

**SCHOOL DISTRICT
OF
COLLINGSWOOD**



**Collingswood Board of Education
Collingswood, New Jersey**

**Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2012**

**Comprehensive Annual
Financial Report**

of the

Collingswood Board of Education

Collingswood, New Jersey

For the Fiscal Year Ended June 30, 2012

**Prepared by
Collingswood Board of Education
Finance Department**

COLLINGSWOOD SCHOOL DISTRICT

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Introductory Section



Collingswood Public Schools

It's Where You Want to Learn

200 LEES AVENUE, COLLINGSWOOD, NJ 08108
Telephone (856) 962-5700
Fax (856) 962-5723



SCOTT A. OSWALD, Ed.D.
Superintendent of Schools

BETH ANN COLEMAN
Business Administrator/Board Secretary

August 2012

Honorable President and
Members of the Board of Education
Collingswood School District
County of Camden
Collingswood, New Jersey

Dear Board Members:

The comprehensive annual financial report of the Collingswood School District (District) for the fiscal year ended June 30, 2012, is hereby submitted. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (Board). To the best of our knowledge and belief, the data presented in this report are accurate in all material respects and are 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 roster of officials and consultants. The financial section includes the general purpose financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984 as amended in 1996 and the U.S. Office of Management and Budget Circular A-133, "Audits of State and Local Governments", and the State Treasury Circular Letter 98-07, "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, regulations, findings and recommendations, are included in the single audit section of this report.

1. REPORTING ENTITY AND ITS SERVICES

Collingswood School District is an independent reporting entity within the criteria adopted by the GASB as established by GASB Statement No. 14. All funds and account groups of the District are included in this report. The Collingswood Board of Education and all its schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels PreK through 12. These include regular, vocational, English as a Second Language for limited English speakers and special education for disabled youngsters. The District completed the 2011-2012 fiscal year with an

enrollment of students, which is students less than the previous year’s enrollment. The following details the changes in the student enrollment of the District over the last seven years.

Average Daily Enrollment

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2005-06	1,891	(2.1%)
2006-07	1,878	(0.6%)
2007-08	1,911	2.0%
2008-09	1,935	1.3%
2009-2010	1,906	(1.4%)
2010-2011	1,860	(2.4%)
2011-2012	1,857	-0.1%

2. ECONOMIC CONDITION AND OUTLOOK

The Borough of Collingswood continues to remain focused on its goal of maintaining existing ratables while examining ways to attract new ventures. Neighborhood redevelopment efforts continue to provide resources for community members to maintain their properties. The Borough uses the business improvement districts to provide funding for professional services to make the business districts a competitive environment. The program to convert multi-family dwellings back to sing-family homes continues to promote long-term family community commitment. The Haddon Avenue merchant area is thriving and includes a variety of dining and shopping opportunities. This area has become know throughout south Jersey and attracts nonresidents as well as residents to experience the restaurants and shopping opportunities. Most recently the Borough completed the development of the Peter Lumber site which includes both residential and commercial properties. The Borough is in the process of developing a “Transit Village” near the high speed line which will offer additional shopping opportunities. These efforts all suggest the preservation of a standard of living the community has come to expect. The Borough and school district launched Channel 19, a local TV station.

3. MAJOR INITIATIVES

The Collingswood Public School District will pursue the following initiatives during the 2012-2013 school year:

District:

Beginning July 1, 2012 Collingswood Public Schools will share Superintendent and Administrative services with the Oaklyn School District. We believe this partnership will yield great results for the children we serve.

The district will continue its shared service agreement with the Oaklyn School District wherein Collingswood provides Oaklyn custodial/maintenance and technology services. We will also continue the shared service agreement with the Haddon Township School District (as needed maintenance and technology services).

Collingswood also provides custodial/maintenance services to Woodlynne and will be providing CST services to them in 12-13.

Collingswood continues to explore areas for sharing services in the area to limit our tax impact on the citizens.

High School and Middle School:

- Professional development and implementation surrounding the ongoing Literacy across the Content Areas initiative. Summer training was offered to all secondary staff and an implementation calendar and timeline have been developed.

- Continue the leveled literacy courses at the secondary level that better allow us to use data to drive instruction for students who struggle with reading. This program complements the successful Read180 program implemented several years ago.
- Implementation of a newly revised English/Language Arts curriculum aligned with the Common Core Content Standards (the National Standards).
- Continue the transition to a “push-in” model for basic skills intervention at the middle school level.
- Addition of technology throughout the secondary schools. Our quest to put a tablet laptop PC into the hands of every secondary teacher continues enabling all secondary staff to access the functions previously available only in those classrooms with permanently installed interactive whiteboards.
- Continue a structured school-to-work transition program for students with special needs. With use of a fully functioning greenhouse.
- The continuation and continued refinement of the Twilight Alternative School program for at-risk high school students.
- State Model Curriculum Development.
- Teacher evaluation system. Collingswood Public Schools was chosen as the lead district in a Consortium of Camden County districts for the EE4NJ implementation.

Elementary Schools:

- Continue Professional development and continued implementation of the Reader’s Workshop Literacy program. Teachers have participated in extensive training and have curriculum development, and
- Continuation of Magnet reading programs using Read 180 and System 44 for struggling readers.
- Continue deployment of new technology across all elementary schools, including new teacher laptops, Elmo document cameras, and tablet input devices in all grade 3, 4, and 5 classrooms.
- SRI/SMI implementation.
- Implementation of a new math curriculum- HMH Go Math.

4. INTERNAL ACCOUNTING CONTROLS

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

As a recipient of federal and state financial assistance, the District also is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is also subject to periodic evaluation by the District management.

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

5. BUDGETARY CONTROLS

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 2012.

6. ACCOUNTING SYSTEM AND REPORTS

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

7. CASH MANAGEMENT

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

8. RISK MANAGEMENT

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

9. OTHER INFORMATION

Independent Audit:

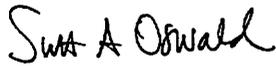
State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Inverso & Stewart, CPAs, was selected by the Board's finance committee. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act of 1984 as amended in 1996 and the related OMB Circular A-133, the State Treasury Circular Letter 98-07. The auditor's report on the general purpose financial statements and the combining and individual fund statements and schedules are included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

10. ACKNOWLEDGEMENTS

We would like to express our appreciation to everyone involved in the audit process. The audit was completed in a timely manner without inconveniences or interruptions to the regular operation of the business office. We value the efforts of our Finance Committee as they work with District

administrators in the preparation of the budget and the hard work and dedication of the entire Board as they seek to provide fiscal accountability to the citizens and taxpayers of Collingswood.

Respectfully submitted,



Scott A. Oswald
Superintendent of Schools

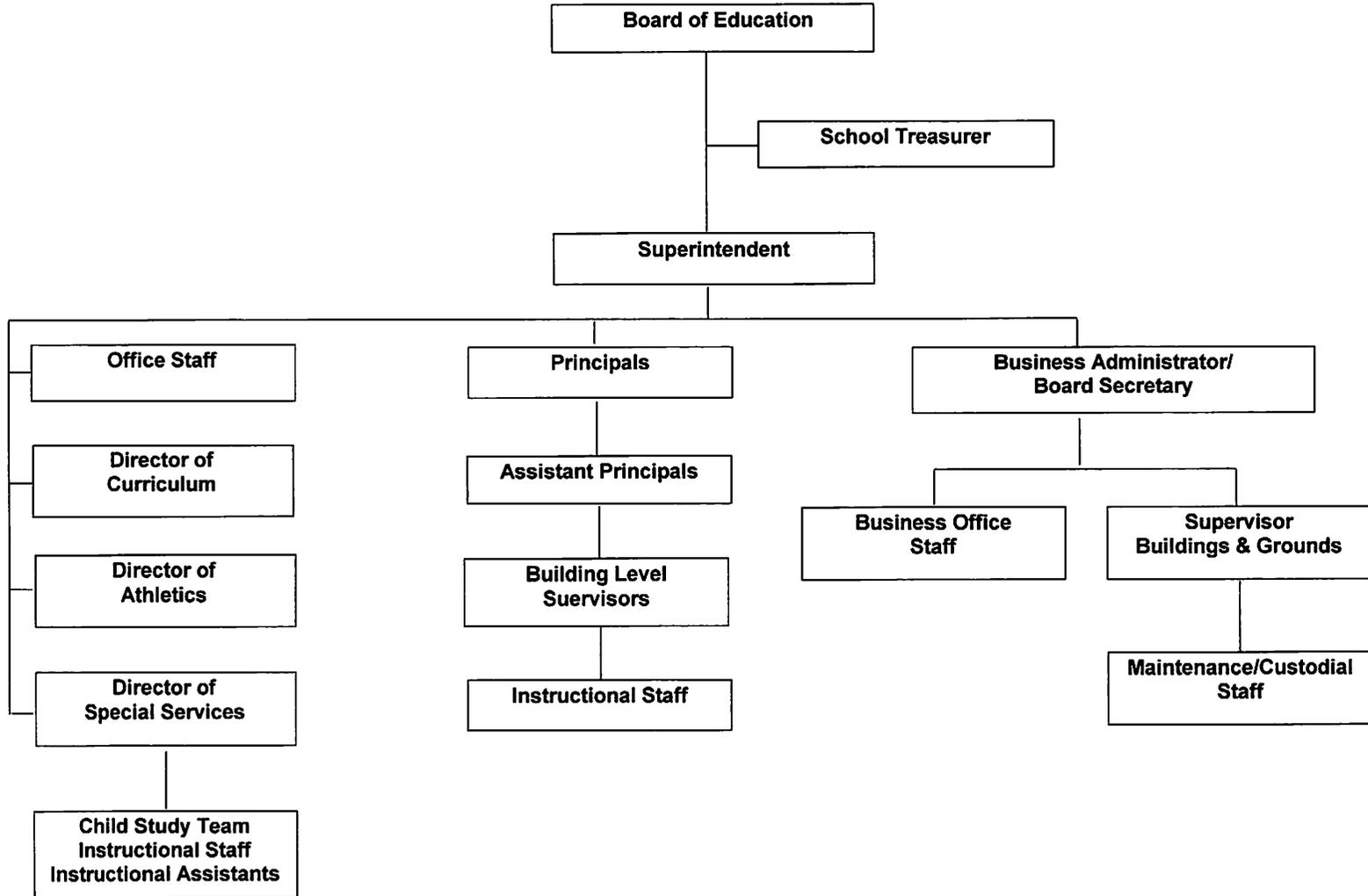


Beth Ann Coleman
Board Secretary/Business Administrator

SAO/BAC:ch

COLLINGSWOOD BOARD OF EDUCATION

Organizational Chart



COLLINGSWOOD SCHOOL DISTRICT

Roster of Officials June 30, 2012

Members of the Board of Education:

Term Expires

James Hatzell, President	2012
Joan E. Smith, Vice President	2014
Louis Evangelista	2012
Lisa C. Soulos	2013
Fiona Henry	2013
Stephen Rydzewski	2014
Madalyn Deetz	2014
David N. Routzahn	2013
Kathleen McCarthy	2012

Members of the Board of Education - Sending Districts:

William Stauts, Oaklyn	2014
Heidemarie Wood, Woodlynne	2014

Other Officials:

Scott A. Oswald, Superintendent
Beth Ann Coleman, Business Administrator/Board Secretary
Joseph Betley, Esq. Solicitor
Inverso & Stewart, Auditors
Garrison Architects, Architects

**COLLINGSWOOD SCHOOL DISTRICT
Consultants and Advisors**

Audit Firm

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

Attorney

Capehart & Scatchard, P.A.
Joseph Betley, Esq.
8000 Midlantic Drive
Mount Laurel, NJ 08054

Architect

Garrison Architects
1400 F. Commerce Parkway
Mount Laurel, NJ 008054

Official Depository

1st Colonial National Bank
1040 Haddon Avenue
Collingswood, NJ 08108

Financial Section

INVERSO & STEWART, LLC

**Certified Public Accountants
Registered Municipal Accountants**

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New Jersey Society of CPAs

INDEPENDENT AUDITOR'S REPORT

The Honorable President and Members
of the Board of Education
Collingswood School District
County of Camden
Collingswood, 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 Collingswood School District, in the County of Camden, State of New Jersey (School District), as of and for the fiscal year ended June 30, 2012, which collectively comprise the School District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the School District's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and in compliance with audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the Collingswood School District, in the County of Camden, State of New Jersey, as of June 30, 2012, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated July 31, 2012 on our consideration of the Collingswood School District, in the County of Camden, State of New Jersey'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 accompanying management's discussion and analysis and budgetary comparison information, as listed in the table of contents, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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

Respectfully submitted,

INVERSO & STEWART, LLC
Certified Public Accountants



Robert A. Stewart
Certified Public Accountant
Registered Municipal Accountant

Marlton, New Jersey
July 31, 2012

INVERSO & STEWART, LLC

**Certified Public Accountants
Registered Municipal Accountants**

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

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Collingswood School District (School District), in the County of Camden, State of New Jersey, as of and for the fiscal year ended June 30, 2012, which collectively comprise the School District's basic financial statements and have issued our report thereon dated July 31, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and in compliance with audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey.

Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the School District's financial statements will not be prevented, or detected and corrected on a timely basis.

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

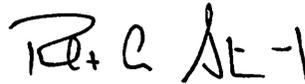
Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Collingswood School District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey.

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

Respectfully submitted,

INVERSO & STEWART, LLC
Certified Public Accountants

Handwritten signature of Robert A. Stewart in black ink, appearing as 'R A Stewart'.

Robert A. Stewart
Certified Public Accountant
Registered Municipal Accountant

Marlton, New Jersey
July 31, 2012

Required Supplementary Information - Part I

Management's Discussion and Analysis

**Collingswood School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2012**

As management of the Board of Education of the Borough of Collingswood, New Jersey (School District), we offer readers of the School District's financial statements this narrative overview and analysis of the School District for the fiscal year ended June 30, 2012. We encourage readers to consider the information presented in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

Financial Highlights

- The assets of the School District exceeded its liabilities at the close of the most recent fiscal year by \$25,613,537 (*net assets*).
- Governmental activities have an unrestricted net assets deficit of \$922,763. The accounting treatments in the governmental funds for compensated absences payable, and the last state aid payment, and the state statute that prohibits school districts from maintaining more than 2% of its adopted budget as unrestricted fund balance are primarily responsible for this deficit balance.
- The total net assets of the School District increased by \$947,952 or a 3.8% increase from the prior fiscal year-end balance. The majority of the increase is due to prior year tuition adjustments the districts received as revenue and increased revenues from shared services.
- Fund balance of the School District's governmental funds increased by \$ 1,429,450 resulting in an ending fund balance of \$6,378,358. This increase was primarily due to the increase in revenues received, primarily in tuition adjustments from our sending districts and shared services.
- Business-type activities have unrestricted net assets of \$171,649, which may be used to meet the School District's ongoing obligations of the food service operations.
- The School District's long-term obligations decreased by \$625,000, which is the net result of the required payment on long-term obligations.

Overview of the Basic Financial Statements

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

District-wide Financial Statements

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

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

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

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

Fund Financial Statements

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

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

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

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

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

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

The School District's two enterprise funds (Food Service Fund and After School Program Fund) are listed individually and are considered to be major funds.

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the district-wide financial statements because the resources of those funds are not available to support the School District's programs.

Notes to the Basic Financial Statements

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

Other Information

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

District-wide Financial Analysis

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

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

Current and long-term liabilities are classified based on anticipated liquidation either in the near-term or in the future. Current liabilities include accounts payable, accrued salaries and benefits, unearned revenues, and current debt obligations. The liquidation of current liabilities is anticipated to be either from currently available resources, current assets or new resources that become available during fiscal year 2012. Long-term liabilities such as long-term debt obligations and compensated absences payable will be liquidated from resources that will become available after fiscal year 2012.

The assets of the primary government activities exceeded liabilities by \$25,402,391 with an unrestricted deficit balance of \$922,763. As mentioned earlier, deficit unrestricted net assets are primarily due to the accounting treatment for compensated absences payable, accrued interest payable and the last two state aid payments. The net assets of the primary government do not include internal balances.

A net investment of \$19,552,212 in land, improvements, buildings, equipment and vehicles which provide the services to the 1,857 School District's public school students, represents 77% of the School District's net assets. Net assets of \$6,754,576 have been restricted as follows:

Reserved for future budget appropriation	\$2,313,050
Reserved for encumbrances	\$537,853
Designated for 2011-2012 budget	\$2,604,889
Capital projects	\$448,784
Tuition	\$850,000

**Collingswood School District
Comparative Summary of Net Assets
As of June 30, 2012 and 2011**

	Governmental Activities		Business-Type Activities		District-Wide	
	2012	2011	2012	2011	2012	2011
Assets:						
Current assets	\$ 6,493,370	\$ 6,770,783	\$ 171,649	\$ 204,576	\$ 6,665,019	\$ 6,975,259
Capital assets	<u>36,153,212</u>	<u>37,301,116</u>	<u>39,497</u>	<u>33,136</u>	<u>36,192,709</u>	<u>37,334,252</u>
Total assets	<u>42,646,582</u>	<u>44,071,799</u>	<u>211,146</u>	<u>237,712</u>	<u>42,857,728</u>	<u>44,309,511</u>
Liabilities:						
Current Liabilities	785,383	2,468,020			785,383	2,468,020
Noncurrent Liabilities	<u>16,458,808</u>	<u>17,175,906</u>			<u>16,458,808</u>	<u>17,175,906</u>
Total liabilities	<u>17,244,191</u>	<u>19,643,926</u>			<u>17,244,191</u>	<u>19,643,926</u>
Net assets	<u>\$ 25,402,391</u>	<u>\$ 24,427,873</u>	<u>\$ 211,146</u>	<u>\$ 237,712</u>	<u>\$ 25,613,537</u>	<u>\$ 24,665,585</u>
Net assets consist of:						
Invested in capital						
Assets	\$ 19,552,212	\$ 20,075,116	\$ 39,497	\$ 33,136	\$ 19,591,709	\$ 20,108,252
Restricted net assets	6,772,942	5,187,700			6,772,942	5,187,700
Unrestricted net assets	<u>(922,763)</u>	<u>(834,943)</u>	<u>171,649</u>	<u>204,576</u>	<u>(751,114)</u>	<u>(630,367)</u>
Net assets	<u>\$ 25,402,391</u>	<u>\$ 24,427,873</u>	<u>\$ 211,146</u>	<u>\$ 237,712</u>	<u>\$ 25,613,537</u>	<u>\$ 24,665,585</u>

Governmental Activities

Governmental activities increased the net assets of the School District by \$974,518 during the current fiscal year, thereby accounting for the entire increase in the net assets of the School District. Key elements of the Increase in net assets for governmental activities are as follows:

- Increased revenues due to collection of tuition adjustments and shared service agreements.
- Increased tuition revenue in our special education programs.

Business-type Activities

Business-type activities decreased the School District's net assets slightly. Key elements of the decrease in net assets for business-type activities are as follows:

- Purchases of much needed equipment.

Collingswood School District
Comparative Schedule of Changes in Net Assets
As of and for the Fiscal Year Ended June 30, 2012 and 2011

	Governmental Activities		Business-Type Activities		District-Wide	
	2012	2011	2012	2011	2012	2011
Revenues:						
Program Revenues						
Charges for services	\$ 5,228,802		299,210	357,089	5,528,012	357,089
Operating grants and Contributions	\$ 3,246,828	3,173,864	347,813	319,109	3,594,641	3,492,973
Capital grants and Contributions						
General Revenues:						
Property Taxes	\$ 15,289,825	15,220,248			15,289,825	15,220,248
Unrestricted State Aid	\$ 10,365,425	9,807,569			10,365,425	9,807,569
Restricted State Aid	\$	105,000				105,000
Tuition	\$	4,924,948				4,924,948
Other Revenues	\$ 202,204	263,113			202,204	263,113
Total Revenues	34,333,084	33,494,742	647,023	676,198	34,980,107	34,170,940
Expenses:						
Governmental Activities:						
Instruction	\$ 14,375,992	14,395,803			14,375,992	14,395,803
Tuition	\$ 848,489	770,843			848,489	770,843
Related Services	\$ 3,145,003	3,038,583			3,145,003	3,038,583
Administrative Services	\$ 2,393,518	2,336,375			2,393,518	2,336,375
Operations and Maintenance	\$ 3,930,014	3,339,933			3,930,014	3,339,933
Transportation	\$ 390,946	419,354			390,946	419,354
Unallocated benefits	\$ 7,402,029	6,950,050			7,402,029	6,950,050
Special Schools	\$ 91,372	99,034			91,372	99,034
Interest on long-term Debt	\$ 727,815	752,650			727,815	752,650
Other	\$ 35,668	35,510			35,668	35,510
Business-Type Activities:	\$					
Food Service Operations	\$		691,309	670,934	691,309	670,934
Total Expenses	33,340,836	32,138,135	691,309	670,934	34,032,155	32,809,069
Increase (decrease) in net assets						
Before transfers	\$ 992,238	1,356,607	(44,286)	5,264	947,952	1,361,871
Transfers	\$ (17,720)	8,172	17,720	(8,172)		
Changes in net assets	974,518	1,364,779	(26,566)	(2,908)	947,952	1,361,871
Net assets, July 1,	\$ 24,427,873	23,086,094	237,712	240,620	24,665,585	23,303,714
Net assets, June 30,	\$ 25,402,391	\$ 24,427,873	\$ 211,146	\$ 237,712	\$ 25,613,537	\$ 24,665,585

Financial Analysis of the Governmental Funds

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

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

As of the end of the current fiscal year, the School District's governmental funds reported a combined ending fund balance of \$6,378,358 an increase of \$1,429,450 in comparison with the prior year. Most of this increase is the result of additional revenue from tuition adjustments, increased special education tuition revenue and increases in shared services.

The unreserved fund balance for the School District at the end of the fiscal year includes a combination of an unreserved fund balance deficit for the General Fund of \$376,218. The remainder of the fund balance is reserved to indicate that it is not available for new spending because it has already been committed 1) as restricted cash reserved for future capital outlay expenditures 448,784 (2) appropriated as a revenue source in the subsequent year's budget 2,604,889 or 3) reserved for encumbrances of 537,853 4) reserved for future budget appropriation in accordance with state statute 2,313,050 and 5) reserved for future tuition adjustments of 850,000.

The general fund is the chief operating fund of the School District. As discussed earlier, the balance in the unreserved fund balance is due, primarily, to the accounting treatment of the last state aid payment as discussed in Note 23 of the notes to the basic financial statements, and state statutes that prohibit New Jersey school districts from maintaining more than 2% of its adopted budget as unrestricted fund balance.

General Fund Budgetary Highlights

The difference between the original budget and the final amended budget was an increase of 207,608 or .7%. The increase to the budget resulted from a capital project .

At the end of the current fiscal year, unreserved fund balance (budgetary basis) of the general fund was \$559,022, while total fund balance (budgetary basis) was \$7,174,724. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance (budgetary basis) and total fund balance (budgetary basis) to total general fund expenditures. Actual (budgetary basis) expenditures of the General Fund including other financing uses amounted to \$29,946,368. Unreserved fund balance (budgetary basis) represents 2% of expenditures while total fund balance (budgetary basis) represents 23% of that same amount.

Capital Asset and Debt Administration

The School District's investment in capital assets for its governmental and business-type activities as of June 30, 2012, totaled \$36,153,213 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, improvements, buildings, equipment and vehicles. There was a decrease in the District's investment in capital assets for the current fiscal year of 1,147,904 or 3%. The decrease is due to an increase in accumulated depreciation.

**Collingswood School District
Capital Asset (net of accumulated depreciation)
June 30, 2012 and 2011**

	Governmental Activities		Business-Type Activities		District-Wide	
	2012	2011	2012	2011	2012	2011
Land	\$ 390,040	390,040			\$ 390,040	390,040
Construction in Progress						
Site Improvements	338,794	370,380			338,794	370,380
Buildings and Building Improvements	36,106,967	36,904,182			36,106,967	36,904,182
Equipment	(622,424)	(337,220)	\$ 39,497	33,136	(582,927)	(304,084)
Vehicles	(60,165)	(26,266)			(60,165)	(26,266)
Net assets	<u>\$ 36,153,213</u>	<u>37,301,116</u>	<u>\$ 39,497</u>	<u>33,136</u>	<u>\$ 36,192,710</u>	<u>37,334,252</u>

Additional information on the School District's capital assets can be found in the notes to the basic financial statements (Note 5) of this report.

Long-term debt – During the fiscal year ended June 30, 2012, the School District had \$16,601,000 in serial bonds payable and \$507,808 in compensated absences.

State statutes limit the amount of general obligation debt that the District may issue. At the end of the current fiscal year, the legal debt limit was \$43,772,249 with a remaining borrowing capacity of \$27,171,249.

Additional information on the School District's long-term obligations can be found in the notes to the basic financial statements (Note 7) of this report.

Economic Factors and Next Year's Budgets and Rates

The following factors were considered and incorporated into the preparation of the School District's budget for the 2012-2013 fiscal year.

- In preparing the 2012-2013 budget the Board of Education was determined to offer a lean and efficient budget while meeting the needs of our community with an emphasis on providing tax relief. The 2012-2013 budget decreases the average tax by \$34. The overall tax decrease was .57% below last year's level.
- Collingswood will be sharing certain administrative services with the Oaklyn School District commencing with the 12-13 school year.
- The board of education continues to review cost saving measures and potential for shared services. In addition to various services provided to Oaklyn and Woodlynne, the Collingswood Public Schools entered into a shared service agreement with neighboring Woodlynne during the 11-12 school year to provide custodial/maintenance services. We will also be providing Woodlynne with Child Study Team services commencing in the 12-13 school year. We continue to propose services to others districts.

Requests for Information

This financial report is designed to provide a general overview of the School District's finances for all those with an interest in the School District. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Collingswood School District Business Administrator, 200 Lees Avenue, Collingswood, New Jersey, 08108, telephone number (856) 962-5720.

Basic Financial Statements

District-Wide Financial Statements

COLLINGSWOOD SCHOOL DISTRICT
Statement of Net Assets
June 30, 2012

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
ASSETS:			
Cash and cash equivalents	\$ 5,465,661	\$ 138,957	\$ 5,604,618
Restricted cash and cash equivalents	448,784		448,784
Receivables, net	541,319	16,916	558,235
Inventory	.	15,776	15,776
Deferred bond issuance costs - net	37,606		37,606
Capital assets, net (Note 5)	<u>36,153,212</u>	<u>39,497</u>	<u>36,192,709</u>
Total Assets	<u>42,646,582</u>	<u>211,146</u>	<u>42,857,728</u>
LIABILITIES:			
Payable to state government	28,730		28,730
Deferred revenue	47,971		47,971
Accrued interest payable	58,682		58,682
Noncurrent liabilities (Note 7):			
Due within one year	650,000		650,000
Due beyond one year	<u>16,458,808</u>		<u>16,458,808</u>
Total Liabilities	<u>17,244,191</u>		<u>17,244,191</u>
NET ASSETS:			
Invested in capital assets, net of related debt	19,552,212	39,497	19,591,709
Restricted for:			
Debt service	91,722		91,722
Capital projects	448,784		448,784
Other purposes	6,232,436		6,232,436
Unrestricted (Deficit)	<u>(922,763)</u>	<u>171,649</u>	<u>(751,114)</u>
Total Net Assets	<u>\$ 25,402,391</u>	<u>\$ 211,146</u>	<u>\$ 25,613,537</u>

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

COLLINGSWOOD SCHOOL DISTRICT
Statement of Activities
For the Fiscal Year Ended June 30, 2012

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:							
Instruction:							
Regular	\$ 9,965,762	\$ 4,736,771	\$ 723,514		\$ (4,505,477)		\$ (4,505,477)
Special Education	2,855,516				(2,855,516)		(2,855,516)
Other instruction	1,554,714				(1,554,714)		(1,554,714)
Support Services:							
Tuition	848,489				(848,489)		(848,489)
Student & instruction related services	3,145,003		164,166		(2,980,837)		(2,980,837)
General administrative services	649,527				(649,527)		(649,527)
School administrative services	1,355,675				(1,355,675)		(1,355,675)
Central administrative services	388,316				(388,316)		(388,316)
Plant operations and maintenance	3,930,014	492,031			(3,437,983)		(3,437,983)
Pupil transportation	390,946				(390,946)		(390,946)
Unallocated employee benefits	7,402,029		2,359,148		(5,042,881)		(5,042,881)
Special schools	91,372				(91,372)		(91,372)
Interest on long-term debt	727,815				(727,815)		(727,815)
Unallocated depreciation	35,668				(35,668)		(35,668)
Total Governmental Activities	<u>33,340,846</u>	<u>5,228,802</u>	<u>3,246,828</u>		<u>(24,865,216)</u>		<u>(24,865,216)</u>
Business-Type Activities:							
Food Service	691,309	299,210	347,813			(44,286)	(44,286)
Total Business-Type Activities	<u>691,309</u>	<u>299,210</u>	<u>347,813</u>			<u>(44,286)</u>	<u>(44,286)</u>
Total Primary Government	<u>\$ 34,032,155</u>	<u>\$ 5,528,012</u>	<u>\$ 3,594,641</u>	<u>\$ -</u>	<u>(24,865,216)</u>	<u>(44,286)</u>	<u>(24,909,502)</u>
General Revenues:							
Taxes:							
					13,934,863		13,934,863
					1,354,962		1,354,962
					10,365,425		10,365,425
					3,000		3,000
					180,837		180,837
					18,367		18,367
					(17,720)	17,720	
					<u>25,839,734</u>	<u>17,720</u>	<u>25,857,454</u>
					974,518	(26,566)	947,952
					<u>24,427,873</u>	<u>237,712</u>	<u>24,665,585</u>
					<u>\$ 25,402,391</u>	<u>\$ 211,146</u>	<u>\$ 25,613,537</u>

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

Fund Financial Statements

COLLINGSWOOD SCHOOL DISTRICT
Balance Sheet
Governmental Funds
June 30, 2012

ASSETS	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
Assets:					
Cash and cash equivalents	\$ 5,376,170	\$ 16,076		\$ 91,722	\$ 5,483,968
Receivables, net:					
State aid	62,603				62,603
Federal	10,559	81,142			91,701
Other governmental units	368,003				368,003
Restricted assets:					
Cash and cash equivalents	<u>448,784</u>				<u>448,784</u>
Total Assets	<u><u>\$ 6,266,119</u></u>	<u><u>\$ 97,218</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 91,722</u></u>	<u><u>\$ 6,455,059</u></u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Intergovernmental payable - State		\$ 28,730			\$ 28,730
Deferred revenues	<u>\$ 45,001</u>	<u>2,970</u>			<u>47,971</u>
Total Liabilities	<u>45,001</u>	<u>31,700</u>			<u>76,701</u>
Fund Balances:					
Restricted for:					
Capital reserve	448,784				448,784
Tuition reserve	850,000				850,000
Excess surplus	2,313,050				2,313,050
Assigned to:					
Year-end encumbrances	472,335	65,518			537,853
Subsequent year's budget	2,531,533			\$ 73,356	2,604,889
Unassigned	<u>(394,584)</u>			<u>18,366</u>	<u>(376,218)</u>
Total Fund Balances	<u>6,221,118</u>	<u>65,518</u>		<u>91,722</u>	<u>6,378,358</u>
Total Liabilities and Fund Balances	<u><u>\$ 6,266,119</u></u>	<u><u>\$ 97,218</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 91,722</u></u>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$51,992,438 and the accumulated depreciation is \$15,839,226. 36,153,212

The Internal Service Fund is used to account for the financing of maintenance services to the district and other school districts. Maintenance services are governmental activities. This amount is the unrestricted net assets in the Internal Service Fund. 705

Bond issuance costs are amortized over the life of the bonds on the statement of net assets. 37,606

The following long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds:

General Obligation Bonds	\$ (16,601,000)	
Accrued Interest Payable	(58,682)	
Compensated Absences Payable	<u>(507,808)</u>	
		<u>(17,167,490)</u>

Net Assets of Governmental Activities \$ 25,402,391

COLLINGSWOOD SCHOOL DISTRICT
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2012

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES:					
Local sources:					
Local tax levy	\$ 13,934,863			\$ 1,354,962	\$ 15,289,825
Tuition charges	4,736,771				4,736,771
Interest earned	3,000				3,000
Miscellaneous	246,133				246,133
Total local sources	18,920,767			1,354,962	20,275,729
State sources	12,383,287	\$ 124,319			12,507,606
Federal sources	341,286	763,361			1,104,647
Total Revenues	31,645,340	887,680		1,354,962	33,887,982
EXPENDITURES:					
Current expense:					
Regular instruction	9,156,935				9,156,935
Special education instruction	2,132,002	723,514			2,855,516
Other instruction	1,554,714				1,554,714
Support services and undistributed costs:					
Tuition	848,489				848,489
Student & instruction related services	2,984,249	160,754			3,145,003
General administrative services	548,459				548,459
School administrative services	1,355,675				1,355,675
Central administrative services	388,316				388,316
Plant operations and maintenance	2,789,911				2,789,911
Pupil transportation	390,946				390,946
Unallocated employee benefits	7,402,029				7,402,029
Capital outlay	320,991		255,860		576,851
Special schools	7,618				7,618
Transfer to charter schools	83,754				83,754
Redemption of principal				625,000	625,000
Interest				729,963	729,963
Total Expenditures	29,964,088	884,268	255,860	1,354,963	32,459,179
Excess (deficiency) of revenues over (under) expenditures	1,681,252	3,412	(255,860)	(1)	1,428,803
Other Financing Sources (Uses):					
Prior year payable canceled			18,367		18,367
Transfers in				18,367	18,367
Transfers out	(17,720)		(18,367)		(36,087)
Total other financing sources (uses)	(17,720)			18,367	647
Net change in fund balance	1,663,532	3,412	(255,860)	18,366	1,429,450
Fund balance - July 1, 2011	4,557,586	62,106	255,860	73,356	4,948,908
Fund balance - June 30, 2012	\$ 6,221,118	\$ 65,518	\$ -	\$ 91,722	\$ 6,378,358

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

COLLINGSWOOD 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, 2012

Total net change in fund balances - governmental funds (from B-2)		\$ 1,429,450
Amounts reported for governmental activities in the statement of activities (A-2) are different because:		
<p>Governmental Funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.</p>		
Depreciation expense	\$ (1,347,576)	
Fixed assets additions	<u>199,672</u>	(1,147,904)
<p>Repayment of long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities.</p>		
		625,000
<p>Governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences.</p>		
		(1,979)
<p>The Internal Service Fund is used by management to charge the cost of providing maintenance services to the district and other school districts. This amount is the change in net assets for the Internal Service Fund, exclusive of any gain/(loss) on disposal of Internal Service Fund capital assets.</p>		
		705
<p>Interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. This amount is the net effect of the difference in the treatment of interest on long-term debt.</p>		
		2,148
<p>In the statement of activities, certain operating expenses, (e.g. compensated absences) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+)</p>		
		<u>67,098</u>
Change in Net Assets of Governmental Activities		<u>\$ 974,518</u>

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

COLLINGSWOOD SCHOOL DISTRICT
Statement of Net Assets
Proprietary Funds
June 30, 2012

	Business-Type Activities Enterprise Funds Food Service	Governmental Activities Internal Service Funds Maintenance Services
ASSETS:		
Current assets:		
Cash and cash equivalents	\$ 138,957	\$ (18,307)
Intergovernmental receivables:		
State Aid	271	
Federal Aid	11,458	
Other	5,187	19,012
Inventories	15,776	
Total current assets	171,649	705
Noncurrent Assets:		
Equipment	248,514	
Less - accumulated depreciation	(209,017)	
Total Noncurrent Assets	39,497	
Total Assets	211,146	705
LIABILITIES:		
Current liabilities:		
Accounts payable		
Total Liabilities		
NET ASSETS:		
Invested in capital assets, net	39,497	
Unrestricted	171,649	705
Total Net Assets	\$ 211,146	\$ 705

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

COLLINGSWOOD SCHOOL DISTRICT
Statement of Revenues, Expenses and Changes in Fund Net Assets
Proprietary Funds
For the Fiscal Year Ended June 30, 2012

	Business-Type Activities Enterprise Funds	Governmental Activities Internal Service Funds
	Food Service	Maintenance Funds
Operating Revenues:		
Charges for services:		
Daily sales - reimbursable programs	\$ 142,159	
Daily sales - non-reimbursable programs	144,001	
Maintenance services		\$ 492,031
Miscellaneous	8,934	
Special functions	4,116	
Total Operating Revenues	299,210	492,031
Operating Expenses:		
Cost of sales	270,219	
Salaries	324,707	398,419
Management fee	27,540	
Supplies	21,411	25,361
Other costs	30,864	2,250
Depreciation	16,568	
Total Operating Expenses	691,309	426,030
Operating Income (Loss)	(392,099)	66,001
Nonoperating Revenues (Expenses):		
State sources:		
State school lunch program	7,037	
Federal sources:		
National school lunch program	258,749	
National school breakfast program	34,063	
Food distribution program	47,964	
Transfers	17,720	(65,296)
Total Nonoperating Revenues (Expenses)	365,533	(65,296)
Change in Net Assets	(26,566)	705
Net Assets - July 1, 2011	237,712	
Net Assets - June 30, 2012	\$ 211,146	\$ 705

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

COLLINGSWOOD SCHOOL DISTRICT
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2012

	Business-Type Activities Enterprise Funds	Governmental Activities Internal Service Funds
	Food Service	Maintenance Funds
Cash Flows from Operating Activities:		
Cash receipts from customers	\$ 294,023	\$ 473,019
Cash payments to employees for services	(324,707)	(398,419)
Cash payments to suppliers for goods and services	(350,242)	(27,611)
Net cash used by operating activities	(380,926)	46,989
Cash Flows from Noncapital Financing Activities:		
Cash received from state sources	7,075	
Cash received from federal sources	340,903	
Operating transfer in/out	17,720	(65,296)
Net cash provided by noncapital financing activities	365,698	(65,296)
Cash Flows Used by Capital and Related Financing Activities:		
Purchase of equipment	(22,929)	
Cash Flow Provided by Investing Activities:		
Interest on cash equivalents		
Net increase (decrease) in cash and cash equivalents	(38,157)	(18,307)
Cash and cash equivalents - July 1, 2011	177,114	
Cash and cash equivalents - June 30, 2012	\$ 138,957	\$ (18,307)
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:		
Operating income (loss)	\$ (392,099)	\$ 66,001
Adjustments to reconcile operating income (loss) to cash provided by (used for) operating activities:		
Depreciation	16,568	
Change in assets and liabilities:		
(Increase) decrease in accounts receivable	(5,187)	(19,012)
(Increase) decrease in inventory	(208)	
Increase (decrease) in accounts payable		
Net cash provided by (used for) operating activities	\$ (380,926)	\$ 46,989

Noncash Noncapital Financing Activities:

During the year the District received \$47,964 of food commodities from the U.S. Department of Agriculture.

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

COLLINGSWOOD SCHOOL DISTRICT
Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2012

	Trust Funds			Agency Funds
	Unemployment Compensation Trust	Flexible Benefit Trust	Private Purpose Scholarship Fund	
ASSETS:				
Cash and cash equivalents	\$ 716,298	\$ 5,158	\$ 205,682	\$ 380,429
 Total Assets	<u>716,298</u>	<u>5,158</u>	<u>205,682</u>	<u>\$ 380,429</u>
 LIABILITIES:				
Payroll deductions and withholdings				\$ 193,446
Due to student groups	_____	_____	_____	<u>186,983</u>
 Total Liabilities	<u>_____</u>	<u>_____</u>	<u>_____</u>	<u>\$ 380,429</u>
 NET ASSETS:				
Held in trust for unemployment claims and other purposes	<u>\$ 716,298</u>			
Held in trust for claims		<u>\$ 5,158</u>		
Reserved for scholarships			<u>\$ 205,682</u>	

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

COLLINGSWOOD SCHOOL DISTRICT
Statement of Changes in Fiduciary Net Assets
Fiduciary Funds
For the Fiscal Year Ended June 30, 2012

	<u>Unemployment Compensation Trust</u>	<u>Flexible Benefit Trust</u>	<u>Private Purpose Scholarship Fund</u>
ADDITIONS:			
Contributions:			
Employee	\$ 17,766	\$ 2,000	
Donations			\$ 30,000
Total Contributions	<u>17,766</u>	<u>2,000</u>	<u>30,000</u>
Interest earned on investments	<u>6,826</u>	<u>43</u>	<u>1,208</u>
Total Additions	<u>24,592</u>	<u>2,043</u>	<u>31,208</u>
DEDUCTIONS:			
Claims paid		1,000	
Scholarships awarded			41,797
Total Deductions		<u>1,000</u>	<u>41,797</u>
Change in Net Assets	24,592	1,043	(10,589)
Net Assets - July 1, 2011	<u>691,706</u>	<u>4,115</u>	<u>216,271</u>
Net Assets - June 30, 2012	<u>\$ 716,298</u>	<u>\$ 5,158</u>	<u>\$ 205,682</u>

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

**Collingswood School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2012**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity - The Collingswood School District ("School District") is a Type II district located in the County of Camden, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The Board of Education is comprised of nine members elected to three-year terms. These terms are staggered so that three member's terms expire each year. The purpose of the School District is to provide educational services for resident students in grades K through 12. In addition, the School District provides educational services for students in grades 9 through 12 received from the Oaklyn School District and the Woodlynne School District, on a tuition basis. The Collingswood School District has an approximate enrollment at June 30, 2012 of 1,857 students.

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

Basis of Presentation

The basic financial statements of the School District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The School District also applies Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or before November 30, 1989 to its governmental and business-type activities and to its proprietary funds, provided they do not conflict with or contradict GASB pronouncements. The more significant of the School District's accounting policies are described below.

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

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

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

**Collingswood School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2012**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

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

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

Capital Projects Fund - The capital projects fund is used to account and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets, other than those financed by proprietary funds. The financial resources are derived from New Jersey Economic Development Authority grants, temporary notes or serial bonds which are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election.

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

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

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

The School District's enterprise funds are:

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

**Collingswood School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2012**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

Internal Service Fund – The internal service fund has been established to account for the financing of maintenance services provided by the Collingswood School District for use by other school districts, as well as for the Collingswood School District itself. Services are provided on a cost-reimbursement basis.

Fiduciary Funds - Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into two classifications: trust funds and agency funds. Agency funds are used to account for assets held by the School District in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds (i.e. payroll and student activities). They are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The School District has five fiduciary funds; an unemployment compensation trust fund, a private purpose scholarship fund, a flexible spending trust fund, a student activity fund, and a payroll fund.

Measurement Focus

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

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

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

Basis of Accounting

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

**Collingswood School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2012**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenues - Exchange and Non-exchange Transactions - Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. "Measurable" means the amount of the transaction can be determined and "available" means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the School District, available means expected to be received within sixty days after fiscal year end.

Non-exchange transactions, in which the School District receives value without directly giving equal value in return, include Ad Valorem (property) taxes, grants, entitlements, and donations. Ad Valorem (Property) Taxes are susceptible to accrual, as under New Jersey State Statute, a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The School District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year since the revenue is both measurable and available. The School District is entitled to receive monies under the established payment schedule and the unpaid amount is considered to be an "accounts receivable". With the exception of restricted formula aids recorded in the special revenue fund, revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the fiscal year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the School District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis.

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

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

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

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

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

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

**Collingswood School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2012**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

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

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

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

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

Tuition Payable - Tuition charges for the fiscal years ended June 30, 2012 and 2011 were based on rates established by the receiving school district. These rates are subject to change when the actual costs have been determined.

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

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

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

**Collingswood School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2012**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Prepaid Expenses - Prepaid expenses recorded on the government-wide financial statements and in the proprietary fund types represent payments made to vendors for services that will benefit periods beyond June 30, 2012.

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

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

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

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

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

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

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

Accrued Salaries and Wages - Certain School District employees, who provide services to the School District over the ten-month academic year, have the option to have their salaries evenly disbursed during the twelve-month year. New Jersey statutes require that these earned but undisbursed amounts be retained in a separate bank account. As of June 30, 2012, the amounts earned by these employees were disbursed to the employees' own individual credit union accounts.

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

Collingswood School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Compensated Absences (Continued) - The entire compensated absence liability is reported on the government-wide financial statements.

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

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

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

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

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

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

Nonspendable - The nonspendable fund balance classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. The "not in spendable form" criteria includes items that are not expected to be converted to cash, such as inventories and prepaid amounts. The School District had no nonspendable fund balance at June 30, 2012.

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

Committed - This fund balance classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the School District's highest level of decision making authority, which for the School District is the Board of Education. Once committed, amounts cannot be used for any other purpose unless the Board of Education removes, or changes, the specified use by taking the same type of action imposing the commitment.

Assigned - This fund balance classification includes amounts that are constrained by the School District's *intent* to be used for specific purposes, but are neither restricted nor committed. *Intent* is expressed by either the Board of Education or by the Business Administrator, to which the Board of Education has delegated the authority to assign amounts to be used for specific purposes.

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

**Collingswood School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2012**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

Unamortized Bond Issuance Costs and Bond Premiums – On government-wide financial statements, issuance costs are deferred and amortized over the term of the bonds using the straight-line method. Unamortized issuance costs are recorded as a separate line item on the statement of net assets.

Bond premiums are deferred and amortized over the term of the bonds using the straight-line method, which approximates the effective interest method. Bond premiums are presented as an addition to the face of the bonds.

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

2. CASH AND CASH EQUIVALENTS

Custodial Credit Risk Related to Deposits – Custodial credit risk refers to the risk that, in the event of a bank failure, the School District's deposits may not be recovered. Although the School District does not have a formal policy regarding custodial credit risk, N.J.S.A. 17.9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Unit (GUDPA). Under the Act, the first \$250,000.00 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the School District in excess of FDIC insured amounts are protected by GUDPA. Banks that qualify as public depositories under New Jersey statutes hold cash deposits, with bank balances totaling \$7,983,473 at June 30, 2012.

3. CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the School District 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.

**Collingswood School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2012**

3. CAPITAL RESERVE ACCOUNT (Continued)

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

The activity of the capital reserve for the July 1, 2011 to June 30, 2012 fiscal year is as follows:

Balance July 1, 2011		\$	345,784	
Increased by:				
Interest Earned	\$	3,000		
Board Resolution	<u>100,000</u>			
			<u>103,000</u>	
			448,784	
Decreased by:				
Budget Withdrawal				
Board Resolution	<u> </u>			
			<u>-</u>	
Balance June 30, 2012		\$	<u><u>448,784</u></u>	

The June 30, 2012 capital reserve balance does not exceed the LRFP balance of local support costs of uncompleted projects.

4. ACCOUNTS RECEIVABLES

Accounts receivables at June 30, 2012 consisted of accounts (fees) and intergovernmental grants. All intergovernmental receivables are considered collectible in full due to the stable condition of State programs and the current fiscal year guarantee of federal funds.

Accounts receivable at June 30, 2012 for the School District's individual major and fiduciary funds, in the aggregate, are as follows:

	General Fund	Special Revenue Fund	Enterprise Fund	Proprietary Funds	Total
Intergovernmental					
State	\$ 62,603		\$ 271		\$ 62,874
Federal	10,559	\$ 81,142	11,458		103,159
Other	<u>368,003</u>		<u>5,187</u>	<u>\$ 19,012</u>	<u>392,202</u>
Total	<u><u>\$ 441,165</u></u>	<u><u>\$ 81,142</u></u>	<u><u>\$ 16,916</u></u>	<u><u>\$ 19,012</u></u>	<u><u>\$ 558,235</u></u>

**Collingswood School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2012**

5. CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2012, was as follows:

	<u>Balance June 30, 2011</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2012</u>
Governmental Activities:				
Land	\$ 390,040			\$ 390,040
Total Capital Assets not being Depreciation	390,040			390,040
Land Improvements	1,676,690	\$ 54,998		1,731,688
Building and Improvements	46,524,739	136,000		46,660,739
Vehicles	271,195			271,195
Equipment	2,930,102	8,674		2,938,776
Total Historical Cost	<u>51,792,766</u>	<u>199,672</u>	<u>-</u>	<u>51,992,438</u>
Less Accumulated Depreciation:				
Land Improvements	(1,306,310)	(86,584)		(1,392,894)
Building and Improvements	(9,620,557)	(933,215)		(10,553,772)
Vehicles	(297,461)	(33,899)		(331,360)
Equipment	(3,267,322)	(293,878)		(3,561,200)
Total Accumulated Depreciation	<u>(14,491,650)</u>	<u>(1,347,576)</u>	<u>-</u>	<u>(15,839,226)</u>
Governmental Activities Capital Assets, Net	<u>\$ 37,301,116</u>	<u>\$ (1,147,904)</u>	<u>\$ -</u>	<u>\$ 36,153,212</u>
Business-Type Activities:				
Equipment	225,585	22,929		248,514
Less - Accumulated Depreciation	<u>(192,449)</u>	<u>(16,568)</u>		<u>(209,017)</u>
Business-Type Activities Capital Assets, Net	<u>33,136</u>	<u>6,361</u>	<u>-</u>	<u>39,497</u>

Depreciation expense in the amount of \$1,347,576 was charged to governmental functions as follows:

<u>Function</u>	<u>Amount</u>
Regular Instruction	\$ 875,925
General Administration	101,068
Plant operations and maintenance	336,894
Unallocated	33,689
Total depreciation expense	<u>\$ 1,347,576</u>

**Collingswood School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2012**

6. INVENTORY

Inventory in the food service fund at June 30, 2012 consisted of the following:

Food	\$	12,345
Supplies		3,431
	\$	15,776

7. LONG-TERM OBLIGATIONS

During the fiscal year ended June 30, 2012, the following changes occurred in long-term obligations:

	<u>Principal Outstanding June 30, 2011</u>	<u>Additions</u>	<u>Reductions</u>	<u>Principal Outstanding June 30, 2012</u>	<u>Due Within One Year</u>
Governmental Activities:					
Compensated Absences	\$ 574,906		\$ 67,098	\$ 507,808	
General Obligation Bonds	17,226,000		625,000	16,601,000	\$ 650,000
	\$ 17,800,906	\$ -	\$ 692,098	\$ 17,108,808	\$ 650,000

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

2005 General Obligation Bonds dated June 1, 2005 in the amount of \$16,601,000 due in annual installments through June 1, 2030, bearing interest rate of 4.00 % to 4.40%.

As of June 30, 2012, principal and interest due on bonds outstanding is as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$ 650,000	\$ 704,181	\$ 1,354,181
2014	700,000	677,369	1,377,369
2015	700,000	648,494	1,348,494
2016	725,000	619,619	1,344,619
2017	750,000	589,713	1,339,713
2018-2022	4,275,000	2,449,282	6,724,282
2023-2027	5,225,000	1,470,595	6,695,595
2028-2030	3,576,000	317,745	3,893,745
	\$ 16,601,000	\$ 7,476,998	\$ 24,077,998

As of June 30, 2012 the School District had no authorizations to issue additional bonded debt.

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

**Collingswood School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2012**

8. OPERATING LEASES

At June 30, 2012, the School District had operating lease agreements in effect for copy machines. Total rental payments for such leases were \$53,268 for the fiscal year ended June 30, 2012. The future minimum lease payments for these leases are as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Amount</u>
2013	\$ 40,109
2014	22,673
2015	19,007
2016	<u>11,087</u>
	<u>\$ 92,876</u>

9. PENSION PLANS

Description of Plans – Substantially all of the School District's employees participate in one of the following pension plans which have been established by State statute, and are administered by the New Jersey Division of Pensions and Benefits (Division): the Teachers' Pension and Annuity Fund (TPAF), the Public Employees' Retirement System (PERS) or the Defined Contribution Retirement Program (DCRP). Each plan has a Board of Trustees that is primarily responsible for its administration. The Division issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the State of New Jersey, Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey, 08625-0295.

Teachers' Pension and Annuity Fund (TPAF)

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

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 92 and Chapter 103, P.L. 2007, plan members were required to contribute 5.5% of their annual covered salary. Chapter 78 P.L. 2011 changed the employee contribution rate as follows: Effective with the first payroll check to be paid on or after October 1, 2011 plan members rate will increase to 6.5% with an additional increase of .14% beginning in July 2012 and continuing each year until the rate reaches 7.5% in July 2018. The State Treasurer has the right under the current law to make temporary reductions in rates based on the existence of surplus pension assets in the retirement system; however, statute also requires the return to the normal rate when such surplus pension assets no longer exists.

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

Public Employees' Retirement System (PERS)

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

**Collingswood School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2012**

9. PENSION PLANS (Continued)

Public Employees' Retirement System (PERS) (Continued) - The contribution requirements of plan members are determined by State statute. In accordance with Chapter 92 and Chapter 103, P.L. 2007, plan members were required to contribute 5.5% of their annual covered salary. Chapter 78 P.L. 2011 changed the employee contribution rate as follows: Effective with the first payroll check to be paid on or after October 1, 2011 plan members rate will increase to 6.5% with an additional increase of .14% beginning in July 2012 and continuing each year until the rate reaches 7.5% in July 2018. The State Treasurer has the right under the current law to make temporary reductions in rates based on the existence of surplus pension assets in the retirement system; however, statute also requires the return to the normal rate when such surplus pension assets no longer exists.

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

<u>Fiscal Year</u>	<u>Normal Contributions</u>	<u>Accrued Liability</u>	<u>Non Contributory Life</u>	<u>Total Liability Paid by District</u>
2012	\$ 114,100	\$ 228,200	\$ 21,809	\$ 364,109
2011	123,765	197,211	24,378	345,354
2010	97,060	110,798	23,356	231,214

Defined Contribution Retirement Program (DCRP)

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

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. Chapter 78 P.L. 2011 changed the employee contribution rate as follows: Effective with the first payroll check to be paid on or after October 1, 2011 plan members rate will increase to 6.5% with an additional increase of .14% beginning in July 2012 and continuing each year until the rate reaches 7.5% in July 2018. The State Treasurer has the right under the current law to make temporary reductions in rates based on the existence of surplus pension assets in the retirement system; however, state statute also requires the return to the normal rate when such surplus pension assets no longer exist. The employee contributions along with the School District's contribution for each pay period are transmitted to Prudential Financial not later than the fifth business day after the date on which the employee is paid for that pay period.

There were no School District employees enrolled in the DCRP for the fiscal years ended June 30, 2012, 2011 and 2010.

<u>Fiscal Year</u>	<u>Total Liability</u>	<u>Employee Contribution</u>	<u>Paid by School District</u>
2012	\$ 19,953	\$ 11,601	\$ 8,352
2011	4,225	4,102	123
2010	-		

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

**Collingswood School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2012**

10. POST-RETIREMENT BENEFITS

The School District contributes to the New Jersey 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 Pension and Benefits. SHBP was established to provide medical, prescription drug, mental health/substance abuse and Medicare Part B reimbursement to retirees and their covered dependents. The State Health Benefits Program Act is found in New Jersey Statutes Annotated, Title 52, Article 17.25 et seq. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. The State of New Jersey Division of Pension issues a publicly available financial report that includes financial statements and required supplementary information for SHBP. That report may be obtained by writing to the Division of Pension and Benefits, PO Box 295, Trenton, NJ 08625-0295.

P.L. 1987, c.384 and P.L. 1990, c.6 required Teachers' Pensions and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c. 103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2011 there were 93,323 retirees eligible for post-retirement medical benefits. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post-retirement medical premiums changed from a pre-funding basis to a pay-as-you-go basis beginning in fiscal year 1994.

The State is also responsible for the cost attributable to P.L. 1992 c.126, which provides free health benefits to members of PERS and Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$144 million toward Chapter 126 benefits for 15,709 eligible retired members in fiscal year 2011.

The State establishes the contribution rate based on the annual required contribution of the employers (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents the level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The State's contribution to the SHBP Fund for TPAF retirees' post-retirement benefits on behalf of the School District for the year ended June 30, 2012 was \$879,146, which equaled the required contributions. The State's contribution to the SHBP Fund for PERS retirees' post-retirement benefits on behalf of the School District was not determined or made available by the State of New Jersey.

11. ON-BEHALF PAYMENTS

For the fiscal year ended June 30, 2012, the School District has recognized as revenues and expenditures \$437,330 of on-behalf payments made by the State of New Jersey for normal retirement costs related to TPAF and \$1,042,672 for employer's share of social security contributions for TPAF members, as calculated on their base salaries.

12. RISK MANAGEMENT

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

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

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

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

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

**Collingswood School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2012**

12. RISK MANAGEMENT (Continued)

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

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

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2012	\$ 6,826	\$ 17,766		\$ 716,298
2011	9,098		\$ 12,888	691,706
2010	12,917		30,000	695,496

13. DEFERRED COMPENSATION

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

14. COMPENSATED ABSENCES

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

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

The liability for vested compensated absences is recorded within those funds as the benefits accrued to the employees. As of June 30, 2012, the liability for compensated absences in the governmental activities fund type was \$574,906.

15. CONTINGENCIES

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

At June 30, 2012, significant amounts of grant expenditures have not been audited by the granting agency, but the School District believes that disallowed expenditures discovered in subsequent audits, if any, will not have a material effect on any of the individual funds or the overall financial position of the School District. Additionally, deferred revenues are recognized in those funds that have received grant monies in advance of future, reimbursable expenditures.

**Collingswood School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2012**

16. FLEXIBLE BENEFITS PROGRAM

The School District offers its employees a Flexible Benefits Program. The purpose of the program is to provide a tax incentive for plan participants incurring health premium expenses, dependent care expenses and other medical expenses not covered by other insurance. The School District, who is the plan administrator, has contracted with American Family Life Assurance Company (AFLAC) to act as its agent to furnish reimbursement services. The plan participants redirect a prescribed amount of their gross pay (tax-free) into a reimbursement account and then in-turn submit claims to AFLAC for repayment. Because of Internal Revenue Service regulations, if at the end of any plan year unexpended funds remain, these funds will be forfeited by the participants and returned to the School District.

The following is a summary of School District contributions, employee contributions, reimbursements to the plan participants for benefits paid and the ending balance of the School District's fiduciary fund for the current and prior two years.

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2012	\$ 43	\$ 2,000	\$ 1,000	\$ 5,158
2011	63	520	3,174	4,115
2010	83	4,610	3,633	6,706

17. DEFICIT UNASSIGNED FUND BALANCE

The School District has a deficit unassigned fund balance of \$394,584 in the General Fund as of June 30, 2012 as reported in the fund statements (modified accrual basis). N.J.S.A. 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, school districts must record the delayed one or more June state aid payments as revenues, for budget purposes only, in the current school budget year. The statute provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the June state aid payments in the subsequent fiscal year, the School District cannot recognize the June state aid payment on the GAAP financial statements until the year the State records the payable. Due to the timing difference of recording the June state aid payments, the general and special revenue fund balance deficit does not alone indicate that the School District is facing financial difficulties.

Pursuant to N.J.S.A. 18A:22-44.2 any negative unassigned general fund balance that is reported as a direct result from a delay in the June payments of state aid until the following fiscal year, is not considered in violation of New Jersey statute and regulation nor in need of corrective action. The School District deficit in the GAAP funds statements of \$394,584 is equal to or less than the June state aid payment.

18. DEFICIT UNRESTRICTED NET ASSETS

As of June 30, 2012, a deficit of \$922,763 existed in the Unrestricted Net Assets of the Governmental Activities. A reconciliation of Unreserved Fund Balance reported on Exhibit B-1 to Unrestricted Net Assets reported on Exhibited A-1 as follows:

Balances, June 30, 2012:	
Fund Balance (Deficit)	
(Exclusive of Capital Projects and Debt Service Funds)	
Unassigned	\$ (394,584)
Add - Amortized Bond Issuance Costs	37,606
Add - Unrestricted Net Assets in the Internal Service Fund	705
Liabilities:	
Accrued Interest Payable	(58,682)
Compensated Absences	(507,808)
Unrestricted Net Assets (Deficit)	<u>\$ (922,763)</u>

**Collingswood School District
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2012**

19. FUND BALANCES

RESTRICTED

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

General Fund:

Excess Surplus – In accordance with N.J.S.A. 18A:7F-7, as amended, the designation of restricted fund balance - excess surplus is the result of a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict general fund, fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2012 is \$2,313,050 presented on the budgetary basis of accounting (Exhibit C-1). Additionally, \$2,234,598 of excess fund balance generated during the 2010-2011 fiscal year has been restricted and designated for utilization in the 2012-2013 budget.

Capital Reserve – As of June 30, 2012, the balance in the capital reserve account is \$448,784. The entire amount is restricted for future capital outlay expenditures for capital projects in the School District's approved Long Range Facilities Plan.

Tuition Reserve – In accordance with N.J.A.C. 6A:23-3.1(f)(8), the School District has restricted fund balance at June 30, 2012 in the amount of \$850,000 for tuition adjustments. This reserve represents foreseeable future tuition adjustments up to a maximum of 10% of the estimated cost of the respective contract year. As of June 30, 2012, \$420,000 has been reserved for the 2012-2013 year and \$430,000 has been reserved for the 2013-2014 year.

Debt Service Fund – As of June 30, 2012, the restricted fund balance amount was \$91,722 of which \$73,356 has been designated for utilization in the 2012-2013 budget and \$18,366 is restricted for future debt service expenditures.

ASSIGNED

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

General Fund:

Other Purposes – At June 30, 2012 the School District has \$537,853 of encumbrances outstanding for purchase orders and contracts signed by the School District, but not completed, as of the close of the fiscal year.

Designated for Subsequent Year's Expenditures – The School District has appropriated and included as an anticipated revenue for the fiscal year ending June 30, 2013, \$2,531,533 of general fund balance at June 30, 2012.

UNASSIGNED

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

General Fund – As of June 30, 2012, the fund balance of the general fund was a deficit of \$394,584, thus resulting in the fund balance classification of unassigned. The deficit is a result of the delay in the recording of the payment of state aid until the following fiscal year (See Note 17).

Required Supplementary Information - Part II

Budgetary Comparison Schedules

COLLINGSWOOD SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local sources:					
Local Tax Levy	\$ 13,934,863		\$ 13,934,863	\$ 13,934,863	
Tuition	4,451,228	\$ 62,251	4,513,479	4,736,771	\$ 223,292
Interest earned on capital reserve funds	3,000		3,000	3,000	
Unrestricted misc. revenues	172,250	(65,250)	107,000	246,133	139,133
Total local sources	18,561,341	(2,999)	18,558,342	18,920,767	362,425
State sources:					
Categorical special education aid	849,026		849,026	849,026	
Equalization aid	7,870,013		7,870,013	7,870,013	
Categorical security aid	250,633		250,633	250,633	
Adjustment aid	608,242		608,242	905,177	296,935
Categorical transportation aid	197,685		197,685	197,685	
Extraordinary aid	4,303		4,303	11,226	6,923
Anti-bullying aid		1,537	1,537	1,537	
On-behalf TPAF pension contri. (non-budgeted)				1,316,476	1,316,476
Reimbursed TPAF social security contribution (non-budgeted)				1,042,672	1,042,672
Total state sources	9,779,902	1,537	9,781,439	12,444,445	2,663,006
Federal sources:					
Education Jobs Fund	287,801	12,977	300,778	300,778	
Medicaid reimbursement	32,063		32,063	40,508	8,445
Total federal sources	319,864	12,977	332,841	341,286	8,445
TOTAL REVENUES	28,661,107	11,515	28,672,622	31,706,498	3,033,876
EXPENDITURES:					
CURRENT EXPENSE:					
Regular Programs - Instruction:					
Salaries of teachers					
Preschool	55,250		55,250	54,315	935
Kindergarten	457,380		457,380	439,296	18,084
Grades 1-5	2,586,167	53,883	2,640,050	2,571,205	68,845
Grades 6-8	1,764,446	3,150	1,767,596	1,661,953	105,643
Grades 9-12	3,666,003	(47,158)	3,618,845	3,514,827	104,018
Regular Programs - Home Instruction:					
Salaries of teachers	25,000	1,500	26,500	9,094	17,406
Purchased professional - educ services	8,000	10,000	18,000	14,053	3,947
Regular Programs - Undistributed Instruction:					
Other salaries for instruction	31,375		31,375	30,745	630
Purchased professional - educ services	61,733	(43,233)	18,500	10,475	8,025
Purchased technical services	118,050	(24,300)	93,750	93,553	197
Other purchased services	97,470	508	97,978	92,591	5,387
General supplies	629,778	132,597	762,375	619,238	143,137
Textbooks	56,550	(19,873)	36,677	35,287	1,390
Other objects	18,200	200	18,400	10,303	8,097
Total - Regular Programs - Instruction	9,575,402	67,274	9,642,676	9,156,935	485,741

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

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COLLINGSWOOD SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2012

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Special Education Instruction:					
Behavior Disabilities					
Salaries of teachers	\$ 79,660		\$ 79,660	\$ 71,694	\$ 7,966
Total behavioral disabilities	<u>79,660</u>		<u>79,660</u>	<u>71,694</u>	<u>7,966</u>
Multiple Disabilities:					
Salaries of teachers	193,555	\$ (4,364)	189,191	184,858	4,333
Other salaries for instruction	176,745	4,264	181,009	181,006	3
Purchased technical services	4,000	(4,000)			
Other purchased services	1,000	(1,000)			
General supplies	8,113	900	9,013	8,310	703
Textbooks	12,600	(6,231)	6,369	5,789	580
Total multiple disabilities	<u>396,013</u>	<u>(10,431)</u>	<u>385,582</u>	<u>379,963</u>	<u>5,619</u>
Resource room/resource center:					
Salaries of teachers	1,241,503	(4,080)	1,237,423	1,204,474	32,949
Other salaries for instruction	137,350	(800)	136,550	131,436	5,114
Other purchased services	200		200		200
General supplies	13,185	(3,100)	10,085	10,018	67
Textbooks	2,060		2,060	1,702	358
Total resource room/resource center	<u>1,394,298</u>	<u>(7,980)</u>	<u>1,386,318</u>	<u>1,347,630</u>	<u>38,688</u>
Autism:					
Salaries of teachers	161,820		161,820	130,478	31,342
Other salaries for instruction	103,370		103,370	100,837	2,533
Total autism	<u>265,190</u>		<u>265,190</u>	<u>231,315</u>	<u>33,875</u>
Preschool Disabilities - Part-Time:					
Salaries of teachers	61,290	2,210	63,500	61,946	1,554
Other salaries for instruction	30,775	100	30,875	1,019	29,856
General supplies	1,000	(1,000)			
Other objects	250	(250)			
Total preschool disabilities - part-time	<u>93,315</u>	<u>1,060</u>	<u>94,375</u>	<u>62,965</u>	<u>31,410</u>
Home Instruction					
Salaries of teachers	32,000	(7,000)	25,000	16,431	8,569
Purchased prof. educational services	25,000		25,000	22,004	2,996
Total home instruction	<u>57,000</u>	<u>(7,000)</u>	<u>50,000</u>	<u>38,435</u>	<u>11,565</u>
Total Special Education - Instruction	<u>2,285,476</u>	<u>(24,351)</u>	<u>2,261,125</u>	<u>2,132,002</u>	<u>129,123</u>
Basic Skills/Remedial - Instruction					
Salaries of teachers	774,495	45,921	820,416	799,118	21,298
Purchased prof. educational services		2,950	2,950	2,950	
Other purchased services	600	2,375	2,975	2,397	578
General supplies	18,870		18,870	12,223	6,647
Total basic skills/remedial - instruction	<u>793,965</u>	<u>51,246</u>	<u>845,211</u>	<u>816,688</u>	<u>28,523</u>
Bilingual Education - Instruction					
Salaries of teachers	72,750	1,237	73,987	63,186	10,801
General supplies	10,401		10,401	10,132	269
Total bilingual education - instruction	<u>83,151</u>	<u>1,237</u>	<u>84,388</u>	<u>73,318</u>	<u>11,070</u>

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

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COLLINGSWOOD SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2012

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
School-Sponsored Coccrrricular Act - Instruction:					
Salaries of teachers	\$ 141,708		\$ 141,708	\$ 96,408	\$ 45,300
Purchased services	1,300		1,300	900	400
Supplies and materials	15,800		15,800	10,070	5,730
Other objects	10,550	\$ 600	11,150	4,428	6,722
Total school-sponsored cocurr. act. - instruc.	169,358	600	169,958	111,806	58,152
School-Sponsored Athletics - Instruction:					
Salaries of teachers	534,157	(31,784)	502,373	411,039	91,334
Purchased services	109,500		109,500	92,673	16,827
Supplies and materials	42,000		42,000	41,683	317
Other objects	9,000		9,000	7,507	1,493
Total school-sponsored athletics - instruc.	694,657	(31,784)	662,873	552,902	109,971
Total Instruction	13,602,009	64,222	13,666,231	12,843,651	822,580
Undistributed Expenditures - Instruction					
Tuition to other LEA's within the state - regular	111,559	(17,685)	93,874	56,079	37,795
Tuition to other LEA's within the state - special	41,522		41,522	8,961	32,561
Tuition to county voc. school district - regular	59,850		59,850	48,450	11,400
Tuition to CSSD & reg. day schools	351,638	(6,216)	345,422	272,585	72,837
Tuition to priv. sch. for the disabled in state	332,814	(600)	332,214	289,789	42,425
Tuition - state facilities	111,485		111,485	111,485	
Tuition - other	61,837		61,837	61,140	697
Total undistributed expenditures - instruction	1,070,705	(24,501)	1,046,204	848,489	197,715
Attendance and Social Work:					
Salaries	19,810		19,810		19,810
Purchased professional and tech. services	25,577	3,072	28,649	28,649	
Total attendance and social work	45,387	3,072	48,459	28,649	19,810
Health Services:					
Salaries	340,660		340,660	327,710	12,950
Purchased professional and tech. services	23,000	3,000	26,000	26,000	
Other purchased services	3,678	(3,178)	500	213	287
Supplies and materials	4,000	3,178	7,178	6,321	857
Total health services	371,338	3,000	374,338	360,244	14,094
Speech, OT, PT & Related Services:					
Salaries	282,618	(84)	282,534	259,779	22,755
Purchased professional and educ. services	35,000	1,155	36,155	35,412	743
Supplies and materials	3,000	3,559	6,559	6,559	
Total speech, ot, pt, & related services	320,618	4,630	325,248	301,750	23,498
Other Support Services Student - Extra:					
Salaries	75,330		75,330	70,930	4,400
Purchased professional - educ. services	66,000	17,539	83,539	80,372	3,167
Total other support services student - extra	141,330	17,539	158,869	151,302	7,567

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

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COLLINGSWOOD SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2012

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Guidance:					
Salaries of other professional staff	\$ 429,090	\$ 1,465	\$ 430,555	\$ 430,518	\$ 37
Salaries of secretarial and clerical assistants	114,385		114,385	108,451	5,934
Purchased professional - educ. services	69,250		69,250	56,442	12,808
Other purchased prof. and tech. services	46,000	(3,732)	42,268	3,624	38,644
Other purchased services	800		800		800
Supplies and materials	8,500		8,500	3,490	5,010
Other objects	5,500		5,500	1,501	3,999
Total guidance	673,525	(2,267)	671,258	604,026	67,232
Child Study Teams:					
Salaries of other professional staff	538,331	2,231	540,562	540,562	
Salaries of secretarial and clerical assistants	79,900		79,900	78,202	1,698
Purchased professional - educ services	15,500	(9,345)	6,155	5,705	450
Miscellaneous purchased services	1,500	(1,414)	86	53	33
Supplies and materials	11,500	2,178	13,678	13,678	
Total child study teams	646,731	(6,350)	640,381	638,200	2,181
Improvement of Instructional Services:					
Salaries of supervisor of instruction	229,541	19,000	248,541	248,541	
Salaries of other professional staff	6,000	17,300	23,300	22,882	418
Salaries of secretarial and clerical assistants	10,280		10,280	9,780	500
Purchased professional - educ services	11,000	(3,120)	7,880	6,310	1,570
Supplies and materials	2,500	(100)	2,400	2,148	252
Total improvement of instructional services	259,321	33,080	292,401	289,661	2,740
Educational Media Services/School Library:					
Salaries	329,378		329,378	316,179	13,199
Supplies and materials	19,525	9,115	28,640	26,506	2,134
Total educational media services/school library	348,903	9,115	358,018	342,685	15,333
Instructional Staff Training Services:					
Salaries of supervisors of instruction	229,541	19,000	248,541	248,541	
Salaries of other professional staff	4,600		4,600		4,600
Salaries of secretarial and clerical assistants	10,280		10,280	9,780	500
Other purchased services (400-500 series)	26,200		26,200	9,411	16,789
Total instructional staff training services	270,621	19,000	289,621	267,732	21,889
General Administration:					
Salaries	281,302		281,302	280,302	1,000
Legal services	40,000	(916)	39,084	13,945	25,139
Audit fees	28,500		28,500	23,500	5,000
Other purchased professional services	30,000	5,464	35,464	35,370	94
Purchased technical services		34,484	34,484	34,484	
Communications / telephone	72,670	6,966	79,636	73,753	5,883
BOE other purchased services	3,300	(2,000)	1,300		1,300
Other purchased services	76,400	(9,108)	67,292	61,438	5,854
Supplies	3,500		3,500	2,840	660
Miscellaneous expenditures	8,100	587	8,687	8,668	19
BOE membership dues and fees	15,000		15,000	14,159	841
Total general administration	558,772	35,477	594,249	548,459	45,790

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

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COLLINGSWOOD SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2012

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
School Administration:					
Salaries of principals/assist. principals	\$ 978,777		\$ 978,777	\$ 971,171	\$ 7,606
Salaries of secretarial and clerical assistants	359,625		359,625	345,371	14,254
Other purchased services	27,400	\$ (82)	27,338	20,208	7,130
Supplies and materials	14,125	(1,138)	12,987	8,996	3,991
Other objects	10,000		10,000	9,929	71
Total school administration	1,389,927	(1,200)	1,388,727	1,355,675	33,052
Central Services:					
Salaries	306,252	(3,118)	303,134	302,134	1,000
Purchased professional services	16,000		16,000	10,796	5,204
Purchased technical services	22,095	36,446	58,541	53,153	5,388
Miscellaneous purchased services	700	777	1,477	1,404	73
Supplies	10,000	2,841	12,841	6,785	6,056
Miscellaneous expenditures	2,715		2,715	2,342	373
Total central services	357,762	36,946	394,708	376,614	18,094
Administrative Inform. Technology:					
Salaries	11,702		11,702	11,702	
Total administrative inform. technology	11,702		11,702	11,702	
Required Maintenance School Facilities:					
Salaries	476,307		476,307	476,307	
Cleaning, repair, and maintenance services	268,850	1,945	270,795	189,077	81,718
General supplies	113,200	26,476	139,676	136,072	3,604
Other objects	21,250	(1,000)	20,250	17,813	2,437
Total required maintenance school facilities	879,607	27,421	907,028	819,269	87,759
Custodial Services:					
Salaries	1,180,466	(1,791)	1,178,675	1,046,096	132,579
Purchased professional and tech. services	24,200		24,200	6,574	17,626
Cleaning, repair, and maintenance services	62,700	(2,300)	60,400	44,796	15,604
Other purchased property services	62,000	4,400	66,400	66,317	83
Insurance	110,000	1,964	111,964	111,964	
Miscellaneous purchased services	4,700	(13)	4,687	1,543	3,144
General supplies	122,300	15,577	137,877	134,320	3,557
Energy (Natural Gas)	574,022	(602)	573,420	445,522	127,898
Energy (Electricity)	168,609	(1,300)	167,309	78,505	88,804
Other objects	12,195		12,195	1,660	10,535
Total custodial services	2,321,192	15,935	2,337,127	1,937,297	399,830
Security:					
Salaries	31,724	1,621	33,345	33,345	
Total security	31,724	1,621	33,345	33,345	
Total operation & maint. of plant services	3,232,523	44,977	3,277,500	2,789,911	487,589
Student Transportation Services:					
Management fee - ESC trans. program	16,000		16,000	7,953	8,047
Contr serv (bet. home and school) - Vendors	43,941		43,941	14,008	29,933
Contr. serv. (not bet. home & school) - Vendors	164,550		164,550	79,453	85,097
Contr. serv. (special ed. students.) - ESC	425,000		425,000	289,532	135,468
Total student transportation services	649,491		649,491	390,946	258,545

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

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COLLINGSWOOD SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2012

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Unallocated Benefits - Employee Benefits:					
Social security contributions	\$ 423,518		\$ 423,518	\$ 358,405	\$ 65,113
Other retirement contributions - PERS	371,446		371,446	355,299	16,147
Other retirement contributions - regular					
Unemployment compensation	250,000	\$ (85,757)	164,243	58,213	106,030
Workmen's compensation	224,788		224,788	217,264	7,524
Health benefits	4,364,814	(198,806)	4,166,008	4,036,070	129,938
Tuition reimbursement	46,400		46,400		46,400
Other employee benefits	86,840	1,038	87,878	17,630	70,248
Total unallocated benefits - employee benefits	5,767,806	(283,525)	5,484,281	5,042,881	441,400
On-behalf TPAF pension contr. (non-budgeted)				1,316,476	(1,316,476)
Reimbursed TPAF social security contr. (non-budgeted)				1,042,672	(1,042,672)
Total Undistributed Expenditures	16,116,462	(111,007)	16,005,455	16,708,074	(702,619)
Total General Current Expense	29,718,471	(46,785)	29,671,686	29,551,725	119,961
CAPITAL OUTLAY:					
Increase in capital reserve	3,000	97,000	100,000		100,000
Equipment:					
Grades 9-12	4,000		4,000		4,000
School sponsored and other instr. program	5,000		5,000	4,120	880
Undist. expend. - special schools		51,350	51,350	38,908	12,442
Required maintenance for school facilities	95,400	(45,400)	50,000		50,000
Total Equipment	104,400	5,950	110,350	43,028	67,322
Facilities Acquisition and Constr. Services					
Land and improvements		54,998	54,998	54,998	
Construction services	428,823	97,600	526,423	136,000	390,423
Other objects	86,965		86,965	86,965	
Total Facilities Acquisition and Constr. Serv.	515,788	152,598	668,386	277,963	390,423
Total Capital Outlay	623,188	255,548	878,736	320,991	557,745
SPECIAL SCHOOLS - SUMMER:					
Instruction:					
Salaries of teachers		8,110	8,110	6,902	1,208
General supplies		2,250	2,250	716	1,534
Total summer school - instruction		10,360	10,360	7,618	2,742
Total Special Schools		10,360	10,360	7,618	2,742

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

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COLLINGSWOOD SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2012

(Continued from prior page)	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
TRANSFER TO CHARTER SCHOOLS	\$ 82,417		\$ 83,754	\$ 83,754	
TOTAL EXPENDITURES	<u>30,424,076</u>	<u>\$ 219,123</u>	<u>30,644,536</u>	<u>29,964,088</u>	<u>\$ 680,448</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures:	<u>(1,762,969)</u>	<u>(207,608)</u>	<u>(1,971,914)</u>	<u>1,742,410</u>	<u>3,714,324</u>
Other Financing Sources:					
Operating transfers out - food services fund	<u>(15,500)</u>		<u>(17,720)</u>	<u>(17,720)</u>	
Total other financing sources	<u>(15,500)</u>		<u>(17,720)</u>	<u>(17,720)</u>	
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses):	<u>(1,778,469)</u>	<u>(207,608)</u>	<u>(1,989,634)</u>	<u>1,724,690</u>	<u>3,714,324</u>
Fund Balance - July 1, 2011	<u>5,450,034</u>		<u>5,450,034</u>	<u>5,450,034</u>	
Fund Balance - June 30, 2012	<u>\$ 3,671,565</u>	<u>\$ (207,608)</u>	<u>\$ 3,460,400</u>	<u>\$ 7,174,724</u>	<u>\$ 3,714,324</u>
Recapitulation of Fund Balance:					
Restricted Fund Balance:					
Capital reserve				\$ 448,784	
Tuition reserve - designated in 2012/2013 budget				420,000	
Tuition reserve - designated for 2013/2014 budget				430,000	
Excess surplus				2,313,050	
Assigned Fund Balance:					
Year-end encumbrances				472,335	
Designated for subsequent year's expenditures				2,531,533	
Unassigned Fund Balance				<u>559,022</u>	
				7,174,724	
Last State Aid Payment not Recognized on a GAAP Basis				<u>(953,606)</u>	
Fund Balance per Governmental Funds (GAAP)				<u>\$ 6,221,118</u>	

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

COLLINGSWOOD SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
Education Jobs Funds
General Fund
For the Fiscal Year Ended June 30, 2012

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES:					
Federal sources:					
Ed Jobs Funds		\$ 300,778	\$ 300,778	\$ 300,778	
Total Revenues		<u>300,778</u>	<u>300,778</u>	<u>300,778</u>	
EXPENDITURES:					
CURRENT EXPENSE:					
Undistributed Expenditures:					
Unallocated Benefits - Employee Benefits:					
Health benefits		300,778	300,778	300,778	
Total - Undistributed Expenditures		<u>300,778</u>	<u>300,778</u>	<u>300,778</u>	
Total Expenditures		<u>300,778</u>	<u>300,778</u>	<u>300,778</u>	
Excess of revenues over expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

COLLINGSWOOD SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
Special Revenue Fund
For the Fiscal Year Ended June 30, 2012

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES:					
State sources	\$ 156,468		\$ 156,468	\$ 124,319	\$ (32,149)
Federal sources	1,001,316		1,001,316	763,361	(237,955)
Total Revenues	<u>1,157,784</u>		<u>1,157,784</u>	<u>887,680</u>	<u>(270,104)</u>
EXPENDITURES:					
Instruction:					
Salaries	223,225		223,225	222,685	540
Purchased prof. - tech. serv.	347,418		347,418	121,658	225,760
Other purchased services	338,000		338,000	326,727	11,273
Textbooks	6,892		6,892	6,499	393
General supplies	48,395		48,395	45,945	2,450
Total instruction	<u>963,930</u>		<u>963,930</u>	<u>723,514</u>	<u>240,416</u>
Support services:					
Salaries of supervisor of instruction	29,433		29,433	25,345	4,088
Personal services - employee benefits	44,347		44,347	44,347	
Purchased professional - tech. services	40,545		40,545	18,168	22,377
Purchased professional - educ. services	27,267		27,267	26,267	1,000
Other purchased services	30,960		30,960	30,289	671
Travel	3,124		3,124	3,024	100
Supplies and materials	18,178		18,178	16,726	1,452
Total support services	<u>193,854</u>		<u>193,854</u>	<u>164,166</u>	<u>29,688</u>
Facilities acquisition and construction services:					
Instructional equipment					
Noninstructional equipment					
Total facilities acq. and const. services					
Total Expenditures	<u>1,157,784</u>		<u>1,157,784</u>	<u>887,680</u>	<u>270,104</u>
Excess (Deficiency) of revenues over (under) expenditures and other financing sources (uses)	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>

COLLINGSWOOD SCHOOL DISTRICT
Notes to Required Supplementary Information
Budgetary Comparison
For the Fiscal Year Ended June 30, 2012

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

	General Fund	Special Revenue Fund
Sources/inflows of resources		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedules	\$ 31,706,498	\$ 887,680
Difference - budget to GAAP:		
State aid payment recognized for GAAP statements in current year, previously recognized for budgetary purposes.	892,448	
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	(953,606)	
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 31,645,340</u>	<u>\$ 887,680</u>
 Uses/outflows of resources		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 29,964,088	\$ 887,680
Differences - budget to GAAP		
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		(3,412)
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 29,964,088</u>	<u>\$ 884,268</u>

Other Supplementary Information

Special Revenue Fund

COLLINGSWOOD SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Revenues and Expenditures
Budgetary Basis
For the Fiscal Year Ended June 30, 2012

	Total Other Prog. (See E-1A)	Total Other Prog. (See E-1B)	Totals
REVENUES:			
State sources	\$ 124,319		\$ 124,319
Federal sources		\$ 763,361	763,361
Total Revenues	<u>124,319</u>	<u>763,361</u>	<u>887,680</u>
EXPENDITURES:			
Instruction:			
Salaries		222,685	222,685
Purchased prof. - tech. serv.	107,817	13,841	121,658
Other purchased services		326,727	326,727
Textbooks	6,499		6,499
General supplies	158	45,787	45,945
Total instruction	<u>114,474</u>	<u>609,040</u>	<u>723,514</u>
Support services:			
Salaries - supervisor of instruction		25,345	25,345
Personal services - employee benefits		44,347	44,347
Purchased prof. - tech. serv.		18,168	18,168
Purchased prof. - educ. services		26,267	26,267
Other purchased services	9,845	20,444	30,289
Travel		3,024	3,024
Supplies and materials		16,726	16,726
Total support services	<u>9,845</u>	<u>154,321</u>	<u>164,166</u>
Facilities acquisition and const. serv.:			
Instructional equipment			
Total facilities acq. and const. serv.			
Total Expenditures	<u>124,319</u>	<u>763,361</u>	<u>887,680</u>
Excess (deficiency) of revenues over (under) expenditures and other financing sources (uses)	<u>---</u>	<u>---</u>	<u>---</u>

**COLLINGSWOOD SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Revenues and Expenditures
Budgetary Basis
For the Fiscal Year Ended June 30, 2012**

	Nonpublic Comp. Ed.	Nonpublic Exam & Class.	Nonpublic ESL	Nonpublic Speech	Nonpublic Supplemental Instruction	Nonpublic Textbooks	Nonpublic Nursing	Fostering Change in School Culture Through Char. Ed. Carryover	Total
REVENUES:									
State sources	\$ 54,946	\$ 19,154	\$ 1,724	\$ 24,487	\$ 7,506	\$ 6,499	\$ 9,845	\$ 158	\$ 124,319
Federal sources									
Total Revenues	54,946	19,154	1,724	24,487	7,506	6,499	9,845	158	124,319
EXPENDITURES:									
Instruction:									
Purchased prof. and tech. serv.	54,946	19,154	1,724	24,487	7,506				107,817
Textbooks						6,499			6,499
General supplies								158	158
Total instruction	54,946	19,154	1,724			6,499		158	114,474
Support services:									
Other purchased services							9,845		9,845
Total support services							9,845		9,845
Facilities acquisition and const. serv.:									
Instructional equipment									
Total facilities acq. and const. ser									
Total Expenditures	54,946	19,154	1,724			6,499	9,845	158	124,319
Excess (deficiency) of revenues over (under) expenditures and other financing sources (uses)	---	---	---	---	---	---	---	---	---

COLLINGSWOOD SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Revenues and Expenditures
Budgetary Basis
For the Fiscal Year Ended June 30, 2012

	IDEA Basic	IDEA Preschool Carryover	IDEA Preschool	Title I	Title I Carryover	Title IIA	Title II A Carryover	Title III	Total
REVENUES:									
State sources									
Federal sources	\$ 372,378	\$ 6,243	\$ 13,472	\$ 279,801	\$ 24,468	\$ 59,276	\$ 970	\$ 6,753	\$ 763,361
Total Revenues	372,378	6,243	13,472	279,801	24,468	59,276	970	6,753	763,361
EXPENDITURES:									
Instruction:									
Salaries				205,211	15,488			1,986	222,685
Purchased prof. - tech. services	5,306			8,535					13,841
Other purchased services	326,727								326,727
General supplies	30,676	6,243			4,282			4,586	45,787
Total instruction	362,709	6,243		213,746	19,770			6,572	609,040
Support services:									
Salaries - supervisor of instruction				12,818	1,560	10,122	845		25,345
Personal services-employee benefits				43,384		782		181	44,347
Purchased prof. - tech. services	9,669			5,361	3,138				18,168
Purchased prof. - educ. services						26,267			26,267
Other purchased services				1,593		18,851			20,444
Travel				2,899			125		3,024
General supplies			13,472			3,254			16,726
Total support services	9,669		13,472	66,055	4,698	59,276	970	181	154,321
Facilities acquisition and const. serv.:									
Instructional equipment									
Total facilities acq. and const. serv.									
Total Expenditures	372,378	6,243	13,472	279,801	24,468	59,276	970	6,753	763,361
Excess (deficiency) of revenues over (under) expenditures and other financing sources (uses)	---	---	---	---	---	---	---	---	---

Capital Projects Fund

COLLINGSWOOD SCHOOL DISTRICT
Capital Projects Fund
Summary Statement of Revenues, Expenditures,
and Changes in Fund Balance - Budgetary Basis
For the Fiscal Year ended June 30, 2012

Revenues and Other Financing Sources:	
Prior year payables canceled	\$ 18,367
Total revenues and other financing sources	<u>18,367</u>
Expenditures and Other Financing (Uses):	
Construction services	255,860
Transfer to debt service fund	<u>18,367</u>
Total expenditures and other financing (uses)	<u>274,227</u>
Excess (deficiency) or revenues over (under) expenditures	(255,860)
Fund Balance - July 1, 2011	<u>255,860</u>
Fund Balance - June 30, 2012	<u>\$ -</u>

COLLINGSWOOD SCHOOL DISTRICT
Capital Projects Fund
Statement of Project Revenues, Expenditures, Project Balance,
and Project Status - Budgetary Basis
Cafeteria Roof Replacement
From Inception and for the Fiscal Year ended June 30, 2012

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Total</u>	<u>Revised Authorized Costs</u>
Revenues and Other Financing Sources:				
State sources - SCC Grant	\$ 105,000		\$ 105,000	\$ 105,000
Transfer from capital outlay	187,500		187,500	187,500
Total revenues	<u>292,500</u>	<u> </u>	<u>292,500</u>	<u>292,500</u>
 Expenditures and Other Financing Uses:				
Construction services	36,640	\$ 255,860	292,500	292,500
	<u>36,640</u>	<u>255,860</u>	<u>292,500</u>	<u>292,500</u>
Excess (deficiency) or revenues over (under) expenditures	<u>\$ 255,860</u>	<u>\$ (255,860)</u>	<u>\$ -</u>	<u>\$ -</u>
 Additional project information:				
Project Number	0940-030-10-1001			
Grant Date	06/02/10			
Bond Authorization Date	N/A			
Bonds Authorized	\$ -			
Bonds Issued	\$ -			
Original Authorized Cost	\$ 262,500			
Additional Authorized Cost	\$ 30,000			
Revised Authorized Cost	\$ 292,500			
Percentage Increase over Original Authorized Cost	11.43%			
Percentage Completion	20.00%			
Original target completion date	09/30/11			
Revised target completion date	09/30/11			

Proprietary Funds

COLLINGSWOOD SCHOOL DISTRICT
Statement of Net Assets
Proprietary Funds
June 30, 2012

	Business-Type Activities Enterprise Funds	Governmental Activities Internal Service Funds
	Food Service	Maintenance Services
ASSETS:		
Current assets:		
Cash and cash equivalents	\$ 138,957	\$ (18,307)
Intergovernmental receivables:		
State Aid	271	
Federal Aid	11,458	
Other	5,187	19,012
Inventories	15,776	
Total current assets	171,649	705
Noncurrent Assets:		
Equipment	248,514	
Less - accumulated depreciation	(209,017)	
Total Noncurrent Assets	39,497	
Total Assets	211,146	705
LIABILITIES:		
Current liabilities:		
Accounts payable		
Total Liabilities		
NET ASSETS:		
Invested in capital assets, net	39,497	
Unrestricted	171,649	705
Total Net Assets	\$ 211,146	\$ 705

COLLINGSWOOD SCHOOL DISTRICT
Statement of Revenues, Expenses and Changes in Fund Net Assets
Proprietary Funds
For the Fiscal Year Ended June 30, 2012

	Business-Type Activities Enterprise Funds	Governmental Activities Internal Service Funds
	Food Service	Maintenance Services
Operating Revenues:		
Charges for services:		
Daily sales - reimbursable programs	\$ 142,159	
Daily sales - non-reimbursable programs	144,001	
Maintenance fees from other LEA's		\$ 492,031
Miscellaneous	8,934	
Special functions	4,116	
Total Operating Revenues	299,210	492,031
Operating Expenses:		
Cost of sales	270,219	
Salaries	324,707	398,419
Management fee	27,540	
Supplies	21,411	25,361
Other costs	30,864	2,250
Depreciation	16,568	
Total Operating Expenses	691,309	426,030
Operating Income (Loss)	(392,099)	66,001
Nonoperating Revenues (Expenses):		
State sources:		
State school lunch program	7,037	
Federal sources:		
National school lunch program	258,749	
National school breakfast program	34,063	
Food distribution program	47,964	
Transfers	17,720	(65,296)
Total Nonoperating Revenues	365,533	(65,296)
Change in Net Assets	(26,566)	705
Net Assets - July 1, 2011	237,712	705
Net Assets - June 30, 2012	\$ 211,146	\$ 705

COLLINGSWOOD SCHOOL DISTRICT
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2012

	Business-Type Activities Enterprise Funds	Governmental Activities Internal Service Funds
	Food Service	Maintenance Services
Cash Flows from Operating Activities:		
Cash receipts from customers	\$ 294,023	\$ 473,019
Cash payments to employees for services	(324,707)	(398,419)
Cash payments to suppliers for goods and services	(350,242)	(27,611)
Net cash used by operating activities	(380,926)	46,989
Cash Flows from Noncapital Financing Activities:		
Cash received from state sources	7,075	
Cash received from federal sources	340,903	
Operating transfer in/out	17,720	(65,296)
Net cash provided by noncapital financing activities	365,698	(65,296)
Cash Flows Used by Capital and Related Financing Activities:		
Purchase of equipment	(22,929)	
Cash Flow Provided by Investing Activities:		
Interest on cash equivalents		
Net increase (decrease) in cash and cash equivalents	(38,157)	(18,307)
Cash and cash equivalents - July 1, 2011	177,114	
Cash and cash equivalents - June 30, 2012	\$ 138,957	\$ (18,307)
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:		
Operating income (loss)	\$ (392,099)	\$ 66,001
Adjustments to reconcile operating income (loss) to cash provided by (used for) operating activities:		
Depreciation	16,568	
Change in assets and liabilities:		
(Increase) decrease in accounts receivable	(5,187)	(19,012)
(Increase) decrease in inventory	(208)	
Increase (decrease) in accounts payable		
Net cash provided by (used for) operating activities	\$ (380,926)	\$ 46,989

Noncash Noncapital Financing Activities:

During the year the District received \$47,964 of food commodities from the U.S. Department of Agriculture.

Fiduciary Funds

COLLINGSWOOD SCHOOL DISTRICT
Fiduciary Funds
Combining Statement of Fiduciary Net Assets
June 30, 2012

	<u>Trust Funds</u>			<u>Agency Funds</u>		<u>Totals</u>
	<u>Unemployment Compensation Insurance Trust</u>	<u>Flexible Benefits Trust</u>	<u>Scholarship Trust</u>	<u>Student Activity</u>	<u>Payroll</u>	
ASSETS:						
Cash and cash equivalents	\$ 716,298	\$ 5,158	\$ 205,682	\$ 186,983	\$ 193,446	\$ 1,307,567
Total Assets	<u>716,298</u>	<u>5,158</u>	<u>205,682</u>	<u>\$ 186,983</u>	<u>\$ 193,446</u>	<u>1,307,567</u>
LIABILITIES:						
Payroll deductions and withholdings					\$ 193,446	193,446
Due to student groups				\$ 186,983		186,983
Total Liabilities				<u>\$ 186,983</u>	<u>\$ 193,446</u>	<u>380,429</u>
NET ASSETS:						
Held in trust for payment of claims	716,298	5,158				721,456
Held in trust for scholarships			205,682			205,682
Total Net Assets	<u>\$ 716,298</u>	<u>\$ 5,158</u>	<u>\$ 205,682</u>			<u>\$ 927,138</u>

COLLINGSWOOD SCHOOL DISTRICT
Fiduciary Funds
Combining Statement of Changes in Fiduciary Net Assets
For the Fiscal Year Ended June 30, 2012

	<u>Flexible Benefits Trust Fund</u>	<u>Scholarship Trust Fund</u>	<u>Unemployment Compensation Insurance Trust Fund</u>	<u>Totals</u>
ADDITIONS:				
Interest on investments	\$ 43	\$ 1,208	\$ 6,826	\$ 8,077
Donations		30,000		30,000
Contributions	<u>2,000</u>		<u>17,766</u>	<u>19,766</u>
Total Additions	<u>2,043</u>	<u>31,208</u>	<u>24,592</u>	<u>57,843</u>
DEDUCTIONS:				
Claims paid	1,000			1,000
Scholarships paid		<u>41,797</u>		<u>41,797</u>
Total Deductions	<u>1,000</u>	<u>41,797</u>	<u>-</u>	<u>42,797</u>
Change in Net Assets	1,043	(10,589)	24,592	15,046
Net Assets -- July 1, 2011	<u>4,115</u>	<u>216,271</u>	<u>691,706</u>	<u>912,092</u>
Net Assets -- June 30, 2012	<u>\$ 5,158</u>	<u>\$ 205,682</u>	<u>\$ 716,298</u>	<u>\$ 927,138</u>

COLLINGSWOOD SCHOOL DISTRICT
Fiduciary Funds
Student Activity Agency Fund Schedule of Receipts and Disbursements
For the Fiscal Year Ended June 30, 2012

	<u>Balance July 1, 2011</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Transfers</u>	<u>Balance June 30, 2012</u>
Elementary Schools	\$ 18,741	\$ 37,819	\$ 32,020	\$ 150	\$ 24,690
Middle School	41,075	60,233	68,096	\$ (1,556)	31,656
High School	122,644	221,944	232,266	1,406	113,728
Athletics	16,673	97,456	97,360		16,769
District	309		169		140
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total all schools	<u>\$ 199,442</u>	<u>\$ 417,452</u>	<u>\$ 429,911</u>	<u>\$ -</u>	<u>\$ 186,983</u>

COLLINGSWOOD SCHOOL DISTRICT
Fiduciary Funds
Payroll Agency Fund Schedule of Receipts and Disbursements
For the Fiscal Year Ended June 30, 2012

	<u>Balance</u> <u>July 1, 2011</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2012</u>
ASSETS:				
Cash and cash equivalents	\$ 182,397	\$ 20,378,054	\$ 20,367,005	\$ 193,446
Total Assets	<u>\$ 182,397</u>	<u>\$ 20,378,054</u>	<u>\$ 20,367,005</u>	<u>\$ 193,446</u>
 LIABILITIES:				
Net payroll		\$ 11,545,160	\$ 11,545,160	
Payroll deductions and withholdings	\$ 182,397	8,832,894	8,821,845	\$ 193,446
Total Liabilities	<u>\$ 182,397</u>	<u>\$ 20,378,054</u>	<u>\$ 20,367,005</u>	<u>\$ 193,446</u>

Long-Term Debt Schedules

**COLLINGSWOOD SCHOOL DISTRICT
Statement of Serial Bonds
For the Fiscal Year Ended June 30, 2012**

Issue	Date of Issue	Amount of Issue	Annual Maturities		Rate of Interest	Balance June 30, 2011	Issued	Retired	Balance June 30, 2012
			Date	Amount					
School District Bonds	6/1/05	\$ 20,176,000	6/01/13	\$ 650,000	4.125%	\$ 17,226,000		\$ 625,000	\$ 16,601,000
			6/01/14 - 15	700,000	4.125%				
			6/01/16	725,000	4.125%				
			6/01/17	750,000	4.125%				
			6/01/18	800,000	4.125%				
			6/01/19	825,000	4.125%				
			6/01/20	850,000	4.250%				
			6/01/21 - 22	900,000	4.250%				
			6/01/23	950,000	4.250%				
			6/01/24	1,000,000	4.250%				
			6/01/25	1,050,000	4.250%				
			6/01/26	1,100,000	4.250%				
			6/01/27	1,125,000	4.250%				
			6/01/28	1,150,000	4.375%				
			6/01/29	1,200,000	4.400%				
			6/01/30	1,226,000	4.400%				
						<u>\$ 17,226,000</u>	<u>\$ -</u>	<u>\$ 625,000</u>	<u>\$ 16,601,000</u>

COLLINGSWOOD SCHOOL DISTRICT
Budgetary Comparison Schedule
Debt Service Fund
For the Fiscal Year Ended June 30, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local sources:					
Local tax levy	\$ 1,354,962		\$ 1,354,962	\$ 1,354,962	
Total Revenues	1,354,962		1,354,962	1,354,962	
EXPENDITURES:					
Regular debt service:					
Interest	729,963		729,963	729,963	
Redemption of principal	625,000		625,000	625,000	
Total regular debt service	1,354,963		1,354,963	1,354,963	
Excess (Deficiency) of revenues over (under) expenditures	(1)		(1)	(1)	
Other Financing Sources:					
Operating transfers in				18,367	
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses):	(1)		(1)	18,366	
Fund Balance - July 1, 2011	73,356		73,356	73,356	
Fund Balance - June 30, 2012	<u>\$ 73,355</u>	<u>\$ -</u>	<u>\$ 73,355</u>	<u>\$ 91,722</u>	<u>\$ -</u>
Recapitulation of Excess (Deficiency) or revenues over (under) expenditures					
Budgeted Fund Balance	<u>\$ (1)</u>	<u>\$ -</u>	<u>\$ (1)</u>	<u>\$ 18,366</u>	<u>\$ -</u>

Statistical Section

Collingswood School District
Net Assets by Component,
Last Ten Fiscal Years
(accrual basis of accounting)

J-1

Fiscal Year Ending June 30,

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Governmental activities:										
Invested in capital assets, net of related debt	\$ 7,752,348	\$ 7,810,449	\$ (10,649,436)	\$ (7,447,949)	\$ 8,984,000	\$ 21,197,077	\$ 20,869,898	\$ 20,448,749	\$ 20,075,116	\$ 19,552,212
Restricted for:										
Capital projects	865,291	1,190,383	19,993,108	18,632,531	8,908,471	1,431,595	666,895	580,221	345,784	448,784
Debt service				428,843	517,803	297,180				91,722
Other purposes	1,200,001	2,063,368	2,499,750	2,508,513	2,117,615	2,218,943	2,121,241	3,142,781	4,841,916	6,232,436
Unrestricted	105,631	(365,351)	(503,671)	(1,000,062)	(967,245)	(484,161)	(912,611)	(1,108,657)	(834,943)	(922,763)
Total governmental activities net assets	<u>\$ 9,923,271</u>	<u>\$ 10,698,849</u>	<u>\$ 11,339,751</u>	<u>\$ 13,121,876</u>	<u>\$ 19,560,644</u>	<u>\$ 24,660,634</u>	<u>\$ 22,745,423</u>	<u>\$ 23,063,094</u>	<u>\$ 24,427,873</u>	<u>\$ 25,402,391</u>
Business-type activities:										
Invested in capital assets, net of related debt	\$ 32,702	\$ 27,330	\$ 21,763	\$ 16,196	\$ 27,186	\$ 20,114	\$ 8,287	\$ 22,259	\$ 33,136	\$ 39,497
Unrestricted	215,670	132,575	152,957	176,636	185,250	201,055	235,878	218,361	204,576	171,649
Total business-type activities net assets	<u>\$ 248,372</u>	<u>\$ 159,905</u>	<u>\$ 174,720</u>	<u>\$ 192,832</u>	<u>\$ 212,436</u>	<u>\$ 221,169</u>	<u>\$ 244,165</u>	<u>\$ 240,620</u>	<u>\$ 237,712</u>	<u>\$ 211,146</u>
District-wide:										
Invested in capital assets, net of related debt	\$ 7,785,050	\$ 7,837,779	\$ (10,627,673)	\$ (7,431,753)	\$ 9,011,186	\$ 21,217,191	\$ 20,878,185	\$ 20,471,008	\$ 20,108,252	\$ 19,591,709
Restricted:										
Capital projects	865,291	1,190,383	19,993,108	18,632,531	8,908,471	1,431,595	666,895	580,221	345,784	448,784
Debt service				428,843	517,803	297,180				91,722
Other purposes	1,200,001	2,063,368	2,499,750	2,508,513	2,117,615	2,218,943	2,121,241	3,142,781	4,841,916	6,232,436
Unrestricted	321,301	(232,776)	(350,714)	(823,426)	(781,995)	(283,106)	(676,733)	(890,296)	(630,367)	(751,114)
Total district net assets	<u>\$ 10,171,643</u>	<u>\$ 10,858,754</u>	<u>\$ 11,514,471</u>	<u>\$ 13,314,708</u>	<u>\$ 19,773,080</u>	<u>\$ 24,881,803</u>	<u>\$ 22,989,588</u>	<u>\$ 23,303,714</u>	<u>\$ 24,665,585</u>	<u>\$ 25,613,537</u>

Collingswood School District
 Changes in Net Assets, Last Ten Fiscal Years
 (accrual basis of accounting)

Fiscal Year Ending June 30,

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Expenses:										
Governmental activities:										
Instruction:										
Regular	\$ 10,504,982	\$ 11,008,868	\$ 11,852,481	\$ 10,135,654	\$ 9,766,538	\$ 9,467,723	\$ 10,908,208	\$ 10,463,791	\$ 9,845,258	\$ 9,965,762
Special education	1,561,062	1,620,727	1,853,953	1,513,027	1,602,135	1,714,139	1,822,945	3,161,493	3,099,125	2,855,516
Other instruction	1,105,836	1,242,687	1,512,748	1,260,218	1,316,638	1,392,166	1,534,930	1,554,733	1,451,420	1,554,714
Support Services:										
Tuition	1,068,733	932,147	948,528	1,067,773	1,090,256	1,217,659	1,122,463	730,061	770,843	848,489
Student & instruction related services	3,557,974	3,440,276	3,938,484	3,258,230	3,283,504	3,406,727	3,209,559	3,478,532	3,038,583	3,145,003
School administrative services	1,285,404	1,350,389	1,445,814	1,129,376	1,203,286	1,247,196	1,387,473	1,308,976	1,321,990	1,355,675
General and business administrative services	649,403	699,380	1,079,629	916,335	1,005,874	882,631	1,090,433	973,339	1,058,461	1,037,843
Plant operations and maintenance	3,079,462	4,004,704	3,089,026	2,705,845	2,773,601	2,940,503	3,728,691	3,463,615	3,339,933	3,930,014
Pupil transportation	452,888	396,307	509,775	526,860	598,616	641,564	552,536	461,810	419,354	390,946
Business and other support services	386,055	411,121								
Unallocated employee benefits				6,088,558	7,279,463	7,004,060	6,770,342	6,670,967	6,950,050	7,402,029
Special schools	95,893	114,239	80,036	64,994	18,071	76,586	14,096	16,706	99,034	91,372
Interest on long-term debt	37,154	18,554		849,358	829,306	809,025	1,221,043	773,619	752,650	727,815
Unallocated depreciation	407,614	29,155	18,372	18,372	20,351	20,351	34,783	55,224	35,510	35,668
Total governmental activities expenses	24,192,480	25,259,554	26,328,846	29,534,600	30,787,639	30,820,330	33,397,502	33,112,866	32,182,211	33,340,846
Business-type activities:										
Food service	564,117	565,585	575,144	583,923	605,848	647,731	644,521	655,988	626,858	691,309
After school program	93,032	96,138								
Total business-type activities expense	657,149	661,723	575,144	583,923	605,848	647,731	644,521	655,988	626,858	691,309
Total district expenses	\$ 24,849,609	\$ 25,921,277	\$ 26,903,990	\$ 30,118,523	\$ 31,393,487	\$ 31,468,061	\$ 34,042,023	\$ 33,768,854	\$ 32,809,069	\$ 34,032,155
Program Revenues:										
Governmental activities:										
Charges for services:										
Operating grants and contributions	\$ 2,515,843	\$ 2,489,819	\$ 2,790,285	\$ 3,277,033	\$ 3,015,289	\$ 3,198,375	\$ 3,607,825	\$ 4,646,823	\$ 4,924,948	\$ 5,228,802
Capital grants and contributions	2,767,152	2,994,031	3,110,098	3,299,654	4,345,752	3,959,176	2,989,270	3,351,672	3,173,864	3,246,828
Capital grants and contributions	56,232	623,966	608,302	1,181,686	6,404,930	4,514,531				
Total governmental activities program revenues	5,339,227	6,107,816	6,508,685	7,738,353	13,765,971	11,672,082	6,597,095	8,000,295	8,098,812	8,475,630

(Continued)

**Collingswood School District
Changes in Net Assets, Last Ten Fiscal Years
(accrual basis of accounting)**

Fiscal Year Ending June 30,

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Business-type activities:										
Charges for services	\$ 477,918	\$ 396,604	\$ 346,148	\$ 353,308	\$ 359,707	\$ 356,418	\$ 345,625	\$ 317,749	\$ 304,260	\$ 299,210
Operating grants and contributions	162,294	176,652	193,811	198,727	215,745	250,046	271,892	330,752	319,109	347,813
Capital grants and contributions										
Total business type activities program revenues	<u>640,212</u>	<u>573,256</u>	<u>539,959</u>	<u>552,035</u>	<u>575,452</u>	<u>606,464</u>	<u>617,517</u>	<u>648,501</u>	<u>623,369</u>	<u>647,023</u>
Total district program revenues	<u>\$ 5,879,439</u>	<u>\$ 6,681,072</u>	<u>\$ 7,048,644</u>	<u>\$ 8,290,388</u>	<u>\$ 14,341,423</u>	<u>\$ 12,278,546</u>	<u>\$ 7,214,612</u>	<u>\$ 8,648,796</u>	<u>\$ 8,722,181</u>	<u>\$ 9,122,653</u>
Net (Expense)/Revenue:										
Governmental activities	\$ (18,853,233)	\$ (19,151,738)	\$ (19,820,161)	\$ (21,796,247)	\$ (17,021,668)	\$ (19,148,248)	\$ (26,800,407)	\$ (25,112,571)	\$ (24,083,399)	\$ (24,865,216)
Business-type activities	(16,937)	(88,467)	(35,185)	(31,888)	(30,396)	(41,267)	(27,004)	(7,487)	(3,489)	(44,286)
Total district-wide net expense	<u>\$ (18,870,170)</u>	<u>\$ (19,240,205)</u>	<u>\$ (19,855,346)</u>	<u>\$ (21,828,135)</u>	<u>\$ (17,052,064)</u>	<u>\$ (19,189,515)</u>	<u>\$ (26,827,411)</u>	<u>\$ (25,120,058)</u>	<u>\$ (24,086,888)</u>	<u>\$ (24,909,502)</u>
General Revenues and Other Changes in Net Assets:										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 9,059,386	\$ 10,036,808	\$ 10,464,460	\$ 10,712,886	\$ 11,955,900	\$ 12,574,904	\$ 12,999,915	\$ 13,519,912	\$ 13,865,535	\$ 13,934,853
Taxes levied for debt service	283,405	270,698		1,258,839	872,806	739,777	760,000	1,275,338	1,354,713	1,354,962
Unrestricted grants and contributions	8,823,709	9,524,329	9,868,237	10,914,433	9,860,765	10,537,524	10,424,813	10,304,858	9,807,569	10,365,425
State aid restricted for capital projects									105,000	
Investment earnings	5,426	7,855	21,127	739,521	559,267	265,814	195,039	44,230	19,268	3,000
Miscellaneous income	83,620	165,189	157,239	252,693	261,698	180,219	555,429	142,053	567,278	180,837
Loss on disposal of assets		(77,563)								
State aid canceled on completed projects									(323,433)	18,387
Transfers	(70,000)		(50,000)	(300,000)	(50,000)	(50,000)	(50,000)	143,851	8,172	(17,720)
Total governmental activities	<u>18,185,546</u>	<u>19,927,316</u>	<u>20,461,063</u>	<u>23,578,372</u>	<u>23,460,436</u>	<u>24,248,238</u>	<u>24,885,196</u>	<u>25,430,242</u>	<u>25,404,102</u>	<u>25,839,734</u>
Business-type activities:										
Transfers	70,000		50,000	50,000	50,000	50,000	50,000	3,942	(8,172)	17,720
Total business-type activities	<u>70,000</u>	<u>-</u>	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>3,942</u>	<u>(8,172)</u>	<u>17,720</u>
Total district-wide	<u>\$ 18,255,546</u>	<u>\$ 19,927,316</u>	<u>\$ 20,511,063</u>	<u>\$ 23,628,372</u>	<u>\$ 23,510,436</u>	<u>\$ 24,298,238</u>	<u>\$ 24,935,196</u>	<u>\$ 25,434,184</u>	<u>\$ 25,395,930</u>	<u>\$ 25,857,454</u>
Change in Net Assets:										
Governmental activities	\$ (667,687)	\$ 775,578	\$ 640,902	\$ 1,782,125	\$ 6,438,768	\$ 5,099,990	\$ (1,915,211)	\$ 317,671	\$ 1,320,703	\$ 974,518
Business-type activities	53,063	(88,467)	14,815	18,112	19,604	8,733	22,996	(3,545)	(11,661)	(26,566)
Total district-wide	<u>\$ (614,624)</u>	<u>\$ 687,111</u>	<u>\$ 655,717</u>	<u>\$ 1,800,237</u>	<u>\$ 6,458,372</u>	<u>\$ 5,108,723</u>	<u>\$ (1,892,215)</u>	<u>\$ 314,126</u>	<u>\$ 1,309,042</u>	<u>\$ 947,952</u>

**Collingswood School District
Fund Balances, Governmental Funds,
Last Ten Fiscal Years
(modified accrual basis of accounting)**

Fiscal Year Ending June 30,

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
General Fund:										
Restricted for										
Capital reserve	\$ 315,955	\$ 492,382	\$ 286,321	\$ 208,751	\$ 220,839	\$ 316,653	\$ 225,625	\$ 234,204	\$ 345,784	\$ 448,784
Excess surplus		532,058	451,750	636,196	581,615	567,159	650,322	1,348,469	2,234,598	2,313,050
Future tuition payments							210,000	430,000	850,000	850,000
Assigned to:										
Year-end Encumbrances						351,784	416,341	248,025	90,882	472,335
Designated for subsequent year's budget	1,200,000	1,531,310	2,048,000	1,872,317	1,536,000	1,300,000	750,000	1,077,502	1,348,469	2,531,533
Unassigned	695,005	208,051	112,250	23,920	39,146	43,348	(377,325)	(519,813)	(312,147)	(394,584)
Total general fund	<u>\$ 2,210,960</u>	<u>\$ 2,763,801</u>	<u>\$ 2,898,321</u>	<u>\$ 2,741,184</u>	<u>\$ 2,377,600</u>	<u>\$ 2,578,944</u>	<u>\$ 1,874,963</u>	<u>\$ 2,818,387</u>	<u>\$ 4,557,586</u>	<u>\$ 6,221,118</u>
All Other Governmental Funds										
Unreserved, reported in:										
Special revenue fund	\$ (13,947)	\$ (9,933)	\$ (9,944)	\$ (9,944)	\$ (9,944)	\$ (9,944)	\$ 29,915	\$ 26,680	\$ 62,106	\$ 65,518
Capital projects fund	549,336	698,001	19,706,787	18,423,780	8,687,632	1,114,942	505,933	358,122	255,860	
Debt service fund	1		50,420	428,843	517,803	297,180		58,084	73,356	91,722
Total all other governmental funds	<u>\$ 535,390</u>	<u>\$ 688,068</u>	<u>\$ 19,747,263</u>	<u>\$ 18,842,679</u>	<u>\$ 9,195,491</u>	<u>\$ 1,402,178</u>	<u>\$ 535,848</u>	<u>\$ 442,886</u>	<u>\$ 391,322</u>	<u>\$ 157,240</u>

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

Fiscal Year Ending June 30,

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Revenues										
Tax levy	\$ 9,342,791	\$ 10,307,506	\$ 10,464,460	\$ 11,971,725	\$ 12,828,706	\$ 13,314,681	\$ 13,759,915	\$ 14,795,250	\$ 15,220,248	\$ 15,289,825
Tuition charges	2,515,843	2,489,819	2,790,285	3,277,033	3,015,289	3,198,375	3,607,825	4,648,623	4,924,948	4,736,771
Interest earnings	5,426	7,855	23,653	739,521	559,267	345,158	195,039	44,230	19,268	3,000
Miscellaneous	83,620	165,189	157,239	252,693	261,698	430,219	555,429	142,054	567,278	246,133
State sources	10,865,765	12,349,296	12,666,895	14,507,671	19,553,059	18,160,652	12,469,909	10,990,050	11,899,773	12,507,606
Federal sources	781,328	793,030	919,742	888,082	1,058,388	858,112	944,174	2,668,480	1,186,660	1,104,647
Total revenue	23,594,773	26,112,695	27,022,274	31,616,725	37,276,407	36,307,197	31,532,291	33,286,687	33,818,175	33,887,982
Expenditures										
Instruction										
Regular Instruction	8,183,884	8,238,069	8,820,746	9,537,509	9,545,552	9,708,373	10,038,027	9,218,002	9,024,146	9,156,935
Special education instruction	1,177,719	1,207,437	1,366,192	1,513,027	1,602,135	1,714,139	1,822,945	3,161,493	3,099,125	2,855,516
Other instruction	863,837	958,333	1,148,276	1,260,218	1,316,638	1,392,166	1,534,930	1,554,733	1,451,420	1,554,714
Support Services:										
Tuition	1,088,733	932,147	864,774	991,919	1,013,042	1,217,659	1,082,234	730,601	770,843	848,489
Student & instruction related services	2,767,224	2,626,579	2,995,051	3,258,230	3,283,504	3,406,727	3,209,559	3,478,532	3,038,583	3,145,003
School administrative services	976,442	1,010,101	1,071,303	1,129,376	1,203,286	1,247,196	1,387,473	1,308,976	1,321,990	1,355,675
General and business admin. services	888,256	892,085	860,418	879,591	969,130	845,887	992,022	893,472	913,792	936,775
Plant operations and maintenance	2,579,435	2,484,726	2,480,084	2,632,357	2,700,113	2,867,015	3,112,016	3,130,836	2,991,063	2,789,911
Pupil transportation	452,888	396,307	509,775	526,860	598,616	641,564	552,536	461,810	419,354	390,946
Other support services	4,650,041	5,126,477	5,629,654	6,088,558	7,279,463	7,004,060	6,770,342	6,670,967	6,950,050	7,402,029
Special Schools	49,978	56,760	59,888	64,994	18,071	27,159	14,096	16,706	12,076	7,618
Charter Schools	30,586	38,864	83,754	75,854	77,214	49,427	40,229	100,847	86,958	83,754
Capital outlay	162,585	1,021,737	2,083,556	3,068,928	16,299,390	12,180,517	823,603	449,403	381,166	576,851
Debt service:										
Principal	400,000	399,000		500,000	500,000	400,000	450,000	500,000	600,000	625,000
Interest and other charges	37,154	18,554		851,025	831,025	810,400	1,222,590	775,337	754,713	729,963
Total expenditures	24,288,762	25,407,176	27,973,471	32,378,446	47,237,179	43,512,289	33,052,602	32,451,715	31,815,279	32,459,179
Excess (Deficiency) of revenues over (under) expenditures	(693,989)	705,519	(951,197)	(761,721)	(9,960,772)	(7,205,092)	(1,520,311)	834,972	2,002,896	1,428,803
Other Financing sources (uses)										
Proceeds from borrowing			20,176,000							
Due to state for prior year overpayment						(7,533)				
Prior year arbitrage rebate canceled								19,432		
Accrued interest on sale of bonds			18,912							
Prior year state aid receivable canceled									(323,433)	18,367
Transfers in	633,627	617,853	534,673	981,809	547,179		385,411	178,560	234,109	18,367
Transfers out	(703,627)	(617,853)	(584,673)	(1,281,609)	(597,179)	(379,344)	(435,411)	(182,502)	(225,937)	(36,087)
Total other financing sources (uses)	(70,000)	-	20,144,912	(300,000)	(50,000)	(386,877)	(50,000)	15,490	(315,261)	647
Net change in fund balances	\$ (763,989)	\$ 705,519	\$ 19,193,715	\$ (1,061,721)	\$ (10,010,772)	\$ (7,591,969)	\$ (1,570,311)	\$ 850,462	\$ 1,687,635	\$ 1,429,450
Debt service as a percentage of noncapital expenditures	1.81%	1.71%	0.00%	4.61%	4.30%	3.86%	5.19%	3.99%	4.31%	4.25%

Source: District records

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

Fiscal Year Ending June 30,	Interest on Investments	Tuition	Admission Fees	Prior Year Refunds	E-Rate Rebates	Preschool Registration Fees	Shared Services	Rentals	Activity Fees	Miscellaneous	Total
2003	\$ 34,603	\$ 2,515,843	\$ 14,669	\$ 17,810	\$ 8,112			\$ 5,850		\$ 8,002	\$ 2,604,889
2004	86,454	2,489,819	17,447	52,251	1,935			2,450		3,007	2,653,363
2005	107,428	2,790,285	14,112	11,575	1,992			19,193		2,939	2,947,524
2006	948,616	3,277,033	17,680	12,544				11,525		1,849	4,269,247
2007	788,008	3,015,289	16,215		5,644			11,098			3,836,254
2008	727,168	3,198,375	17,586		22,913			7,710			3,973,752
2009	592,544	3,607,825	10,941	129,577	3,429			8,495		5,482	4,358,293
2010	102,241	4,648,623	13,896	7,552	8,604			18,684		35,307	4,834,907
2011	78,676	4,924,948	13,142	147,598	306	\$ 25,880	\$ 244,654	1,775	\$ 69,789	4,726	5,511,494
2012	58,981	4,736,771	10,839	14,381	35,059	2,360	80,410	2,793	41,261	3,049	4,985,904
	<u>\$ 3,524,719</u>	<u>\$ 35,204,811</u>	<u>\$ 146,527</u>	<u>\$ 393,288</u>	<u>\$ 87,994</u>	<u>\$ 28,240</u>	<u>\$ 325,064</u>	<u>\$ 89,573</u>	<u>\$ 111,050</u>	<u>\$ 64,361</u>	<u>\$39,975,627</u>

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Source: District records

Collingswood School District
 Assessed Value and Actual Value of Taxable Property,
 Last Ten Fiscal Years

J-6

Fiscal Year Ended June 30,	Vacant Land	Residential	Commercial	Apartment	Total Assessed Value	Public Utilities a	Net Valuation Taxable	Tax-Exempt Property	Total Direct School Tax Rate b	Estimated Actual (County Equalized) Value
2003	\$ 1,256,800	\$ 400,474,600	\$ 56,959,800	\$ 18,391,200	\$ 477,082,400	\$ 4,312,932	\$ 481,395,332	\$ 138,170,300	\$ 1.968	\$ 501,660,727
2004	1,226,000	401,202,700	57,317,700	18,518,900	478,265,300	3,782,631	482,047,931	137,978,400	2.081	559,666,063
2005	1,112,600	401,955,400	57,440,300	18,518,900	479,027,200	3,091,188	482,118,388	160,483,800	2.254	673,294,923
2006	1,521,700	402,673,300	55,969,300	18,525,600	478,689,900	2,421,051	481,110,951	160,318,800	2.499	830,706,079
2007	3,258,300	402,555,600	55,417,400	18,525,600	479,756,900	2,071,281	481,828,181	160,268,900	2.629	980,501,051
2008 R	10,780,100	908,917,800	122,710,600	41,623,700	1,084,032,200	3,689,162	1,087,721,362	201,597,276	1.207	1,087,721,362
2009	7,956,500	907,379,400	119,269,300	41,523,700	1,076,128,900	3,829,134	1,079,958,034	285,219,700	1.284	1,152,420,827
2010	7,856,900	908,013,100	116,809,600	40,265,800	1,072,745,400	3,883,294	1,076,628,694	286,540,900	1.357	1,143,980,074
2011	7,978,300	908,133,700	116,485,000	40,066,800	1,072,663,800	3,786,375	1,076,450,175	288,171,200	1.380	1,159,612,944
2012	12,139,500	909,087,200	112,440,300	39,531,700	1,073,198,700		1,073,198,700	285,501,400	1.380	Not available

Source:
 Municipal Tax Assessor

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

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

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

R Reassessment

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

Fiscal Year Ended June 30,	Collingswood School District Direct Rate			Overlapping Rates			Total Direct and Overlapping Rate
	Basic Rate	General Obligation Debt Service	Total Direct	Borough of Collingswood	Business Improvement	Camden County	
2003	\$ 2.022	\$ 0.059	\$ 2.081	\$ 1.042	\$ 0.251	\$ 0.939	\$ 4.062
2004	2.198	0.056	2.254	1.123	0.251	0.954	4.582
2005	2.499	-	2.499	1.181	0.251	1.081	5.012
2006	2.370	0.259	2.629	1.279	0.285	1.303	5.496
2007	1.026	0.181	1.207	1.368	0.297	1.338	4.210
2008 R	1.139	0.068	1.207	0.653	0.139	0.599	2.598
2009	1.164	0.120	1.284	0.722	0.154	0.615	2.775
2010	1.232	0.125	1.357	0.846	0.161	0.649	3.013
2011	1.255	0.125	1.380	0.878	0.161	0.721	3.140
2012	1.255	0.125	1.380	0.885	0.167	0.751	3.183

Source: Municipal Tax Collector

R Reassessment.

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

J-8

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Taxpayer	2012		Taxpayer	2003	
	Taxable Assessed Value	% of Total District Net Assessed Value		Taxable Assessed Value	% of Total District Net Assessed Value
Cooper River Manor Investors	\$ 9,818,200	0.91%	Bell Atlantic	\$ 6,248,432	1.28%
Collingswood Associates	4,574,100	0.43%	Cooper River Manor Investors	4,343,200	0.89%
ACE Partnership	4,381,000	0.41%	Station House Associates	3,175,600	0.65%
900 Haddon Avenue LLC	4,000,000	0.37%	Collingswood Associates	2,600,000	0.53%
Parkview Urban Renewal, LLC	3,384,000	0.32%	ACE Partnerships	1,690,500	0.35%
Flaum Prop. Co.	3,325,000	0.31%	Flaum Prop. Co.	1,441,400	0.30%
Crestwood Associates	2,751,000	0.26%	ALDI, Inc.	1,210,000	0.25%
Lumberyard Redevelopment	2,425,000	0.23%	Crestwood Associates	1,188,000	0.24%
Aldi, Inc.	2,300,000	0.21%	South Jersey S & L Association	898,800	0.18%
New Jersey Bell Telephone	1,990,000	0.19%	International Brotherhood Teamsters	875,400	0.18%
Total	\$ 38,948,300	3.63%		\$ 23,671,332	2.17%

Source: Municipal Tax Assessor

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

J-9

Fiscal Year Ended June 30,	Taxes Levied for the Calendar Year	Collected within the Fiscal Year of the Levy^a		Collections in Subsequent Years
		Amount	Percentage of Levy	
2003	\$ 9,342,791	\$ 9,342,791	100.00%	-
2004	10,307,506	10,307,506	100.00%	-
2005	10,464,460	10,464,460	100.00%	-
2006	11,971,725	11,971,725	100.00%	-
2007	12,828,706	12,828,706	100.00%	-
2008	13,314,681	13,314,681	100.00%	-
2009	13,759,915	13,759,915	100.00%	-
2010	14,795,250	14,795,250	100.00%	-
2011	15,220,248	15,220,248	100.00%	-
2012	15,289,825	15,289,825	100.00%	-

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

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

Collingswood School District
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
(dollars in thousands, except per capita)

Fiscal Year Ended June 30,	Governmental Activities		Business-Type Activities		Percentage of Personal Income ^b	Per Capita ^c
	General Obligation Bonds ^a	Capital Leases	Capital Leases	Total District		
2003	\$ 399,000	-	-	\$ 399,000	0.09%	\$ 28
2004	-	-	-	-	0.00%	-
2005	20,176,000	-	-	20,176,000	4.10%	1,432
2006	19,676,000	-	-	19,676,000	3.86%	1,401
2007	19,176,000	-	-	19,176,000	3.55%	1,372
2008	18,776,000	-	-	18,776,000	3.35%	1,348
2009	18,326,000	-	-	18,326,000	3.15%	1,323
2010	17,826,000	-	-	17,826,000	3.11%	1,288
2011	17,226,000	-	-	17,226,000	2.90%	1,237
2012	16,601,000	-	-	16,601,000	Unavailable	1,192

Sources:

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

Collingswood School District
Ratios of Net General Bonded Debt Outstanding
Last Ten Fiscal Years
(dollars in thousands, except per capita)

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Net Assessed Valuation Taxable ^b	Per Capita ^c
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding ^a		
2003	\$ 399,000	-	\$ 399,000	0.08%	\$ 28
2004	-	-	-	0.00%	-
2005	20,176,000	-	20,176,000	4.18%	1,432
2006	19,676,000	-	19,676,000	4.09%	1,401
2007	19,176,000	-	19,176,000	3.98%	1,372
2008	18,776,000	-	18,776,000	1.73%	1,348
2009	18,326,000	-	18,326,000	1.70%	1,323
2010	17,826,000	-	17,826,000	1.66%	1,288
2011	17,226,000	-	17,226,000	1.60%	1,237
2012	16,601,000	-	16,601,000	1.55%	1,192

Sources:

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

**Collingswood School District
 Ratios of Overlapping Governmental Activities Debt
 As of December 31, 2011**

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable ^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes:			
Borough of Collingswood	\$ 35,094,020 (1)	100.000%	\$ 35,094,020
Camden County General Obligation Debt	211,014,203 (1)	3.476%	7,335,143
Subtotal, overlapping debt			42,429,163
Collingswood School District Direct Debt			16,601,000
Total direct and overlapping debt			\$ 59,030,163

Sources:

- (1) Entity's Audit Report
- (2) The County percentage is based upon a calculation reflecting the Borough's share of the 2011 Equalized Valuation. The source for this computation was the 2011 County Abstract of Ratables, provided by the County Board of Taxation.

**Collingswood School District
Legal Debt Margin Information,
Last Ten Fiscal Years
(dollars in thousands)**

Legal Debt Margin Calculation for Fiscal Year 2012

Equalized valuation basis (1)	
2009	\$1,087,438,258
2010	1,100,590,335
2011	1,094,890,068
	<u>\$3,282,918,661</u>

Average equalized valuation of taxable property \$1,094,306,220

Debt limit (4% of average equalized valuation) (2)	43,772,249
Net bonded school debt (3)	16,601,000
Legal debt margin	<u>\$ 27,171,249</u>

Fiscal Year

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	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Debt limit	\$ 19,309,265	\$ 20,318,007	\$ 22,831,660	\$ 26,957,474	\$ 32,323,727	\$ 37,675,596	\$ 41,620,998	\$ 43,400,900	\$ 43,844,606	\$ 43,772,249
Total net debt applicable to limit (3)	<u>399,000</u>	<u>-</u>	<u>20,176,000</u>	<u>19,676,000</u>	<u>19,176,000</u>	<u>18,776,000</u>	<u>18,326,000</u>	<u>17,826,000</u>	<u>17,826,000</u>	<u>16,601,000</u>
Legal debt margin	<u>\$ 18,910,265</u>	<u>\$ 20,318,007</u>	<u>\$ 2,655,660</u>	<u>\$ 7,281,474</u>	<u>\$ 13,147,727</u>	<u>\$ 18,899,596</u>	<u>\$ 23,294,998</u>	<u>\$ 25,574,900</u>	<u>\$ 26,018,606</u>	<u>\$ 27,171,249</u>
Total net debt applicable to the limit as a percentage of debt limit	2.07%	0.00%	88.37%	72.99%	59.32%	49.84%	44.03%	41.07%	40.66%	37.93%

Sources:

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

**Collingswood School District
Demographic and Economic Statistics
Last Ten Fiscal Years**

J-14

<u>Year</u>	<u>Population ^a</u>	<u>Personal Income ^b</u>	<u>Per Capita Personal Income ^c</u>	<u>Unemployment Rate ^d</u>
2002	14,239	\$ 463,237,387	\$ 32,533	3.6%
2003	14,168	478,481,696	33,772	3.8%
2004	14,085	492,341,175	34,955	3.4%
2005	14,040	509,637,960	36,299	4.6%
2006	13,973	540,349,883	38,671	5.0%
2007	13,927	560,701,020	40,260	4.6%
2008	13,854	581,757,168	41,992	6.0%
2009	13,839	573,017,634	41,406	9.5%
2010	13,925	594,876,000	42,720	10.0%
2011	13,914	e	e	9.8%

Source:

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

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

J-16

Function/Program	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Instruction										
Regular	152.0	158.0	160.0	169.0	179.0	182.0	136.5	137.0	141.1	144.0
Special education	3.0	8.0	8.0	8.0	8.5	9.0	44.5	57.0	43.2	50.0
Support Services:										
Student & instruction related services	39.0	48.0	53.0	50.7	51.0	51.0	45.0	46.0	36.0	36.0
School administrative services	15.0	18.0	18.0	18.4	19.0	19.0	19.0	18.0	17.0	17.0
General and business administrative services	4.0	9.0	9.0	9.0	9.5	9.5	9.5	9.5	8.7	8.7
Plant operations and maintenance	33.0	32.0	32.0	32.0	32.0	32.0	32.0	33.0	33.5	33.5
Business and other support services	5.0	0.0		0.2						
Total	251	273	280	287.3	299.0	302.5	286.5	300.5	279.5	289.2

Source:
District Personnel Records

Collingswood School District
 Operating Statistics,
 Last Ten Fiscal Years

J-17

Fiscal Year	Enrollment	Operating Expenditures ^a	Cost Per Pupil	Percentage Change	Teaching Staff ^b	Pupil/Teacher Ratio			Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Junior High School	Senior High School				
2003	2,068	\$ 23,689,023	\$ 11,455.04	12.11%	186	1:10.73	1:11.45	1:10.79	2,065.1	1,945.7	0.47%	94.22%
2004	2,041	23,967,885	11,743.21	2.52%	184	1:10.70	1:11.42	1:10.68	2,012.3	1,896.1	-2.55%	94.23%
2005	1,993	25,889,915	12,990.42	10.62%	188	1:10.21	1:09.88	1:10.42	1,951.7	1,837.8	-3.01%	94.16%
2006	1,925	27,958,493	14,523.89	11.80%	192	1:09.39	1:09.26	1:10.26	1,909.9	1,804.6	-2.14%	94.49%
2007	1,915	29,606,764	15,460.45	6.45%	193	1:10.33	1:09.85	1:10.29	1,885.9	1,785.8	-1.26%	94.69%
2008	1,911	30,121,372	15,762.10	1.95%	195	1:10.33	1:09.85	1:10.29	1,910.9	1,802.3	1.33%	94.32%
2009	1,935	30,556,409	15,791.43	0.19%	181	1:10.98	1:08.05	1:12.07	1,935.3	1,824.5	1.28%	94.27%
2010	1,906	30,726,975	16,121.18	2.09%	175	1:10.89	1:08.03	1:12.70	1,913.7	1,783.7	-1.10%	93.21%
2011	1,860	30,083,839	16,174.11	0.33%	169	1:10.89	1:08.03	1:12.70	1,875.0	1,763.0	-2.02%	94.03%
2012	1,857	30,443,611	16,393.97	1.36%	168	1:10.89	1:08.03	1:12.70	1,857.0	1,724.3	-0.96%	92.86%

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Sources: District records

Note: Enrollment based on annual October district count.

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

**Collingswood School District
School Building Information
Last Ten Fiscal Years**

J-18

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
District Building										
Elementary										
Garfield Elementary (1915)										
Square Feet	16,170	16,170	16,170	16,170	16,170	16,007	16,007	16,007	16,007	16,007
Capacity (students)	175	175	175	175	175	127	127	127	127	127
Enrollment	138	138	148	139	139	136	116	125	136	117
Newbie Elementary (1923)										
Square Feet	21,527	21,527	21,527	21,527	21,527	20,669	20,669	20,669	20,669	20,669
Capacity (students)	205	205	205	205	205	155	155	155	155	155
Enrollment	181	182	138	164	164	164	153	156	164	146
Sharp Elementary (1905)										
Square Feet	27,361	27,361	27,361	27,361	27,361	25,684	25,684	25,684	25,684	25,684
Capacity (students)	294	294	294	294	294	202	202	202	202	202
Enrollment	179	169	171	161	161	165	155	154	165	149
Tatem Elementary (1951)										
Square Feet	23,040	23,040	23,040	23,040	23,040	26,827	26,827	26,827	26,827	26,827
Capacity (students)	348	348	348	348	348	201	201	201	201	201
Enrollment	228	214	187	195	195	194	185	187	194	183
Zane North Elementary (1951)										
Square Feet	22,609	22,609	22,609	22,609	22,609	24,003	24,003	24,003	24,003	24,003
Capacity (students)	213	213	213	213	213	181	181	181	181	181
Enrollment	187	174	175	175	175	174	158	178	174	151
Middle School										
Collingswood Middle (1922)										
Square Feet	79,874	79,874	79,874	79,874	79,874	94,605	94,605	94,605	94,605	94,605
Capacity (students)	855	855	855	855	855	647	647	647	647	647
Enrollment	304	290	271	269	269	255	346	317	255	372
Senior High School										
Collingswood High School (1962)										
Square Feet	124,966	124,966	124,966	124,966	124,966	154,878	154,878	154,878	154,878	154,878
Capacity (students)	1,065	1,065	1,065	1,065	1,065	1,065	1,055	1,055	1,055	1,055
Enrollment	760	785	763	740	740	823	823	789	823	690
Other										
Central Administration										
Square Feet	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500
Warehouse										
Square Feet	4,700	4,700	4,700	4,700	4,700	4,700	4,700	4,700	4,700	4,700
Number of Schools at June 30, 2012										
Elementary = 5										
Middle School = 1										
Senior High School = 1										
Other = 0										

Source: District Facilities Office

Collingswood School District
 Schedule of Required Maintenance
 Last Ten Fiscal Years

J-19

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

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	Total
* School Facilities											
High School	\$ 135,622	\$ 125,447	\$ 79,372	\$ 84,032	\$ 65,434	\$ 76,710	\$ 117,350	\$ 95,801	\$ 90,381	\$ 129,342	\$ 999,491
Middle School	42,783	56,590	46,648	23,827	35,216	24,776	33,800	25,407	52,807	61,720	403,574
Garfield Elementary	52,606	5,000	7,368	5,361	4,887	5,338	17,300	21,808	7,027	19,940	146,635
Newbie Elementary	21,554	11,607	14,971	20,478	9,513	9,524	14,400	12,866	20,654	34,961	170,528
Sharp Elementary	17,744	10,763	17,951	18,788	16,505	33,377	32,050	28,555	14,226	22,203	212,162
Tatem Elementary	7,959	18,896	6,591	9,774	6,888	17,337	17,050	23,017	21,271	17,315	146,098
Zane North Elementary	64,122	23,102	11,402	12,266	17,170	7,118	23,900	19,220	20,571	40,940	239,811
Total School Facilities	<u>\$ 342,390</u>	<u>\$ 251,405</u>	<u>\$ 184,303</u>	<u>\$ 174,526</u>	<u>\$ 155,613</u>	<u>\$ 174,180</u>	<u>\$ 255,850</u>	<u>\$ 226,674</u>	<u>\$ 226,937</u>	<u>\$ 326,421</u>	<u>\$ 2,318,299</u>

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

Source: District records

**Collingswood School District
Insurance Schedule
June 30, 2012**

J-20

	<u>Coverage</u>	<u>Self-insured Retention</u>	<u>Deductible</u>
School Package Policy (1)			
Building and Contents (All Locations)			
Limits of liability per occurrence	\$ 250,000,000		\$ 1,000
General and Automobile Liability	5,000,000	\$ 50,000	
School Board Legal Liability	5,000,000		2,500
Workers' compensation		Statutory 250,000	
Comprehensive Crime Coverage	100,000		1,000
Errors and Omissions	5,000,000		5,000
Excess Liability	5,000,000		
 Catastrophe Accident Insurance (2)	 6,000,000		
 Student Accident Insurance (2)	 1,000,000		
 Surety Bonds (3)			
Treasurer	250,000		
Board Secretary	250,000		

- (1) School Alliance Insurance Fund
- (2) American International
- (3) Selective Insurance Co.

Source: District records

Single Audit Section

INVERSO & STEWART, LLC

**Certified Public Accountants
Registered Municipal Accountants**

12000 Lincoln Drive West, Suite 402
Marlton, New Jersey 08053
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-Member of-
American Institute of CPAs
New Jersey Society of CPAs

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

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

Compliance

We have audited Collingswood School District (School District), in the County of Camden, State of New Jersey's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement*, and the *New Jersey State Grant Compliance Supplement* that could have a direct and material effect on each of the School District's major federal and state programs for the fiscal year ended June 30, 2012. The School District's major federal and state programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal and state programs is the responsibility of the School District's management. Our responsibility is to express an opinion on the School District's compliance based on our audit.

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

In our opinion, the Collingswood School District, in the County of Camden, State of New Jersey complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2012.

Internal Control Over Compliance

Management of the Collingswood School District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal and state programs. In planning and performing our audit, we considered the School District's internal control over compliance with the requirements that could have a direct and material effect on a major federal or state program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133 and State of New Jersey Circular 04-04-OMB, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School District's internal control over compliance.

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

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

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

Respectfully submitted,

INVERSO & STEWART, LLC
Certified Public Accountants



Robert A. Stewart
Public School Accountant

Marlton, New Jersey
July 31, 2012

COLLINGSWOOD SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards
For the Fiscal Year ended June 30, 2012

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Grant or State Project Number	Program or Award Amount	Grant Period From - To	Balance, June 30, 2011			Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance, June 30, 2012			
					(Accounts Receivable	Deferred Revenue	Due to Grantor					(Accounts Receivable)	Deferred Revenue	Due to Grantor	
U.S. Department of Education															
Passed-through State Department of Education:															
General Fund:															
Education Jobs Fund	84.410A	N/A	\$ 374,656	7/1/10-6/30/12	\$ (8,406)			\$ 309,184	\$ (300,778)						
Special Revenue Fund:															
Title I:															
ARRA	84.389	N/A	107,306	9/1/09 - 8/31/10	(172)			172							
Fiscal Year 2011	84.010A	NCLB094011	393,026	9/1/10 - 8/31/11	(231,598)	\$ 90,902	\$ 3,202	161,962	(24,468)						
Fiscal Year 2012	84.010A	NCLB094012	432,780	9/1/11 - 8/31/12			(3,202)	258,312	(278,801)		\$ (177,670)	\$ 152,979			
Title II A:															
Fiscal Year 2011	84.367A	NCLB094011	69,828	9/1/10 - 8/31/11	(72,824)	1,116	2,451	70,227	(970)						
Fiscal Year 2012	84.367A	NCLB094012	60,517	9/1/11 - 8/31/12				58,676	(59,276)		(1,841)	1,241			
Title II D:															
Fiscal Year 2011	84.318X	NCLB094011	902	9/1/10 - 8/31/11	(902)	258		644							
Fiscal Year 2010	84.318X	NCLB094010	3,623	9/1/09 - 8/31/10	(3,623)			3,623							
Fiscal Year 2012	84.318X	NCLB094012	258	9/1/11 - 8/31/12							(258)	258			
Title III:															
Fiscal Year 2012	84.365A	NCLB094012	6,759	9/1/11 - 8/31/12				1,986	(6,753)		(4,773)	6			
Title IV:															
Fiscal Year 2010	84.186A	NCLB094010	6,871	9/1/09 - 8/31/10	(508)			508							
I.D.E.A. Part B - Basic:															
Fiscal Year 2011	84.027	FT094011	439,298	9/1/10 - 8/31/11	(41,587)	4,654		38,933							
Fiscal Year 2012	84.027	FT094012	452,646	9/1/11 - 8/31/12				325,043	(372,378)		(127,603)	80,268			
I.D.E.A. Part B - Preschool:															
Fiscal Year 2011	84.173	PS094011	11,465	9/1/10 - 8/31/11	(5,222)	11,465			(6,243)						
Fiscal Year 2012	84.173	PS094012	16,674	9/1/11 - 8/31/12				9,723	(13,472)		(6,951)	3,202			
Total U.S. Department of Education					(364,842)	108,395	2,451	1,236,993	(1,064,139)		(319,096)	237,954			
U.S. Department of Agriculture															
Passed-through State Department of Education:															
Enterprise Fund:															
Food Distribution Program:															
Fiscal Year 2012	10.550	N/A	47,964	7/1/11 - 6/30/12				47,964	(47,964)						
School Breakfast Program:															
Fiscal Year 2012	10.553	N/A	34,063	7/1/11 - 6/30/12				32,557	(34,063)		(1,506)				
Fiscal Year 2011	10.553	N/A	24,961	7/1/10 - 6/30/11	\$ (1,203)			1,203							
National School Lunch Program															
Fiscal Year 2012	10.555	N/A	258,749	7/1/11 - 6/30/12				248,797	(258,749)		(9,952)				
Fiscal Year 2011	10.555	N/A	203,943	7/1/10 - 6/30/11	(10,382)			10,382							
Total U.S. Department of Agriculture					(11,585)			340,903	(340,776)		(11,458)				
U.S. Department of Health and Human Services															
Passed-through State Department of Human Services:															
General Fund:															
Medical Assistance Program															
Fiscal Year 2011	93.778	N/A	33,050	7/1/10 - 6/30/11	(16,024)			16,024							
Fiscal Year 2012	93.778	N/A	40,508	7/1/11 - 6/30/12				29,949	(40,508)		(10,559)				
					(16,024)			45,973	(40,508)		(10,559)				
Total Federal Awards					\$ (392,451)	\$ 108,395	\$ -	\$ 2,451	\$ -	\$ 1,623,869	\$ (1,445,423)	\$ -	\$ (341,113)	\$ 237,954	\$ -

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

COLLINGSWOOD SCHOOL DISTRICT
Schedule of Expenditures of State Financial Assistance
For the Fiscal Year ended June 30, 2012

State Grantor / Program Title	Grant or State Project Number	Program or Award Amount	Grant Period From - To	Balance, June 30, 2011			Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance, June 30, 2012		
				(Accounts Receivable	Deferred Revenue	Due to Grantor				(Accounts Receivable)	Deferred Revenue	Due to Grantor
State Department of Education												
General Fund:												
Equalization Aid	12-495-034-5120-078	\$ 7,870,013	7/1/11- 6/30/12				\$ 6,916,407	\$ (7,870,013)		\$ (953,606)		
Equalization Aid	11-495-034-5120-078	7,870,013	7/1/10- 6/30/11	\$ (892,448)			892,448					
Special Education Categorical Aid	12-495-034-5120-089	849,026	7/1/11- 6/30/12				849,026	(849,026)				
Security Aid	12-495-034-5120-084	250,633	7/1/11- 6/30/12				250,633	(250,633)				
Adjustment Aid	12-495-034-5120-085	905,177	7/1/11- 6/30/12				905,177	(905,177)				
Transportation Aid	12-495-034-5120-014	197,685	7/1/11- 6/30/12				197,685	(197,685)				
Anti-Bullying Aid	Not available	1,537	7/1/11- 6/30/12				1,537	(1,537)				
Extraordinary Special Education Costs Aid	11-100-034-5120-473	42,996	7/1/10- 6/30/11	(42,996)			42,996					
Extraordinary Special Education Costs Aid	12-100-034-5120-473	11,226	7/1/11- 6/30/12					(11,226)		(11,226)		
On-behalf TPAF Pension Contribution	12-100-034-5095-001	1,316,476	7/1/11- 6/30/12				1,316,476	(1,316,476)				
Reimbursed TPAF Social Security Contr.	12-100-034-5095-002	1,042,672	7/1/11- 6/30/12				991,295	(1,042,672)		(51,377)		
Reimbursed TPAF Social Security Contr.	11-100-034-5095-002	1,020,684	7/1/10- 6/30/11	(49,816)			49,816					
Total General Fund				(885,360)	-	-	12,413,596	(12,444,445)	-	(1,016,209)	-	-
Special Revenue Fund:												
NJ Nonpublic Aid:												
Textbook Aid	12-100-034-5120-064	6,892	7/1/11- 6/30/12				6,892	(6,499)				\$ 393
Nursing Aid	12-100-034-5120-070	9,845	7/1/11- 6/30/12				9,845	(9,845)				
Audiliary Services:												
Compensatory Education	12-100-034-5120-067	61,793	7/1/11- 6/30/12				61,793	(54,946)				6,847
Compensatory Education	11-100-034-5120-067	62,785	7/1/10- 6/30/11			\$ 8,418			\$ (8,418)			
ESL	11-100-034-5120-067	4,098	7/1/10- 6/30/11			1,819			(1,819)			
ESL	12-100-034-5120-067	1,724	7/1/11- 6/30/12				1,724	(1,724)				
Home Instruction	11-100-034-5120-067	473	7/1/10- 6/30/11	(473)			473					
Handicapped Services:												
Supplemental Instruction	12-100-034-5120-066	10,172	7/1/11- 6/30/12				10,172	(7,506)				2,666
Supplemental Instruction	11-100-034-5120-066	9,032	7/1/10- 6/30/11			3,469			(3,469)			
Examination & Classification	11-100-034-5120-066	13,713	7/1/10- 6/30/11			4,067			(4,067)			
Examination & Classification	12-100-034-5120-066	20,445	7/1/11- 6/30/12				20,445	(19,154)				1,291
Corrective Speech	11-100-034-5120-066	20,340	7/1/10- 6/30/11			2,940			(2,940)			
Corrective Speech	12-100-034-5120-066	42,020	7/1/11- 6/30/12				42,020	(24,487)				17,533
Character Education Aid	06-495-034-5120-053	5,302	7/1/05- 6/30/11		\$ 2,894					\$ 2,894		
FCSCCE	Not available	1,500	7/1/09- 6/30/11		158			(158)				
Total Special Revenue Fund				(473)	3,052	20,713	153,364	(124,319)	(20,713)	-	2,894	28,730
NJ Economic Development Authority:												
Capital Projects Fund:												
EDA Educational Facilities Construction and Financing Act - Section 15: 2010 Allotment:												
Cafeteria Roof Renovations	0940-030-10-GOCB	105,000	7/1/10- 6/30/11	(105,000)			105,000					
Total Capital Projects Fund				(105,000)	-	-	105,000	-	-	-	-	-
State Department of Agriculture												
Enterprise Fund:												
National School Lunch Program (State Share)												
Fiscal Year 2012	12-100-010-3350-023	7,037	7/1/11- 6/30/12				6,766	(7,037)		(271)		
Fiscal Year 2011	11-100-010-3360-067	6,326	7/1/10- 6/30/11	(309)			309					
Total Enterprise Fund				(309)	-	-	7,075	(7,037)	-	(271)	-	-
Total State Financial Assistance				\$ (1,091,142)	\$ 3,052	\$ 20,713	\$ 12,679,035	\$ (12,575,801)	\$ (20,713)	\$ (1,016,480)	\$ 2,894	\$ 28,730

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

**Collingswood School District
Notes to Schedules of Expenditures
of Federal Awards and State Financial Assistance
For the Fiscal Year Ended June 30, 2012**

I. GENERAL

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

2. BASIS OF ACCOUNTING

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

3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$61,158) for the general fund. See Exhibit C-3, Notes to Required Supplementary Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as follows:

<u>Fund</u>	<u>Federal</u>	<u>State</u>	<u>Total</u>
General	\$ 341,286	\$ 12,383,287	\$ 12,724,573
Special Revenue	763,361	124,319	887,680
Food Service	<u>340,776</u>	<u>7,037</u>	<u>347,813</u>
Total	<u>\$ 1,445,423</u>	<u>\$ 12,514,643</u>	<u>\$ 13,960,066</u>

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.

**Collingswood School District
Notes to the Schedules of Expenditures
of Federal Awards and State Financial Assistance
For the Fiscal Year Ended June 30, 2012
(Continued)**

5. OTHER

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the School District for the year ended June 30, 2012. TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2012.

6. MAJOR PROGRAMS

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

7. ADJUSTMENTS

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

	Federal
Prior Year Adjustments	\$ 2,451
Total	\$ 2,451

**COLLINGSWOOD SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

Section 1 – Summary of Auditor's Results

Financial Statement Section

Type of auditor's report issued: UNQUALIFIED

Internal control over financial reporting:

Material weaknesses identified? _____ yes X no

Significant deficiencies identified that are not considered to be a material weakness? _____ yes X none reported

Noncompliance material to general purpose financial statements noted? _____ yes X no

Federal Awards

Internal Control over major programs:

Material weaknesses identified? _____ yes X no

Significant deficiencies identified that are not considered to be a material weakness? _____ yes X none reported

Type of auditor's report on compliance for major programs: UNQUALIFIED

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

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
<u>84.410</u>	<u>Education Jobs Fund</u>
<u>10.555</u>	<u>National School Lunch Program</u>
<u>10.553</u>	<u>National School Breakfast Program</u>
_____	_____
_____	_____

Dollar threshold used to distinguish between type A and type B programs: \$300,000

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

**COLLINGSWOOD SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

Section 2 -- Schedule of Financial Statement Findings

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

None

**COLLINGSWOOD SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

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

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

FEDERAL AWARDS

No findings and/or questioned costs identified.

STATE AWARDS

No findings and/or questioned costs identified.

**COLLINGSWOOD SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR-YEAR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT
FOR THE FISCAL YEAR ENED JUNE 30, 2012**

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

FINANCIAL STATEMENT FINDINGS

There were no prior year audit findings.

FEDERAL AWARDS

There were no prior year audit findings.

STATE AWARDS

There were no prior year audit findings.