911)</u>	<u>\$ (8,375,463)</u>
<b>GENERAL REVENUES &amp; OTHER CHANGES IN NET ASSETS</b>								
Governmental Activities:								
Property Taxes Levied for General Purposes, Net	\$ 4,998,545	\$ 5,166,731	\$ 5,365,445	\$ 5,682,676	\$ 5,902,317	\$ 6,138,406	\$ 6,383,940	\$ 6,581,939
Taxes Levied for Debt Service	387,386	408,368	408,566	345,857	410,321	316,396	295,673	324,840
Unrestricted Grants & Contributions	2,766,367	2,999,201	2,392,662	2,595,803	2,676,861	2,473,335	2,594,473	2,152,484
Capital Grants-Unallocated							44,145	
Investment Earnings	4,588	6,228	18,501	30,949	24,450	9,133	5,515	3,059
Miscellaneous Income			2,261	880	9,723	17,394	15,279	21,563
Operating Transfer	(18,608)							
Write Off of Prior Year Accounts Receivable				(8,922)				
Unfinanced Capital Project Balance Cancelled					(590)			
Total Governmental Activities	<u>8,138,278</u>	<u>8,580,528</u>	<u>8,187,435</u>	<u>8,647,243</u>	<u>9,023,082</u>	<u>8,954,664</u>	<u>9,339,025</u>	<u>9,083,885</u>

WHITE TOWNSHIP SCHOOL DISTRICT  
CHANGES IN NET ASSETS  
LAST EIGHT FISCAL YEARS  
(ACCRUAL BASIS OF ACCOUNTING)  
(Continued)

	Fiscal Year Ending June 30,							
	2004	2005	2006	2007	2008	2009	2010	2011
GENERAL REVENUES & OTHER CHANGES IN NET ASSETS (Cont'd)								
Business-Type Activities:								
Investment Earnings	\$ 222	\$ 178	\$ 169	\$ 134	\$ 138	\$ 106	\$ 64	\$ 33
Write Off of Prior Year Accounts Receivable				(2,327)				
Miscellaneous Income					909			
Transfers	18,608							
Total Business-Type Activities	18,830	178	169	(2,193)	1,047	106	64	33
TOTAL DISTRICT-WIDE	<u>\$ 8,157,108</u>	<u>\$ 8,580,706</u>	<u>\$ 8,187,604</u>	<u>\$ 8,645,050</u>	<u>\$ 9,024,129</u>	<u>\$ 8,954,770</u>	<u>\$ 9,339,089</u>	<u>\$ 9,083,918</u>
CHANGE IN NET ASSETS								
Governmental Activities	\$ (215,088)	\$ 46,280	\$ 485,121	\$ 360,622	\$ 334,271	\$ (66,261)	\$ 395,165	\$ 714,274
Business-Type Activities	19,695	(6,354)	(2,935)	(2,709)	(11,049)	1,348	(987)	(5,819)
TOTAL DISTRICT	<u>\$ (195,393)</u>	<u>\$ 39,926</u>	<u>\$ 482,186</u>	<u>\$ 357,913</u>	<u>\$ 323,222</u>	<u>\$ (64,913)</u>	<u>\$ 394,178</u>	<u>\$ 708,455</u>

WHITE 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:								
Reserved	\$ 19,996	\$ 1	\$ 97,875	\$ 228,212	\$ 266,114	\$ 160,269	\$ 221,302	\$ 787,768
Unreserved	(7,141)	(216,845)	115,495	290,143	229,222	63,731	159,164	136,900
Total General Fund	<u>\$ 12,855</u>	<u>\$ (216,844)</u>	<u>\$ 213,370</u>	<u>\$ 518,355</u>	<u>\$ 495,336</u>	<u>\$ 224,000</u>	<u>\$ 380,466</u>	<u>\$ 924,668</u>
All Other Governmental Funds:								
Unreserved, Reported In:								
Capital Projects Fund	\$ (498,610)	\$ (245,649)	\$ (163,089)	\$ (80,529)		\$ 66,218		
Debt Service Fund	216	63,334	63,423	89	\$ 21,508	21,536	\$ 381	\$ 381
Total All Other Governmental Funds	<u>\$ (498,394)</u>	<u>\$ (182,315)</u>	<u>\$ (99,666)</u>	<u>\$ (80,440)</u>	<u>\$ 21,508</u>	<u>\$ 87,754</u>	<u>\$ 381</u>	<u>\$ 381</u>

WHITE TOWNSHIP SCHOOL DISTRICT  
 CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS  
 LAST TEN FISCAL YEARS  
 (MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>Revenues:</b>										
Tax Levy	\$ 4,646,027	\$ 4,750,779	\$ 5,385,931	\$ 5,575,099	\$ 5,774,011	\$ 6,028,533	\$ 6,312,638	\$ 6,454,802	\$ 6,679,613	\$ 6,906,779
Tuition Changes					9,318		5,597			
Interest Earnings	632	7,340	4,588	6,228	18,501	30,949	24,450	9,133	5,515	3,059
Miscellaneous	18,231	3,068			2,261	880	4,126	17,394	15,279	21,563
State Sources	1,500,551	2,056,733	2,278,109	2,529,229	2,393,432	2,726,994	2,707,797	2,473,592	2,566,779	2,152,484
Federal Sources	148,633	232,804	515,778	686,468	482,559	219,639	210,702	210,839	376,282	284,652
<b>Total Revenues</b>	<b>6,314,074</b>	<b>7,050,724</b>	<b>8,184,406</b>	<b>8,797,024</b>	<b>8,680,082</b>	<b>9,006,995</b>	<b>9,265,310</b>	<b>9,165,760</b>	<b>9,643,468</b>	<b>9,368,537</b>
<b>Expenditures:</b>										
<b>Instruction:</b>										
Regular Instruction	1,614,669	1,681,310	2,115,364	2,079,194	1,948,065	1,798,835	1,815,036	1,718,316	1,609,654	1,368,102
Special Education Instruction	248,590	281,906	263,833	348,690	346,357	351,540	470,419	491,261	367,622	517,487
Other Special Instruction	80,751	97,914	154,974	121,376	89,747	76,171	92,955	110,009	81,868	68,275
Other Instruction	61,741	59,369				27,850	16,238	34,353	2,000	1,311
<b>Support Services:</b>										
Tuition	1,554,351	1,708,836	1,926,519	1,967,346	1,874,298	2,037,443	2,327,595	2,723,858	3,121,258	2,868,854
Student & Instruction Related Services	447,723	396,305	676,996	809,437	702,755	529,476	651,078	696,947	667,840	623,591
General & Business Administrative Services	340,321	365,313	366,437	451,722	308,244	291,180	352,263	347,745	315,802	285,782
School Administrative Services	26,632	34,252	60,242	103,090	34,869	75,925	28,492	61,000	72,494	110,468
Plant Operations & Maintenance	298,543	340,305	354,773	360,995	342,780	437,364	420,332	404,401	382,190	383,923
Pupil Transportation	475,765	542,383	612,237	653,768	628,267	650,995	594,097	643,560	517,216	464,662
Employee Benefits	1,007,840	1,059,785	1,295,987	1,388,942	1,406,696	1,623,748	1,656,369	1,551,332	1,610,061	1,462,683
Special Schools	27,399	26,850	26,600	20,050	22,000	1,639	4,000			
Transfer of Funds to Charter Schools										8,775
Capital Outlay	286,385	665,476	4,921	23,529	80,725	37,796	151,908	8,800	149,380	
Special Revenue Funds	196,884	207,900				350,830	241,638	211,096	304,443	284,652
<b>Debt Service:</b>										
Principal	155,000	165,000	257,560	267,560	277,560	287,560	302,560	250,000	265,000	275,000
Interest & Other Charges	219,518	211,198	213,164	197,505	187,416	178,070	143,371	118,172	107,547	100,770
<b>Total Expenditures</b>	<b>7,042,112</b>	<b>7,844,102</b>	<b>8,329,607</b>	<b>8,793,204</b>	<b>8,249,779</b>	<b>8,756,422</b>	<b>9,268,351</b>	<b>9,370,850</b>	<b>9,574,375</b>	<b>8,824,335</b>
<b>Excess (Deficiency) of Revenues</b>										
Over (Under) Expenditures	(728,038)	(793,378)	(145,201)	3,820	430,303	250,573	(3,041)	(205,090)	69,093	544,202
<b>Other Financing Sources (Uses):</b>										
Temporary Note Redeemed			82,560	82,560	82,560	82,560	82,560			
Unfinanced Capital Project Balance Cancelled							(590)			
Write Off of Prior Year Receivables						(8,922)				
Transfers In										
Transfers Out	(45,682)		(18,608)							
<b>Total Other Financing Sources (Uses)</b>	<b>(45,682)</b>	<b>-</b>	<b>63,952</b>	<b>82,560</b>	<b>82,560</b>	<b>73,638</b>	<b>81,970</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>\$ (773,720)</b>	<b>\$ (793,378)</b>	<b>\$ (81,249)</b>	<b>\$ 86,380</b>	<b>\$ 512,863</b>	<b>\$ 324,211</b>	<b>\$ 78,929</b>	<b>\$ (205,090)</b>	<b>\$ 69,093</b>	<b>\$ 544,202</b>
<b>Debt Service as a Percentage of Non-capital Expenditures</b>	<b>5.87%</b>	<b>5.53%</b>	<b>5.99%</b>	<b>5.60%</b>	<b>6.04%</b>	<b>5.64%</b>	<b>5.14%</b>	<b>4.09%</b>	<b>4.12%</b>	<b>4.45%</b>

Source: District Records

NOTE: Noncapital expenditures are total expenditures less capital outlay, capital projects and debt service.  
 Central Service and Administrative Information Technology account classifications were added beginning with year end June 30, 2005  
 Prior to June 30, 2005, Central Service and Administrative Information Technology were combined in Other Support Services as Business and Other Support Services.

WHITE TOWNSHIP SCHOOL DISTRICT  
 GENERAL FUND-OTHER LOCAL REVENUES BY SOURCE  
 LAST TEN FISCAL YEARS  
 (MODIFIED ACCRUAL BASIS OF ACCOUNTING)

Description	Fiscal Year Ending June 30,									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Interest Income	\$ 13,904	\$ 7,124	\$ 4,588	\$ 6,228	\$ 18,501	\$ 30,949	\$ 24,450	\$ 9,133	\$ 5,515	\$ 3,059
Tuition					9,318		5,597			
Prior Year Refunds					453	780	33	7,718	11,696	17,604
Prior Year Voided Checks							889			3,479
Recycling Sales						100	100			100
Accounts Payable Canceled							1,291	7,483		
Sale of Old Text Books							1,356		160	
Contributions							255	363	2,990	200
Asbestos Litigation							196			
Book Fines								700	43	
Copies									75	
Photo Commissions								708		
Miscellaneous Refunds									300	180
Miscellaneous Other	4,327	1,037			1,808		6	422	15	
<b>Annual Totals</b>	<b>\$ 18,231</b>	<b>\$ 8,161</b>	<b>\$ 4,588</b>	<b>\$ 6,228</b>	<b>\$ 30,080</b>	<b>\$ 31,829</b>	<b>\$ 34,173</b>	<b>\$ 26,527</b>	<b>\$ 20,794</b>	<b>\$ 24,622</b>

Source: District Records

WHITE TOWNSHIP SCHOOL DISTRICT  
 ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY,  
 LAST TEN FISCAL YEARS

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Vacant Land	\$ 12,767,075	\$ 10,915,275	\$ 15,065,700	\$ 15,406,300	\$ 17,134,177	\$ 16,133,227	\$ 15,468,627	\$ 15,238,327	\$ 14,146,827	\$ 13,958,727
Residential	189,119,000	200,469,600	375,604,800	380,920,450	394,545,500	409,994,750	413,182,700	414,181,200	415,704,700	415,774,300
Farm Regular	19,771,100	20,437,900	35,938,300	36,274,000	35,733,750	34,962,750	41,291,800	41,180,500	41,369,300	41,478,100
Q Farm	1,860,108	3,630,326	3,628,225	3,479,540	3,539,605	3,697,205	3,401,421	3,442,571	3,432,571	3,427,971
Commercial	24,314,370	24,541,070	42,349,200	42,349,200	41,477,700	39,688,000	41,482,200	41,499,400	45,884,300	48,096,300
Industrial	103,221,400	103,221,400	138,338,600	139,562,250	119,562,250	110,802,250	109,569,800	49,320,900	49,320,900	49,570,900
Apartment	5,213,800	5,213,800	8,132,100	6,912,100	6,072,100	6,112,100	5,478,400	4,874,500	4,927,600	4,927,600
<b>Total Assessed Value</b>	<b>356,266,853</b>	<b>368,429,371</b>	<b>619,056,925</b>	<b>624,903,840</b>	<b>618,065,082</b>	<b>621,390,282</b>	<b>629,874,948</b>	<b>569,737,398</b>	<b>574,786,198</b>	<b>577,233,898</b>
Public Utilities (a)	1,477,556	1,192,517	1,638,955	1,655,457	1,564,824	1,278,491	1,167,340	1,008,510	1,405,320	1,719,105
<b>Net Valuation Taxable</b>	<b>\$ 357,744,409</b>	<b>\$ 369,621,888</b>	<b>\$ 620,695,880</b>	<b>\$ 626,559,297</b>	<b>\$ 619,629,906</b>	<b>\$ 622,668,773</b>	<b>\$ 631,042,288</b>	<b>\$ 570,745,908</b>	<b>\$ 576,191,518</b>	<b>\$ 578,953,003</b>
Estimated Actual County Equalized Value	\$ 394,366,494	\$ 416,836,239	\$ 500,933,075	\$ 529,135,448	\$ 593,809,462	\$ 746,873,903	\$ 786,449,659	\$ 712,274,938	\$ 733,628,111	\$ 659,324,681
Percentage of Net Valuations to Estimated Actual County Equalized Value	90.71%	88.67%	123.91%	118.41%	104.35%	83.37% #	80.24%	80.13%	78.54%	87.81%
<b>Total Direct School Tax Rate (b)</b>	<b>\$ 1.235</b>	<b>\$ 1.380</b>	<b>\$ 0.861</b>	<b>\$ 0.896</b>	<b>\$ 0.953</b>	<b>\$ 1.014</b>	<b>\$ 1.023</b>	<b>\$ 1.170</b>	<b>\$ 1.199</b>	<b>\$ 1.193</b>

\*

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 the County Board of Taxation requests Treasury to order a reassessment

(a) Taxable Value of Machinery, Implements and Equipments of Telephone and Messenger System Companies

(b) Tax rates are per \$100

\* Revalued/Reassessed

WHITE TOWNSHIP SCHOOL DISTRICT  
DIRECT AND OVERLAPPING PROPERTY TAX RATES  
LAST TEN FISCAL YEARS  
(RATE PER \$100 OF ASSESSED VALUE)

Assessment Year	School District Direct Rate			Overlapping Rates				Total Direct & Overlapping Tax Rate
	Basic Rate (a)	General Obligation Debt Service (b)	(From J-6) Total Direct School Tax Rate	Regional School Debt	Municipality	County	County Library	
2002	\$ 1.132	\$ 0.103	\$ 1.235		\$ 0.021	\$ 0.763	\$ 0.071	\$ 2.090
2003	1.291	0.089	1.380		0.021	0.842	0.071	2.314
2004	* 0.756	0.105	0.861		0.020	0.524	0.046	1.451
2005	0.830	0.066	0.896		0.020	0.559	0.049	1.524
2006	0.882	0.071	0.953		0.021	0.611	0.055	1.640
2007	0.953	0.060	1.013		0.070	0.530	0.063	1.676
2008	0.973	0.050	1.023		0.079	0.697	0.065	1.864
2009	1.118	0.052	1.170		0.103	0.699	0.066	2.038
2010	1.139	0.060	1.199		0.110	0.641	0.062	2.012
2011	1.137	0.06	1.193		0.110	0.590	0.056	1.949

Sources: Municipal Tax Collector

**NOTE:** NJSIA 18A:7F-5d limits the amount that the district can submit for a general fund tax levy. The levy when added to other components of the district's net budget may not exceed the prebudget by more than the spending growth limitation calculated as follows: the prebudget year net budget increased by the cost of living or 2.5 percent, whichever is greater, plus any spending growth adjustments.

- (a) The district's basic tax rate is calculated from the A4F form which is submitted with the budget and the Net valuation taxable.
- (b) Rates for debt service are based on each year's requirements.

\* Revalued/Reassessed

WHITE TOWNSHIP SCHOOL DISTRICT  
 PRINCIPAL PROPERTY TAXPAYERS,  
 CURRENT YEAR AND NINE YEARS AGO

	2011			2002		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
DSM Nutritional Products	\$ 43,335,100	1	7.49%			
Hike Enterprises	6,994,800	2	1.21%	\$ 4,160,800	3	1.16%
Brookfield Senior Living, LLC	5,372,000	3	0.93%			
Country View Village	5,206,500	4	0.90%	1,980,000	5	0.55%
Windtryst Limited	4,598,600	5	0.79%	4,524,000	2	1.26%
Tilcon	3,587,800	6	0.62%			
Apple Mountain Recreation	3,475,700	7	0.60%	1,623,100	6	0.45%
Individual Property Owner	2,934,000	8	0.51%	930,900	8	0.26%
BASF Corporation	2,861,800	9	0.49%			
Individual Property Owner	1,860,000	10	0.32%			
Hoffman LaRoche Corporation				113,759,300	1	31.80%
RJD Management Corporation				2,071,637	4	0.58%
United Telephone Company				1,434,446	7	0.40%
Oxford Quarry, Inc				863,200	9	0.24%
Oxford Quarry, Inc				789,770	10	0.22%
	<u>\$ 80,226,300</u>		<u>13.86%</u>	<u>\$ 132,137,153</u>		<u>36.94%</u>

Source: Municipal Tax Assessor

WHITE TOWNSHIP SCHOOL DISTRICT  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS

Year Ending December 31,	Taxes Levied for the Year	Collected Within the Fiscal Year of the Levy (a)	
		Amount	Percentage of Levy
2001	N/A	N/A	
2002	N/A	N/A	
2003	N/A	N/A	
2004	\$ 9,182,425	\$ 8,930,536	97.26%
2005	9,771,528	9,464,311	96.86%
2006	10,401,640	10,171,074	97.78%
2007	10,590,366	10,429,866	98.48%
2008	11,888,042	11,663,250	98.11%
2009	11,716,328	11,520,776	98.33%
2010	11,631,107	11,405,143	98.06%

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

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

Note-Information prior to 2004 was not available

WHITE TOWNSHIP SCHOOL DISTRICT  
RATIOS OF OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS

Fiscal Year Ending June 30,	Governmental Activities			Business-Type Activities		Total District	% of Personal Income (a)	Per Capita (a)
	General Obligation Bonds (b)	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases			
2002	\$ 4,959,256					\$ 4,959,256	3.25%	\$ 1,077
2003	4,758,024			\$ 412,800		5,170,824	3.14%	1,062
2004	4,546,255			330,240		4,876,495	2.76%	952
2005	4,323,932			247,680		4,571,612	2.40%	856
2006	4,091,028			165,120		4,256,148	2.07%	764
2007	3,847,478			82,560		3,930,038	1.73%	684
2008	3,669,304					3,669,304	1.49%	626
2009	3,379,438					3,379,438	1.33%	573
2010	3,073,837					3,073,837	1.22%	520
2011	2,757,458					2,757,458	N/A	466

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

- (a) See Exhibit NJ J-14 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.
- (b) Includes Early Retirement Incentive Plan (ERIP) refunding

WHITE TOWNSHIP SCHOOL DISTRICT  
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING  
LAST TEN FISCAL YEARS

Fiscal Year Ending June 30,	General Bonded Debt Outstanding		% of Actual Taxable Value (a) of Property	Per Capita (a)	
	General Obligation Bonds	Deductions			Net General Bonded Debt Outstanding
2002	\$ 4,144,000		\$ 4,144,000	1.16%	851
2003	3,979,000		3,979,000	1.08%	777
2004	3,804,000		3,804,000	0.61%	712
2005	3,619,000		3,619,000	0.58%	649
2006	3,424,000		3,424,000	0.55%	596
2007	3,219,000		3,219,000	0.52%	549
2008	3,080,000		3,080,000	0.49%	522
2009	2,830,000		2,830,000	0.50%	478
2010	2,565,000		2,565,000	0.45%	434
2011	2,290,000		2,290,000	0.40%	387

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

- (a) See Exhibit NJ J-6 for property tax data.
- (b) Population data can be found in Exhibit NJ J-14.
- \* Revalued / Reassessed

WHITE TOWNSHIP SCHOOL DISTRICT  
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
AS OF DECEMBER 31, 2010

	<u>Debt Outstanding</u>	<u>Estimated % Applicable (a)</u>	<u>Estimated Share of Overlapping Debt</u>
GOVERNMENTAL UNIT			
Debt Repaid with Property Taxes:			
Municipality	\$ 4,935,000	100.00	\$ 4,935,000
County General Obligation Debt	21,978,878	5.45	<u>1,197,849</u>
Subtotal, Overlapping Debt			6,132,849
School District Direct Debt			<u>2,290,000</u>
Total Direct and Overlapping Debt			<u>\$ 8,422,849</u>

Sources: Assessed Value Data Used to Estimate Applicable Percentages  
 Provided by the County Board of Taxation. Debt Outstanding Data  
 Provided by Each Governmental Unit.

Note: Overlapping Governments are those that Coincide, at least in Part, with the Geographic Boundaries of the District. This Schedule Estimates the Portion of the Outstanding Debt of Those Overlapping Governments that is Borne by the Residents and Businesses of the Municipality. This Process Recognizes that, when Considering the District's Ability to Issue and Repay Long-Term Debt, the Entire Debt Burden Borne by the Residents and Businesses Should be Taken into Account. However this Does Not Imply that Every Taxpayer is a resident, and Therefore Responsible for Repaying the Debt, of Each Overlapping Payment.

(a) For Debt Repaid with Property Taxes, the Percentage of Overlapping Debt Applicable is Estimated Using Taxable Assessed Property Values. Applicable Percentages were Estimated by Determining the Portion of Another Governmental Unit's Taxable Value that is Within the District's Boundaries and Dividing it by Each Unit's Total Taxable Value.

WHITE TOWNSHIP SCHOOL DISTRICT  
 LEGAL DEBT MARGIN INFORMATION,  
 LAST TEN FISCAL YEARS

Legal Debt Margin Calculation for Fiscal Year 2011

Equalized Valuation Basis

2010	\$ 654,579,431
2009	725,410,489
2008	<u>786,066,327</u>
	<u>\$ 2,166,056,247</u>

Average Equalized Valuation of Taxable Property

\$ 722,018,749
----------------

Debt Limit (4.0% of Average Equalization Value)	\$ 28,880,750	(a)
Total Net Debt Applicable to Limit	<u>2,290,000</u>	

Legal Debt Margin	<u>\$ 26,590,750</u>
-------------------	----------------------

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Debt Limit	\$ 14,254,345	\$ 16,696,135	\$ 18,603,707	\$ 21,599,021	\$ 23,499,188	\$ 26,441,552	\$ 28,999,459	\$ 30,694,966	\$ 30,482,414	\$ 28,880,750
Total Net Debt Applicable	<u>4,144,000</u>	<u>4,391,800</u>	<u>4,134,240</u>	<u>3,866,680</u>	<u>3,589,120</u>	<u>3,301,560</u>	<u>3,080,000</u>	<u>2,830,000</u>	<u>2,565,000</u>	<u>2,290,000</u>
Legal Debt Margin	<u>\$ 10,110,345</u>	<u>\$ 12,304,335</u>	<u>\$ 14,469,467</u>	<u>\$ 17,732,341</u>	<u>\$ 19,910,068</u>	<u>\$ 23,139,992</u>	<u>\$ 25,919,459</u>	<u>\$ 27,864,966</u>	<u>\$ 27,917,414</u>	<u>\$ 26,590,750</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	29.07%	26.30%	22.22%	17.90%	15.27%	12.49%	10.62%	9.22%	8.41%	7.93%

Source: Equalized Valuation Bases were Obtained from the Annual Report of the State of New Jersey, Department of Treasury, Division of Taxation

(a) Limit Set by NJSA 18A:24-19

WHITE TOWNSHIP SCHOOL DISTRICT  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN FISCAL YEARS

Year	Population ( a )	Personal Income ( b )	Per Capita Personal Income ( c )	Unemployment Rate ( d )
2002	4,871	\$ 164,858,995	\$ 33,845	6.3%
2003	5,123	176,820,345	34,515	6.8%
2004	5,343	190,093,254	35,578	5.0%
2005	5,574	205,580,268	36,882	2.7%
2006	5,743	226,549,864	39,448	2.9%
2007	5,863	245,823,864	41,928	2.6%
2008	5,899	253,503,626	42,974	3.5%
2009	5,915	252,162,365	42,631	6.4%
2010	5,915	N/A	N/A	6.6%
2011	5,915	N/A	N/A	N/A

Sources:

- ( a ) Population Information Provided by the NJ Dept of Labor and Workforce Development
- ( b ) Personal Income has Been Estimated Based Upon the Municipal Population and Per Capita Personal Income Presented
- ( c ) Per Capita Personal Income by County Estimated Based Upon the 2000 Census Published by the US Bureau of Economic Analysis.
- ( d ) Unemployment Data Provided by the NJ Dept of Labor and Workforce Development

WHITE TOWNSHIP SCHOOL DISTRICT  
PRINCIPAL EMPLOYERS  
CURRENT YEAR AND NINE YEARS AGO

Employer	2011			2002		
	Employees	Rank	Percentage of Total Municipal Employment	Employees	Rank	Percentage of Total Municipal Employment

INFORMATION IS NOT AVAILABLE FOR THIS SCHOOL DISTRICT

WHITE TOWNSHIP SCHOOL DISTRICT  
 FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM  
 LAST TEN FISCAL YEARS

FUNCTION/PROGRAM	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Instruction:										
Regular				29.0	29.0	28.0	28.0	28.0	26.0	24.0
Special Education				2.0	2.0	2.0	4.0	4.0	6.0	9.0
Other Special Education				4.0	4.0	4.0	3.0	3.0	3.0	-
Other Instruction				13.0	8.0	7.5	7.5	15.0	9.0	8.0
Support Services:										
Student and Instruction Related Services				6.0	6.0	6.0	6.0	6.0	6.0	6.0
General Administration				3.0	2.0	2.0	2.0	2.0	2.0	-
School Administration Services				2.0	1.0	1.0	1.0	1.0	1.0	2.0
Central Services					1.0	1.0	1.0	1.0	1.0	2.0
Plant Operations and Maintenance				3.0	3.0	3.5	4.0	4.0	4.0	3.0
Cafeteria Aides									2.0	2.0
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>62.0</b>	<b>56.0</b>	<b>55.0</b>	<b>56.5</b>	<b>64.0</b>	<b>60.0</b>	<b>56.0</b>

Sources: District Personnel Records

Note: Information prior to 2005 is not available.

WHITE TOWNSHIP SCHOOL DISTRICT  
OPERATING STATISTICS  
LAST TEN FISCAL YEARS

Fiscal Year	Enrollment	Operating Expenditures ( a )	Cost Per Pupil	Percentage Change	Teaching Staff ( b )	Teacher Ratio	Average Daily Enrollment (ADE) ( c )	Average Daily Attendance (ADA) ( c )	% Change in Average Daily Enrollment	Student Attendance Percentage
2002	431	\$ 6,381,209	\$ 14,806	10.05%	39.0	1 to 11	433.7	414.6	0.39%	95.60%
2003	449	6,802,428	15,150	2.33%	39.0	1 to 11	447.6	427.1	3.20%	95.42%
2004	432	7,853,962	18,180	20.00%	44.0	1 to 11	428.3	411.3	-4.31%	96.03%
2005	429	8,304,610	19,358	6.48%	43.0	1 to 10	424.2	406.3	-0.96%	95.78%
2006	439	7,704,078	17,549	-9.34%	41.0	1 to 10	438.2	421.0	3.30%	96.07%
2007	435	8,252,996	18,972	8.11%	42.0	1 to 10	435.0	414.6	-0.73%	95.32%
2008	427	8,670,512	20,306	7.03%	43.0	1 to 10	424.2	407.0	-2.48%	95.95%
2009	402	8,993,878	22,373	10.18%	43.0	1 to 11	397.4	382.1	-6.32%	96.15%
2010	407	9,052,448	22,242	-0.59%	44.0	1 to 10	406.7	389.3	2.34%	95.72%
2011	381	8,448,565	22,175	-0.30%	41.0	1 to 9.3	381.4	365.3	-6.22%	95.78%

Source: District Records

( a ) Operating Expenditures Equal Total Expenditures Less Debt Service and Capital Outlay.

( b ) Teaching Staff Includes Only Full-Time Equivalents or Certificated Staff.

( c ) Average Daily Enrollment and Average Daily Attendance are Obtained from the School Register Summary (SRS).

WHITE TOWNSHIP SCHOOL DISTRICT  
 SCHOOL BUILDING INFORMATION  
 LAST TEN FISCAL YEARS

DISTRICT BUILDING	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Elementary (1931)										
Square Feet	59,341	59,341	59,341	59,341	59,341	59,341	59,341	59,341	59,341	59,341
Capacity (Students)	620	620	620	620	620	620	620	620	620	620
Enrollment	431	449	432	429	439	435	427	402	407	381
Number of Schools at June 30, 2011:										
Elementary	1									
Middle School	0									
High School	0									
Other	0									

District Facilities Office

Year of Original Construction is shown in Parentheses. Increase in Square Footage and Capacity are the Result of Renovations and Additions. Enrollment is Based on the Annual October District Count.

WHITE TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF REQUIRED MAINTENANCE  
LAST TEN FISCAL YEARS

UNDISTRIBUTED EXPENDITURES - REQUIRED  
MAINTENANCE FOR SCHOOL FACILITIES

\*School Facilities

	Amount	Total
2002	\$ 110,442	\$ 110,442
2003	110,777	110,777
2004	126,612	126,612
2005	132,249	132,249
2006	124,261	124,261
2007	166,723	166,723
2008	183,463	183,463
2009	161,970	161,970
2010	180,311	180,311
2011	174,642	174,642
 Total School Facilities	 \$ 1,471,450	 \$ 1,471,450

\* School Facilities as Defined Under EFCFA.  
(NJAC 6A:26-1.2 and NJAC 6A:26A-1.3)

Source: District Records

WHITE TOWNSHIP SCHOOL DISTRICT  
INSURANCE SCHEDULE  
JUNE 30, 2011  
(UNAUDITED)

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy-School Alliance Insurance Fund:		
Property-Blanket Building and Contents (Policy Limit)	\$ 250,000,000	\$ 1,000
Comprehensive General Liability	5,000,000	
Comprehensive Automobile Liability	5,000,000	
School Leaders Professional Liability	5,000,000	
Comprehensive Crime Coverage	500,000	1,000
Student Accident	1,000,000	
Worker's Compensation-School Alliance Insurance Fund:		
Per Accident, Disease and Disease Limit	5,000,000	
Public Employees' Faithful Performance-Selective Insurance Co.		
Treasurer of School Monies Bond	200,000	
School Board Secretary Bond	200,000	

Source: District Records

**SINGLE AUDIT SECTION**

Certified Public Accountant  
Public School Accountant  
Registered Municipal Accountant

100 Route 31 North  
Washington, NJ 07882 - 1530  
Fax # (908) 689-8388  
(908) 689-5002

INDEPENDENT AUDITORS' 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

November 1, 2011

Honorable President and  
Members of the Board of Education  
White Township School District  
County of Warren, New Jersey

We have audited the financial statements of the Board of Education of the White School District in the County of Warren as of and for the year ended June 30, 2011, and have issued our report thereon dated November 1, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; Government Auditing Standards issued by the Comptroller General of the United States; and audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Board of Education's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Board of Education's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Board of Education's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

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

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

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Board of Education'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 these 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 that are required to be reported under Government Auditing Standards and audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey.

This report is intended solely for the information of the management of the Board of Education and federal and state awarding agencies and pass through entities is not intended to be and should not be used by anyone other than these specified parties.



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William M. Colantano, Jr.  
Public School Accountant  
No. CS 0128

Certified Public Accountant  
Public School Accountant  
Registered Municipal Accountant

100 Route 31 North  
Washington, NJ 07882 - 1530  
Fax # (908) 689-8388  
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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS  
APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER  
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133 AND  
NEW JERSEY OMB CIRCULAR 04-04

November 1, 2011

Honorable President and  
Members of the Board of Education  
White Township School District  
County of Warren, New Jersey

Compliance

We have audited the compliance of the Board of Education of the White School District in the County of Warren, with the types of compliance requirements described in the US Office of Management and Budget (OMB) Circular A-133 Compliance Supplement and New Jersey OMB's Circular 04-04 that are applicable to its major federal and state programs for the year ended June 30, 2011. The Board of Education's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal and state programs is the responsibility of the Board of Education's management. Our responsibility is to express an opinion on the Board of Education's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in "Government Auditing Standards," issued by the Comptroller General of the United States; the audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey; and New Jersey OMB's Circular 04-04 "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid;" and OMB Circular A-133 "Audits of States, Local Governments, and Non-Profit Organizations". Those Standards, OMB Circular A-133 and New Jersey OMB's Circular 04-04, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal and state program occurred. An audit includes examining, on a test basis, evidence about the Board of Education's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the Board of Education's compliance with those requirements.

In our opinion the Board of Education complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal and state programs for the fiscal year ended June 30, 2011.

## Internal Control Over Compliance

The management of the Board of Education is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal and state programs. In planning and performing our audit we considered the Board of Education's internal control over compliance with requirements that could have a direct and material effect on a major federal and state programs in order to determine our audit procedures for the purpose of expressing our opinion on compliance but not for the purpose of expressing an opinion on the effectiveness on internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Board of Education's internal control over compliance.

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal and state program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal or state program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal or state program that is more than inconsequential will not be prevented or detected by the entity's internal control.

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

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

This report is intended for the information of the Board of Education, the New Jersey State Department of Education (the cognizant audit agency) and other state and federal awarding agencies and is not intended to be and should not be used by anyone other than those specified parties.



William M. Colantano, Jr.  
Public School Accountant  
No. CS 0128

WHITE TOWNSHIP SCHOOL DISTRICT  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS SCHEDULE A  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Grantor/Program Title	Federal CFDA Number	Project Number	Program or Award Amount	Grant Period From To	Balance June 30, 2010			Budgetary Expenditure	Adjustment	Repay of Prior Year Balance	Balance June 30, 2011		
					(Acct Rec) Def Revenue	Carryover Amount	Cash Received				Accounts Receivable	Deferred Revenue	Due to Grantor
US Department of Education Passed Through State Department of Education: General Fund: Education Jobs Fund	84.410A	ARRA-578011	\$ 69,659	08/10/2010-9/30/2012									
					\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Revenue Fund: Star-W Grant	84.318X	3000481	154,260	09/01/2005-8/31/2006		12							12
ARRA Title I	84.389	ARRA-578010	6,924	09/01/2009-6/30/2011	(994)		994						
ARRA IDEA Basic	84.391	ARRA-578010	125,234	09/01/2009-6/30/2011	(19,590)		62,823	43,233					
ARRA IDEA Pre School	84.392	ARRA-578010	4,529	09/01/2009-6/30/2011	(322)		322						
NCLB Title I	84.010A	NCLB-578011	49,711	09/01/2010-8/31/2011			49,711	49,711					
NCLB Title I	84.010A	NCLB-578010	21,255	09/01/2009-8/31/2010	(1,348)		1,348						
NCLB Title II A	84.367A	NCLB-578011	24,101	09/01/2010-8/31/2011			24,101	24,101					
NCLB Title II A	84.367A	NCLB-578010	23,087	09/01/2009-8/31/2010	(3,848)		3,848						
NCLB Title II D	84.318X	NCLB-578011	109	09/01/2010-8/31/2011			109	109					
NCLB Title II D	84.318X	NCLB-578010	215	09/01/2009-8/31/2010	(215)		215						
Rural Education Achievement Program	84.358B	S 358A-104755	28,564	07/01/2010-9/30/2011			28,564	28,564					
IDEA Basic	84.027	IDEA-578011	133,124	09/01/2010-8/31/2011			133,124	133,124					
IDEA Basic	84.027	IDEA-578010	128,200	09/01/2009-8/31/2010	(28,282)		28,482					200	
IDEA Pre School	84.173	IDEA-578011	5,810	09/01/2010-8/31/2011			5,810	5,810					
IDEA Pre School	84.173	IDEA-578010	5,569	09/01/2009-8/31/2010	(396)		396						
Total Special Revenue Fund					(54,983)	-	339,847	284,652	-	-	-	200	12
US Department of Agriculture Passed Through State Department of Education: Enterprise Fund:													
Food Distribution Program	10.550-	N/A	7,588	07/01/2009-6/30/2010	1,449			1,449					
Food Distribution Program	10.550-	N/A	7,323	07/01/2010-6/30/2011			7,323	6,278				1,045	
Special Milk Program	10.556-	N/A	498	07/01/2009-6/30/2010	(35)		35						
Special Milk Program	10.556-	N/A	257	07/01/2010-6/30/2011			257	257					
National School Lunch Program	10.555-	N/A	25,992	07/01/2009-6/30/2010	(1,707)		1,707						
National School Lunch Program	10.555-	N/A	22,718	07/01/2010-6/30/2011			22,718	22,718					
Total Enterprise Fund					(293)	-	32,040	30,702	-	-	-	1,045	-
TOTAL FEDERAL FINANCIAL ASSISTANCE					\$ (55,276)	\$ -	\$ 371,887	\$ 315,354	\$ -	\$ -	\$ -	\$ 1,245	\$ 12

SEE ACCOMPANYING NOTES TO SCHEDULES OF FINANCIAL ASSISTANCE

WHITE TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE SCHEDULE B  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Grantor/Program Title	Project Number	Program or Award Amount	Grant Period From To	Balance 6/30/2010 (Acct Rec) Def Revenue	Cash Received	Budgetary Expenditure	Adjustment	Balance June 30, 2011			Memo	
								Accounts Receivable	Deferred Revenue	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures
State Department of Education												
General Fund:												
Transportation Aid	10-495-034	\$ 271,954	07/01/2009-									
	-5120-014		6/30/2010	\$ (27,177)	\$ 27,177							
Transportation Aid	11-495-034	251,799	07/01/2010-									
	-5120-014		6/30/2011		227,123	\$ 251,799		\$ (24,676)			\$ (24,676)	\$ 251,799
Equalization Aid	11-495-034	726,318	07/01/2010-									
	-5120-078		6/30/2011		655,139	726,318		(71,179)			(71,179)	726,318
Equalization Aid	10-495-034	333,855	07/01/2009-									
	-5120-078		6/30/2010	(33,364)	33,364							
Security Aid	10-495-034	45,058	07/01/2009-									
	-5120-084		6/30/2010	(4,503)	4,503							
Security Aid	11-495-034	51,316	07/01/2010-									
	-5120-084		6/30/2011		46,287	51,316		(5,029)			(5,029)	51,316
Adjustment Aid	10-495-034	1,064,531	07/01/2009-									
	-5120-085		6/30/2010	(106,383)	106,383							
Adjustment Aid	11-495-034	335,992	07/01/2010-									
	-5120-085		6/30/2011		303,065	335,992		(32,927)			(32,927)	335,992
Special Education Aid	11-495-034	305,636	07/01/2010-									
	-5120-089		6/30/2011		275,684	305,636		(29,952)			(29,952)	305,636
Special Education Aid	10-495-034	302,083	07/01/2009-									
	-5120-089		6/30/2010	(30,188)	30,188							
Extraordinary Special Education Costs Aid	10-100-034	83,383	07/01/2009-									
	-5120-473		6/30/2010	(83,383)	83,383							
Extraordinary Special Education Costs Aid	11-100-034	42,719	07/01/2010-									
	-5120-473		6/30/2011			42,719		(42,719)			(42,719)	42,719
Reimbursement TPAF Soc Sec Contribution	11-495-034	184,396	07/01/2010-									
	-5095-002		6/30/2011		150,101	161,252		(11,151)			(11,151)	161,252
NP School Transportation	10-495-034	2,396	07/01/2009-									
	-5120-014		6/30/2010	(2,396)	2,396							
NP School Transportation	11-495-034	7,944	07/01/2010-									
	-5120-014		6/30/2011			7,944		(7,944)			(7,944)	7,944
TPAF-Post Retirement Medical	11-495-034	176,105	07/01/2010-									
	-5095-001		6/30/2011		176,105	176,105						176,105
TPAF-Noncontributory Insurance	11-495-034	8,291	07/01/2010-									
	-5095-007		6/30/2011		8,291	8,291						8,291
Total General Fund				(287,394)	2,129,189	2,067,372	\$ -	(225,577)	\$ -	\$ -	(225,577)	2,067,372

SEE ACCOMPANYING NOTES TO SCHEDULES OF FINANCIAL ASSISTANCE

WHITE TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE SCHEDULE B  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
(Continued)

Grantor/Program Title	Project Number	Program or Award Amount	Grant Period From To	Balance 6/30/2010 (Acct Rec) Def Revenue	Cash Received	Budgetary Expenditure	Refunded	Balance June 30, 2011			Memo	
								Accounts Receivable	Deferred Revenue	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures
<u>State Department of Education</u>												
Special Revenue Fund:												
Matrix Grant	N/A	\$ 112,613	09/01/2005-8/31/2006	\$ 1,051							\$ 1,051	\$ 111,562
Total Special Revenue Fund				1,051	\$ -	\$ -	\$ -	\$ -	\$ -	1,051	\$ -	111,562
<u>State Department of Education Debt Service Fund</u>												
Debt Service Aid-State Support	11-495-034-5120-017	47,260	07/01/2010-6/30/2011	-	47,260	47,260	-	-	-	-	-	47,260
<u>State Department of Agriculture Enterprise Fund:</u>												
National School Lunch Program (St Share)	10-100-010-3350-023	1,771	07/01/2009-6/30/2010	(117)	117							
National School Lunch Program (St Share)	11-100-010-3350-023	1,326	07/01/2010-6/30/2011		1,326	1,326						1,326
Total Enterprise Fund				(117)	1,443	1,326	-	-	-	-	-	1,326
TOTAL STATE FINANCIAL ASSISTANCE				\$ (286,460)	\$ 2,177,892	\$ 2,115,958	\$ -	\$ (225,577)	\$ -	\$ 1,051	\$ (225,577)	\$ 2,227,520

SEE ACCOMPANYING NOTES TO SCHEDULES OF FINANCIAL ASSISTANCE

WHITE TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE SCHEDULES OF AWARDS AND FINANCIAL ASSISTANCE  
JUNE 30, 2011

**NOTE 1. GENERAL**

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

**NOTE 2. BASIS OF ACCOUNTING**

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

**NOTE 3. RELATIONSHIP OF FINANCIAL STATEMENTS**

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$37,852 for the general fund and \$-0- for the special revenue fund. See Exhibit C-3 for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds.

Financial assistance revenues are reported in the Board's financial statements on a GAAP basis as follows:

	Federal	State	Total
General Fund		\$ 2,105,224	\$ 2,105,224
Special Revenue Fund	\$ 284,652		284,652
Food Service Fund	30,702	1,326	32,028
Debt Service Fund		47,260	47,260
	\$ 315,354	\$ 2,153,810	\$ 2,469,164

WHITE TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE SCHEDULES OF AWARDS AND FINANCIAL ASSISTANCE  
JUNE 30, 2011  
(Continued)

**NOTE 4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS**

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

**NOTE 5. OTHER**

Revenues and expenditures reported under the USDA Commodities Program represent 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 Contribution 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.



WHITE TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
(Continued)

SECTION I-SUMMARY OF AUDITOR'S RESULTS

Federal Awards (Cont'd) NOT APPLICABLE

Dollar Threshold used to Distinguish Between  
Type A and Type B Programs: \_\_\_\_\_

Auditee qualified as a low-risk auditee        Yes        No

State Awards

Dollar Threshold used to Distinguish Between  
Type A and Type B Programs:        \$ 300,000

Auditee Qualified as low-risk auditee        X Yes        No

Type of Auditor's Report Issued on Compliance  
for Major Programs:        Unqualified

Internal Control Over Major Programs:

1. Material weakness(es) identified?        Yes        X No

2. Reportable conditions identified  
that are not considered to be material  
weaknesses?        Yes        X No

Any Audit Findings Disclosed That are Required  
to be Reported in Accordance with NJ OMB  
Circular Letter 04-04?        Yes        X No

Identification of Major Programs:

<u>GMIS Numbers</u>	<u>Amount</u>	<u>Name of State Program</u>
11-495-034-5120-078	\$ 726,318	Equalization Aid
11-495-034-5120-085	335,992	Adjustment Aid
11-495-034-5120-089	305,636	Special Education Aid

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

SECTION II-FINANCIAL STATEMENT FINDINGS

There were no findings or questioned costs for the year ended June 30, 2011.

SECTION III-FEDERAL AWARDS AND STATE FINANCIAL  
ASSISTANCE FINDINGS AND QUESTIONED COSTS

There were no findings or questioned costs for the year ended June 30, 2011.

WHITE TOWNSHIP SCHOOL DISTRICT  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

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SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS

There were no prior year findings or questioned costs.