

**Comprehensive Annual
Financial Report**

of the

Township of Stafford Board of Education

Manahawkin, New Jersey

For the Fiscal Year Ended June 30, 2012

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Introductory Section



October 19, 2012

Honorable President and
Members of the Board of Education
Stafford Township School District
Ocean County, New Jersey

Dear Board Members:

The comprehensive annual financial report of the Stafford Township School District for the fiscal year ended June 30, 2012, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the district. All disclosures necessary to enable the reader to gain an understanding of the district's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the district's organizational chart and a list of principal officials. The financial section includes the Management's Discussion and Analysis, basic financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis.

The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984 and the U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments and Non-Profit Organizations", and the state Treasury Circular Letter 04-04 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments".

Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.



1.) REPORTING ENTITY AND ITS SERVICES:

The Stafford Township School District is an independent reporting entity within the criteria adopted by the GASB as established by NCGA statement No. 3. All funds and account groups of the district are included in this report. The Stafford Township Board of Education and all its schools constitute the district's report entity.

The operating district provides a full range of educational services appropriate to grade levels Pre-K through 6. Stafford Township is a member of Southern Regional School District for grade levels 7 through 12. Educational services are provided for regular and special education programs for handicapped youngsters.

The Stafford Township School District (Pre-K-6) completed the 2012 fiscal year with an enrollment of 2,323. The following details the changes in the student enrollment of the district over the last ten years.

ENROLLMENT AS OF JUNE 30th		
Fiscal Year	Student Enrollment	Percent Change
2011-12	2,323	-2.76%
2010-11	2,389	-3.32%
2009-10	2,471	-1.48%
2008-09	2,508	1.09%
2007-08	2,481	-1.66%
2006-07	2,523	0.12%
2005-06	2,520	0.20%
2004-05	2,515	2.57%
2003-04	2,452	1.16%
2002-03	2,424	5.81%

2.) ECONOMIC CONDITIONS AND OUTLOOK:

The Stafford Township School District has finished building its 5th school, which will house both pre-school and kindergarten children. In addition, renovations have been completed on both the Oxycocus and Intermediate Schools. A connector between the Intermediate and McKinley Schools is completed, which allows for additional educational programs and an 800-seat art center that accommodates school and community art programs.

3.) MAJOR INITIATIVES:

The Stafford Township School District worked toward the goals set by the board of education for the 2012-2013 school year. The budget was cooperatively developed by the staff, administration and board of education.

The district continues to work toward effective differentiation of instruction to provide for the needs of every child. Professional development opportunities for all staff continued and focused to provide for the needs of all students.

Despite the continued lack of state funding, the Stafford Township School District is proud of the achievements it has accomplished in the areas of educational efficiency and effectiveness during the 2011-2012 school year. The hope continues that the state will meet its obligations under the established funding formula.

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 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 CONTROL:

Written control procedures have been instituted for the business operations of the district, and are monitored to conform to changing GAAP procedures. The finance committee meets monthly to review financial updates, reports and bills for payment. The district administrative team which includes the Superintendent of Schools, School Business Administrator, School Principal's and District Supervisors meet monthly, to review financial records for each department. The Superintendent of Schools and Business Administrator scrutinize each purchase order prior to processing and meet several times monthly to review the overall financial state of the district to ensure that a need exists to purchase specific goods and services, and that funds are available to pay for these items.

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

6.) ACCOUNTING SYSTEM AND REPORTS:

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

7.) DEBT ADMINISTRATION:

On June 30, 2012, the district's outstanding debt issues are \$17,994,000.

8.) CASH MANAGEMENT:

Public funds used in the operation of the school district deposited in public depositories are protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA was enacted in 1970 to protect governmental units from loss of funds on deposit with failed banking institutions 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.

9.) RISK MANAGEMENT:

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

10.) OTHER INFORMATION:

Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Ford, Scott and Associates, L.C.C., CPA's was selected by the Board of Education. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act of 1984 and the related OMB Circular A-133 and state Treasury Circular Letter 04-04 OMB. The auditor's report on the basic financial statements is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

11.) ACKNOWLEDGMENTS:

We would like to express our appreciation to the members of the Stafford Township School Board of Education for their concern, cooperation and support for the 2010-2012 school year.

Also, this report could not have been accomplished without the efficient and dedicated services of our financial and accounting staff.

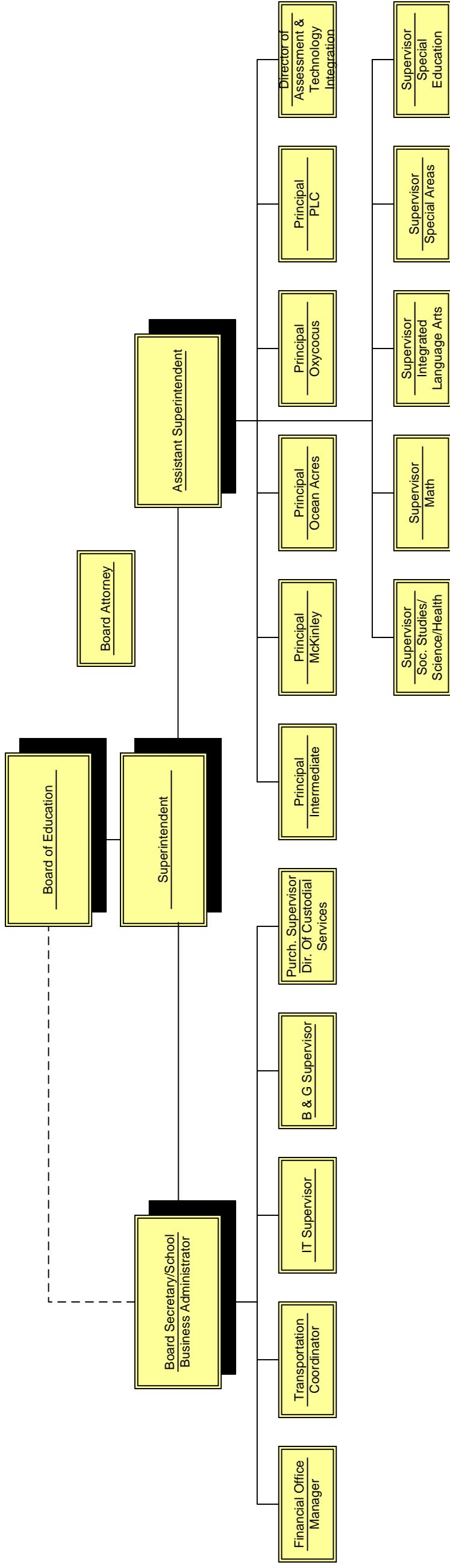
Respectfully submitted,

Judith DeStefano-Anen
Dr. Judith DeStefano-Anen
Superintendent

Enrico D. Siano
Enrico D. Siano
Board Secretary/
School Business Administrator

Stafford Twp. Board of Education Organizational Chart

File Code: 2120



**STAFFORD TOWNSHIP
BOARD OF EDUCATION
MANAHAWKIN, NEW JERSEY**

**ROSTER OF OFFICIALS
JUNE 30, 2012**

Members of the Board of Education		Term
Tammy Nicolini	President	2012
Wendy B. Cotter	Vice President	2013
Dr. Gregory Quille	Member	2014
Christine English	Member	2012
Kevin Leonard	Member	2014
Joseph Sauer	Member	2013
Beth Sicoli	Member	2012
Sharon Bialecki	Member	2014
Sean Wasacz	Member	2013

SUPERINTENDENT

Dr. Judith DeStefano-Anen

BOARD SECRETARY / SCHOOL BUSINESS ADMINISTRATOR

Enrico D. Siano

TREASURER OF SCHOOL MONIES

George J. Gotthold

IN - HOUSE COUNSEL

Tracey Schneider, Esquire

**STAFFORD TOWNSHIP
BOARD OF EDUCATION
MANAHAWKIN, NEW JERSEY**

**CONSULTANTS AND ADVISORS
JUNE 30, 2012**

INDEPENDENT AUDITOR

Ford, Scott & Associates, L.L.C.
Certified Public Accountants
1535 Haven Avenue
Ocean City, New Jersey 08223

OFFICIAL DEPOSITORIES

TD Bank
Shore Community Bank
Wells Fargo Bank
Sun National
Ocean First
Bank of America

Financial Section

1535 HAVEN AVENUE • PO BOX 538
OCEAN CITY, NJ • 08226-0538
PHONE 609.399.6333 • FAX 609.399.3710



1409 CANTILLON BLVD. • PO BOX 548
MAYS LANDING, NJ 08330
PHONE 609.625.0999 • FAX 609.625.2421

INDEPENDENT AUDITOR'S REPORT

The Honorable President and
Members of the Board of Education
Stafford Township School District
County of Ocean
Manahawkin, New Jersey

We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund of the Board of Education of the Stafford Township School District, in the County of Ocean, State of New Jersey, as of and for the year ended June 30, 2012, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Stafford Township Board of Education'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 audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities and each major fund, of the Stafford Township Board of Education, in the County of Ocean, State of New Jersey, as of June 30, 2012, and the respective changes in financial position and cash flows, where applicable, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 19, 2012 on our consideration of the Stafford Township Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of our audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the Management Discussion and Analysis and Budgetary Comparison Information, as listed in the accompanying table of

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

Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The accompanying introductory section, combining statements, and related major fund supporting statements and schedules, and statistical information listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedules of expenditures of federal and state awards are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations; and New Jersey OMB's Circular 04-04, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, and are also not a required part of the basic financial statements. The combining statements, and related major fund supporting statements and schedules, and schedules of expenditures of federal and state awards are the responsibility of management and were derived from and relate directly to the underlying accounting or other records used to prepare the financial statements themselves. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects, in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Ford, Scott & Associates, L.L.C.
FORD, SCOTT & ASSOCIATES, L.L.C.
CERTIFIED PUBLIC ACCOUNTANTS

Michael S. Garcia
Michael S. Garcia
Certified Public Accountant
Licensed Public School Accountant
No. 2080

October 19, 2012

Required Supplementary Information – Part I

**STAFFORD TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
UNAUDITED**

The discussion and analysis of Stafford Township School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2012. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the basic financial statements and notes to enhance their understanding of the School District's financial performance.

The Management's Discussion and Analysis (MD&A) is an element of Required Supplementary Information specified in the Governmental Accounting Standards Board's (GASB) Statement No. 34 - Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments issued in June 1999.

Financial Highlights

Key financial highlights for 2012 are as follows:

- In total, net assets increased \$3,068,194.68, which represents a 24 percent increase from 2011.
- General revenues accounted for \$37,714,033.88 in revenue or 92 percent of all revenues. Program specific revenues in the form of charges for services and operating grants and contributions accounted for \$3,153,197.82 or 8 percent of total revenues of \$40,867,201.70.
- Cash and cash equivalents increased by \$137,469.82, receivables and inventory increased by \$223,609.58 and deferred debt Issue cost and net capital assets increased by \$654,003.73.
- The School District had \$37,799,007.02 in expenses; only \$3,153,197.82 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily taxes and state aid) of \$37,714,003.88 were adequate to provide for these programs.
- Among governmental funds, the General Fund had \$35,068,224.86 in revenues, and \$34,036,333.37 in expenditures. The General Fund's fund balance increased \$1,032,189.78 over 2011.

Using this Comprehensive Annual Financial Report (CAFR)

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand Stafford Township School District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The Statement of Net Assets and Statement of Activities provide information about the activities of the whole School district, presenting both an aggregate view of the School district's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the School district's most significant funds with all other non-major funds presented in total in one column. In the case of Stafford Township School District, the General Fund is by far the most significant fund.

**STAFFORD TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
UNAUDITED (CONTINUED)**

Reporting the School District as a Whole

Statement of Net Assets and the Statement of Activities

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School District, as a whole looks at all financial transactions and ask the question, "How did we do financially during 2012?" The Statement of Net Assets and the Statement of Activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector businesses. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

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

Reporting the School District's Most Significant Funds

Fund Financial Statements

Fund financial reports provide detailed information about the School District's funds. The School District uses many funds to account for a multitude of financial transaction. The School District's governmental funds are the General Fund, Special Revenue Fund, Capital Projects Fund, and Debt Service Fund.

Governmental Funds

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

**STAFFORD TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
UNAUDITED (CONTINUED)**

Reporting the School District's Most Significant Funds (Continued)

Enterprise Fund

The enterprise fund uses the same basis of accounting as business-type activities; therefore, these statements are essentially the same.

Notes to the Financial Statements

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

The School District as a Whole

Recall that the Statement of Net Assets provides the perspective of the School District as a whole. Net assets may serve over time as a useful indicator of a government's financial position.

The District's financial position is the product of several financial transactions including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets, and the depreciation of capital assets.

Table 1 provides a summary of the School District's net assets for 2012 and 2011.

**Table 1
Net Assets**

	<u>2012</u>	<u>2011</u>
Assets		
Current and Other Assets	\$ 4,398,388.60	\$ 3,983,972.05
Capital Assets	<u>33,573,825.98</u>	<u>32,917,804.68</u>
Total Assets	<u>37,972,214.58</u>	<u>36,901,776.73</u>
Liabilities		
Long-Term Liabilities	21,473,093.03	23,643,054.21
Other Liabilities	<u>1,128,412.28</u>	<u>956,207.93</u>
Total Liabilities	<u>22,601,505.31</u>	<u>24,599,262.14</u>
Net Assets		
Invested in Capital Assets, Net of Debt	15,870,484.94	12,933,087.43
Restricted	2,496,675.06	2,045,880.07
Unrestricted	<u>(2,996,450.73)</u>	<u>(2,676,452.91)</u>
Total Net Assets	<u>\$ 15,370,709.27</u>	<u>\$ 12,302,514.59</u>

The District's combined net assets were \$15,370,709.27 on June 30, 2012. This was an increase of 25 percent from the prior year.

**STAFFORD TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
UNAUDITED (CONTINUED)**

The School District as a Whole (Continued)

Table 2 shows changes in net assets for fiscal year's 2012 and 2011.

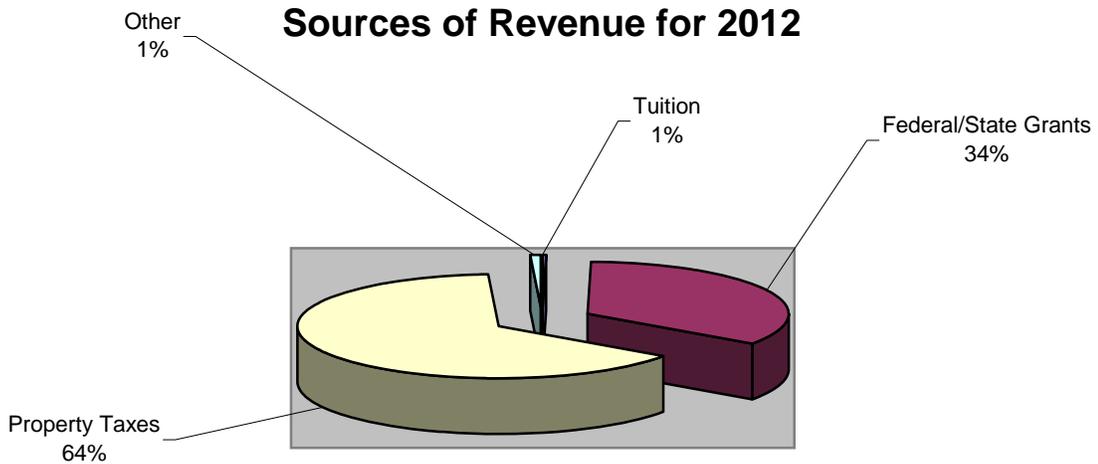
**Table 2
Changes in Net Assets**

	2012	2011
Revenues		
Program Revenues:		
Charges for Services	\$ 573,098.84	\$ 421,236.54
Operating Grants and Contributions	2,197,738.98	2,319,613.36
Capital Grants & Contributions	382,360.00	-
General Revenues:		
Property Taxes	25,509,243.00	25,505,079.00
Grants and Entitlements	11,755,877.19	10,662,652.65
Other	448,883.69	464,887.85
Total Revenues	40,867,201.70	39,373,469.40
Program Expenses		
Instruction	19,731,813.16	19,478,930.90
Support Services:		
Tuition	314,111.59	321,639.74
Related Services - Pupils and Instructional Staff	6,341,725.20	6,649,317.55
General Administration, School Administration, Central Services and Maintenance of Facilities	2,592,952.57	2,604,934.35
Pupil Transportation	4,804,156.05	4,559,404.12
Special Schools	2,388,758.72	1,757,150.67
Interest on Debt	-	-
Food Service	722,094.46	736,442.03
Total Expenses	903,395.27	692,746.89
Increases in Net Assets	\$ 3,068,194.68	\$ 2,572,903.15

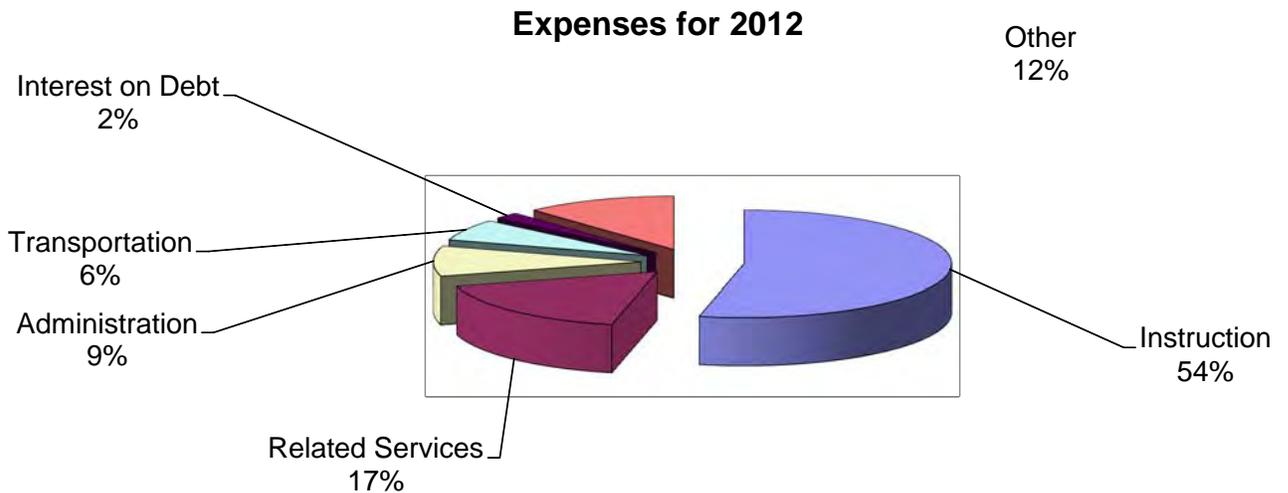
**STAFFORD TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
UNAUDITED (CONTINUED)**

Governmental Activities

The unique nature of property taxes in New Jersey creates the legal requirements to annually seek voter approval for the School District operations. Property taxes made up 64 percent of revenues for governmental activities for the Stafford Township School District for fiscal year 2012. The District's total revenues were \$39,570,282.34 for the year ended June 30, 2012. Federal, state, and local grants accounted for another 36 percent of revenue.



The total cost of all program and services was \$ 36,895,611.75. Instruction comprises 54 percent of District expenses.



**STAFFORD TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
UNAUDITED (CONTINUED)**

Business-Type Activities

Revenues for the District's business-type activities (food service program) were comprised of charges for services and federal and state reimbursements.

- Food service revenues exceeded expenses by \$11,164.09.
- Charges for food services represent \$422,934.63 of revenue. This represents amounts paid by patrons for daily food service.
- Federal and state reimbursement for meals, including payments for free and reduced lunches and breakfast, and donated commodities was \$341,460.52.

Governmental Activities

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows the total cost of services and the net cost of services. The net cost shows the financial burden that was placed on the District's taxpayers by each of these functions.

Table 3

	<u>Total Cost of Services 2012</u>	<u>Net Cost of Services 2012</u>	<u>Total Cost of Services 2011</u>	<u>Net Cost of Services 2011</u>
Instruction	\$ 19,731,813.16	\$ 18,242,837.70	\$ 19,478,930.90	\$ 17,713,309.32
Support Services:				
Tuition	314,111.59	314,111.59	321,639.74	321,639.74
Pupils and Instructional Staff	6,341,725.20	6,341,725.20	6,649,317.55	6,649,317.55
General Administration	1,443,688.65	1,443,688.65	1,249,532.22	1,249,532.22
School Administration	1,149,263.92	1,149,263.92	1,355,402.13	1,355,402.13
Central Services and Maintenance of Facilities	4,804,156.05	4,421,796.05	4,559,404.12	4,559,404.12
Pupil Transportation	2,388,758.72	2,388,758.72	1,757,150.67	1,757,150.67
Interest and Finance Charges	722,094.46	354,791.46	736,442.03	487,774.03
Other		-	-	-
Total Expenses	<u>\$ 36,895,611.75</u>	<u>\$ 34,656,973.29</u>	<u>\$ 36,107,819.36</u>	<u>\$ 34,093,529.78</u>

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

Tuition is predominately made up of charges for private schools for disabled students.

Pupils and instructional staff include the activities involved with assisting staff with the content and process of teaching to students, including curriculum and staff development.

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

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

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

**STAFFORD TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
UNAUDITED (CONTINUED)**

Governmental Activities (Continued)

Interest on debt involves the transactions associated with the payment of interest and other related charges to debt of the School District.

"Other" includes special schools.

The School District's Funds

All governmental funds (i.e., general fund, special revenue fund capital projects fund and debt service fund presented in the fund-based statements) are accounted for using the modified accrual basis of accounting. Total revenues amounted to \$39,952,642.34 and expenditures were \$39,788,353.57. The net increase in fund balance for the year was \$164,288.77.

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The following schedules present a summary of the revenues of the governmental funds for the fiscal year ended June 30, 2012 and the amount and percentage of increases and decreases in relation to prior year revenues.

Revenue	Amount	Percent of Total	Increase (Decrease) from 2011	Percent of Increase (Decrease)
Local Sources	\$ 25,958,126.69	64.97%	\$ (11,840.16)	-0.05%
State Sources	12,530,711.25	31.36%	1,239,754.58	9.85%
Federal Sources	1,463,804.40	3.66%	77,818.84	8.18%
Total	<u>\$ 39,952,642.34</u>	100.00%	<u>\$ 1,305,733.26</u>	4.23%

Local revenues decreased by \$11,840.16. The decrease in local revenue was predominately due to an increase in Federal and State aid. The increase in Federal Sources is due to the addition of the Educational Jobs funding that was not available in 2011. Also, the increase in State Sources is due to the addition of Categorical Security and Transportation Aid and Pension cost funding that was not available in 2011.

The following schedule represents a summary of the governmental funds expenditures for the fiscal year ended June 30, 2012, and the percentage of increases and decreases in relation to prior year amounts.

Expenditures	Amount	Percent of Total	Increase (Decrease) from 2011	Percent of Increase (Decrease)
Current expense:				
Instruction	\$ 14,128,316.54	35.51%	\$ 287,702.67	2.08%
Undistributed expenditures	20,507,371.78	51.54%	(260,123.86)	-1.25%
Capital Outlay	2,318,601.77	5.83%	636,650.03	37.85%
Debt Service	2,834,063.48	7.12%	312,345.95	12.39%
Total	<u>\$ 39,788,353.57</u>	100.00%	<u>\$ 976,574.79</u>	2.52%

Changes in expenditures were the results of varying factors. Capital Outlay Expenditures usually fluctuate from one year to the next; however, a significant portion of the increase was due to the roof

**STAFFORD TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
UNAUDITED (CONTINUED)**

The School District's Funds (Continued)

Project at the intermediate school. Lastly, Debt Service increased from 2011 due to the principal payments from 2012 were much higher than 2011. However, this was an anticipated increase.

General Fund Budgeting Highlights

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

Over the course of the year, the District revised the annual operating budget several times. Revisions in the budget were made to recognize revenues that were not anticipated and to prevent over-expenditures in specific line item accounts. Several of these revisions bear notation:

- Some Salaries were reallocated to or from the lines they were originally budgeted in.
- Architectural and Engineering Fees were not originally budgeted but fees exceeded \$70,000.00.
- Custodial Services required over \$350,000 in additional funds from the original amount budgeted; however, most of those funds were never spent during the fiscal year.

Capital Assets

At the end of the fiscal year 2012, the School District had \$32,917,804.68 invested in land, building, furniture and equipment and vehicles. Table 4 shows fiscal year 2012 balances compared to 2011.

**Table 4
Capital Assets (Net of Depreciation) at June 30,**

	2012	2011
Land	\$ 500,000.00	\$ 500,000.00
Construction in Progress	4,464,969.62	3,035,988.36
Building and Building Improvements	27,337,838.65	28,097,585.73
Machinery and Equipment	1,271,017.71	1,284,230.59
Total	\$ 33,573,825.98	\$ 32,917,804.68

Overall capital assets increased \$656,021.30 from fiscal year 2011 to fiscal year 2012. The increase in capital assets is due to new capital purchases and the completion of construction in process in FY12 being greater than depreciation charges. For more detailed information, please refer to the Notes to the Financial Statements.

**STAFFORD TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
UNAUDITED (CONTINUED)**

Debt Administration

At June 30, 2012, the School District had \$21,473,093.03 of outstanding debt, net of the unamortized loss on refunding bonds in the amount of \$261,305.53. Of this amount, \$3,740,398.56 is for compensated absences; and \$17,994,000.00 of serial bonds for school construction.

**Table 5
Bonded Outstanding Debt at June 30,**

	2012	2011
2003 Issue	\$ -	\$ 5,400,000.00
2005 Refunding Issue	4,455,000.00	5,015,000.00
2006 Refunding Issue	6,025,000.00	6,030,000.00
2012 Refunding Issue	4,095,000.00	-
2010 Issue	3,419,000.00	3,654,000.00
Total	\$ 17,994,000.00	\$ 20,099,000.00

At December 31, 2012, the School District was within its legal debt margin. For more detailed information, please refer to the Notes to the Financial Statements.

For the Future

The Stafford Township School District is in good financial condition presently. The School District is proud of its community support of the public schools.

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

Contacting the School District's Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional information, contact Enrico D. Siano Business Administrator/Board Secretary at Stafford Township School District, 775 East Bay Avenue, Manahawkin, New Jersey 08050-2895. Please visit our website at www.staffordschools.org.

Basic Financial Statements

DISTRICT – WIDE FINANCIAL STATEMENTS

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

STAFFORD TOWNSHIP SCHOOL DISTRICT
Statement of Net Assets
June 30, 2012

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 3,412,379.28	\$ 86,920.72	\$ 3,499,300.00
Receivables, Net	842,252.11	15,621.50	857,873.61
Internal Balances	-		-
Inventory		11,861.56	11,861.56
Deferred Debt Issue Costs	29,353.43		29,353.43
Capital Assets, Net (Note #6)	33,486,127.68	87,698.30	33,573,825.98
Total Assets	37,770,112.50	202,102.08	37,972,214.58
LIABILITIES			
Accounts Payable	798,982.34	51,762.94	850,745.28
Accrued Interest Payable	215,555.00		215,555.00
Deferred Revenue	19,010.45	43,101.55	62,112.00
Noncurrent Liabilities (Note #7)			
Due Within One Year	2,030,000.00		2,030,000.00
Due Beyond One Year	19,443,093.03		19,443,093.03
Total Liabilities	22,506,640.82	94,864.49	22,601,505.31
NET ASSETS			
Invested in Capital Assets, Net of Related Debt	15,782,786.64	87,698.30	15,870,484.94
Restricted for:			
Debt Service (Deficit)	(212,920.05)		(212,920.05)
Capital Projects	2,132,035.11		2,132,035.11
Maintenance of Plant	600,000.00		600,000.00
Other Purposes (Deficit)	(22,440.00)		(22,440.00)
Unrestricted (Deficit)	(3,015,990.02)	19,539.29	(2,996,450.73)
Total Net Assets	\$ 15,263,471.68	\$ 107,237.59	\$ 15,370,709.27

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

STAFFORD TOWNSHIP SCHOOL DISTRICT
Statement of Activities
For the Year Ended June 30, 2012

Function/Programs	Program Revenue			Net (Expense) Revenue and Changes in Net Assets			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:							
Instruction:							
Regular	\$ 13,503,714.33	\$ -	\$ -	\$ -	\$ (13,503,714.33)	\$ -	\$ (13,503,714.33)
Special Education	5,163,060.01	-	1,488,975.46	-	(3,674,084.55)	-	(3,674,084.55)
Other Special Instruction	1,065,038.82	-	-	-	(1,065,038.82)	-	(1,065,038.82)
Support Services:							
Tuition	314,111.59	-	-	-	(314,111.59)	-	(314,111.59)
Student & Instruction Related Services	6,341,725.20	-	-	-	(6,341,725.20)	-	(6,341,725.20)
School Administrative Services	1,149,263.92	-	-	-	(1,149,263.92)	-	(1,149,263.92)
General Administrative Services	1,443,688.65	-	-	-	(1,443,688.65)	-	(1,443,688.65)
Central Services	765,893.96	-	-	-	(765,893.96)	-	(765,893.96)
Plant Operation and Maintenance	4,038,262.09	-	382,360.00	-	(3,655,902.09)	-	(3,655,902.09)
Pupil Transportation	2,388,758.72	-	-	-	(2,388,758.72)	-	(2,388,758.72)
Interest on Long-Term Debt	722,094.46	-	367,303.00	-	(354,791.46)	-	(354,791.46)
Total Governmental Activities	<u>36,895,611.75</u>	<u>-</u>	<u>1,856,278.46</u>	<u>382,360.00</u>	<u>(34,656,973.29)</u>	<u>-</u>	<u>(34,656,973.29)</u>
Business-Type Activities:							
Food Service	789,656.02	422,934.63	341,460.52	-	-	(25,260.87)	(25,260.87)
Other	113,739.25	150,164.21	-	-	-	36,424.96	36,424.96
Total Business-Type Activities	<u>903,395.27</u>	<u>573,098.84</u>	<u>341,460.52</u>	<u>-</u>	<u>-</u>	<u>11,164.09</u>	<u>11,164.09</u>
Total Primary Government	\$ 37,799,007.02	\$ 573,098.84	\$ 2,197,738.98	\$ 382,360.00	\$ (34,656,973.29)	\$ 11,164.09	\$ (34,645,809.20)
General Revenues:							
Taxes:							
Property Taxes, Levied for General Purposes, Net					\$ 23,039,850.00	\$ -	\$ 23,039,850.00
Taxes Levied for Debt Service					2,469,393.00	-	2,469,393.00
Federal and State Aid not Restricted					11,755,877.19	-	11,755,877.19
Tuition Received					93,740.25	-	93,740.25
Miscellaneous Income					355,143.44	-	355,143.44
Total General Revenues, Special Items, Extraordinary Items and Transfers					<u>37,714,003.88</u>	<u>-</u>	<u>37,714,003.88</u>
Change in Net Assets					3,057,030.59	11,164.09	3,068,194.68
Net Assets - Beginning					12,206,441.09	96,073.50	12,302,514.59
Net Assets - Ending					<u>\$ 15,263,471.68</u>	<u>\$ 107,237.59</u>	<u>\$ 15,370,709.27</u>

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

FUND FINANCIAL STATEMENTS

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

STAFFORD TOWNSHIP SCHOOL DISTRICT
Balance Sheet
Governmental Funds
June 30, 2012

	<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	\$ 2,919,610.70	\$ -	\$ 490,133.63	\$ 2,634.95	\$ 3,412,379.28
Due from Other Funds	38,392.63				38,392.63
Receivables from Other Governments	272,850.59	187,041.52	382,360.00		842,252.11
Total Assets	<u>\$ 3,230,853.92</u>	<u>\$ 187,041.52</u>	<u>\$ 872,493.63</u>	<u>\$ 2,634.95</u>	<u>\$ 4,293,024.02</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts Payable	\$ 642,144.38	\$ 152,376.73	\$ 4,461.23	\$ -	\$ 798,982.34
Interfund Payable		38,094.34	298.29		38,392.63
Deferred Revenue		19,010.45			19,010.45
Total Liabilities	<u>642,144.38</u>	<u>209,481.52</u>	<u>4,759.52</u>	<u>-</u>	<u>856,385.42</u>
Fund Balances:					
Restricted Fund Balance:					
Reserved Excess Surplus -					
Designated for Subsequent					
Year's Expenditures	47,905.00				47,905.00
Reserve for Excess Surplus	-				-
Maintenance Reserve	600,000.00				600,000.00
Capital Reserve	1,264,301.00				1,264,301.00
Special Revenue		(22,440.00)			(22,440.00)
Capital Projects			863,586.03		863,586.03
Debt Service				2,634.95	2,634.95
Committed Fund Balance:					
Other Purposes	589,979.16		4,148.08		594,127.24
Assigned Fund Balance:					
Designated for Subsequent					
Year's Expenditures	312,464.00				312,464.00
Unassigned Fund Balance	(225,939.62)				(225,939.62)
Total Fund Balances	<u>2,588,709.54</u>	<u>(22,440.00)</u>	<u>867,734.11</u>	<u>2,634.95</u>	<u>3,436,638.60</u>
Total Liabilities and Fund Balances	<u>\$ 3,230,853.92</u>	<u>\$ 187,041.52</u>	<u>\$ 872,493.63</u>	<u>\$ 2,634.95</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 \$49,109,955.57 and the accumulated depreciation is \$15,623,827.89 33,486,127.68

Long - term liabilities, including bonds and capital leases payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. (21,659,294.60)

Net assets of governmental activities \$ 15,263,471.68

STAFFORD TOWNSHIP SCHOOL DISTRICT
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the 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	\$23,039,850.00	\$ -	\$ -	\$ 2,469,393.00	\$25,509,243.00
Tuition Charges	93,740.25				93,740.25
Miscellaneous	178,757.42		176,386.02		355,143.44
Total Local Sources	<u>23,312,347.67</u>	-	<u>176,386.02</u>	<u>2,469,393.00</u>	<u>25,958,126.69</u>
State Sources	11,355,495.75	425,552.50	382,360.00	367,303.00	12,530,711.25
Federal Sources	400,381.44	1,063,422.96			1,463,804.40
Total Revenues	<u>35,068,224.86</u>	<u>1,488,975.46</u>	<u>558,746.02</u>	<u>2,836,696.00</u>	<u>39,952,642.34</u>
EXPENDITURES					
Current:					
Regular Instruction	9,668,890.99				9,668,890.99
Special Education Instruction	2,769,891.27	926,948.22			3,696,839.49
Other Special Instruction	762,586.06				762,586.06
Support Services:					
Tuition	314,111.59				314,111.59
Student & Instruction Related Serv.	3,996,331.69	544,452.29			4,540,783.98
School Administrative Services	822,892.54				822,892.54
General Administrative Services	1,033,705.82				1,033,705.82
Central Services	548,393.29				548,393.29
Plant Operation and Maintenance	3,250,609.50				3,250,609.50
Pupil Transportation	1,605,623.61				1,605,623.61
Employee Benefits	8,391,251.45				8,391,251.45
Debt Service:					
Principal				2,070,000.00	2,070,000.00
Interest and Other Charges				764,063.48	764,063.48
Capital Outlay	872,045.56	17,574.95	1,428,981.26		2,318,601.77
Total Expenditures	<u>34,036,333.37</u>	<u>1,488,975.46</u>	<u>1,428,981.26</u>	<u>2,834,063.48</u>	<u>39,788,353.57</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>1,031,891.49</u>	<u>-</u>	<u>(870,235.24)</u>	<u>2,632.52</u>	<u>164,288.77</u>
OTHER FINANCING SOURCES (USES)					
Transfer in	298.29		-		298.29
Transfer out	-		(298.29)		(298.29)
Total Other Financing Sources and Uses	<u>298.29</u>	<u>-</u>	<u>(298.29)</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balance	1,032,189.78	-	(870,533.53)	2,632.52	164,288.77
Fund Balance (Deficit) - July 1	1,556,519.76	(22,440.00)	1,738,267.64	2.43	3,272,349.83
Fund Balance (Deficit) - June 30	<u>\$ 2,588,709.54</u>	<u>\$ (22,440.00)</u>	<u>\$ 867,734.11</u>	<u>\$ 2,634.95</u>	<u>\$ 3,436,638.60</u>

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

STAFFORD TOWNSHIP SCHOOL DISTRICT
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance
of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2012

Total Net Change in Fund Balance - Governmental Funds (from B-2)		\$ 164,288.77
<p>Amounts reported for governmental activities in the statement of activities (A-2) are different because:</p>		
<p>Capital outlays are reported in governmental funds as expenditures. However, on 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 fiscal year.</p>		
Depreciation expense	\$ (1,112,329.17)	
Capital Outlay, Net of Deletions	1,773,872.38	661,543.21
<p>Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long - term liabilities in the statement of net assets and is not reported in the statement of activities.</p>		
Net Refunding Bonds Issued		35,000.00
Bonds Paid		2,070,000.00
Capital Lease Payments		232,662.19
<p>In the statement of activities, certain operating expenses, e.g., compensated absences (vacations and sick pay) 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>		
		(113,432.60)
<p>In the statement of activities, interest on long - term debt is accrued, regardless of when due. In the governmental funds, interest is reported when due. The accrued interest is a deduction in the reconciliation.</p>		
		6,969.02
Change in Net Assets of Governmental Activities		\$ 3,057,030.59

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

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

	Business-Type Activities - Enterprise Fund		
	Food Service	STAC Academy	Total
ASSETS			
Current Assets:			
Cash and Cash Equivalents	\$ 6,229.51	\$ 80,691.21	\$ 86,920.72
Accounts Receivable	15,621.50		15,621.50
Inventory	11,861.56		11,861.56
Total Current Assets	<u>33,712.57</u>	<u>80,691.21</u>	<u>114,403.78</u>
Noncurrent Assets:			
Furniture, Machinery & Equipment	432,247.76		432,247.76
Less: Accumulated Depreciation	<u>(344,549.46)</u>		<u>(344,549.46)</u>
Total Noncurrent Assets	<u>87,698.30</u>	<u>-</u>	<u>87,698.30</u>
Total Assets	<u>\$ 121,410.87</u>	<u>\$ 80,691.21</u>	<u>\$ 202,102.08</u>
LIABILITIES			
Current Liabilities:			
Accounts Payable	\$ 45,590.09	\$ 6,172.85	\$ 51,762.94
Deferred Revenue	5,008.15	38,093.40	43,101.55
Total Current Liabilities	<u>50,598.24</u>	<u>44,266.25</u>	<u>94,864.49</u>
Noncurrent Liabilities:			
None	-	-	-
Total Noncurrent Liabilities	<u>-</u>	<u>-</u>	<u>-</u>
NET ASSETS			
Invested in Capital Assets Net of Related Debt	87,698.30	-	87,698.30
Unrestricted (Deficit)	(16,885.67)	36,424.96	19,539.29
Total Net Assets	<u>\$ 70,812.63</u>	<u>\$ 36,424.96</u>	<u>\$ 107,237.59</u>

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

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

	Business-Type Activities - Enterprise Fund		
	Food Service	STAC Academy	Total
Operating Revenues:			
Charges for Services:			
Daily Sales	\$ 422,934.63	\$ -	\$ 422,934.63
STAC Gate Receipts		21,427.99	21,427.99
STAC Rental Fees		18,173.78	18,173.78
STAC Miscellaneous		355.00	355.00
Foundation Billings		84,405.84	84,405.84
Foundation Miscellaneous		25,801.60	25,801.60
Total Operating Revenue	<u>422,934.63</u>	<u>150,164.21</u>	<u>573,098.84</u>
Operating Expenses:			
Cost of Sales	271,681.03		271,681.03
Salaries	272,953.97	72,428.83	345,382.80
Employee Benefits	103,254.94	9,250.55	112,505.49
Management Fee	55,907.00		55,907.00
Insurance	20,994.00		20,994.00
General Supplies	31,875.04	9,702.88	41,577.92
Miscellaneous	22,247.13	22,356.99	44,604.12
Depreciation	10,742.91		10,742.91
Total Operating Expenses	<u>789,656.02</u>	<u>113,739.25</u>	<u>903,395.27</u>
Operating Income (Loss)	<u>(366,721.39)</u>	<u>36,424.96</u>	<u>(330,296.43)</u>
Nonoperating Revenues (Expenses):			
State Sources:			
State School Lunch Program	8,279.27		8,279.27
Federal Sources:			
National School Lunch Program	238,985.56		238,985.56
Federal Breakfast Program	63,265.22		63,265.22
Snack Program	558.47		558.47
Food Distribution Program	30,372.00		30,372.00
Total Nonoperating Revenues (Expenses)	<u>341,460.52</u>	<u>-</u>	<u>341,460.52</u>
Income (Loss) before Contributions & Transfers	<u>(25,260.87)</u>	<u>36,424.96</u>	<u>11,164.09</u>
Changes in Net Assets	<u>(25,260.87)</u>	<u>36,424.96</u>	<u>11,164.09</u>
Total Net Assets - Beginning	<u>96,073.50</u>		<u>96,073.50</u>
Total Net Assets (Deficit) - Ending	<u>\$ 70,812.63</u>	<u>\$ 36,424.96</u>	<u>\$ 107,237.59</u>

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

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

	Business-Type Activities - Enterprise Fund		
	Food Service	STAC Academy	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Customers	\$ 422,934.63	\$ 188,257.61	\$ 611,192.24
Payments for Operations	(780,670.09)	(107,566.40)	(888,236.49)
Net Cash Provided by (Used for) Operating Activities	<u>(357,735.46)</u>	<u>80,691.21</u>	<u>(277,044.25)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
State Sources	8,443.48		8,443.48
Federal Sources	336,919.18		336,919.18
Operating Subsidies and Transfers to Other Funds			-
Net Cash Provided by (Used for) Noncapital Financing Activities	<u>345,362.66</u>	<u>-</u>	<u>345,362.66</u>
CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Equipment Purchased	(5,221.00)		(5,221.00)
Net Cash Provided by (Used for) Capital and Related Financing Activities	<u>(5,221.00)</u>	<u>-</u>	<u>(5,221.00)</u>
CASH FLOW FROM INVESTING ACTIVITIES			
None			
Net Cash Provided by (Used for) Investing Activities	<u>-</u>	<u>-</u>	<u>-</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(17,593.80)	80,691.21	63,097.41
Balance - Beginning of Year	23,823.31	-	23,823.31
Balance - End of Year	<u>\$ 6,229.51</u>	<u>\$ 80,691.21</u>	<u>\$ 86,920.72</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating Income (Loss)	\$(366,721.39)	\$ 36,424.96	\$(330,296.43)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:			
Depreciation and Net Amortization	10,742.91		10,742.91
(Increase) Decrease in Inventories	2,959.54		2,959.54
Increase (Decrease) in Deferred Revenue	1,016.41	38,093.40	39,109.81
Increase (Decrease) in Accounts Payable	(5,732.93)	6,172.85	439.92
Total Adjustments	<u>8,985.93</u>	<u>44,266.25</u>	<u>53,252.18</u>
Net Cash Provided by (Used for) Operating Activities	<u>\$ (357,735.46)</u>	<u>\$ 80,691.21</u>	<u>\$ (277,044.25)</u>

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

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

	<u>Unemployment Compensation</u>	<u>Agency Fund</u>
ASSETS		
Cash and Cash Equivalents	<u>\$ 80,197.84</u>	<u>\$ 97,970.02</u>
Total Assets	<u><u>\$ 80,197.84</u></u>	<u><u>\$ 97,970.02</u></u>
LIABILITIES		
Accounts Payable	\$ 7,815.01	\$ -
Payable to Student Groups		47,272.76
Payroll Deductions and Withholdings		50,697.26
Total Liabilities	<u>\$ 7,815.01</u>	<u><u>\$ 97,970.02</u></u>
NET ASSETS		
Held in Trust for Unemployment Claims and Other Purposes	<u><u>\$ 72,382.83</u></u>	

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

**STAFFORD TOWNSHIP SCHOOL DISTRICT
Fiduciary Funds
Statement of Changes in Fiduciary Net Assets
For the Year Ended June 30, 2012**

	Unemployment Compensation
ADDITIONS	
Contributions:	
Plan Members	\$ 36,713.77
Total Contributions	36,713.77
Investment Earnings:	
Interest	50.36
Less: Investment Expense	
Net Investment Earnings	50.36
Total Additions	36,764.13
DEDUCTIONS	
Unemployment Claims	61,670.26
Total Deductions	61,670.26
Changes in Net Assets	(24,906.13)
Net Assets - Beginning of the Year	97,288.96
Net Assets - End of the Year	\$ 72,382.83

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

**STAFFORD TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2012**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Board of Education (Board) of Stafford Township School District (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 more significant of the Board's accounting policies are described below.

A. Reporting Entity

The District is an instrumentality of the State of New Jersey, established to function as an educational institution. The Board consists of elected officials and is responsible for the fiscal control of the District. A superintendent is appointed by the Board and is responsible for the administrative control of the District. The purpose of the district is to educate students in grades K-6. The District operates three elementary schools and one intermediate school located in Manahawkin. Stafford Township is a member of the Southern Regional School District for Grades 7-12. Southern Regional School District is a separate legal entity from the Stafford Township School District.

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

- the organization is legally separate (can sue or be sued in their own name);
- the District holds the corporate powers of the organization;
- the District appoints a voting majority of the organization's board;
- the District is able to impose its will on the organization;
- the organization has the potential to impose a financial benefit/burden on the District;
- there is a fiscal dependency by the organization on the District;

B. Basis of Presentation, Measurement Focus and Basis of Accounting

Basis of Presentation

The School District's basic financial statements consist of District-wide statements (i.e. statement of net assets and a statement of activities) and fund financial statements, which provide a more detailed level of financial information.

District-Wide Financial Statements: The statement of net assets and the statement of activities display information about the district as a whole. These statements report the financial activities of the overall District, except for fiduciary activities. Individual funds are not displayed but the statements distinguish governmental activities, generally supported by property taxes, intergovernmental revenues, and other non-exchange transactions from business-type activities, generally financed in whole or in part with fees charged to external parties.

The statement of net assets presents the financial condition of the governmental and business-type activity of the School District at fiscal year end. The statement of activities presents a comparison between direct expenses and program revenues for the business-type activity of the District and for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) charges and fees paid by the recipients of goods or services offered by the programs; and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including taxes, are presented as general revenues. The comparison of direct expenses with program revenues identifies the extent to which each governmental function or business segment is self-financing, or draws from the general revenues of the School District.

**STAFFORD TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2012
(CONTINUED)**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

B. Basis of Presentation, Measurement Focus and Basis of Accounting - Continued

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. The fund financial statements provide information about the District's funds, including its fiduciary funds. Separate statements for each fund category – *governmental*, *proprietary*, and *fiduciary* - are presented. The New Jersey Department of Education ("Department") has elected to require New Jersey districts to treat each governmental fund as a major fund in accordance with the option noted in GASB No. 34, paragraph 76. The Department believes that the presentation of all funds as major is important for public interest and to promote consistency among district financial reporting models.

Governmental Funds

The District reports the following governmental funds:

General Fund - The General Fund is the general operating fund of the District and is used to account for all expendable 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, which are classified in the capital outlay sub-fund.

As required by the New Jersey State Department of Education, the District includes budgeted capital outlay in this fund. Generally accepted accounting principles, as they pertain to governmental entities, state that general fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues. Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, district taxes and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to fixed assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to Current Expense by board resolution.

Special Revenue Fund - The Special Revenue Fund is used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

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

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

**STAFFORD TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2012
(CONTINUED)**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

B. Basis of Presentation, Measurement Focus and Basis of Accounting - Continued

Proprietary Funds

The District reports the following proprietary fund:

Enterprise Funds - Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business operations – where the intent of the District is that the costs of providing goods or services be financed or recovered primarily through user charges.

The District's Enterprise Funds are comprised of the Food Service Fund, which accounts for all revenues and expenses pertaining to the District's cafeteria operations.

Fiduciary Funds

Trust and Agency Funds - The Trust and Agency Funds are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments and/or other funds.

Expendable Trust Fund - An Expendable Trust Fund is accounted for in essentially the same manner as the governmental fund types, using the same measurement focus and basis of accounting. Expendable Trust Funds account for assets where both the principal and interest may be spent. Expendable Trust Funds include the Unemployment Compensation Insurance Trust.

Nonexpendable Trust Fund - A Nonexpendable Trust Fund is used to account for assets held under the terms of a formal trust agreement, whereby the District is under obligation to maintain the trust principal. Currently, the District does not maintain this type of fund.

Agency Funds - Agency funds are used to account for the assets that the District holds on behalf of others as their agent. Agency funds are custodial in nature and do not involve measurement of results of operations. Agency funds include payroll and student activities funds.

Measurement Focus and Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements.

The District-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting as are the proprietary fund and the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year in which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Net assets (total assets less total liabilities) are used as a practical measure of economic resources and the operating statement includes all transactions and events that increased or decreased net assets. Depreciation is charged as expense against current operations and accumulated depreciation is reported on the statement of net assets.

**STAFFORD TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2012
(CONTINUED)**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

B. Basis of Presentation, Measurement Focus and Basis of Accounting - Continued

Measurement Focus and Basis of Accounting - Continued

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the fiscal year. Revenue from federal, state and other grants designated for payment of specific school district expenditures is recognized when the related expenditures are incurred; accordingly, when such funds are received, they are recorded as deferred revenues until earned. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments are recorded only when payment is due.

The District applies only those applicable pronouncements of the Financial Accounting Standards Board issued on or before November 30, 1989 in accounting and reporting for its proprietary operations.

C. Budgets/Budgetary Control

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. The budgets are submitted to the county office for approval 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, except for special revenue funds. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23-2.2(g). All budget amendments/transfers must be approved by School Board resolution. All budget amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budgets during the year.

Appropriations, except remaining project appropriations, encumbrances and unexpended grant appropriations, lapse at the end of each fiscal year. The capital projects fund presents the remaining project appropriations compared to current year expenditures.

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

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

**STAFFORD TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2012
(CONTINUED)**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

D. Encumbrance Accounting

Under encumbrance accounting, purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Open encumbrances in governmental funds other than the special revenue fund are reported as reservations of fund balances at fiscal year end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services.

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

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

E. Assets, Liabilities and Equity

Cash, Cash Equivalents and Investments

Cash and cash equivalents include petty cash, change funds, bank deposits and all highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest. U.S. Treasury and agency obligations and certificates of deposit with maturities of one year or less when purchased are stated at cost. All other investments are stated at fair value.

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

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

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 Act. Public depositories include savings and loan institutions, banks (both state and national banks) and savings banks the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of Governmental Units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the governmental units.

**STAFFORD TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2012
(CONTINUED)**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

E. Assets, Liabilities and Equity - Continued

Interfund Transactions

Transfers between governmental and business-type activities on the District-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 the Enterprise Fund. Repayments from funds responsible for particular expenditure/expenses to the funds that initially paid for them are not presented on the financial statements.

Inventories

Inventories, other than those recorded in the enterprise fund, are recorded as expenditures during the year of purchase. Inventories in the Enterprise Fund are recorded at cost, computed on a first-in, first out method. In the fund based financial statements, commodities received from the U.S. Department of Agriculture are recorded as deferred revenue until consumed.

Capital Assets

The District has established a formal system of accounting for its capital assets. Purchased or constructed capital assets are reported at cost. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. The capitalization threshold used by school districts in the State of New Jersey is \$2,000.

All reported capital assets except for land and construction in progress are depreciated. Depreciation is computed using the straight-line method over their estimated useful lives. Useful lives vary from 20 to 50 years for land improvements and buildings, and 5 to 20 years for equipment.

The District does not possess any material amounts of infrastructure capital assets, such as sidewalks and parking lots. Such items are considered to be part of the cost of buildings or other improvable property.

Compensated Absences

The District accounts for compensated absences (e.g., unused sick, vacation leave) as directed by Governmental Accounting Standards Board Statement No. 16 (GASB 16), "Accounting for Compensated Absences". 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 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 District and its employees, are accounted for in the period in which such services are rendered or in which such events take place.

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

**STAFFORD TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2012
(CONTINUED)**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

E. Assets, Liabilities and Equity - Continued

Compensated Absences - Continued

The liability for compensated absences was accrued using the termination payment method, whereby the liability is calculated based on the amount of sick leave that is expected to become eligible for payment upon termination. The District estimates its accrued compensated absences liability based on the accumulated sick and vacation days at the balance sheet date by those employees who are currently eligible to receive termination payments.

For the District-wide Statements, the current portion is the amount estimated to be used in the following year. In accordance with GAAP, for the governmental funds, in the Fund Financial Statements, all of the compensated absences are considered long-term and therefore, are not a fund liability and represents a reconciling item between the fund level and District-wide presentations.

Deferred Revenue

Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Grants and entitlements received in the Special Revenue Fund before they have been earned are recorded as deferred revenue.

Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported on the District-wide 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, contractually required pension contributions and compensated absences that are paid from governmental funds are reported as liabilities on the fund financial statements only to the extent that they are due for payment during the current year. 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 borrowing 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. The School District's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

**STAFFORD TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2012
(CONTINUED)**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

E. Assets, Liabilities and Equity - Continued

Fund Balance Reserves

In accordance with Governmental Accounting Standards Board Statement 54, Fund Balance Reporting and Governmental Fund Type Definitions, the District classified governmental fund balances as follows;

- Non-spendable – Includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual restraints.
- Restricted - Includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers such as creditors or amounts constrained due to constitutional provisions or enabling legislation.
- Committed – Includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority and does not lapse at year end.
- Assigned – Includes fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund Balance may be assigned by Board of School Estimates, the Board of Education, Superintendent or Business Administrator.
- Unassigned – Includes positive fund balance within the General Fund which has not been classified within the above mentioned categories and negative fund balances in other governmental funds.

Revenues – Exchange and Nonexchange Transactions

Revenues 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 the modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means 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 District, available means within sixty days of the fiscal year end.

Non-exchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from income taxes is recognized in the period in which the income is earned. Revenue from grants, entitlement, and donations is recognized in the period in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the 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 specific purpose; and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On the modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year end: property taxes as an advance, interest and tuition.

**STAFFORD TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2012
(CONTINUED)**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the enterprise fund. For the School District, these revenues are sales for food service. Operating expenses are necessary costs incurred to provide the service that is the primary activity of the enterprise fund.

Allocation of Indirect Expenses

The District reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Indirect expenses are allocated to functions but are reported separately in the Statement of Activities. Employee benefits, including the employer's share of social security, workers compensation, and medical and dental benefits, were allocated based on salaries of that program. Depreciation expense, where practicable, is specifically identified by function and is included in the direct expense column of the Statement of Activities. Depreciation expense that could not be attributed to a specific function is considered an indirect expense and is reported separately on the Statement of Activities. Interest on long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

Extraordinary and Special Items

Extraordinary items are transactions or events that are unusual in nature and infrequent in occurrence. Special items are transactions or events that are within control of management and are either unusual in nature or infrequent in occurrence. Neither of these types of transactions occurred during the fiscal year.

Management Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2 – CASH AND CASH EQUIVALENTS AND INVESTMENTS

GASB Statement No. 3 amended by Statement No. 40 requires disclosure of the level of custodial credit risk assumed by the District in its cash, cash equivalents and investments.

The cash deposits not covered by depository insurance held at financial institutions are categorized as follows:

- a. Deposits are uncollateralized.
- b. Deposits are collateralized with securities held by the pledging financial institution.
- c. Deposits collateralized with securities held by the pledging financial institution's trust department or agent but not in the depositor-government's name.

**STAFFORD TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2012
(CONTINUED)**

NOTE 2 – CASH AND CASH EQUIVALENTS AND INVESTMENTS - Continued

At June 30, 2012, the carrying amount of the District's deposits (cash and cash equivalents) was \$3,677,467.86 and the bank balance was \$4,804,706.14.

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The State of New Jersey has certain collateral requirements for governmental units. These requirements are disclosed in detail as part of Note 1E.

As of June 30, 2012, the District's bank balance was exposed to custodial credit risk as follows:

		<u>Cash and Cash Equivalents</u>
Insured	\$	250,000.00
Uninsured and collateral held by pledging bank's trust department not in the District's name		4,371,668.46
Uninsured		<u>183,037.68</u>
	\$	<u><u>4,804,706.14</u></u>

Bank balances of cash amounted to \$4,804,706.14 as of June 30, 2012 of which \$250,000.00 was FDIC insured. Bank balances in excess of the insured amounts that are collateralized in accordance with the Governmental Deposit Protection Act (GUDPA) adopted by the State of New Jersey were \$4,371,668.46, as of June 30, 2012, \$183,037.68 was uninsured and uncollateralized.

Investments

The District did not have any investments at June 30, 2012.

NOTE 3 – RECEIVABLES

Receivables at June 30, 2012, consisted of accounts (tuition), interfund and intergovernmental. All receivables are considered collectible in full. A summary of the principal items of intergovernmental receivables follows:

	<u>Governmental Fund Financial Statements</u>	<u>Government Wide Financial Statements</u>
State and Federal Aid	\$ 826,630.61	\$ 842,252.11
Tuition and Transportation	15,621.50	15,621.50
Gross Receivables	<u>842,252.11</u>	<u>857,873.61</u>
Less: Allowance for Uncollectibles		
Total Receivables, Net	<u><u>\$ 842,252.11</u></u>	<u><u>\$ 857,873.61</u></u>

**STAFFORD TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2012
(CONTINUED)**

NOTE 4 – INTERFUND TRANSFERS AND BALANCES

Transfers between funds are used to (1) move investment income earned in the Capital Projects Fund that is required to be expended in the Debt Service Fund or General Fund; (2) repay expenses paid by another fund; (3) make a Board contribution to the Unemployment Compensation Trust Fund; and (4) transfer federal and state food subsidies received in the General Fund to the Food Service Fund.

The following interfund balances remained on the fund financial statements at June 30, 2012:

Fund	Interfund Receivable	Interfund Payable
General Fund	\$ 38,392.63	\$
Special Revenue Fund		38,094.34
Capital Projects Fund		298.29
Total	\$ <u>38,392.63</u>	\$ <u>38,392.63</u>

NOTE 5 – INVENTORY

Inventory in the Food Service Enterprise Fund at June 30, 2012, consisted of the following:

Food & Supplies	\$ 11,861.56
	\$ <u>11,861.56</u>

**STAFFORD TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2012
(CONTINUED)**

NOTE 6 – CAPITAL ASSETS

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 500,000.00	\$	\$	\$ 500,000.00
Construction in Progress	3,035,988.36	1,428,981.26		4,464,969.62
Total capital assets not being depreciated	<u>3,535,988.36</u>	<u>1,428,981.26</u>	<u>-</u>	<u>4,964,969.62</u>
Capital assets being depreciated:				
Buildings and building improvements	37,772,848.47	42,592.00	(810.53)	37,816,251.00
Equipment	6,150,253.36	302,299.12	123,817.53	6,328,734.95
Total capital assets being depreciated at historical cost	<u>43,923,101.83</u>	<u>344,891.12</u>	<u>123,007.00</u>	<u>44,144,985.95</u>
Less accumulated depreciation for:				
Buildings and improvements	(9,675,262.74)	(802,339.08)	810.53	(10,478,412.35)
Equipment	(4,959,242.98)	(309,990.09)	(123,817.53)	(5,145,415.54)
Total capital assets being depreciated, net of accumulated depreciation	<u>29,288,596.11</u>	<u>(767,438.05)</u>	<u>-</u>	<u>28,521,158.06</u>
Governmental activity capital assets, net	<u>32,824,584.47</u>	<u>661,543.21</u>	<u>-</u>	<u>33,486,127.68</u>
Business-type activities:				
Capital assets being depreciated:				
Equipment	427,026.76	5,221.00		432,247.76
Less accumulated depreciation	(333,806.55)	(10,742.91)		(344,549.46)
Enterprise Fund capital assets, net	<u>93,220.21</u>	<u>(5,521.91)</u>	<u>-</u>	<u>87,698.30</u>
Entity Wide Total	<u>\$ 32,917,804.68</u>	<u>\$ 656,021.30</u>	<u>\$ -</u>	<u>\$ 33,573,825.98</u>

NOTE 7 – LONG-TERM OBLIGATIONS

Changes in long-term obligations for the year ended June 30, 2012 are as follows:

	<u>Balance July 1, 2011</u>	<u>Issues or Additions</u>	<u>Payments or Expenditures</u>	<u>Balance June 30, 2012</u>	<u>Amounts Due Within One Year</u>
Compensated Absences	\$ 3,626,965.96	\$ 113,432.60	\$	\$ 3,740,398.56	\$ -
Capital Leases	232,662.19	-	232,662.19	-	-
Bonds Payable	20,099,000.00	(35,000.00)	2,070,000.00	17,994,000.00	2,030,000.00
Unamortized Loss on Refunding Bonds	<u>(315,573.94)</u>		<u>(54,268.41)</u>	<u>(261,305.53)</u>	<u>-</u>
	<u>\$ 23,643,054.21</u>	<u>\$ 78,432.60</u>	<u>\$ 2,248,393.78</u>	<u>\$ 21,473,093.03</u>	<u>\$ 2,030,000.00</u>

Compensated absences and capital leases will be liquidated in the General Fund. Bonds Payable will be liquidated in the Debt Service Fund.

**STAFFORD TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2012
(CONTINUED)**

NOTE 7 – LONG-TERM OBLIGATIONS - Continued

Bonds Payable

Bonds are authorized, in accordance with State law, by the voters of the municipality through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the District are general obligation bonds.

Description of Bonds Payable

At June 30, 2012, bonds payable consisted of the following issues :

\$15,224,000 School Bonds dated August 15, 2003, originally due in annual installments through January 15, 2020, bearing interest at 4.00% through 5.25% per annum. \$4,095,000.00 of these bonds were refunded on January 26, 2012; the balance remaining as of June 30, 2012 is \$4,095,000.00 due in annual installments through January 15, 2015, bearing interest at 2.00% through 3.00% per annum.

\$6,580,000 Refunding School Bonds dated July 28, 2005, due in annual installments through September 1, 2018, bearing interest at rates of 3.50% through 4.50% per annum. The balance remaining as of June 30, 2012 is \$4,455,000.00.

\$6,110,000 Refunding School Bonds dated December 13, 2006, due in annual installments through March 15, 2020, bearing interest at rates of 3.40% through 5.00% per annum. The balance remaining as of June 30, 2012 is \$6,025,000.00.

\$3,654,000 School Bonds dated September 1, 2010, due in annual installments through March 1, 2021, bearing interest at rates of 2.00% through 2.625% per annum. The balance remaining as of June 30, 2012 is \$3,419,000.00.

Refunding Bonds Issued

On July 28, 2005, the Board of Education issued Refunding Bonds in the amount of \$6,580,000.00 to refund the callable Series 1998 Bonds. The Debt retired in the amount of \$6,355,000.00 was replaced with the Refunding Issue. The required cash flow for the 1998 Bonds for Principal and Interest prior to the refunding was \$9,092,870.00 and the cash flow requirements after the refunding is \$8,791,424.48 resulting in net savings in the amount of \$301,445.52.

On January 26, 2012, the Board of Education issued Refunding Bonds in the amount of \$4,095,000.00 to refund the callable Series 2003 Bonds. The Debt retired in the amount of \$4,130,000.00 was replaced with the Refunding Issue. The required cash flow for the 2003 Bonds for Principal and Interest prior to the refunding was \$4,476,140.00 and the cash flow requirements after the refunding is \$4,293,782.78 resulting in net savings in the amount of \$182,357.22.

**STAFFORD TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2012
(CONTINUED)**

NOTE 7 – LONG-TERM OBLIGATIONS - Continued

Debt service requirements on serial bonds payable at June 30, 2012 are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2013	\$ 2,230,000.00	\$ 604,357.78	\$ 2,834,357.78
2014	2,280,000.00	556,492.50	2,836,492.50
2015	2,340,000.00	497,180.00	2,837,180.00
2016	2,475,000.00	421,936.25	2,896,936.25
2017	2,050,000.00	312,742.50	2,362,742.50
2018-2021	6,619,000.00	375,707.50	6,994,707.50
	<u>\$ 17,994,000.00</u>	<u>\$ 2,768,416.53</u>	<u>\$ 20,762,416.53</u>

NOTE 8 – PENSION PLANS

Description of Plans - All required employees of the District are covered by either the Public Employees' Retirement System, the Teachers' Pension and Annuity Fund or the Defined Contribution Retirement Program which have been established by state statute and are administered by the New Jersey Division of Pension and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of the Systems will be assumed by the State of New Jersey should the Systems terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System and the Teachers' Pension and Annuity Fund. These reports may be obtained by writing to the Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625.

Teachers' Pension and Annuity Fund (TPAF) - The Teachers' Pension and Annuity Fund was established as of January 1, 1955, under the provisions of N.J.S.A. 18A:66 to provide retirement benefits, death, disability and medical benefits to certain qualified members. The Teachers' Pension and Annuity Fund is considered a cost-sharing multiple-employer plan with a special funding situation, as under current statute, all employer contributions are made by the State of New Jersey on behalf of the District and the system's other related non-contributing employers. Membership is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, and employees of the Department of Education who have titles that are unclassified, professional and certified.

Public Employees' Retirement System (PERS) - The Public Employees' Retirement System (PERS) was established as of January 1, 1955 under the provisions of N.J.S.A. 43:15A to provide retirement, death, disability and medical benefits to certain qualified members. The Public Employees' Retirement System is a cost-sharing multiple-employer plan. Membership is mandatory for substantially all full-time employees of the State of New Jersey or any county, municipality, school district, or public agency, provided the employee is not required to be a member of another state-administered retirement system or other state or local jurisdiction.

Defined Contribution Retirement Program (DCRP) - The Defined Contribution Retirement Program (DCRP) was established as of 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.). The DCRP is a cost-sharing multiple-employer defined contribution pension fund. 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.

**STAFFORD TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2012
(CONTINUED)**

NOTE 8 – PENSION PLANS - Continued

The contribution requirements of plan members are determined by state statute. In accordance with

Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. The State Treasurer has the right under current law to make temporary reductions in member rates based on the existence of surplus plan assets in the retirement system; however statute also requires the return to the normal rate when such surplus pension assets no longer exist. In addition to the employee contributions, the School District's contribution amounts for each pay period are required to be transmitted to Prudential Financial not later than the fifth business day after the date on which the employee is paid for that pay period.

Vesting and Benefit Provisions - The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A and 43.3B, and N.J.S.A. 18A:6C for TPAF. All benefits vest after eight to ten years of service, except for medical benefits that vest after 25 years of service. Retirement benefits for age and service are available at age 60 and are generally determined to be 1/60 of the final average salary for each year of service credit, as defined. Final average salary equals the average salary for the final three years of service prior to retirement (or highest three years' compensation if other than the final three years). Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving eight to ten years of service in which case benefits would begin the first day of the month after the member attains normal retirement age. The TPAF and PERS provides for specified medical benefits for members who retire after achieving 25 years of qualified service, as defined, or under the disability provisions of the System. Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

Significant Legislation - During the year ended June 30, 1997, legislation was enacted (Chapter 114, P.L. 1997) that changed the asset valuation method from market related value to full-market value. This legislation also contained a provision to reduce the employee contribution rate by 1/2 of 1% to 4.5% for calendar years 1998 and 1999, and to allow for a reduction in the employee's rate after calendar year 1999, providing excess valuation assets are available. The legislation also provided that the Districts' normal contributions to the Fund may be reduced based on the revaluation of assets.

Contribution Requirements - The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 and N.J.S.A. 18:66, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. TPAF and PERS provide for employee contributions of 5.5% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The actuarially determined contribution includes funding for cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums.

**STAFFORD TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2012
(CONTINUED)**

NOTE 8 – PENSION PLANS - Continued

Three Year Trend Information for PERS				
Year Funding	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation	
6/30/2012	\$ 602,895.00	100%	\$ -	-
6/30/2011	587,949.00	100%	-	-
6/30/2010	437,242.00	100%	-	-

Three Year Trend Information for TPAF (Paid on behalf of the District)				
Year Funding	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation	
6/30/2012	\$ 394,780.00	100%	\$ -	-
6/30/2011	-	100%	-	-
6/30/2010	-	100%	-	-

During the fiscal year ended June 30, 2012, the State of New Jersey contributed \$921,143.00 to the TPAF for post-retirement benefits on behalf of the District. Also, in accordance with N.J.S.A. 18A:66-66, the State of New Jersey reimbursed the District \$1,021,403.75 during the year ended June 30, 2012 for the employer's share of social security contributions for TPAF members, as calculated on their base salaries. This amount has been included in the financial statements, and the combining and individual fund statements and schedules as a revenue and expenditure in accordance with GASB Statement No. 24.

NOTE 9 – POST-RETIREMENT BENEFITS

The School District contributes to the New Jersey State Health Benefits Program (“the SHBP”), a cost sharing multiple-employer defined benefit post-employment healthcare plan administered by the State of New Jersey Division of Pensions and Benefits. SHBP provides medical, prescription drug, mental health/substance abuse and Medicare Part B reimbursement to retirees and their covered dependents. The State Health Benefits Program is found in the 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 Division of Pension and Benefits issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System and the Teachers' Pension and Annuity Fund. These reports may be obtained by writing to the Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625.

Chapter 384 of Public Laws 1987 and Chapter 6 of Public Laws 1990 required TPAF and PERS, respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2019, C. 103 amended the law to eliminate the funding and payment of post-retirement medical benefits for retired state employees through 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.

**STAFFORD TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2012
(CONTINUED)**

NOTE 9 – POST-RETIREMENT BENEFITS - Continued

The State is also responsible for the cost attributable to P.L. 1992 c. 126 which provides free health benefits for members PERS and the Alternative 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.

NOTE 10 – COMPENSATED ABSENCES

The liability for vested compensated absences for the governmental fund types is recorded in current and long-term liabilities. The current portion of the compensated absences balance of the governmental funds is not considered material to the applicable funds total liabilities, and therefore is not shown separately from the long-term liability of compensated absences.

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2012, no liability existed for compensated absences in the Food Service Enterprise Fund.

NOTE 11 – DEFERRED COMPENSATION

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

NOTE 12 – CAPITAL RESERVE ACCOUNT

A capital reserve account was established by Stafford Township Board of Education by the inclusion of \$3,000.00 in September 2000 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. There is a total balance of \$1,264,301.00 at June 30, 2012.

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

During the fiscal year ended June 30, 2012, the District had no actual interest earnings and no withdrawals from the capital reserve.

NOTE 13 – RISK MANAGEMENT

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

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

**STAFFORD TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2012
(CONTINUED)**

NOTE 13 – RISK MANAGEMENT - Continued

New Jersey Unemployment Compensation Insurance - The District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the 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 District is billed quarterly for amounts due to the State. The following is a summary of District contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the District's expendable trust fund for the current and prior year:

<u>Fiscal Year</u>	<u>Interest on Investments</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2011-2012	\$ 50.36	\$ 36,713.77	\$ (61,670.26)	\$ 72,382.83
2010-2011	-	136,412.72	(97,469.31)	97,288.96
2009-2010	-	36,279.56	(62,848.73)	58,345.55

NOTE 14 – CONTINGENT LIABILITIES

Federal and State Grants

The District participates in a number of federal and state grant programs. The grant programs are subject to program compliance audits by the grantors or their representatives. The District is potentially liable for expenditures which may be disallowed pursuant to the terms of these grant programs. Management is not aware of any material items of noncompliance would result in the disallowance of program expenditures.

NOTE 15 – FUND BALANCE

Restrictions of funds balances of governmental funds are established to either (1) satisfy legal covenants that require a portion of the fund balance to be segregated or (2) identify the portion of the fund balance that is not appropriate for future expenditures.

The District uses restricted/committed amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents/contracts that prohibit doing this, such as a grant agreement requiring dollar for dollar spending. Additionally, the District does not have a formal fund balance spending policy therefore the default spending order requires committed, assigned and then unassigned to be used be spent first when expenditures are made.

Specific classifications of fund balance are summarized below;

Non-Spendable Fund Balance – The District had no non-spendable fund balance at June 30, 2012.

Restricted Fund Balance

Reserve for Excess Surplus – There was no excess fund balance at June 30, 2012. \$47,905.00 was appropriated in the 2011-2012 school budget and was restricted as of June 30, 2011.

Maintenance Reserve Account – Of the \$600,000.00 balance in the maintenance reserve account at June 30, 2012, \$600,000.00 has been designated for utilization in 2012-13. These funds are restricted for the required maintenance of school facilities in accordance with the Educational Facilities Construction and Financing Act (EFCFA) (N.J.S.A. 18A:7G-9) as amended by P.L. 2004, c. 73 (S1701).

**STAFFORD TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2012
(CONTINUED)**

NOTE 15 – FUND BALANCE - Continued

Capital Reserve Account – Of the \$1,264,301.00 balance in the capital reserve account at June 30, 2012, \$0 has been designated for utilization in the 2012-13 budget. These funds are restricted for future capital outlay expenditures for projects in the School District's long range facilities plan (LRFP).

Special Revenue Fund Deficit – The \$22,440.00 Special Revenue Fund Deficit in Fund Balance represents the deferral, by the State of New Jersey, of the final two State Aid Payments for the 2011 / 2012 school year. This deficit will be reversed in the subsequent year.

Capital Projects - \$863,586.03 is restricted for expenditures related to Solar Projects authorized by the 2009 Referendum, 2010 ROD Roof Project, and the Oxycocus Parking Lot.

Debt Service – \$2,634.95 will be utilized in the 2012-13 School Budget for Debt Service.

Committed Fund Balance - The District's Committed Fund balance for other purposes of \$594,127.24 consists of encumbrances in the amount of \$589,979.16 and 4,148.08 in the General and Capital Project Funds respectively.

Assigned Fund Balance – At June 30, 2012, the Board of School Estimates has assigned \$312,464.00 of general fund balance to expenditures in the 2012-13 budget.

Unassigned Fund Balance Deficit – At June 30, 2012, the District has a deficit in the amount of \$225,939.62 of unassigned fund balance in the general fund. This deficit is due to the deferral by the State of New Jersey of the final two state aid payments.

NOTE 16 – CALCULATION OF EXCESS SURPLUS

In accordance with N.J.S.A. 18A:7F-7, the designation for Reserved Fund Balance - Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount of budgeted fund balance in their subsequent years' budget. There was excess fund balance in the amount of \$0.00 at June 30, 2012.

NOTE 17 – NET ASSET DEFICITS

The Statement of Net Assets on page 19 reports total Net Assets in the amount of \$15,370,709.27 however; three of its sub categories contain deficits:

The Debt Service Deficit, in the amount of \$212,920.05 is due to the accrual of interest on bonds through June 30, 2012. This deficit was eliminated on July 1, 2012 through the realization of the 2011/2012 Debt Service Budget.

The Other Purposes Deficit, in the amount of \$22,440 represents the deferral, by the state of New Jersey, of the final two Special Revenue Fund state aid payments for the 2011/2012 year. This deficit will be reversed in the subsequent year.

The Unrestricted Deficit in the amount of \$2,996,450.73 represents in part, the deferral, by the state of New Jersey, of the final two General Fund state aid payments for the 2011/2012 year. This portion of the deficit will be reversed in the subsequent year. Also the accrual of compensated absences due to current employees in the future contributes to this deficit.

**STAFFORD TOWNSHIP SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2012
(CONTINUED)**

NOTE 18 – SUBSEQUENT EVENTS

Management has reviewed and evaluated all events and transactions that occurred between June 30, 2012 through October 19, 2012, the date that the financial statements were issued for possible disclosure and recognition in the financial statements, and no items have come to attention of the District that would require disclosure.

Required Supplementary Information – Part II

Budgetary Comparison Schedules

STAFFORD TOWNSHIP SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 23,039,850.00	\$ -	\$ 23,039,850.00	\$ 23,039,850.00	\$ -
Tuition	61,566.00		61,566.00	93,740.25	32,174.25
Miscellaneous	25,000.00		25,000.00	178,757.42	153,757.42
Total Local Sources	<u>23,126,416.00</u>	<u>-</u>	<u>23,126,416.00</u>	<u>23,312,347.67</u>	<u>185,931.67</u>
State Sources:					
School Choice Aid	16,696.00	25,044.00	41,740.00	41,740.00	-
Categorical Special Education Aid	1,224,068.00		1,224,068.00	1,224,068.00	-
Equalization Aid	6,966,370.00		6,966,370.00	6,966,370.00	-
Extraordinary Aid	250,000.00		250,000.00	218,434.00	(31,566.00)
Categorical Security Aid	230,434.00		230,434.00	230,434.00	-
Categorical Transportation Aid	74,201.00		74,201.00	409,400.00	335,199.00
Non Public Transportation Aid			-	14,964.00	14,964.00
TPAF (On-Behalf - Non-Budgeted)					
Non-Contributory Insurance			-	42,365.00	42,365.00
Post Retirement Medical Contributions			-	878,778.00	878,778.00
Pension Costs			-	394,780.00	394,780.00
TPAF Social Security (Reimbursed- Non-Budgeted)			-	1,021,403.75	1,021,403.75
Total State Sources	<u>8,761,769.00</u>	<u>25,044.00</u>	<u>8,786,813.00</u>	<u>11,442,736.75</u>	<u>2,655,923.75</u>
Federal Sources:					
SEMI	35,199.00		35,199.00	63,983.44	28,784.44
Educational Jobs Fund	326,179.00	10,219.00	336,398.00	336,398.00	-
Total Federal Sources	<u>361,378.00</u>	<u>10,219.00</u>	<u>371,597.00</u>	<u>400,381.44</u>	<u>28,784.44</u>
Total Revenues	<u>32,249,563.00</u>	<u>35,263.00</u>	<u>32,284,826.00</u>	<u>35,155,465.86</u>	<u>2,870,639.86</u>
EXPENDITURES:					
CURRENT EXPENSE					
REGULAR PROGRAMS - INSTRUCTION					
Kindergarten- Salaries of Teachers	1,007,220.00	(110,000.00)	897,220.00	874,571.23	22,648.77
Grades 1 - 5 Salaries of Teachers	6,806,490.00	(209,668.43)	6,596,821.57	6,482,869.76	113,951.81
Grades 6 - 8 Salaries of Teachers	927,015.00	79,425.80	1,006,440.80	986,769.10	19,671.70
Regular Programs - Home Instruction					
Salaries of Teachers	40,000.00	(2,000.00)	38,000.00	26,447.52	11,552.48
Purchased Professional Educational Services		1,500.00	1,500.00	985.31	514.69
Regular Programs - Undistributed Instruction					
General Supplies	580,806.00	611,426.79	1,192,232.79	1,120,686.70	71,546.09
Textbooks	35,284.00	33,251.00	68,535.00	39,104.30	29,430.70
Other Objects	191,042.00	617.15	191,659.15	137,457.07	54,202.08
TOTAL REGULAR PROGRAMS - INSTRUCTION	<u>9,587,857.00</u>	<u>404,552.31</u>	<u>9,992,409.31</u>	<u>9,668,890.99</u>	<u>323,518.32</u>
SPECIAL EDUCATION - INSTRUCTION					
Learning and/or Language Disabilities					
Salaries of Teachers	447,092.00	61,984.00	509,076.00	509,076.00	-
Other Salaries for Instruction	50,236.00	79,755.60	129,991.60	107,829.83	22,161.77
Total Learning and/or Language Disabilities	<u>497,328.00</u>	<u>141,739.60</u>	<u>639,067.60</u>	<u>616,905.83</u>	<u>22,161.77</u>
Multiple Disabilities					
Salaries of Teachers	179,321.00		179,321.00	179,321.00	-
Other Salaries for Instruction		18,079.85	18,079.85	18,079.05	0.80
General Supplies			-	-	-
Total Multiple Disabilities	<u>179,321.00</u>	<u>18,079.85</u>	<u>197,400.85</u>	<u>197,400.05</u>	<u>0.80</u>
Resource Room/Resource Center					
Salaries of Teachers	1,160,805.00	(76,724.00)	1,084,081.00	1,081,020.62	3,060.38
Other Salaries for Instruction	124,052.00	(20,000.00)	104,052.00	96,623.40	7,428.60
Total Resource Room/Resource Center	<u>1,284,857.00</u>	<u>(96,724.00)</u>	<u>1,188,133.00</u>	<u>1,177,644.02</u>	<u>10,488.98</u>

STAFFORD TOWNSHIP SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Autism					
Salaries of Teachers	\$ 55,330.00	\$ 4,676.40	\$ 60,006.40	\$ 57,200.56	\$ 2,805.84
Total Autism	55,330.00	4,676.40	60,006.40	57,200.56	2,805.84
Preschool Disabilities - Full-Time					
Salaries of Teachers	466,509.00	(3,812.00)	462,697.00	462,450.12	246.88
Other Salaries for Instruction	250,399.00	8,887.00	259,286.00	258,290.69	995.31
Total Preschool Disabilities - Full -Time	716,908.00	5,075.00	721,983.00	720,740.81	1,242.19
TOTAL SPECIAL EDUCATION - INSTRUCTION	2,733,744.00	72,846.85	2,806,590.85	2,769,891.27	36,699.58
Basic Skills/Remedial - Instruction					
Salaries of Teachers	323,962.00	4,790.80	328,752.80	325,878.32	2,874.48
Other Salaries for Instruction	402,863.00	(25,049.00)	377,814.00	373,179.40	4,634.60
Total Basic Skills/Remedial - Instruction	726,825.00	(20,258.20)	706,566.80	699,057.72	7,509.08
Bilingual Education - Instruction					
General Supplies	3,504.00		3,504.00	3,504.00	-
Total Bilingual Education - Instruction	3,504.00	-	3,504.00	3,504.00	-
Other Instructional Programs - Instruction					
Salaries	60,172.00	2,108.20	62,280.20	60,024.34	2,255.86
Total Other Instructional Programs - Instruction	60,172.00	2,108.20	62,280.20	60,024.34	2,255.86
TOTAL INSTRUCTION	13,112,102.00	459,249.16	13,571,351.16	13,201,368.32	369,982.84
UNDISTRIBUTED EXPENDITURES					
Undistributed Expenditures - Instruction					
Tuition to other LEA's within State - Regular	134,000.00		134,000.00	128,502.79	5,497.21
Tuition to Private Schools for the Disabled - Within State	177,000.00	10,000.00	187,000.00	185,608.80	1,391.20
Total Undistributed Expenditures - Instruction	311,000.00	10,000.00	321,000.00	314,111.59	6,888.41
Undistributed Expend. - Attend. & Social Worker					
Supplies and Materials	500.00		500.00		500.00
Total Undist. Expend. - Attend. & Social Worker	500.00	-	500.00	-	500.00
Undistributed Expend. - Health Services					
Salaries	372,619.00	(24,085.17)	348,533.83	311,408.80	37,125.03
Purchased Professional and Technical Services	200,000.00	2,017.59	202,017.59	168,050.84	33,966.75
Other Purchased Services (400-500 series)		2,000.00	2,000.00	2,000.00	-
Supplies & Materials	6,065.00		6,065.00	5,290.63	774.37
Total Undistributed Expend. - Health Services	578,684.00	(20,067.58)	558,616.42	486,750.27	71,866.15
Undist. Expend. - Other Support Serv. Students - Related Services					
Salaries	592,047.00	42,785.00	634,832.00	634,831.08	0.92
Purchased Professional Educational Services	11,000.00		11,000.00	3,400.00	7,600.00
Total Undist. Expend. - Other Support Services Student - Related Services	603,047.00	42,785.00	645,832.00	638,231.08	7,600.92
Undist. Expend. - Other Support Serv. Students - Extraordinary Services					
Salaries	1,081,185.00	(85,152.00)	996,033.00	989,216.48	6,816.52
Total Undist. Expend. - Other Support Services Students - Extraordinary Services	1,081,185.00	(85,152.00)	996,033.00	989,216.48	6,816.52

STAFFORD TOWNSHIP SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Undist. Expend. Guidance					
Salaries of Other Professional Staff	\$ 238,072.00	\$ 104,881.00	\$ 342,953.00	\$ 342,952.20	\$ 0.80
Total Undist. Expend. - Other Support Services	<u>238,072.00</u>	<u>104,881.00</u>	<u>342,953.00</u>	<u>342,952.20</u>	<u>0.80</u>
Students - Regular					
Undist. Expend. - Other Support Serv. Child Study Teams					
Salaries of Other Professional Staff	598,548.00	(90,000.00)	508,548.00	507,401.00	1,147.00
Salaries of Secretarial and Clerical Assistants	313,609.00	(24,557.92)	289,051.08	283,080.55	5,970.53
Total Undist. Expend. - Other Support Services	<u>912,157.00</u>	<u>(114,557.92)</u>	<u>797,599.08</u>	<u>790,481.55</u>	<u>7,117.53</u>
Students - Special					
Undist. Expend. - Improvement of Inst. Services					
Salaries of Supervisor of Instruction	297,049.00	(3,620.00)	293,429.00	292,120.67	1,308.33
Other Salaries	274,777.00	20,180.61	294,957.61	294,395.98	561.63
Total Undist. Expend. - Improvement of Inst. Serv.	<u>571,826.00</u>	<u>16,560.61</u>	<u>588,386.61</u>	<u>586,516.65</u>	<u>1,869.96</u>
Undist. Expend. - Edu. Media Serv./Sch. Library					
Salaries	192,606.00	(50,000.00)	142,606.00	139,324.00	3,282.00
Supplies & Materials	24,406.00	(486.32)	23,919.68	21,269.09	2,650.59
Other Objects	1,950.00		1,950.00	1,590.37	359.63
Media Services - School Library	<u>218,962.00</u>	<u>(50,486.32)</u>	<u>168,475.68</u>	<u>162,183.46</u>	<u>6,292.22</u>
Undist. Expend. - Supp. Serv. - General Admin.					
Salaries	470,959.00	205,103.44	676,062.44	710,247.45	(34,185.01)
Salaries of Attorneys	126,088.00	4,125.04	130,213.04	96,024.60	34,188.44
Legal Services	6,000.00	(300.00)	5,700.00	5,426.50	273.50
Audit Fees	29,000.00		29,000.00	29,000.00	-
Architectural and Engineering Fees		168,923.27	168,923.27	72,415.15	96,508.12
Communications/Telephone	64,823.00	1,738.00	66,561.00	65,228.22	1,332.78
Other Purchased Services - Board Expenses		10,514.53	10,514.53	18,442.54	(7,928.01)
General Supplies	8,000.00	11,368.00	19,368.00	18,410.20	957.80
Miscellaneous Expenditures	28,500.00	(12,409.77)	16,090.23	3,036.16	13,054.07
BOE Memberships and Dues	16,086.00		16,086.00	15,475.00	611.00
Total Undistributed Expenditures - Support Services - General Administration	<u>749,456.00</u>	<u>389,062.51</u>	<u>1,138,518.51</u>	<u>1,033,705.82</u>	<u>104,812.69</u>
Undist. Expend. - Supp. Serv. - School Admin.					
Salaries of Principals/Assistance Principals	583,014.00	(172,744.00)	410,270.00	408,150.47	2,119.53
Salaries of Secretarial and Clerical Assistants	411,387.00	10,582.19	421,969.19	414,742.07	7,227.12
Total Undistributed Expenditures - Support Services - School Administration	<u>994,401.00</u>	<u>(162,161.81)</u>	<u>832,239.19</u>	<u>822,892.54</u>	<u>9,346.65</u>
Undist. Expend. - Central Services					
Salaries	495,531.00	(28,562.94)	466,968.06	467,018.06	(50.00)
Supplies and Materials	32,883.00	6,001.45	38,884.45	34,122.48	4,761.97
Miscellaneous Expenditures	12,500.00	50,292.00	62,792.00	47,252.75	15,539.25
Total Undistributed Expenditures - Support Services - Central Services	<u>540,914.00</u>	<u>27,730.51</u>	<u>568,644.51</u>	<u>548,393.29</u>	<u>20,251.22</u>
Undist. Expend. - Required Maint. School Fac.					
Salaries	179,570.00	33,438.96	213,008.96	\$ 196,282.80	\$ 16,726.16
Other Objects	123,924.00	33,027.32	156,951.32	139,538.80	17,412.52
Total Undistributed Expenditures - Required Maintenance for School Facilities	<u>303,494.00</u>	<u>66,466.28</u>	<u>369,960.28</u>	<u>335,821.60</u>	<u>34,138.68</u>

STAFFORD TOWNSHIP SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Undist. Expend. - Custodial Services					
Salaries	\$ 910,922.00	\$ 7,490.08	\$ 918,412.08	\$ 885,225.82	\$ 33,186.26
Purchased Professional and Technical Services	55,000.00		55,000.00	42,456.21	12,543.79
Other Purchased Property Services	70,400.00		70,400.00	61,640.87	8,759.13
Insurance	73,514.00	19,263.00	92,777.00	83,778.00	8,999.00
Miscellaneous Purchased Services	350,743.00	130,926.95	481,669.95	324,046.93	157,623.02
General Supplies	100,600.00	4,713.38	105,313.38	83,037.76	22,275.62
Energy (Energy and Electricity)	636,350.00	(37,059.00)	599,291.00	577,896.39	21,394.61
Other Objects	189,000.00	290,776.89	479,776.89	297,289.83	182,487.06
Energy - Natural Gas	200,754.00	(59,481.69)	141,272.31	120,162.67	21,109.64
Total Undistributed Expenditures - Custodial Services	<u>2,587,283.00</u>	<u>356,629.61</u>	<u>2,943,912.61</u>	<u>2,475,534.48</u>	<u>468,378.13</u>
Undist. Expend. - Care & Upkeep of Grounds					
Cleaning Repair & Maintenance Services	62,500.00	6,500.00	69,000.00	61,048.17	7,951.83
Total Undistributed Expenditures - Care & Upkeep of Grounds	<u>62,500.00</u>	<u>6,500.00</u>	<u>69,000.00</u>	<u>61,048.17</u>	<u>7,951.83</u>
Undist. Expend. - Security					
Salaries	351,704.00	72,401.62	424,105.62	378,205.25	45,900.37
Total Undistributed Expenditures - Security	<u>351,704.00</u>	<u>72,401.62</u>	<u>424,105.62</u>	<u>378,205.25</u>	<u>45,900.37</u>
Total Undistributed Expenditures Operations and Maintenance of Plant	<u>3,304,981.00</u>	<u>501,997.51</u>	<u>3,806,978.51</u>	<u>3,250,609.50</u>	<u>556,369.01</u>
Undist. Expend. - Student Transportation Serv.					
Salaries - Non Instructional Aides	133,590.00	15,002.87	148,592.87	147,120.21	1,472.66
Sal.- Pup. Trans. (Bet. Home & School) - Reg.	937,448.00	(37,326.48)	900,121.52	834,708.49	65,413.03
Other Purchased Prof. and Technical Serv.	4,250.00		4,250.00	2,931.60	1,318.40
Contr Serv (Bet. Home & School)- Joint Agrmnts	286,000.00	(23,381.00)	262,619.00	244,318.60	18,300.40
Misc. Purchased Service - Transportation	22,000.00		22,000.00	22,000.00	-
Transportation Supplies	289,743.00	62,957.63	352,700.63	264,021.75	88,678.88
Other Objects	27,230.00	88,089.96	115,319.96	90,522.96	24,797.00
Total Undistributed Expenditures - Student Transportation Services	<u>1,700,261.00</u>	<u>105,342.98</u>	<u>1,805,603.98</u>	<u>1,605,623.61</u>	<u>199,980.37</u>
Unallocated Benefits					
Social Security Contribution	629,094.00	(113,713.52)	515,380.48	512,078.99	3,301.49
Other Retirement Contributions - PERS	634,093.00	(18,517.48)	615,575.52	602,895.00	12,680.52
Unemployment Compensation	125,000.00	(125,000.00)	-	-	-
Worker's Compensation	205,050.00	(9,263.00)	195,787.00	195,662.00	125.00
Health Benefits	5,012,872.00	(174,465.00)	4,838,407.00	4,738,967.38	99,439.62
Other Employee Benefits	361,705.00	(322,378.00)	39,327.00	4,321.33	35,005.67
Total Unallocated Benefits	<u>6,967,814.00</u>	<u>(763,337.00)</u>	<u>6,204,477.00</u>	<u>6,053,924.70</u>	<u>150,552.30</u>
On-Behalf Contributions					
On-Behalf TPAF Contribution (non-bud)					
Non-Contributory Insurance			-	42,365.00	(42,365.00)
Post Retirement Medical Contributions			-	878,778.00	(878,778.00)
Pension Costs			-	394,780.00	(394,780.00)
Reimbursed TPAF Social Security Cont.(non-bud)			-	1,021,403.75	(1,021,403.75)
Total On-Behalf Contributions	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,337,326.75</u>	<u>(2,337,326.75)</u>
Total Personal Services - Employee Benefits	<u>6,967,814.00</u>	<u>(763,337.00)</u>	<u>6,204,477.00</u>	<u>8,391,251.45</u>	<u>(2,186,774.45)</u>
TOTAL UNDISTRIBUTED EXPENDITURES	<u>18,773,260.00</u>	<u>2,597.49</u>	<u>18,775,857.49</u>	<u>19,962,919.49</u>	<u>(1,187,062.00)</u>
TOTAL GENERAL CURRENT EXPENSE	<u>31,885,362.00</u>	<u>461,846.65</u>	<u>32,347,208.65</u>	<u>33,164,287.81</u>	<u>(817,079.16)</u>

STAFFORD TOWNSHIP SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
CAPITAL OUTLAY					
Equipment					
Instructional	\$ -	\$ -	\$ -	\$ -	\$ -
Undistributed Expenditures - Admin. Info Tech	123,348.00	325,980.77	449,328.77	401,923.45	47,405.32
School Buses - Regular	259,696.00	168,308.49	428,004.49	366,968.60	61,035.89
Undistributed Expenditures - Non-Inst. Serv.	17,000.00	26,644.00	43,644.00	40,748.00	2,896.00
Total Equipment	<u>400,044.00</u>	<u>520,933.26</u>	<u>920,977.26</u>	<u>809,640.05</u>	<u>111,337.21</u>
Facilities Acquisition and Construction Services					
Other Objects	27,591.00	34,814.51	62,405.51	62,405.51	-
Total Facilities Acquisition and Construction Service	<u>27,591.00</u>	<u>34,814.51</u>	<u>62,405.51</u>	<u>62,405.51</u>	<u>-</u>
TOTAL CAPITAL OUTLAY	<u>427,635.00</u>	<u>555,747.77</u>	<u>983,382.77</u>	<u>872,045.56</u>	<u>111,337.21</u>
TOTAL EXPENDITURES	<u>32,312,997.00</u>	<u>1,017,594.42</u>	<u>33,330,591.42</u>	<u>34,036,333.37</u>	<u>(705,741.95)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(63,434.00)</u>	<u>(982,331.42)</u>	<u>(1,045,765.42)</u>	<u>1,119,132.49</u>	<u>2,164,897.91</u>
Other Financing Sources:					
Operating Transfers In:					
Capital Project Fund Interest	-	-	-	298.29	298.29
Total Other Financing Sources:	<u>-</u>	<u>-</u>	<u>-</u>	<u>298.29</u>	<u>298.29</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)	(63,434.00)	(982,331.42)	(1,045,765.42)	1,119,430.78	2,165,196.20
Fund Balance July 1	2,331,595.76		2,331,595.76	2,331,595.76	-
Fund Balance June 30	<u>\$ 2,268,161.76</u>	<u>\$ (982,331.42)</u>	<u>\$ 1,285,830.34</u>	<u>\$ 3,451,026.54</u>	<u>\$ 2,165,196.20</u>
Recapitulation:					
Reserve for Encumbrances	\$ -	\$ (965,613.42)	\$ (965,613.42)	\$ (965,613.42)	\$ -
Budgeted Fund Balance	(63,434.00)	(16,718.00)	(80,152.00)	2,085,044.20	2,165,196.20
	<u>\$ (63,434.00)</u>	<u>\$ (982,331.42)</u>	<u>\$ (1,045,765.42)</u>	<u>\$ 1,119,430.78</u>	<u>\$ 2,165,196.20</u>
Recapitulation:					
Restricted Fund Balance:					
Excess Surplus - Designated for Subsequent Year's Expenditures				\$ 47,905.00	
Capital Reserve				1,264,301.00	
Maintenance Reserve				600,000.00	
Committed Fund Balance:					
Reserve for Encumbrances				589,979.16	
Assigned Fund Balance:					
Designated for Subsequent Year's Expenditures				312,464.00	
Unassigned Fund Balance				<u>636,377.38</u>	
				3,451,026.54	
Reconciliation to Governmental Funds Statements (GAAP):					
Last State Aid Payment not recognized on GAAP basis				862,317.00	
Fund Balance per Governmental Funds (GAAP)				<u>\$ 2,588,709.54</u>	

STAFFORD TOWNSHIP SCHOOL DISTRICT
General Fund - Education Jobs Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Federal Sources	\$ 326,179.00	10,219.00	\$ 336,398.00	\$ 336,398.00	-
Total Revenues	326,179.00	10,219.00	336,398.00	336,398.00	-
EXPENDITURES:					
Instruction:					
Basic Skills/Remedial - Instruction	175,973.00	52,116.00	228,089.00	228,089.00	-
Other Salaries for Instruction	175,973.00	52,116.00	228,089.00	228,089.00	-
Total Instruction					
Undistributed Expenditures:					
Undist. Expend. - Improvement of Inst. Services	41,897.00	26,380.00	68,277.00	68,277.00	-
Salaries of Supervisor of Instruction					
Undist. Expend. - Central Services	68,277.00	(68,277.00)	-	-	-
Salaries					
Undist. Expend. - Security	40,032.00		40,032.00	40,032.00	-
Salaries					
Total Undistributed Expenditures	150,206.00	(41,897.00)	108,309.00	108,309.00	-
Total Outflows	326,179.00	10,219.00	336,398.00	336,398.00	-
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	\$ -	\$ -	\$ -	\$ -	\$ -

STAFFORD TOWNSHIP SCHOOL DISTRICT
Special Revenue Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
State Sources	\$ 581,650.00	\$ (73,880.00)	\$ 507,770.00	\$ 425,552.50	\$ (82,217.50)
Federal Sources	948,192.00	142,865.34	1,091,057.34	1,060,335.55	(30,721.79)
Total Revenues	1,529,842.00	68,985.34	1,598,827.34	1,485,888.05	(112,939.29)
EXPENDITURES:					
Instruction:					
Teachers Salaries		27,919.60	27,919.60	6,197.87	21,721.73
Purchased Professional - Educational Services	689,052.00	(403,469.20)	285,582.80	258,983.29	26,599.51
Other Purchased Services (400-500 series)		348,654.00	348,654.00	348,654.00	-
Textbooks	20,100.00	(6,023.00)	14,077.00	14,077.00	-
Supplies		300,474.61	300,474.61	295,948.65	4,525.96
Total Instruction	709,152.00	267,556.01	976,708.01	923,860.81	52,847.20
Support Services:					
Other Salaries		37,160.00	37,160.00	37,160.00	-
Other Support Services - Employee Benefits		2,733.00	2,733.00	2,733.00	-
Purchased Professional - Technical Services	120,150.00	149,841.75	269,991.75	214,373.76	55,617.99
Contracted Pre-K	224,400.00		224,400.00	224,400.00	-
Other Purchased Services (400-500 series)	207,511.00	(182,909.47)	24,601.53	22,097.17	2,504.36
Supplies & Materials	268,629.00	(222,970.90)	45,658.10	43,688.36	1,969.74
Total Support Services	820,690.00	(216,145.62)	604,544.38	544,452.29	60,092.09

**STAFFORD TOWNSHIP SCHOOL DISTRICT
Special Revenue Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2012**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES(cont'd):					
Facilities Acquisitions and Construction Services:					
Non - Instructional Equipment	\$ -	\$ 17,574.95	\$ 17,574.95	\$ 17,574.95	\$ -
Total Facilities Acquisitions and Const. Services:	-	17,574.95	17,574.95	17,574.95	-
Transfer to Charter Schools					
None	-	-	-	-	-
Other Financing Sources (Uses)					
None	-	-	-	-	-
Total Outflows	1,529,842.00	68,985.34	1,598,827.34	1,485,888.05	112,939.29
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	\$ -	\$ -	\$ -	\$ -	\$ 0.00

Notes to the Required Supplementary Information

STAFFORD TOWNSHIP SCHOOL DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
Note to RSI
For the Year Ended June 30, 2012

Note A - Explanation of Differences Between Budgetary Inflows and Outflows GAAP Revenue and Expenditures

		<u>General Fund</u>		<u>Special Revenue Fund</u>
Sources / inflows of resources				
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	[C-1]	\$ 35,155,465.86	[C-2]	\$ 1,485,888.05
Difference - budget to GAAP: Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.				3,087.41
The Final Two State Aid payments for the Year Ended June 30, 2011 that were delayed until July 2011 were recorded as budgetary revenue for the Year Ended June 30, 2011 but is not recognized under GAAP until the Year Ended June 30, 2012.		775,076.00		22,440.00
The Final State Aid payment for the Year Ended June 30, 2012 that was delayed until July 2012 was recorded as budgetary revenue for the Year Ended June 30, 2012 but is not recognized under GAAP until the Year Ended June 30, 2013.		(862,317.00)		(22,440.00)
Total revenues as reported on the statement of revenues, expenditures and changes in fund balance - governmental funds.	[B-2]	<u>\$ 35,068,224.86</u>	[B-2]	<u>\$ 1,488,975.46</u>
Uses / outflows of resources				
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1]	\$ 34,036,333.37	[C-2]	\$ 1,485,888.05
Difference - budget to GAAP: Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for GAAP financial reporting purposes.				3,087.41
Total expenditures as reported on the statement of revenues, expenditures and changes in fund balance - governmental funds.	[B-2]	<u>\$ 34,036,333.37</u>	[B-2]	<u>\$ 1,488,975.46</u>

Other Supplementary Information

SPECIAL REVENUE FUND DETAIL STATEMENTS

Special revenue funds are used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specific purposes.

STAFFORD TOWNSHIP SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Year Ended June 30, 2012

	Title I	Title IIA	Title IIIA	REMS	IDEA
REVENUES:					
State Sources					
Federal Sources	\$ 247,051.40	\$ 84,710.00	\$ 48,981.00	\$ 84,170.15	\$ 554,573.00
Total Revenues	<u>247,051.40</u>	<u>84,710.00</u>	<u>48,981.00</u>	<u>84,170.15</u>	<u>554,573.00</u>
EXPENDITURES:					
Instruction:					
Teachers Salaries				6,197.87	
Purchased Professional - Educational Services	70.80	2,000.00			140,000.00
Other Purchased Services (400-500 series)	8,654.00				340,000.00
Textbooks					
Supplies	162,667.54	54,292.95	48,981.00	9,594.16	14,563.00
Total Instruction	<u>171,392.34</u>	<u>56,292.95</u>	<u>48,981.00</u>	<u>15,792.03</u>	<u>494,563.00</u>
Support Services:					
Other Salaries	21,160.00			16,000.00	
Other Support Services - Employee Benefits	1,381.00			1,352.00	
Purchased Professional - Technical Services	36,598.00	9,602.75		3,000.00	60,010.00
Contracted Pre-K					
Other Purchased Services (400-500 series)	1,500.00	13,725.59		6,871.58	
Supplies & Materials	12,420.11	5,088.71		26,179.54	
Total Support Services	<u>73,059.11</u>	<u>28,417.05</u>	<u>-</u>	<u>53,403.12</u>	<u>60,010.00</u>
Facilities Acquisitions and Construction Services:					
Non - Instructional Equipment	2,599.95			14,975.00	
Total Facilities Acquisitions and Const. Services:	<u>2,599.95</u>	<u>-</u>	<u>-</u>	<u>14,975.00</u>	<u>-</u>
Total Outflows	<u>247,051.40</u>	<u>84,710.00</u>	<u>48,981.00</u>	<u>84,170.15</u>	<u>554,573.00</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	\$ -	\$ -	\$ -	\$ -	\$ -

STAFFORD TOWNSHIP SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Year Ended June 30, 2012

	Non Public				
	IDEA Preschool	Textbooks	Nursing	Corrective Speech	Compensatory Education
REVENUES:					
State Sources	\$ 40,850.00	\$ 14,077.00	\$ 20,109.00	\$ 27,331.54	\$ 61,368.78
Federal Sources					
Total Revenues	40,850.00	14,077.00	20,109.00	27,331.54	61,368.78
EXPENDITURES:					
Instruction:					
Teachers Salaries	35,000.00		20,109.00	27,331.54	
Purchased Professional - Educational Services					
Other Purchased Services (400-500 series)		14,077.00			
Textbooks					
Supplies	5,850.00				
Total Instruction	40,850.00	14,077.00	20,109.00	27,331.54	-
Support Services:					
Other Salaries					
Other Support Services - Employee Benefits					61,368.78
Purchased Professional - Technical Services					
Contracted Pre-K					
Other Purchased Services (400-500 series)					
Supplies & Materials					
Total Support Services	-	-	-	-	61,368.78
Facilities Acquisitions and Construction Services:					
Non - Instructional Equipment					
Total Facilities Acquisitions and Const. Services:	-	-	-	-	-
Total Outflows	40,850.00	14,077.00	20,109.00	27,331.54	61,368.78
Excess (Deficiency) of Revenues Over (Under)	\$ -	\$ -	\$ -	\$ -	\$ -
Expenditures and Other Financing Sources (Uses)					

STAFFORD TOWNSHIP SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Year Ended June 30, 2012

	193 Supplemental Instruction	Examination & Classification	Artists in Education AIE	Preschool Education Aid	Totals 2012
REVENUES:					
State Sources	\$ 28,971.95	\$ 43,794.23	\$ 5,500.00	\$ 224,400.00	\$ 425,552.50
Federal Sources					1,060,335.55
Total Revenues	28,971.95	43,794.23	5,500.00	224,400.00	1,485,888.05
EXPENDITURES:					
Instruction:					
Teachers Salaries					6,197.87
Purchased Professional - Educational Services	28,971.95		5,500.00		258,983.29
Other Purchased Services (400-500 series)					348,654.00
Textbooks					14,077.00
Supplies					295,948.65
Total Instruction	28,971.95	-	5,500.00	-	923,860.81
Support Services:					
Other Salaries					37,160.00
Other Support Services - Employee Benefits					2,733.00
Purchased Professional - Technical Services		43,794.23			214,373.76
Contracted Pre-K				224,400.00	224,400.00
Other Purchased Services (400-500 series)					22,097.17
Supplies & Materials					43,688.36
Total Support Services	-	43,794.23	-	224,400.00	544,452.29
Facilities Acquisitions and Construction Services:					
Non - Instructional Equipment					17,574.95
Total Facilities Acquisitions and Const. Services:	-	-	-	-	17,574.95
Total Outflows	28,971.95	43,794.23	5,500.00	224,400.00	1,485,888.05
Excess (Deficiency) of Revenues Over (Under)	\$ -	\$ -	\$ -	\$ -	\$ -
Expenditures and Other Financing Sources (Uses)					

STAFFORD TOWNSHIP SCHOOL DISTRICT
Special Revenue Fund
Schedule of Preschool Education Aid
Budgetary Basis
For the Year Ended June 30, 2012

<u>District-Wide Total</u>	<u>Total</u>		
	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
EXPENDITURES:			
Instruction:			
None	\$	\$	\$ -
Total Instruction	<u>-</u>	<u>-</u>	<u>-</u>
Support Services:			
Contracted Pre-K	224,400.00	224,400.00	-
Total Support Services	<u>224,400.00</u>	<u>224,400.00</u>	<u>-</u>
Facilities Acquisition and Construction Services			
None			-
Total Facilities Acquisition and Construction Ser.	<u>-</u>	<u>-</u>	<u>-</u>
Contribution to Charter Schools			
None			-
Total Expenditures	<u>\$ 224,400.00</u>	<u>\$ 224,400.00</u>	<u>\$ -</u>

CALCULATION OF BUDGET & CARRYOVER

Total 2011-12 Preschool Education Aid Allocation	\$ 224,400.00
Add: Actual Carryover June 30, 2011	<u>-</u>
	224,400.00
Add: Budgeted Transfer from the General Fund	<u>-</u>
Total Preschool Education Aid Funds Available for 2011/2012 Budget	224,400.00
Less: 2011/2012 Budgeted Preschool Education Aid - Prior Year Budget Carryover Available & Unbudgeted Preschool Education Aid Funds, June 30, 2012	<u>(224,400.00)</u>
	-
Add: June 30, 2012 Unexpended Preschool Education Aid	<u>-</u>
2011-2012 Carryover - Preschool Education Aid	<u>\$ -</u>
2010-11 Preschool Education Carryover Budgeted for Preschool Programs 2012-2013	<u>\$ -</u>

CAPITAL PROJECTS FUND DETAIL STATEMENTS

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

STAFFORD TOWNSHIP SCHOOL DISTRICT
Capital Projects Fund
Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budgetary Basis
For the Year Ended June 30, 2012

Revenues and Other Financing Sources

State Sources - SDA Grant	\$ 382,360.00
Clean Energy Rebate / SREC's	176,087.73
Bond Proceeds	-
Transfer From Capital Reserve	-
Transfer From Capital Outlay	-
 Total Revenues	 <u>558,447.73</u>

Expenditures and Other Financing Uses

Purchased Professional and Technical Services	7,954.52
Construction Services	1,323,676.46
 Total Expenditures	 <u>1,331,630.98</u>

Excess (Deficiency) of Revenues
Over (Under) Expenditures

(773,183.25)

Fund Balance - Beginning

1,636,769.28

Fund Balance Ending

\$ 863,586.03

STAFFORD TOWNSHIP SCHOOL DISTRICT
Capital Projects Fund
Schedule of Project Revenue, Expenditures, Project Balance, and Project Status - Budgetary Basis
Solar Energy Systems at Intermediate School
From Inception and for the Year Ended June 30, 2012

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SDA Grant	\$	\$	\$ -	\$
Clean Energy Rebate / SREC's			-	
Bond Proceeds	1,799,250.00	87,641.00	1,886,891.00	1,886,891.00
Transfer From Capital Reserve				
Transfer From Capital Outlay			-	
Total Revenues	<u>1,799,250.00</u>	<u>87,641.00</u>	<u>1,886,891.00</u>	<u>1,886,891.00</u>
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services	213,742.23	7,954.52	221,696.75	225,273.00
Construction Services	1,669,167.21	(24,308.00)	1,644,859.21	1,661,618.00
Total Expenditures	<u>1,882,909.44</u>	<u>(16,353.48)</u>	<u>1,866,555.96</u>	<u>1,886,891.00</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ (83,659.44)</u>	<u>\$ 103,994.48</u>	<u>\$ 20,335.04</u>	<u>\$ -</u>
Additional Project Information:				
Project Number	5020-070-08-1000			
Grant Date	N/A			
Bond Authorization Date	4/15/2009			
Bonds Authorized	\$ 1,886,891.00			
Bonds Issued	1,799,250.00			
Original Authorized Costs	1,799,250.00			
Revised Authorized Cost	1,886,891.00			
Percentage Increase over Original Authorized Cost	4.87%			
Percentage Completion	98.92%			
Original Target Completion Date	2010			
Revised Target Completion Date	2012			

STAFFORD TOWNSHIP SCHOOL DISTRICT
Capital Projects Fund
Schedule of Project Revenue, Expenditures, Project Balance, and Project Status - Budgetary Basis
Solar Energy Systems at Oxycocus School
From Inception and for the Year Ended June 30, 2012

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SDA Grant	\$	\$	\$ -	\$
Clean Energy Rebate / SREC's			-	
Bond Proceeds	908,625.00	(30,692.00)	877,933.00	877,933.00
Transfer From Capital Reserve				
Transfer From Capital Outlay			-	
Total Revenues	<u>908,625.00</u>	<u>(30,692.00)</u>	<u>877,933.00</u>	<u>877,933.00</u>
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services	58,225.08		58,225.08	66,694.62
Construction Services	568,773.50	-	568,773.50	811,238.38
Total Expenditures	<u>626,998.58</u>	<u>-</u>	<u>626,998.58</u>	<u>877,933.00</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 281,626.42</u>	<u>\$ (30,692.00)</u>	<u>\$ 250,934.42</u>	<u>\$ -</u>
Additional Project Information:				
Project Number	5020-05-08-1000			
Grant Date	N/A			
Bond Authorization Date	4/15/2009			
Bonds Authorized	\$ 877,933.00			
Bonds Issued	908,625.00			
Original Authorized Costs	908,625.00			
Revised Authorized Cost	877,933.00			
Percentage Increase over Original Authorized Cost	-3.38%			
Percentage Completion	71.42%			
Original Target Completion Date	2010			
Revised Target Completion Date	2012			

STAFFORD TOWNSHIP SCHOOL DISTRICT
Capital Projects Fund
Schedule of Project Revenue, Expenditures, Project Balance, and Project Status - Budgetary Basis
Solar Energy Systems at Ocean Acres School
From Inception and for the Year Ended June 30, 2012

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SDA Grant	\$	\$	\$ -	\$
Clean Energy Rebate / SREC's			-	
Bond Proceeds	946,125.00	(56,949.00)	889,176.00	889,176.00
Transfer From Capital Reserve				
Transfer From Capital Outlay			-	
Total Revenues	<u>946,125.00</u>	<u>(56,949.00)</u>	<u>889,176.00</u>	<u>889,176.00</u>
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services	58,533.20		58,533.20	71,141.97
Construction Services	569,045.50	-	569,045.50	818,034.03
Total Expenditures	<u>627,578.70</u>	<u>-</u>	<u>627,578.70</u>	<u>889,176.00</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 318,546.30</u>	<u>\$ (56,949.00)</u>	<u>\$ 261,597.30</u>	<u>\$ -</u>
Additional Project Information:				
Project Number	5020-065-08-1000			
Grant Date	N/A			
Bond Authorization Date	4/15/2009			
Bonds Authorized	\$ 946,125.00			
Bonds Issued	946,125.00			
Original Authorized Costs	946,125.00			
Revised Authorized Cost	889,176.00			
Percentage Increase over Original Authorized Cost	-6.02%			
Percentage Completion	70.58%			
Original Target Completion Date	2010			
Revised Target Completion Date	2013			

STAFFORD TOWNSHIP SCHOOL DISTRICT
Capital Projects Fund
Schedule of Project Revenue, Expenditures, Project Balance, and Project Status - Budgetary Basis
ROD Roof Project Intermediate School
From Inception and for the Year Ended June 30, 2012

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SDA Grant	\$	\$ 382,360.00	\$ 382,360.00	\$ 382,360.00
Clean Energy Rebate / SREC's	615,256.00		615,256.00	615,256.00
Bond Proceeds			-	
Transfer From Capital Reserve				
Transfer From Capital Outlay	505,000.00		505,000.00	505,000.00
Total Revenues	<u>1,120,256.00</u>	<u>382,360.00</u>	<u>1,502,616.00</u>	<u>1,502,616.00</u>
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services			-	
Construction Services		1,347,984.46	1,347,984.46	1,502,616.00
Total Expenditures	<u>-</u>	<u>1,347,984.46</u>	<u>1,347,984.46</u>	<u>1,502,616.00</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 1,120,256.00</u>	<u>\$ (965,624.46)</u>	<u>\$ 154,631.54</u>	<u>\$ -</u>
Additional Project Information:				
Project Number	5020-070-10-1001			
Grant Date	6/1/2010			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Costs	1,502,616.00			
Revised Authorized Cost	1,502,616.00			
Percentage Increase over Original Authorized Cost	0%			
Percentage Completion	90%			
Original Target Completion Date	2011			
Revised Target Completion Date	2013			

STAFFORD TOWNSHIP SCHOOL DISTRICT
Capital Projects Fund
Schedule of Project Revenue, Expenditures, Project Balance, and Project Status - Budgetary Basis
Oxycocus Parking Lot
From Inception and for the Year Ended June 30, 2012

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SDA Grant	\$	\$	\$ -	\$
Clean Energy Rebate / SREC's		176,087.73	176,087.73	176,087.73
Bond Proceeds			-	
Transfer From Capital Reserve			-	
Transfer From Capital Outlay			-	
Total Revenues	-	176,087.73	176,087.73	176,087.73
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services			-	
Construction Services			-	176,087.73
Total Expenditures	-	-	-	176,087.73
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -	\$ 176,087.73	\$ 176,087.73	\$ -

Additional Project Information:

Project Number	N/A
Grant Date	N/A
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Costs	176,087.73
Revised Authorized Cost	176,087.73
Percentage Increase over Original Authorized Cost	0%
Percentage Completion	0%
Original Target Completion Date	2012
Revised Target Completion Date	2013

PROPRIETARY FUND DETAIL STATEMENTS

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

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

**THIS SECTION HAS ALREADY BEEN INCLUDED IN STATEMENTS
B-4, B-5 AND B-6.**

FIDUCIARY FUNDS DETAIL STATEMENTS

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

Unemployment Compensation Fund - This Trust Fund is an expendable trust fund and limits expenses set aside for this purpose in current and prior budgets and contributions from employee withholding in prior years.

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

Student Activity Fund - This agency fund is used to account for student funds held at the schools.

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

**STAFFORD TOWNSHIP SCHOOL DISTRICT
Fiduciary Funds
Combining Statement of Fiduciary Net Assets
June 30, 2012**

	Unemployment Compensation Trust	Agency Funds	Totals
ASSETS			
Cash and Cash Equivalents	\$ 80,197.84	\$ 97,970.02	\$ 178,167.86
Total Assets	80,197.84	97,970.02	178,167.86
LIABILITIES			
Accounts Payable	7,815.01		7,815.01
Payable to Student Groups		47,272.76	47,272.76
Payroll Deductions & Withholdings		50,697.26	50,697.26
Total Liabilities	7,815.01	97,970.02	105,785.03
NET ASSETS			
Held in Trust for Unemployment Claims and Other Purposes	\$ 72,382.83		72,382.83
Total Net Assets			72,382.83
Total Liabilities and Net Assets			\$ 178,167.86

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

	<u>Unemployment Compensation Trust</u>	<u>Totals</u>
ADDITIONS		
Contributions:		
Plan Members	\$ 36,713.77	\$ 36,713.77
Total Contributions	<u>36,713.77</u>	<u>36,713.77</u>
Investments Earnings:		
Interest	50.36	50.36
Net Investment Earnings	<u>50.36</u>	<u>50.36</u>
Total Additions	<u>36,764.13</u>	<u>36,764.13</u>
Deductions		
Unemployment Claims	61,670.26	61,670.26
Total Deductions	<u>61,670.26</u>	<u>61,670.26</u>
Change in Net Assets	(24,906.13)	(24,906.13)
Net Assets - Beginning of the Year	<u>97,288.96</u>	<u>97,288.96</u>
Net Assets - End of the Year	<u>\$ 72,382.83</u>	<u>\$ 72,382.83</u>

**STAFFORD TOWNSHIP SCHOOL DISTRICT
 Student Activity Agency Fund
 Schedule of Receipts and Disbursements
 As of June 30, 2012**

	<u>Balance July 1, 2011</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2012</u>
Oxycocus	\$ 6,409.07	\$ 2,869.44	\$ 5,191.89	\$ 4,086.62
McKinley	5,809.97	1,263.72	5,247.48	1,826.21
PLC	10,072.60	4,707.72	1,800.00	12,980.32
Ocean Acres	12,343.37	2,731.21	12,364.76	2,709.82
Intermediate School	35,744.88	18,262.49	29,462.06	24,545.31
STAC		1,124.48		1,124.48
Total Assets	\$ <u>70,379.89</u>	\$ <u>30,959.06</u>	\$ <u>54,066.19</u>	\$ <u>47,272.76</u>

**STAFFORD TOWNSHIP SCHOOL DISTRICT
Payroll Agency Fund
Schedule of Receipts and Disbursements
As of June 30, 2012**

	Balance July 1, 2011	Additions	Deletions	Balance June 30, 2012
ASSETS:				
Cash and Cash Equivalents	\$ 29,857.53	\$ 31,416,291.89	\$ 31,395,452.16	\$ 50,697.26
Total Assets	<u>\$ 135,628.14</u>	<u>\$ 31,416,291.89</u>	<u>\$ 31,395,452.16</u>	<u>\$ 50,697.26</u>
LIABILITIES:				
Payroll Deductions & Withholding	\$ 29,857.53	\$ 9,274,815.89	\$ 9,264,452.75	\$ 40,220.67
Net Pay		22,141,476.00	22,130,999.41	10,476.59
Total Liabilities	<u>\$ 135,628.14</u>	<u>\$ 31,416,291.89</u>	<u>\$ 31,395,452.16</u>	<u>\$ 50,697.26</u>

LONG-TERM DEBT SCHEDULES

The long-term debt schedules are used to reflect the outstanding principal balance of the general long-term liabilities of the school district. This includes serial bonds outstanding, the outstanding principal balance on capital leases.

STAFFORD TOWNSHIP SCHOOL DISTRICT
Schedule of General Serial Bonds
As of June 30, 2012

Improvement Description	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding June 30, 2012				Balance June 30, 2011	Refunded	Decreased	Balance June 30, 2012
			Date	Amount	Interest Rate	Balance June 30, 2011				
Alterations to Existing Buildings, Construction of New Buildings & Furnishing of Buildings	8/15/2003	\$ 15,224,000			\$	\$ 5,400,000.00	\$ (4,130,000.00)	\$ 1,270,000.00	\$ -	
	1/26/2012	4,095,000	1/15/2013	1,340,000	2.000%		4,095,000.00		4,095,000.00	
			1/15/2014	1,365,000	2.000%					
Refunding School Bonds	7/28/2005	6,580,000	9/1/2012	375,000	3.500%	5,015,000.00		560,000.00	4,455,000.00	
			9/1/2012	200,000	4.250%					
			9/1/2013	250,000	3.500%					
			9/1/2013	340,000	4.250%					
			9/1/2014	615,000	4.500%					
			9/1/2015	225,000	3.750%					
			9/1/2015	410,000	4.250%					
			9/1/2016	85,000	3.625%					
			9/1/2016	125,000	3.875%					
			9/1/2017	180,000	5.000%					
9/1/2017	500,000	3.750%								
9/1/2018	400,000	4.000%								
9/1/2018	300,000	3.750%								
9/1/2018	300,000	4.000%								

STAFFORD TOWNSHIP SCHOOL DISTRICT
Schedule of General Serial Bonds
As of June 30, 2012

Improvement Description	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding June 30, 2012				Balance June 30, 2011	Refunded	Decreased	Balance June 30, 2012
			Date	Amount	Interest Rate	Balance June 30, 2011				
Refunding School Bonds	12/13/2006	\$ 6,110,000	3/15/2013	\$ 5,000	3.400%	\$ 6,030,000.00	\$	\$	\$ 6,025,000.00	
			3/15/2014	5,000	3.500%					
			3/15/2015	5,000	3.500%					
			3/15/2016	1,475,000	5.000%					
			3/15/2017	1,455,000	5.000%					
			3/15/2018	1,375,000	4.000%					
School Bonds			3/15/2019	1,105,000	4.000%					
			3/15/2020	600,000	4.000%					
			3/1/2013	310,000	2.000%	3,654,000.00		235,000.00	3,419,000.00	
		9/1/2010	3,654,000	3/1/2014	320,000	2.000%				
				3/1/2015	330,000	2.000%				
				3/1/2016	365,000	2.000%				
				3/1/2017	385,000	2.000%				
				3/1/2018	400,000	2.100%				
				3/1/2019	415,000	2.250%				
				3/1/2020	430,000	2.375%				
			3/1/2021	464,000	2.625%					
						\$ 20,099,000.00	\$ (35,000.00)	\$ 2,070,000.00	\$ 17,994,000.00	

STAFFORD TOWNSHIP SCHOOL DISTRICT
Schedule of Obligations Under Capital Lease
As of June 30, 2012

Description	Amount of Original Issue	Balance July 1, 2011	Issued Current Year	Retired Current Year	Balance June 30, 2012
3 School Buses	\$ 326,517	\$ 68,587.50	\$	68,587.50	\$ -
Textbook Lease	315,410	66,254.39		66,254.39	-
54 Passenger Bus	112,000	45,770.30		45,770.30	-
08/09 Textbook Lease	132,682	52,050.00		52,050.00	-
		<u>\$ 232,662.19</u>	<u>\$ -</u>	<u>232,662.19</u>	<u>\$ -</u>

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

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 2,469,393.00	\$ -	\$ 2,469,393.00	\$ 2,469,393.00	\$ -
State Sources:					
Debt Service Aid Type II	367,303.00	-	367,303.00	367,303.00	-
Total - State Sources	<u>367,303.00</u>	<u>-</u>	<u>367,303.00</u>	<u>367,303.00</u>	<u>-</u>
Total Revenues	<u>2,836,696.00</u>	<u>-</u>	<u>2,836,696.00</u>	<u>2,836,696.00</u>	<u>-</u>
EXPENDITURES:					
Regular Debt Service:					
Interest	766,698.00	-	766,698.00	764,063.48	2,634.52
Redemption of Principal	<u>2,070,000.00</u>	<u>-</u>	<u>2,070,000.00</u>	<u>2,070,000.00</u>	<u>-</u>
Total Regular Debt Service	<u>2,836,698.00</u>	<u>-</u>	<u>2,836,698.00</u>	<u>2,834,063.48</u>	<u>2,634.52</u>
Total Expenditures	<u>2,836,698.00</u>	<u>-</u>	<u>2,836,698.00</u>	<u>2,834,063.48</u>	<u>2,634.52</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(2.00)</u>	<u>-</u>	<u>(2.00)</u>	<u>2,632.52</u>	<u>2,634.52</u>
Other Financing Sources (Uses):					
Operating Transfers In:	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	<u>(2.00)</u>	<u>-</u>	<u>(2.00)</u>	<u>2,632.52</u>	<u>2,634.52</u>
Fund Balance, July 1	2.43	-	2.43	2.43	-
Fund Balance, June 30	<u>\$ 0.43</u>	<u>\$ -</u>	<u>\$ 0.43</u>	<u>\$ 2,634.95</u>	<u>\$ 2,634.52</u>

Statistical Section

STAFFORD TOWNSHIP SCHOOL DISTRICT
Net Assets by Component,
Last Ten Fiscal Years
(accrual basis of accounting)

Exhibit J-1

	Fiscal Year Ending June 30,									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Governmental activities										
Invested in capital assets, net of related debt	\$ 2,910,561.68	\$ 2,909,743.05	\$ 4,656,934.95	\$ 6,803,241.49	\$ 8,833,263.24	\$ 9,491,322.26	\$ 10,896,097.65	\$ 13,663,840.23	\$ 12,839,867.22	\$ 15,782,786.64
Restricted	(1,267,131.16)	(517,557.89)	662,076.93	(396,964.50)	(274,591.66)	(197,335.46)	(104,896.55)	(922,076.50)	2,045,880.07	2,496,675.06
Unrestricted	(907,389.97)	(1,271,141.86)	(2,103,968.12)	(923,318.39)	(2,044,813.13)	(2,071,495.36)	(2,051,055.72)	(3,094,412.36)	(2,679,306.20)	(3,015,990.02)
Total governmental activities net assets	<u>\$ 736,040.55</u>	<u>\$ 1,121,043.30</u>	<u>\$ 3,215,043.76</u>	<u>\$ 5,482,958.60</u>	<u>\$ 6,513,858.43</u>	<u>\$ 7,222,491.44</u>	<u>\$ 8,740,145.38</u>	<u>\$ 9,667,351.37</u>	<u>\$ 12,206,441.09</u>	<u>\$ 15,263,471.68</u>
Business-type activities										
Invested in capital assets, net of related debt	\$ 50,038.25	\$ 40,575.75	\$ 34,101.25	\$ 81,158.00	\$ 64,953.00	\$ 48,748.00	\$ 41,463.67	\$ 87,487.98	\$ 93,220.21	\$ 87,698.30
Restricted	32,835.50	105,143.91	(27,458.03)	(39,051.55)	(52,538.96)	(65,175.00)	(56,317.16)	(25,227.91)	2,853.29	19,539.29
Unrestricted	<u>\$ 82,873.75</u>	<u>\$ 145,719.66</u>	<u>\$ 6,643.22</u>	<u>\$ 42,106.45</u>	<u>\$ 12,414.04</u>	<u>\$ (16,427.00)</u>	<u>\$ (14,853.49)</u>	<u>\$ 62,260.07</u>	<u>\$ 96,073.50</u>	<u>\$ 107,237.59</u>
Total business-type activities net assets										
District-wide										
Invested in capital assets, net of related debt	\$ 2,960,599.93	\$ 2,950,318.80	\$ 4,691,036.20	\$ 6,884,399.49	\$ 8,898,216.24	\$ 9,540,070.26	\$ 10,937,561.32	\$ 13,771,328.21	\$ 12,933,087.43	\$ 15,870,484.94
Restricted	(1,267,131.16)	(517,557.89)	662,076.93	(396,964.50)	(274,591.66)	(197,335.46)	(104,896.55)	(922,076.50)	2,045,880.07	2,496,675.06
Unrestricted	(874,554.47)	(1,165,997.95)	(2,131,426.15)	(962,369.94)	(2,097,352.09)	(2,136,670.36)	(2,107,372.88)	(3,119,640.27)	(2,676,462.91)	(2,996,450.73)
Total district net assets	<u>\$ 818,914.30</u>	<u>\$ 1,266,762.96</u>	<u>\$ 3,221,686.98</u>	<u>\$ 5,525,065.05</u>	<u>\$ 6,526,272.47</u>	<u>\$ 7,206,064.44</u>	<u>\$ 8,725,291.89</u>	<u>\$ 9,729,611.44</u>	<u>\$ 12,302,914.59</u>	<u>\$ 15,370,709.27</u>

Source: CAFR Schedule A-1

STAFFORD TOWNSHIP SCHOOL DISTRICT
Changes in Net Assets,
Last Ten Fiscal Years
(accrual basis of accounting)

Exhibit J-2

	Fiscal Year Ending June 30,									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Expenses										
Governmental activities:										
Instruction:										
Regular	\$ 8,881,080.48	\$ 9,870,380.06	\$ 10,095,863.50	\$ 11,324,573.49	\$ 13,046,765.82	\$ 13,706,228.88	\$ 13,727,554.36	\$ 13,019,247.49	\$ 13,069,671.43	\$ 13,503,714.33
Special education	3,877,080.27	4,389,107.99	4,832,822.90	5,186,734.17	5,308,742.34	5,676,340.22	4,477,988.85	5,509,590.82	5,227,361.40	5,163,060.01
Other special education	676,867.45	751,260.47	748,826.64	1,032,127.74	1,462,339.82	1,462,218.20	1,378,605.65	1,079,663.14	1,181,898.07	1,065,038.82
Support Services:										
Tuition	285,806.53	219,547.55	72,583.46	89,492.05	128,482.08	180,262.57	240,542.56	359,056.93	321,639.74	314,111.59
Student & instruction related services	3,884,595.68	4,800,580.24	3,463,651.07	4,172,502.12	4,477,632.76	4,412,165.52	6,056,220.07	5,906,990.85	6,649,317.55	6,941,725.20
General administrative services	898,272.30	831,338.39	1,884,397.01	1,573,624.86	2,014,938.40	1,765,832.36	1,690,383.48	1,289,758.79	1,249,532.22	1,149,263.92
School administrative services	960,712.35	1,083,419.06	844,699.52	1,404,851.36	1,226,440.09	1,332,570.45	1,331,743.69	1,630,379.92	1,355,402.13	1,443,688.65
Central services	366,990.17	500,295.54	1,002,505.73	1,355,978.57	1,469,771.32	1,394,915.64	1,187,114.14	844,619.47	814,731.35	765,893.96
Plant operations and maintenance	2,362,542.22	2,264,511.24	2,338,255.70	2,910,112.60	4,069,731.48	3,712,939.36	3,922,214.47	6,460,430.98	3,744,672.77	4,038,262.09
Pupil transportation	1,202,815.22	1,676,623.12	1,553,863.58	1,863,361.12	2,121,809.37	2,325,163.47	2,005,998.39	2,032,917.19	1,757,150.67	2,388,758.72
Special Schools	239,492.46	263,049.10	277,615.90	319,432.44	314,855.44	297,147.09	294,205.34	934.57	-	-
Interest on long-term debt	1,108,025.00	989,735.00	1,550,713.74	1,080,450.18	896,032.41	937,619.22	925,779.14	792,073.86	736,442.03	722,094.46
Total governmental activities expenses	24,944,280.13	27,639,847.76	28,765,798.75	32,313,240.70	36,554,551.33	37,212,402.96	37,238,350.14	38,925,664.01	36,107,819.36	36,895,611.75
Business-type activities:										
Food service	537,643.44	579,624.39	661,688.62	638,122.12	659,988.33	680,837.66	617,600.14	563,879.19	692,746.89	789,656.02
Other	422,164.86	466,337.28	230,962.21	-	-	-	-	-	-	113,739.25
Total business-type activities expenses	959,808.30	1,045,961.67	892,650.83	638,122.12	659,988.33	680,837.66	617,600.14	563,879.19	692,746.89	903,395.27
Total business-type activities expenses	\$ 25,904,088.43	\$ 28,685,809.43	\$ 29,658,449.58	\$ 32,951,362.82	\$ 37,214,539.66	\$ 37,893,240.64	\$ 37,855,950.28	\$ 39,489,543.20	\$ 36,800,566.25	\$ 37,799,007.02

STAFFORD TOWNSHIP SCHOOL DISTRICT
Changes in Net Assets,
Last Ten Fiscal Years
(accrual basis of accounting)

Exhibit J-2

	Fiscal Year Ending June 30,									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Program Revenues										
Governmental activities:										
Charges for services:										
None										
Operating grants and contributions	\$ 1,813,298.38	\$ 2,214,767.35	\$ 2,278,775.64	\$ 2,421,914.91	\$ 2,132,775.93	\$ 2,014,739.42	\$ 2,031,225.51	\$ 2,218,113.92	\$ 2,014,289.58	\$ 2,238,638.46
Total governmental activities program revenues	\$ 1,813,298.38	\$ 2,214,767.35	\$ 2,278,775.64	\$ 2,421,914.91	\$ 2,132,775.93	\$ 2,014,739.42	\$ 2,031,225.51	\$ 2,218,113.92	\$ 2,014,289.58	\$ 2,238,638.46
Business-type activities:										
Charges for services:										
Food service	\$ 353,589.83	\$ 395,434.26	\$ 449,436.59	\$ 469,707.11	\$ 447,441.17	\$ 428,216.19	\$ 376,474.85	\$ 354,816.79	\$ 421,236.54	\$ 422,934.63
Other	\$ 438,853.24	\$ 538,675.30	\$ 281,981.05	\$ 174,493.22	\$ 182,854.75	\$ 223,780.43	\$ 242,698.80	\$ 286,175.96	\$ 305,323.78	\$ 150,164.21
Operating grants and contributions	\$ 151,446.69	\$ 176,695.02	\$ 188,665.11	\$ 644,200.33	\$ 630,295.92	\$ 651,996.62	\$ 619,173.65	\$ 640,992.75	\$ 726,560.32	\$ 341,460.52
Total business-type activities program revenue	\$ 943,891.76	\$ 1,106,804.58	\$ 919,072.75	\$ 1,288,397.67	\$ 1,160,591.84	\$ 1,332,183.24	\$ 1,248,347.30	\$ 1,276,005.50	\$ 1,453,114.44	\$ 914,559.36
Total district program revenue	\$ 2,757,190.14	\$ 3,321,571.93	\$ 3,197,848.39	\$ 3,710,312.58	\$ 3,293,367.77	\$ 3,346,922.66	\$ 3,279,572.81	\$ 3,494,119.42	\$ 3,467,404.02	\$ 3,153,197.82
Net (Expense)/Revenue										
Governmental activities	\$ (23,130,981.75)	\$ (25,425,080.41)	\$ (26,487,023.11)	\$ (29,891,325.79)	\$ (34,421,775.40)	\$ (35,197,663.56)	\$ (35,207,124.63)	\$ (36,707,550.09)	\$ (34,093,529.78)	\$ (34,656,973.29)
Business-type activities	\$ (15,916.54)	\$ 62,845.91	\$ 25,421.92	\$ 6,078.21	\$ (29,692.41)	\$ (28,841.04)	\$ 1,573.51	\$ 77,113.56	\$ 33,813.43	\$ 11,164.09
Total district-wide net expense	\$ (23,146,898.29)	\$ (25,362,234.50)	\$ (26,461,601.19)	\$ (29,885,247.58)	\$ (34,451,467.81)	\$ (35,226,504.60)	\$ (35,205,551.12)	\$ (36,630,436.53)	\$ (34,059,716.35)	\$ (34,645,809.20)

STAFFORD TOWNSHIP SCHOOL DISTRICT
Changes in Net Assets,
Last Ten Fiscal Years
(accrual basis of accounting)

Exhibit J-2

	Fiscal Year Ending June 30,									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General Revenues and Other Changes in Net Assets										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 12,861,722.00	\$ 14,391,605.00	\$ 15,464,056.00	\$ 17,762,249.00	\$ 21,740,982.00	\$ 22,542,559.00	\$ 22,807,863.00	\$ 22,729,674.00	\$ 23,232,029.00	\$ 23,039,850.00
Taxes levied for debt service	1,258,061.00	1,286,566.00	2,197,969.00	2,026,463.00	1,989,017.00	2,093,202.00	2,070,154.00	2,280,974.00	2,273,050.00	2,469,393.00
Unrestricted grants and contributions	8,386,502.26	9,284,566.56	9,686,863.78	10,050,484.21	10,861,740.98	11,528,484.51	11,504,723.51	11,912,569.70	10,662,652.65	11,755,877.19
Tuition revenue	624,700.04	532,210.76	607,589.99	267,722.70	239,608.40	245,010.43	202,405.38	119,551.83	136,291.28	93,740.25
Miscellaneous income	96,942.73	313,134.84	634,544.80	2,168,220.08	621,316.85	153,661.46	139,632.68	591,996.55	328,596.57	355,143.44
Adjustment to Fixed Assets				(115,888.36)		(656,620.83)				
Total governmental activities	23,227,928.03	25,810,083.16	28,581,023.57	32,159,240.63	35,452,675.23	35,906,286.57	36,724,778.57	37,634,756.08	36,632,619.50	37,714,003.88
Business-type activities:										
Adjustment to Fixed Assets	38,839.07	-	(164,498.36)	29,385.02	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-	-
Total business-type activities	38,839.07	-	(164,498.36)	29,385.02	-	-	-	-	-	-
Total district-wide	\$ 23,266,767.10	\$ 25,810,083.16	\$ 28,416,525.21	\$ 32,188,625.65	\$ 35,452,675.23	\$ 35,906,286.57	\$ 36,724,778.57	\$ 37,634,756.08	\$ 36,632,619.50	\$ 37,714,003.88
Changes in Net Assets										
Governmental activities	\$ 96,946.28	\$ 385,002.75	\$ 2,094,000.46	\$ 2,267,914.84	\$ 1,030,899.83	\$ 708,633.01	\$ 1,517,653.94	\$ 927,205.99	\$ 2,539,089.72	\$ 3,057,030.59
Business-type activities	22,922.53	62,845.91	(139,076.44)	36,463.23	(29,692.41)	(28,841.04)	1,573.51	77,113.56	33,813.43	11,164.09
Total district	\$ 119,868.81	\$ 447,848.66	\$ 1,954,924.02	\$ 2,303,378.07	\$ 1,001,207.42	\$ 679,791.97	\$ 1,519,227.45	\$ 1,004,319.55	\$ 2,572,903.15	\$ 3,068,194.68

Source: CAFR, Schedule A-2

STAFFORD TOWNSHIP SCHOOL DISTRICT
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
General Fund										
Reserved	\$ 652,337.65	\$ 287,221.81	\$ 1,570,347.03	\$ 1,988,524.61	\$ 743,882.89	\$ 1,127,969.00	\$ 1,928,239.71	\$ 1,195,410.39	\$ 1,682,453.58	\$ 2,814,649.16
Unreserved	238,202.94	834,372.37	213,796.48	110,037.49	317,164.00	213,819.44	(171,516.03)	(257,724.36)	(125,933.82)	\$ (225,939.62)
Total general fund	\$ 890,540.59	\$ 1,121,594.18	\$ 1,784,143.51	\$ 2,098,562.10	\$ 1,061,046.89	\$ 1,341,788.44	\$ 1,756,723.68	\$ 937,686.03	\$ 1,556,519.76	\$ 2,588,709.54
All Other Governmental Funds										
Reserved	\$ 1.00	\$ 11,503,327.24	\$ 5,526,900.33	\$ 316,120.33	\$ 69,019.00	\$ -	\$ 47,455.94	\$ 1,357,939.59	\$ 1,715,830.07	\$ 847,929.06
Unreserved, reported in:										
Special revenue fund	(8,991.25)	(4,066.00)	(4,085.00)	(4,085.00)	(4,085.00)	(4,085.00)	(22,440.00)	(22,440.00)	-	-
Capital projects fund	1,046,608.37	1,647,535.05	(4,354,240.38)	(316,120.33)	-	-	(226,908.74)	(2,489,968.05)	-	-
Debt service fund	0.72	30,001.72	30,001.98	99,020.50	42,574.32	42,574.54	1.25	1.96	-	-
Total all other governmental funds	\$ 1,037,618.84	\$ 13,176,798.01	\$ 1,198,576.93	\$ 94,935.50	\$ 107,508.32	\$ 38,489.54	\$ (201,891.55)	\$ (1,154,466.50)	\$ 1,715,830.07	\$ 847,929.06

Source: CAFR Schedule B-1

STAFFORD TOWNSHIP SCHOOL DISTRICT
Changes in Fund Balances, Governmental Funds,
Last Ten Fiscal Years

Exhibit J-4

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Revenues										
Tax Levy	\$ 14,119,783	\$ 15,680,171	\$ 17,652,025	\$ 19,788,702	\$ 23,730,009	\$ 24,635,761	\$ 24,878,017	\$ 25,010,648	\$ 25,505,079	\$ 25,509,243
Miscellaneous	721,643	845,346	1,254,170	2,435,943	860,925	398,672	342,038	711,548	464,888	448,863.69
State sources	9,463,640	10,358,801	10,816,025	15,373,091	12,089,047	12,715,983	12,584,202	11,381,005	11,290,957	12,530,711.25
Federal sources	736,161	1,139,608	1,137,580	1,137,428	905,470	827,241	951,747	2,749,669	1,385,986	1,463,804.40
Total revenue	25,041,226	28,023,926	30,859,799	38,735,164	37,585,451	38,577,657	38,756,004	39,852,870	38,646,909	39,952,642.34
Expenditures										
Instruction:										
Regular instruction	6,432,510	6,737,977	7,395,859	8,189,390	9,277,395	9,496,696	9,784,401	9,757,634	9,106,728	9,668,890.99
Special education instruction	2,963,203	3,143,867	3,663,489	3,862,592	3,907,650	4,141,646	3,422,882	4,091,774	3,929,064	3,696,839.49
Other special education instruction	480,734	507,254	537,466	715,571	1,009,066	899,123	953,613	801,827	804,822	762,586.06
Support Services:										
Tuition	285,807	219,548	72,583	89,492	128,492	189,263	240,543	359,057	321,640	314,111.59
Student & instruction related services	2,946,126	3,541,936	2,636,340	3,115,357	3,389,382	3,408,632	4,307,988	4,404,687	4,730,005	4,540,783.98
General administrative services	681,072	692,597	1,653,967	1,076,391	1,490,094	1,275,661	1,221,056	1,215,731	912,071	822,892.54
School administrative services	775,223	730,067	605,311	957,719	817,106	894,073	916,022	901,225	919,661	1,033,705.82
Business / Central services	295,614	337,127	700,945	984,597	1,080,523	1,006,679	927,975	629,810	583,438	548,393.29
Plant operations and maintenance	2,125,107	2,108,783	2,241,950	2,799,797	3,717,323	3,413,069	3,331,635	4,112,068	3,271,453	3,250,609.50
Pupil transportation	1,054,379	1,229,626	1,628,921	1,344,570	1,511,900	1,566,294	1,448,866	1,495,478	1,604,162	1,605,623.61
Unallocated employee benefits	4,958,369	5,826,372	5,283,162	6,341,537	7,927,376	8,241,871	8,241,554	8,353,200	8,425,065	8,391,251.45
Special Schools	169,782	177,396	199,150	223,334	218,980	205,721	204,553	935	-	-
Capital outlay	1,800,856	2,302,784	12,737,815	7,265,426	1,509,073	976,379	963,302	2,925,746	1,681,952	2,318,601.77
Debt service:										
Principal	1,190,000	1,205,000	1,235,000	1,485,000	1,610,000	1,670,000	1,730,000	1,755,000	1,770,000	2,070,000.00
Interest and other charges	803,275	725,185	1,583,514	1,073,614	1,016,033	980,829	887,061	820,311	751,718	764,063.48
Total Expenditures	26,962,055	29,495,518	42,175,471	39,524,387	38,610,394	38,365,934	38,581,450	41,024,483	38,811,779	39,788,353.57
Excess (Deficiency) of revenues over (under) expenditures	(1,920,828)	(1,461,592)	(11,315,672)	(789,223)	(1,024,942)	211,723	174,554	(1,771,613)	(164,870)	164,288.77
Other Financing Sources (Uses)										
Capital Leases / Bond Proceeds	2,250,000	13,831,825	-	-	-	-	-	-	3,654,000	-
Total other financing sources (uses)	2,250,000	13,831,825	-	-	-	-	-	-	3,654,000	-
Net change in fund balances	\$ 329,172	\$ 12,370,233	\$ (11,315,672)	\$ (789,223)	\$ (1,024,942)	\$ 211,723	\$ 174,554	\$ (1,771,613)	\$ 3,489,130.30	\$ 164,288.77
Debt service as a percentage of noncapital expenditures	7.92%	7.10%	9.57%	7.93%	7.08%	7.09%	6.96%	6.65%	6.79%	7.56%

Source: CAFR Schedule B-2

STAFFORD TOWNSHIP SCHOOL DISTRICT
General Fund Other Local Revenue by Source,
Last Ten Fiscal Years
 Unaudited

Exhibit J-5

Fiscal Year Ended June 30,	Interest on Investments	Tuition Revenue	Legal Settlement	Lease Purchase Proceeds	Miscellaneous	Totals
2003	\$ 26,231.25	\$ 624,700.04	\$	\$	68,218.75	\$ 719,150.04
2004	16,780.72	532,210.76			173,623.25	722,614.73
2005	91,919.63	607,589.99	297,000.00		56,085.82	1,052,595.44
2006	181,405.31	267,722.70		1,744,306.82	56,562.67	2,249,997.50
2007	203,578.14	239,608.40		255,693.18	94,005.99	792,885.71
2008	123,765.95	245,010.43			29,895.51	398,671.89
2009	72,279.01	202,405.38			67,353.67	342,038.06
2010	36,513.42	119,551.83			82,772.32	238,837.57
2011	41,935.89	136,291.28			122,151.53	300,378.70
2012	4,656.16	93,740.25			174,101.26	272,497.67

Source: District Records

STAFFORD TOWNSHIP SCHOOL DISTRICT
Assessed Value and Actual Value of Taxable Property,
Last Ten Fiscal Years

Exhibit J-6

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Regular	Q Farm	Commercial	Industrial	Apartment	Total Assessed Value	Memo Only Tax-exempt Property	Public Utilities	Net Valuation Taxable	Total District School Tax Rate	Estimated County Equalized Value
2003	\$ 73,296,500	\$ 1,730,430,400	\$ 1,124,400	121,100	\$ 209,802,500	\$ 1,040,100	\$ 3,530,000	\$ 2,019,345,000	\$ 178,054,400	6,353,761	\$ 2,025,698,761	0.7719	\$ 2,314,075,397
2004	64,110,200	1,791,707,300	687,400	95,300	226,970,300	1,040,100	3,530,000	2,088,140,600	180,195,700	5,103,247	2,093,243,847	0.7774	2,877,333,500
2005	181,471,900	3,542,196,500	1,573,200	96,500	357,989,000	3,834,600	4,230,600	4,091,394,300	268,457,700	6,653,431	4,098,047,731	0.843	3,510,966,298
2006	172,223,900	3,625,285,400	1,073,200	97,400	388,225,500	3,834,600	4,693,600	4,195,433,600	277,659,800	6,191,967	4,201,625,567	0.483	4,267,005,500
2007	164,068,700	3,671,707,400	1,067,300	60,100	402,267,300	1,116,400	4,965,400	4,245,253,200	276,042,500	5,646,437	4,250,899,637	0.584	4,865,060,787
2008	158,577,700	3,703,660,100	1,061,000	60,200	414,223,900	1,116,400	4,965,400	4,284,164,700	283,626,900	5,775,343	4,289,940,043	0.580	5,099,786,071
2009	144,474,100	3,736,685,000	823,400	63,000	452,992,500	712,700	4,965,400	4,340,716,100	365,410,600	6,082,568	4,346,798,668	0.580	5,172,986,627
2010	131,655,800	3,761,987,100	830,300	64,000	456,964,400	712,700	4,965,400	4,357,179,700	368,266,900	6,504,297	4,363,683,997	0.575	5,030,214,504
2011	124,154,700	3,779,863,900	830,300	64,000	455,476,000	712,700	4,965,400	4,366,067,000	381,729,751	5,806,160	4,371,873,160	0.584	4,855,273,796
2012			830,300	Detail Unavailable				4,373,613,000	Unavailable	6,142,881	4,379,755,881	0.598	4,571,977,519

r = reassessment

Source: County Abstract of Rates and Municipal Tax Assessor

STAFFORD TOWNSHIP SCHOOL DISTRICT
Direct and Overlapping Property Tax Rates,
Last Ten Fiscal Years
(rate per \$100 of assessed value)

Exhibit J-7

Fiscal Year Ended June 30,	STAFFORD TOWNSHIP SCHOOL DISTRICT					Overlapping Rates					Total Direct and Overlapping Tax Rate
	Basic Rate	General Obligation Debt Service	Total Direct	County General	County Library	County Health	County Open Space	Southern Regional	Municipal Local Purpose		
2003	\$ 0.648	\$ 0.071	\$ 0.719	\$ 0.475	\$ 0.049	\$ 0.019	\$ 0.013	\$ 0.278	\$ 0.784	\$ 2.337	
2004	0.705	0.069	0.774	0.470	0.050	0.021	0.013	0.293	0.818	2.439	
2005	0.776	0.067	0.843	0.497	0.054	0.023	0.017	0.357	0.857	2.648	
2006	r 0.452	0.031	0.483	0.276	0.029	0.013	0.011	0.171	0.504	1.487	
2007	0.516	0.048	0.564	0.288	0.031	0.013	0.012	0.174	0.543	1.625	
2008	0.534	0.046	0.580	0.294	0.035	0.015	0.014	0.190	0.581	1.709	
2009	0.533	0.047	0.580	0.302	0.036	0.015	0.014	0.197	0.619	1.763	
2010	0.523	0.052	0.575	0.304	0.036	0.015	0.014	0.194	0.655	1.793	
2011	0.532	0.052	0.584	0.313	0.036	0.014	0.014	0.201	0.684	1.846	
2012	0.542	0.056	0.598	0.316	0.036	0.013	0.013	0.214	0.717	1.907	

* = Includes Municipal Open Space Tax of \$0.01 effective in 2003 and every year thereafter.

r = reassessment

Source: District Records and Municipal Tax Collector

STAFFORD TOWNSHIP SCHOOL DISTRICT
Principal Property Tax Payers,
Current Year and Nine Years Ago

Exhibit J-8

Taxpayer	2012			2003		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
72 Associates - Shoprite	\$ 25,372,600	1	0.58%	\$ 16,694,300	1	0.82%
ACI Manahawkin LLC	16,632,500	2	0.38%			
81 Associates	14,859,500	3	0.34%			
321 Martin Truex Jr. Blvd. LLC	14,850,000	4	0.34%			
JAM Properties, LLC - Holiday Inn	12,197,400	5	0.28%	7,668,300	5	0.38%
Wal-Mart	11,600,000	6	0.26%			
HD Development of Md.	11,182,500	7	0.26%			
Davis and Associates	11,137,300	8	0.25%			
ACI Manahawkin LLC - K-Mart	9,790,000	9	0.22%	14,800,000	2	0.73%
Manahawkin Plaza	7,019,200	10	0.16%			
AT & T				9,888,100	3	0.49%
Home Depot				7,986,600	4	0.39%
Capstone Capital				7,035,100	6	0.35%
Stafford Associates				6,555,400	7	0.32%
HW of Manahawkin				5,019,700	8	0.25%
Carol Vanstuart Corp.				4,480,400	9	0.22%
Totals	\$ 134,641,000		3.07%	\$ 80,127,900		3.96%
	District Assessed Value		\$ 4,379,755,881			\$ 2,025,698,761

Source: District CAFR & Municipal Tax Assessor

STAFFORD TOWNSHIP SCHOOL DISTRICT
Property Tax Levies and Collections,
Last Ten Fiscal Years

Exhibit J-9

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2003	\$ 14,119,783.00	\$ 14,119,783.00	100%	-
2004	15,680,171.00	15,680,171.00	100%	-
2005	17,652,025.00	17,652,025.00	100%	-
2006	19,788,702.00	19,788,702.00	100%	-
2007	23,730,009.00	23,730,009.00	100%	-
2008	24,635,761.00	24,635,761.00	100%	-
2009	24,878,017.00	24,878,017.00	100%	-
2010	25,010,648.00	25,010,648.00	100%	-
2011	25,505,079.00	25,505,079.00	100%	-
2012	25,509,243.00	25,509,243.00	100%	-

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

STAFFORD TOWNSHIP SCHOOL DISTRICT
Ratios of Outstanding Debt by Type,
Last Ten Fiscal Years

Exhibit J-10

Fiscal Year Ended June 30,	Governmental Activities			Bond / Grant Anticipation Notes (BANs)	Capital Leases	Business-Type Activities		Total District	Percentage of Personal Income	Per Capita Personal Income
	General Obligation Bonds	Capital Leases				Capital Leases				
2003	\$ 13,310,000	\$ 1,456,198	\$ 2,000,000	-	-	16,766,198	0.15%	\$ 33,029		
2004	27,329,000	1,552,449	-	-	-	28,881,449	0.09%	33,567		
2005	26,094,000	1,108,624	-	-	-	27,202,624	0.09%	34,497		
2006	24,834,000	2,995,147	7,000,000	-	-	34,829,147	0.07%	36,773		
2007	23,370,000	2,208,839	-	-	-	25,578,839	0.10%	39,214		
2008	21,700,000	1,936,188	-	-	-	23,636,188	0.11%	40,975		
2009	19,970,000	1,450,647	2,000,000	-	-	23,420,647	0.11%	39,331		
2010	18,215,000	838,752	2,000,000	-	-	21,053,752	0.19%	40,291		
2011	20,099,000	232,662	-	-	-	20,331,662	0.20%	40,291		
2012	17,994,000	-	-	-	-	17,994,000	0.22%	40,291		

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

STAFFORD TOWNSHIP SCHOOL DISTRICT
Ratios of Net General Bonded Debt Outstanding,
Last Ten Fiscal Years

Exhibit J-11

Fiscal Year Ended June 30,	Governmental Activities		Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value of Property	Per Capita Personal Income
	General Obligation Bonds	Deductions			
2003	\$ 13,310,000	\$	\$ 13,310,000	0.66%	\$ 33,029
2004	27,329,000		27,329,000	1.31%	33,567
2005	26,094,000		26,094,000	0.64%	34,497
2006	24,834,000		24,834,000	0.59%	36,773
2007	23,370,000		23,370,000	0.55%	39,214
2008	21,700,000		21,700,000	0.51%	40,975
2009	19,970,000		19,970,000	0.46%	39,331
2010	18,215,000		18,215,000	0.42%	40,291
2011	20,099,000		20,099,000	0.46%	40,291
2012	17,994,000		17,994,000	0.41%	40,291

STAFFORD TOWNSHIP SCHOOL DISTRICT
Direct and Overlapping Governmental Activities Debt,
As of December 31, 2011

Exhibit J-12

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Debt Repaid with Property Taxes			
Local Municipality	\$ 74,035,929.00	100.00%	\$ 74,035,929.00
Other Debt			
Southern Regional School District	8,115,000.00	22.94%	1,861,632.30
County of Ocean	426,609,143.00	4.62%	19,710,544.96
Subtotal, Overlapping Debt			<u>95,608,106.27</u>
Stafford Township School District Direct Debt	19,539,000.00	100.00%	<u>19,539,000.00</u>
Total Direct and Overlapping Debt			<u><u>\$ 115,147,106.27</u></u>

Sources: Annual Debt Statement

STAFFORD TOWNSHIP SCHOOL DISTRICT
 Legal Debt Margin Information
 Last Ten Fiscal Years

Exhibit J-13

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Debt limit	\$ 49,998,426	\$ 58,370,683	\$ 70,268,413	\$ 86,289,069	\$ 103,322,467	\$ 116,865,506	\$ 124,719,780	\$ 126,240,053	\$ 124,487,427	\$ 119,983,827
Total net debt applicable to limit	28,534,000	27,329,000	26,094,000	24,834,000	23,730,000	22,105,000	18,745,000	19,970,000	21,324,000	19,539,000
Legal debt margin	\$ 21,464,426	\$ 31,041,683	\$ 44,174,413	\$ 61,455,069	\$ 79,592,467	\$ 94,760,506	\$ 105,974,780	\$ 106,270,053	\$ 103,173,427	\$ 100,444,827
Total net debt applicable to the limit as a percentage of debt limit	57.07%	46.82%	37.13%	28.78%	22.97%	18.91%	18.91%	15.82%	17.13%	16.28%

Equalized valuation basis	
2011	\$ 4,557,956,989
2010	4,837,548,240
2009	5,002,553,983
	<u>\$ 14,398,059,222</u>

Average equalized valuation of taxable property	
	\$ 4,799,353,074
Debt limit (2.5% of average)	
Net bonded school debt	119,983,827
Legal debt margin	19,539,000
	<u>\$ 100,444,827</u>

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

**STAFFORD TOWNSHIP SCHOOL DISTRICT
Demographic and Economic Statistics,
Last Ten Fiscal Years**

Exhibit J-14

<u>Fiscal Year Ended June 30,</u>	<u>Population</u>	<u>Personal Income (thousands of dollars)</u>	<u>* Per Capita Personal Income</u>	<u>Unemployment Rate</u>
2003	24,368	\$ 804,851	\$ 33,029	5.3%
2004	24,939	837,127	33,567	5.2%
2005	25,514	880,156	34,497	3.8%
2006	26,076	958,893	36,773	4.3%
2007	26,260	1,029,760	39,214	3.9%
2008	26,491	1,085,469	40,975	5.3%
2009	26,818	1,054,779	39,331	8.8%
2010	26,584	1,071,096	40,291	9.50%
2011	26,665	Not Available	Not Available	9.40%
2012	Not Available	Not Available	Not Available	Not Available

* = This data is only available for the year 1999.

**STAFFORD TOWNSHIP SCHOOL DISTRICT
Principal Employers,
Current Year and Nine Years Ago**

Exhibit J-15

ACCURATE INFORMATION NOT AVAILABLE

**STAFFORD TOWNSHIP SCHOOL DISTRICT
Full-Time Equivalent District Employees by Function/Program,
Last Ten Fiscal Years**

Exhibit J-16

<u>Function/Program</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Instruction:										
Regular instruction	124	132	142	145	145	152	171	173	167	170
Special education instruction	58	59	55	57	56	54	36	35	34	33
Support Services:										
Student & instruction related services	115	124	126	138	136	132	84	84	87	76
General administrative services	4	5	6	5	4	5	2	2	2	2
School administrative services	50	41	38	33	32	40	36	39	39	39
Business administrative services	17	17	18	19	19	17	10	10	10	11
Plant operations and maintenance / Security	20	19	20	20	18	27	18	15	17	22
Pupil transportation	38	35	40	38	38	34	27	26	26	24
Total	426	432	445	455	448	461	384	384	382	377

Source: District Personnel Records

STAFFORD TOWNSHIP SCHOOL DISTRICT
Operating Statistics,
Last Ten Fiscal Years

Exhibit J-17

Fiscal Year Ended June 30,	Enrollment	Operating Expenditures	Cost per Pupil	% Change	Teaching Staff	Pupil/Teacher Ratio			Average Daily Enrollment (ADE)	Average Daily Attendance (ADE)	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary School	Middle School	High School				
2003	2,424	23,167,924	9,558	4.57%	191	1:12	1:12	2,424	2,295	5.90%	94.68%	
2004	2,452	25,252,549	10,299	7.75%	197	1:12	1:12	2,447	2,319	0.95%	94.77%	
2005	2,515	26,619,142	10,584	2.77%	202	1:14	1:14	2,515	2,383	2.78%	94.75%	
2006	2,520	29,700,346	11,786	11.35%	201	1:14	1:14	2,518	2,385	0.12%	94.70%	
2007	2,523	34,475,288	13,769	16.82%	221	1:14	1:14	2,510	2,392	-0.32%	95.30%	
2008	2,481	34,738,726	14,108	2.46%	222	1:14	1:14	2,481	2,366	-1.16%	95.36%	
2009	2,508	35,001,087	14,403	2.10%	207	1:12	1:12	2,493	2,375	0.48%	95.27%	
2010	2,471	36,123,426	14,619	1.50%	210	1:12	1:12	2,446	2,326	-1.89%	95.09%	
2011	2,389	34,608,110	15,124	3.45%	201	1:12	1:12	2,378	2,257	-2.78%	94.91%	
2012	2,323	34,635,688	14,910	-1.42%	203	1:11	1:11	2,310	2,202	-2.86%	95.32%	

Source: District records

STAFFORD TOWNSHIP SCHOOL DISTRICT
School Building Information,
Last Ten Fiscal Years

Exhibit J-18

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<u>District Buildings</u>										
<u>Elementary</u>										
Oxyococus School										
Square Feet	56,528	56,528	56,528	56,528	56,528	56,528	56,528	56,528	56,528	56,528
Capacity (students)	307	307	307	307	307	307	307	307	307	307
Enrollment	315	321	313	330	234	233	222	219	122	121
Ocean Acres School										
Square Feet	110,000	110,000	110,000	110,000	110,000	110,000	110,000	110,000	110,000	110,000
Capacity (students)	744	744	744	744	744	744	744	744	744	744
Enrollment	705	706	710	745	497	522	529	516	605	606
McKinley School										
Square Feet	65,000	65,000	132,500	132,500	132,500	132,500	132,500	132,500	132,500	132,500
Capacity (students)	726	726	726	726	726	726	726	726	726	726
Enrollment	688	699	713	706	722	703	719	724	643	593
RLM - PLC										
Square Feet	-	-	-	-	49,262	49,262	49,262	49,262	49,262	49,262
Capacity (students)	-	-	-	-	339	339	339	339	339	339
Enrollment	-	-	-	-	325	289	298	313	295	266
<u>Middle School</u>										
Intermediate School										
Square Feet	98,102	98,102	110,000	110,000	110,000	110,000	110,000	110,000	110,000	110,000
Capacity (students)	734	734	734	734	734	734	734	734	734	734
Enrollment	659	693	735	732	735	734	746	699	721	737
<u>Other</u>										
Administration										
Square Feet	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000
Curriculum Center										
Square Feet	2,476	2,476	2,476	2,476	2,476	2,476	2,476	2,476	2,476	2,476
Transportation										
Square Feet	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500

Number of Schools at June 30, 2011

Elementary - 4

Middle - 1

Other - 3

Source: District Records, ASSA

STAFFORD TOWNSHIP SCHOOL DISTRICT
General Fund
Schedule of Required Maintenance for School Facilities,
Last Ten Fiscal Years
(Unaudited)

Undistributed Expenditures - Required Maintenance for School Facilities

School Facilities	Project # (s)	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Ocean Acres Elementary	N/A	\$ 36,219	\$ 26,851	\$ 25,705	\$ 26,860	\$ 30,793	\$ 25,462	\$ 29,961	\$ 27,666	\$ 52,860	\$ 31,730
Oxycoccus Elementary	N/A	26,472	16,601	16,071	16,618	19,051	14,618	16,568	17,423	32,701	17,423
McKinley Elementary	N/A	28,620	18,967	18,884	18,972	21,750	35,992	39,558	38,797	102,504	63,897
Stafford Intermediate	N/A	34,942	25,749	25,674	25,765	29,537	26,481	25,961	26,531	50,703	29,717
Ronald L. Meinders PLC	N/A	-	-	-	14,089	16,152	12,090	14,583	14,090	27,737	14,090
Total School Facilities		126,253	88,168	86,334	102,304	117,283	114,643	126,631	124,507	266,505	156,857
Other Facilities		33,781	2,578	2,458	2,593	2,973	2,326	2,394	3,072	6,573	178,965
Grand Total		\$ 160,034	\$ 90,746	\$ 88,792	\$ 104,897	\$ 120,256	\$ 116,969	\$ 129,025	\$ 127,579	\$ 273,078	\$ 335,822

STAFFORD TOWNSHIP SCHOOL DISTRICT
Insurance Schedule
For the Fiscal Year Ended June 30, 2012
(Unaudited)

Exhibit J-20

Company	Type of Coverage	Amount of Coverage	Deductible
School Package Policy			
	Property	\$ 2,500,000,000	\$ 500.00
	Newly Acquired Property	5,000,000	
	Contractors Mobile Equipment	5,000,000	
	Comprehensive Automotive Liability	1,000,000	
	Earthquake	10,000,000	
	Flood	10,000,000	
	Blanket Dishonesty Bond	25,000	
	Workers Compensation	Statutory	
	School Board Legal Liability	1,000,000	

Single Audit Section

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**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**

Honorable President and
Members of the Board of Education
Stafford Township Board of Education
Manahawkin, New Jersey

We have audited the basic financial statements of the Board of Education of the Stafford Township School District, State of New Jersey, as of and for the fiscal year ended June 30, 2012, and have issued our report thereon dated October 19, 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 audit requirements presented by the Division of Finance, Department of Education, State of New Jersey.

Internal Control Over Financial Reporting

Management of the Stafford Township School District is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Stafford Township Board of Education's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the basic financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Stafford Township Board of Education's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Stafford Township Board of Education'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 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 entity's financial statements will not be prevented, 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 would not necessarily 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 Stafford Township Board of Education's basic 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 basic 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 prescribed by the Division of Finance, Department of Education, State of New Jersey.

This report is intended solely for the information and use of management of the Stafford Township Board of Education, others within the entity, the New Jersey State Department of Education (the cognizant audit agency), other state and federal awarding agencies and pass-through entities, and is not intended and should not be used by anyone other than these parties.

Ford, Scott & Associates, L.L.C.
FORD, SCOTT & ASSOCIATES, L.L.C.
CERTIFIED PUBLIC ACCOUNTANTS

Michael S. Garcia
Michael S. Garcia
Certified Public Accountant
Licensed Public School Accountant
No. 2080

October 19, 2012

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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

Honorable President and
Members of the Board of Education
Stafford Township Board of Education
Manahawkin, New Jersey

Compliance

We have audited the Board of Education of the Cape Stafford Township School District, State of New Jersey, compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (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 its major federal and state programs for the fiscal year ended June 30, 2012. The Board of Education's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal and state programs is the responsibility of the Board of Education's management. Our responsibility is to express an opinion on the Board of Education's compliance based on our audit.

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

In our opinion, the Stafford Township Board of Education School District, in the county of Ocean, State of New Jersey complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal and state programs for the year ended June 30, 2012.

Internal Control Over Compliance

The management of Stafford Township Board of Education 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 Stafford Township Board of Education's internal control over compliance with requirements that could have a direct and material effect on a major federal or state program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, 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 Stafford Township Board of Education's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal 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, detected and corrected, on a timely basis.

Our consideration of the 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 of the management of the Stafford Township Board of Education, others within the entity, the New Jersey State Department of Education (cognizant audit agency), other state and federal awarding agencies and pass-through entities, and is not intended and should not be used by anyone other than these parties.

Ford, Scott & Associates, L.L.C.
FORD, SCOTT & ASSOCIATES, L.L.C.
CERTIFIED PUBLIC ACCOUNTANTS

Michael S. Garcia
Michael S. Garcia
Certified Public Accountant
Licensed Public School Accountant
No. 2080

October 19, 2012

STAFFORD TOWNSHIP 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 at June 30, 2011	Carryover/(Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	(Accounts Receivable) at June 30, 2012	Deferred Revenue	Due to Grantor at June 30, 2012
U.S. Department of Education													
General Fund:													
Medical Assistance Program (SEMI)	93-778	N/A	\$ 63,983.44	9/1/2011	8/31/2012	\$ -	\$ 63,983.44	\$ (63,983.44)	\$ -	\$ -	\$ -	\$ -	\$ -
ARRA - Education Jobs Fund	84-410	N/A	336,398.00	9/1/2011	8/31/2012	-	315,551.91	(336,398.00)	-	-	(20,846.09)	-	-
Total General Fund							379,535.35	(400,381.44)	-	-	(20,846.09)	-	-
U.S. Department of Education													
Passed-Through State Department Education:													
Special Revenue Fund:													
Title I	84-010	NCLB 12	266,706.00	9/1/2011	8/31/2012	-	206,393.00	(247,051.40)	-	-	(60,313.00)	19,654.60	-
Title I	84-010	NCLB 11	244,131.00	9/1/2010	8/31/2011	(78,642.00)	78,642.00	-	-	-	-	-	-
Title I, ARRA	84-389	NCLB 10	138,861.00	7/1/2009	8/31/2011	(46,598.00)	46,598.00	-	-	-	-	-	-
I.D.E.A. Part B, Basic Regular	84-027	FT 12	554,573.00	9/1/2011	8/31/2012	-	483,599.00	(554,573.00)	-	-	(70,974.00)	-	-
I.D.E.A. Part B, Basic Regular	84-027	FT 11	555,355.00	9/1/2010	8/31/2011	(79,870.00)	79,870.00	-	-	-	-	-	-
I.D.E.A. Part B, Basic Regular, ARRA	84-391	FT 10	604,136.00	7/1/2009	9/30/2011	(34,928.00)	34,928.00	-	-	-	-	-	-
I.D.E.A. Part B, Preschool	84-173	FT 12	40,850.00	9/1/2011	8/31/2012	-	32,990.00	(40,850.00)	-	-	(7,860.00)	-	-
I.D.E.A. Part B, Preschool	84-173	FT 11	41,046.00	9/1/2010	8/31/2011	(1,918.00)	1,918.00	-	-	-	-	-	-
I.D.E.A. Part B, Preschool, ARRA	84-392	FT 10	21,826.00	7/1/2009	9/30/2011	(312.00)	312.00	-	-	-	-	-	-
Title IIA	84-367A	NCLB 12	84,710.00	9/1/2011	8/31/2012	-	64,386.00	(84,710.00)	-	-	(20,324.00)	-	-
Title IIA	84-367A	NCLB 11	94,841.00	9/1/2010	8/31/2011	(16,925.00)	16,925.00	-	-	-	-	-	-
Title IID	84-318	NCLB 11	523.00	9/1/2010	8/31/2011	(1.00)	1.00	-	-	-	-	-	-
Title IIIA	84-365	NCLB 12	48,991.00	9/1/2011	8/31/2012	(8,090.00)	43,835.00	(48,981.00)	-	-	(5,146.00)	-	-
Title IIIA	84-365	NCLB 11	46,896.00	9/1/2010	8/31/2011	(11,150.82)	8,090.00	-	-	-	-	-	-
REMS	84-184E	N/A	149,562.00	9/1/2010	8/31/2012	(278,434.82)	53,241.85	(84,170.15)	-	-	(53,146.31)	11,067.19	-
Total Special Revenue Fund							1,151,728.85	(1,060,335.55)	-	-	(217,763.31)	30,721.79	-
U.S. Department of Education													
Passed-through State Department of Education:													
Enterprise Fund:													
National School Lunch Program	10-555	N/A	238,985.56	7/1/2011	6/30/2012	-	227,143.45	(238,985.56)	-	-	(11,842.11)	-	-
National School Lunch Program	10-555	N/A	211,931.00	7/1/2010	6/30/2011	(14,151.38)	14,151.38	-	-	-	-	-	-
National School Breakfast Program	10-553	N/A	63,265.22	7/1/2011	6/30/2012	-	59,906.04	(63,265.22)	-	-	(3,359.18)	-	-
National School Breakfast Program	10-553	N/A	56,883.68	7/1/2010	6/30/2011	(4,408.32)	4,408.32	-	-	-	-	-	-
National School Snack Program	10-555	N/A	766.97	7/1/2010	6/30/2011	(24.83)	24.83	-	-	-	-	-	-
National School Snack Program	10-555	N/A	558.47	7/1/2011	6/30/2012	-	532.42	(558.47)	-	-	(26.05)	-	-
Food Distribution Program	10-550	N/A	30,372.00	7/1/2010	6/30/2012	3,991.74	31,388.41	(30,372.00)	-	-	-	5,008.15	-
Total Enterprise Fund							337,554.85	(333,181.25)	-	-	(15,227.34)	5,008.15	-
Total Federal Financial Awards						\$ (293,027.61)	\$ 1,868,819.05	\$ (1,793,898.24)	\$ -	\$ -	\$ (253,836.74)	\$ 35,729.94	\$ -

STAFFORD TOWNSHIP 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		Balance at June 30, 2011		Carryover (W/cover) Amount	Cash Received	Budgetary Expenditures	Adjustments/ Reversal of Prior Years' Balances	MEMO	
			From	To	Due to Grantor	Due to Grantor					(Accounts Receivable)	Due to Grantor
State Department of Education												
General Fund:												
Equalization Aid	12-495-034-5120-078	\$ 6,966,370	7/1/2011	6/30/2012	\$ -	\$ -	\$ -	\$ (6,966,370.00)	\$ -	\$ -	\$ -	\$ (6,966,370.00)
School Choice Aid	12-495-034-5120-088	41,740	7/1/2011	6/30/2012	-	-	37,683.00	(41,740.00)	-	-	-	(4,057.00)
Categorical Special Education Aid	12-495-034-5120-089	1,224,068	7/1/2011	6/30/2012	-	-	1,105,095.00	(1,224,068.00)	-	-	-	(118,973.00)
Categorical Security Aid	230-434	230,434	7/1/2011	6/30/2012	-	-	208,037.00	(230,434.00)	-	-	-	(22,397.00)
Transportation Aid	12-495-034-5120-014	409,400	7/1/2011	6/30/2012	-	-	369,698.00	(409,400.00)	-	-	-	(39,702.00)
Non Public Transportation Aid	11-495-034-506-8001	14,964	7/1/2011	6/30/2012	-	-	16,718.00	(14,964.00)	-	-	-	(14,964.00)
Non Public Transportation Aid	11-495-034-506-8001	16,718	7/1/2010	6/30/2011	(16,716.00)	-	-	-	-	-	-	-
Extraordinary Aid	12-495-034-5120-044	282,706	7/1/2010	6/30/2011	(282,706.00)	-	-	-	-	-	-	-
Reimbursed TPAF Social Security Contributions	11-495-034-506-8001	2,400	7/1/2010	6/30/2011	(2,400.00)	-	-	-	-	-	-	-
Reimbursed TPAF Social Security Contributions	11-495-034-506-8001	1,021,404	7/1/2011	6/30/2012	(49,586.23)	-	49,586.23	(218,434.00)	-	-	-	(218,434.00)
Total General Fund					(349,010.23)	-	9,390,108.99	(10,126,813.75)	-	-	-	(1,095,715.00)
Special Revenue Fund:												
N.J. Nonpublic Aid:												
ESL	N/A	862	7/1/2011	6/30/2012	-	-	862.00	(20,109.00)	-	-	-	20,109.00
Reading	12-100-034-5120-070	20,090	7/1/2011	6/30/2012	-	-	14,077.00	(14,077.00)	-	-	-	14,077.00
Tuition Aid	12-100-034-5120-064	14,077	7/1/2011	6/30/2012	-	-	-	-	-	-	-	-
Auxiliary Services:												
Compensatory Education	12-100-034-5120-068	105,666	7/1/2011	6/30/2012	-	-	105,666.00	(61,368.78)	-	-	-	61,368.78
Compensatory Education	11-100-034-5120-068	129,777	7/1/2010	6/30/2011	(48,396.20)	-	-	-	-	(48,396.20)	-	80,380.80
Handicapped Services:												
Supplemental Instruction	12-100-034-5120-066	37,882	7/1/2011	6/30/2012	-	-	37,882.00	(28,971.95)	-	-	-	28,971.95
Supplemental Instruction	55,750	55,750	7/1/2010	6/30/2011	(10,631.84)	-	-	-	-	(10,631.84)	-	45,118.16
Examination & Classification	12-100-034-5120-066	54,253	7/1/2011	6/30/2012	-	-	54,253.00	(43,794.23)	-	-	-	54,253.00
Corrective Speech	45,021	45,021	7/1/2011	6/30/2012	-	-	45,021.00	(27,331.54)	-	-	-	27,331.54
Corrective Speech	31,282	31,282	7/1/2010	6/30/2011	(12,518.00)	-	-	-	-	(12,518.00)	-	18,774.00
NJ/AIE	N/A	5,500	7/1/2011	6/30/2012	-	-	5,500.00	(5,500.00)	-	-	-	5,500.00
Preschool Educational Aid	12-495-034-5120-086	224,400	7/1/2011	6/30/2012	-	-	201,960.00	(224,400.00)	-	-	-	224,400.00
Total Special Revenue Fund					(72,546.04)	-	485,330.00	(425,552.50)	-	-	-	580,284.23
Capital Project Fund :												
SDA - ROD Roof Intermediate School	5020-070-10-1001	382,360	Open	Open	-	-	-	(382,360.00)	-	-	-	382,360.00
Total Capital Project Fund												
Debt Service Fund:												
Debt Service Aid	12-495-034-5120-017	367,303	7/1/2011	6/30/2012	-	-	367,303.00	(367,303.00)	-	-	-	367,303.00
Total Debt Service Fund												
Enterprise Fund:												
National School Lunch Program (State Share)	11-100-010-3350-023	8,279	7/1/2011	6/30/2012	(658.40)	-	7,885.11	(8,279.27)	-	-	-	8,279.27
National School Lunch Program (State Share)	11-100-010-3350-023	8,654	7/1/2010	6/30/2011	(658.40)	-	558.40	-	(394.16)	-	-	8,654.12
Total Enterprise Fund												
Total State Financial Assistance					(349,568.63)	\$ -	\$ 10,241,185.49	\$ (11,310,308.52)	\$ -	\$ -	\$ -	\$ 12,780,404.00

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

STAFFORD TOWNSHIP SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF EXPENDITURES OF AWARDS
AND FINANCIAL ASSISTANCE
JUNE 30, 2012

NOTE 1. GENERAL

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

NOTE 2. BASIS OF ACCOUNTING

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

NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of revenue recognition of the last two state aid payments in the current budget year, which is mandated pursuant to P.L. 2003,c.97.(A3521). 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 net adjustment to reconcile from the budgetary basis to the GAAP basis is -\$87,241.00, for the general fund and \$3,087.41 for the special revenue fund. See the Notes to Required Supplementary Information for a reconciliation of the budgetary basis to the GAAP basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as follows:

	<u>Federal</u>	<u>State</u>	<u>TPAF Pension</u>	<u>Total</u>
General Fund	\$ 400,381.44	\$ 11,355,495.75	\$ (1,315,923.00)	\$ 10,439,954.19
Special Revenue Fund	1,063,422.96	425,552.50		1,488,975.46
Capital Projects Fund		382,360.00		382,360.00
Debt Service Fund		367,303.00		367,303.00
Food Service Fund	333,181.25	8,279.27		341,460.52
	<u>\$ 1,796,985.65</u>	<u>\$ 12,538,990.52</u>	<u>\$ (1,315,923.00)</u>	<u>\$ 13,020,053.17</u>

The On-Behalf Pension Contributions made for the district by the State of New Jersey are recognized as revenue in the basic financial statements, but are not considered in the major program determination.

STAFFORD TOWNSHIP SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF EXPENDITURES OF AWARDS
AND FINANCIAL ASSISTANCE
JUNE 30, 2012
(CONTINUED)

NOTE 4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5. OTHER

Revenues and expenditures reported under the U.S.D.A. Commodities Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the district for the year ended June 30, 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.

STAFFORD TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDING JUNE 30, 2012

I. SUMMARY OF AUDITORS RESULTS

Financial Statements

Type of auditor's report issued: Unqualified Opinion

Internal control over financial reporting:

1) Material weakness identified? No

2) Significant deficiencies identified? None reported

Noncompliance material to the Basic Financial Statements noted? No

Federal Awards

Internal control over major programs:

1) Material weakness identified? No

2) Significant deficiencies identified? None reported

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

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

Identification of major programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
84.410	ARRA – Education Jobs Fund
	<u>Child Nutrition Cluster of Programs</u>
10.555	National School Lunch Program
10.553	National School Breakfast Program
10.550	School Snack Program

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

Auditee qualified as low-risk auditee? Yes

STAFFORD TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDING JUNE 30, 2012
(CONTINUED)

I. SUMMARY OF AUDITORS RESULTS - Continued

State Awards

Dollar threshold used to distinguish between type A and Type B Programs:	\$339,309
Auditee qualified as low-risk auditee?	Yes
Type of auditor's report issued on compliance for major programs:	Unqualified Opinion
Internal Control over major programs:	
1) Material weakness identified?	No
2) Significant deficiencies identified?	None reported
Any audit findings disclosed that are required to be reported in accordance with NJ OMB Circular Letter 04-04?	No

Identification of major programs:

<u>GMIS Numbers</u>	<u>Name of State Program</u>
495-034-5120-014	Transportation Aid
495-034-5120-017	Debt Service Aid
5020-070-10-1001	SDA ROD Grant
<u>State Aid Public Cluster of Programs</u>	
495-034-5120-078	Equalization Aid
495-034-5120-068	School Choice Aid
495-034-5120-089	Special Education Aid
495-034-5120-084	Security Aid

STAFFORD TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDING JUNE 30, 2012
(CONTINUED)

II. FINDINGS RELATING TO THE FINANCIAL STATEMENTS WHICH ARE REQUIRED TO BE REPORTED IN ACCORDANCE WITH GENERALLY ACCEPTED GOVERNMENTAL AUDITING STANDARDS

In accordance with Government Auditing Standards, our audit disclosed no findings relating to the financial statements that are required to be reported under this section.

III. FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE FINDINGS AND QUESTIONED COSTS

Federal:

Our audit disclosed no material Findings or Questioned Costs.

State:

Our audit disclosed no material Findings or Questioned Costs.

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

STATUS OF PRIOR YEAR FINDINGS

There were no Prior Year Findings.