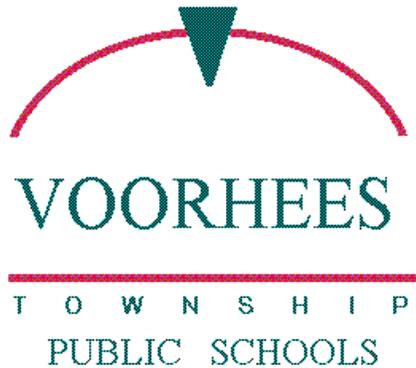


**TOWNSHIP OF VOORHEES  
SCHOOL DISTRICT  
VOORHEES, NEW JERSEY**



**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED  
JUNE 30, 2012**

**TOWNSHIP OF VOORHEES SCHOOL DISTRICT**  
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# INTRODUCTORY SECTION



Raymond J. Brosel, Jr.  
*Superintendent of Schools*

Frank T. DeBerardinis, Ed.D.  
*Assistant Superintendent  
For Business/Board Secretary*

329 Route 73  
Voorhees, NJ 08043  
(856) 751-8446 Ext. 6114

E.T. Hamilton School  
Kresson School  
Osage School  
Signal Hill School  
Voorhees Middle School

October 16, 2012

Honorable President and  
Members of the Board of Education  
Voorhees School District  
Camden County  
Voorhees, NJ 08043

Dear Board Members:

The comprehensive annual financial report of the Voorhees 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 Voorhees Township Board of Education. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects. It 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 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 OMB Circular A-133, Audits of States, Local Governments and Non-Profit Organizations, and State of New Jersey Circular 04-04-OMB, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. 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. **THE REPORTING ENTITY AND ITS SERVICES:** The Voorhees Township School District is an independent reporting entity within the criteria adopted by the GASB as established by NCGA Statement No.3. All funds in the District are included in this report. The Voorhees Township Board of Education and all its schools constitute the District's reporting entity. The District consists of one middle school, four elementary schools and an administration building. The curriculum provides a full range of educational services appropriate to grade levels Pre-school through 8.

Recognized as one of the highest performing districts in the State, the Voorhees Public Schools provide one of the Township's strongest selling points.

The Voorhees Board of Education and Administration aim to provide the best education in a fiscally responsible manner, and they succeed. For over 20 years, District students have scored in the top ten percentile on national standardized tests. Meanwhile, according to the State Report Card issued by the Department of Education, Voorhees spends less per pupil than the average cost per pupil for the state, county and same socio-economic grouping. Also according to the Report Card, Voorhees Schools employ fewer administrators per student than the state average and have a lower administrative cost per student.

In turn, Township residents have shown approval of, and support for their schools by passing every school budget in the annual school election since 1976 except for 1997 and 2010. This speaks volumes in a State where as many as two out of every four school budgets fail annually. With the defeat of the budget in 2010, the District was sent a message by the community that tax increases in the future will be highly scrutinized during the current economic conditions. The annual vote on the budget was eliminated beginning with the 2012-13 budget year, but the responsibility of the Board to the community remains.

The District occupies and maintains 501,072 square feet of building space and 129.41 acres of land.

Changes in student and staff populations continue to present challenging opportunities in all areas of supportive services. This includes budgeting, purchasing, accounting, payroll, employee benefits, transportation services, food services, buildings and grounds, maintenance and custodial.

All five Voorhees Schools are air conditioned and carpeted. Each features a carpeted gym as well as an all-purpose room, art room, music room, and library. Students can purchase hot lunch at all schools.

The Voorhees Schools are blessed with strong parent participation. Parent Faculty Associations are made up of an independent, autonomous group at each school. Countless parents volunteer in the following capacities; room mothers, library aids, lunch room monitors and classroom helpers. The P/F0's also provide the schools with much appreciated services and equipment through their fund raisers.

The New Jersey State Department of Education rates Voorhees as an "I" on a scale of "A to J", in District Factor Grouping. This is based upon the community's characteristics such as ratable base, educational level of the population, average income, unemployment rate and density of housing. This rating is the same as that of neighboring Mount Laurel, Moorestown and Medford Township.

The District completed the 2011-2012 fiscal year with an enrollment of 3,193. The District had experienced a **13 year increase of 30%** percent until 2003 when enrollment began to decline. The following details the changes in the student enrollment of the District over the past 23 years.

Average Daily Enrollment

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
1989-90	2,772.1	7.7%
1990-91	2,897.0	4.5%
1991-92	2,979.1	2.8%
1992-93	3,079.2	3.4%
1993-94	3,167.1	2.9%
1994-95	3,310.3	4.5%
1995-96	3,418.0	3.3%
1996-97	3,493.7	2.2%
1997-98	3,625.8	3.8%
1998-99	3,607.8	-0.5%
1999-00	3,623.1	0.4%
2000-01	3,603.7	-0.5%
2001-02	3,551.1	-1.5%
2002-03	3,610.4	1.7%
2003-04	3,484.7	-3.5%
2004-05	3,448.9	-1.0%
2005-06	3,430.4	-0.5%
2006-07	3,392.5	-1.1%
2007-08	3,336.0	-1.7%
2008-09	3,312.0	-0.7%
2009-10	3,188.5	-3.7%
2010-11	3,189.5	0.0%
2011-12	3,178.6	-0.3%

2. **MAJOR INITIATIVES:** The District's standardized test scores have continued to range in the 90th percentile for more than 20 years. Research has shown that students in this top ten percentile in the USA score as well as the top ten percentile in any industrialized country in the world.

The Voorhees Schools Computer Instructional Technology Program has been recognized as a model program by the State Department of Education. The elementary schools and middle school feature state of the art computer aided instruction in all grades. All classrooms, libraries, and computer labs feature computers with Internet access and distance learning capabilities. Almost all classrooms in each school are equipped with a Classroom Presentation System which includes a Smartboard, a permanently mounted projector and a computer system.

All libraries feature the computerized card catalogue program Destiny.

The Community Education and Recreation Program sponsored by the Board of Education is housed at Voorhees Middle School. The Community Education and Recreation Program offers recreational, vocational, academic and enrichment courses and activities for preschoolers through senior citizens. All CER activities are self supporting.

The District's special services encompass programs which support, accommodate, or replace the regular education program according to a variety of unique student needs. The staff provides direct services to students with disabilities as well as certain direct and consulting services related to the general school population.

As part of the core curriculum, the District offers programs in art, music, drama, athletics and many other activities necessary to provide the academic as well as social skills needed to function in society.

The Public Information Initiative significantly contributes to the success of the District. The overall purpose for Public Information activities is to elicit community support for the schools, to enable the Board of Education to offer every Voorhees child the best education possible. To accomplish this goal the District conducts a planned and organized program of two-way communications between the School District and its public. In short, the Public Information Initiative presents the District's interests to the community, and the community's interests to the schools.

Voorhees has been blessed with a nearly unparalleled cultural diversity, including numerous students who are first generation American born, as well as foreign born. This diversity, along with the latest technology, curriculum, and programs will prepare all of our students to successfully attain the American dream and prosper in the global society of the twenty-first century.

3. **ECONOMIC CONDITION AND OUTLOOK:** State aid and local taxes comprise the two major school revenue sources. However, in recent years both have become unpredictable. These factors, over which the schools have little or no control, have made planning and budgeting an extremely difficult undertaking.

With each new administration in Trenton, new priorities and philosophies have driven the school funding process on the state level. If there has been one constant in the annual state aid scenario, it is the "annual confusion" surrounding it. Since 1987, the annual amount of state aid to Voorhees Schools has increased by as high as 43% more than the previous year, and decreased by as much as 39%.

The responsibility to provide a thorough and efficient education is the driving force of the budget and the ratable base is the major influence on the resulting tax impact. The ratable base is the total value of real estate in the Township set by the local government as a basis for levying taxes. This includes all business and residential real estate.

However, business ratables generate far more tax revenue than they use in local services. This is particularly true in the case of schools. As a result, a strong business ratable base lightens the school tax burden on homeowners.

From '87 to '90 the Voorhees ratable base grew by 25%. However, between '90 and '97 it rose by only 5.6% (failing to keep pace with inflation for the seven year period). In 1999 the ratable base grew by 3.5 percent keeping pace with inflation, but more importantly marking the return to growth for Voorhees Township. However, in 2002 the ratable base grew by only 1.4% and 1.2% in 2003. In 2004, it dropped by an unprecedented \$12.3 million. In 2005 the ratable base grew by 1.03%, thereby marking another return to growth for the Township. In 2006 a reassessment was completed in the Township and the new ratable base was \$3.9 billion. In 2007 the ratable base declined \$36,843,490. The decline was a result of the successful appeals of the 2006 reassessment. In 2008 ratables increased \$30,551,271 as development slowly returned to the community and in 2009 ratables increased \$15,889,856 or .4%. However, ratables decreased \$22,305,753 in 2010, \$874,568 in 2011 and \$26,238,245 in 2012, for a total decrease of \$49,418,566 for the 3 year period.

Tax appeals, a decrease in new business development and the collapse of the national economy contributed to the decrease in current ratables. Business real estate taxes depend on profit. An occupied office building pays more taxes than an empty one.

A thriving business ratable base can lower the school tax rate and provide schools with valuable revenue. This creates a win-win relationship for the schools and community.

In Voorhees the school system does its part toward strengthening Township ratables. The Public Information Office is an active member of the Voorhees Business Association. A Board of Education member serves on the Township's Economic Development Committee.

Due to the outstanding reputation of our School District, we continue to attract families seeking an excellent education for their children. According to written and digital press, "Voorhees Township is - outstanding schools...Voorhees schools rank among the highest in the country." Again this year the Voorhees Public School system was chosen as "One of the Best School Systems" in South Jersey by Courier Post readers.

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

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

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

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

The District utilizes zero based budgeting and modified site based management in the budget preparation process. This management philosophy helps to ensure a budget that provides a thorough and efficient education in a frame work of fiscal responsibility.

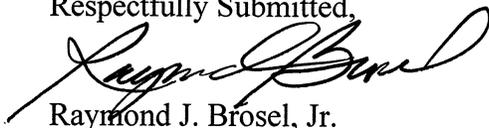
An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as re-appropriations of fund balance in the subsequent year. These amounts to be re-appropriated are reported as reservations of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

6. **CASH MANAGEMENT:** The investment policy of the District has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.
7. **RISK MANAGEMENT:** The Board carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, student accident and fidelity bonds.
8. **OTHER INFORMATION:**

(A) Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Bowman & Company LLP was appointed by the Voorhees Township Board of Education at their annual reorganization meeting. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act of 1996 and the related OMB Circular A-133 and state of New Jersey Circular 04-04-OMB. The auditor's report on the basic financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's report related specifically to the single audit is included in the single audit section of this report.

(B) Acknowledgments - We would like to express our appreciation to the members of the Voorhees Township Board of Education for their concern in providing fiscal accountability to the citizens and taxpayers of the School District and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of our financial and accounting staff.

Respectfully Submitted,



Raymond J. Brosel, Jr.  
Superintendent of Schools



Frank T. DeBerardinis, Ed.D.  
Assistant Superintendent  
For Business/Board Secretary

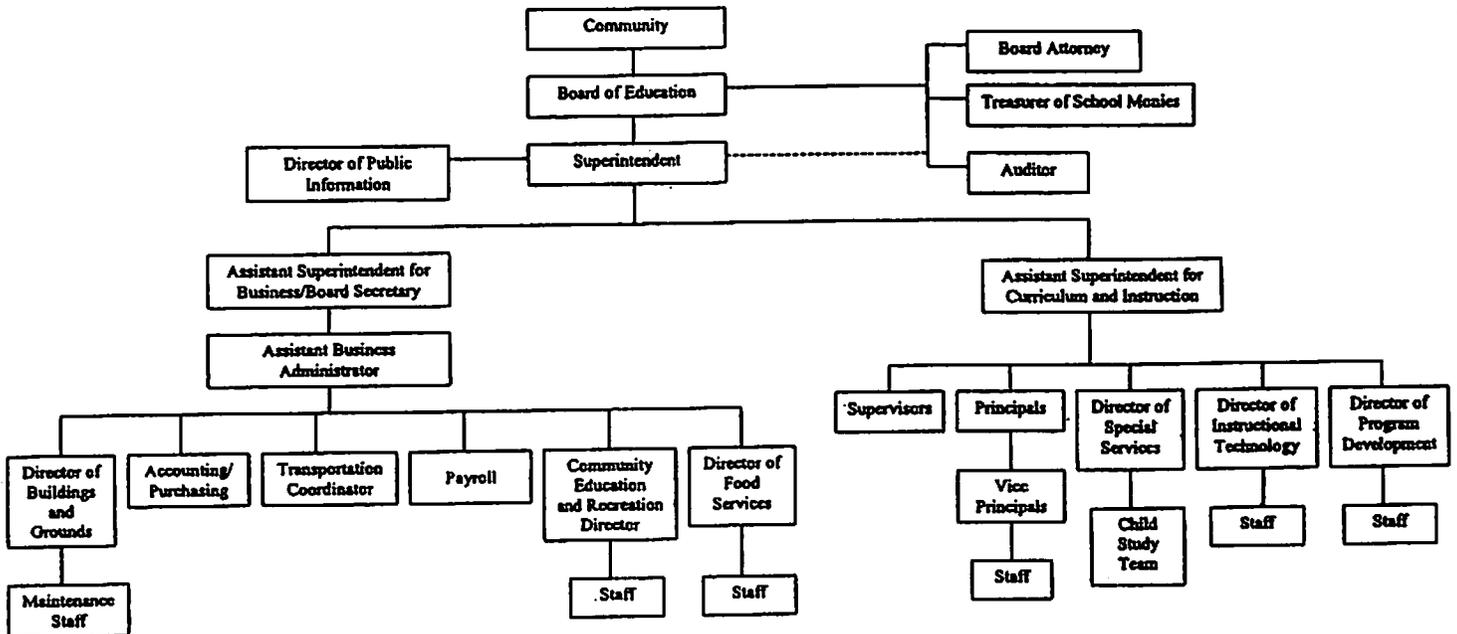
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# POLICY

# VOORHEES TOWNSHIP BOARD OF EDUCATION

ADMINISTRATION  
1110/page 1 of 1  
Organizational Chart

## 1110 ORGANIZATIONAL CHART



VOORHEES TOWNSHIP BOARD OF EDUCATION  
VOORHEES, NEW JERSEY

ROSTER OF OFFICIALS  
JUNE 30, 2012

<u>Members of the Board of Education</u>	<u>TERM EXPIRES</u>
Richard Nelson, President	2014
Bruce Karpf, Vice President	2014
Dr. Gary Bennett	2013
Matthew Dortch	2014
Denise Kirkland	2012
Amy Lynch	2012
John Schmus	2013
Nancy Seigle	2013
Richard Wojdon	2012

Other Officials

Raymond J. Brosel, Superintendent of Schools

Frank T. DeBerardinis, Ed.D, Assistant Superintendent for Business/Board Secretary

Howard Mendelson, Esq. Solicitor

VOORHEES TOWNSHIP BOARD OF EDUCATION  
CONSULTANTS AND ADVISORS

Audit Firm

Bowman and Company LLP  
601 White Horse Road  
Voorhees, NJ 08043

Attorney

Howard Mendelson  
Davis and Mendelson  
1200 Laurel Oak Road, Suite 101  
Voorhees, NJ 08043

Official Depository

TD Bank  
Route 73  
Voorhees, NJ 08043

FINANCIAL SECTION

## **INDEPENDENT AUDITOR'S REPORT**

The Honorable President and  
Members of the Board of Education  
Township of Voorhees School District  
County of Camden

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Township of Voorhees School District, in the County of Camden, State of New Jersey, as of and for the fiscal year ended June 30, 2012, which collectively comprise the School District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Township of Voorhees School District's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

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

In accordance with Government Auditing Standards, we have also issued our report dated October 15, 2012 on our consideration of the Township of Voorhees School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by 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 about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because of the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township of Voorhees School District's financial statements. The accompanying combining statements and related major fund supporting statements and schedules and Schedules of Expenditures of Federal Awards and State Financial Assistance, as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and State of New Jersey Circular 04-04-OMB, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying combining statements and related major fund supporting statements and schedules and Schedules of Expenditures of Federal Awards and State Financial Assistance are fairly stated in all material respects in relation to the financial statements as a whole.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township of Voorhees School District's basic financial statements. The introductory section and statistical section listed in the table of contents are presented for the purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Respectfully submitted,

*Bowman & Company LLP*

BOWMAN & COMPANY LLP  
 Certified Public Accountants  
 & Consultants

*Todd R. Saler*

Todd R. Saler  
 Certified Public Accountant  
 Public School Accountant No. CS 02195

Voorhees, New Jersey  
 October 15, 2012

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

The Honorable President and  
Members of the Board of Education  
Township of Voorhees School District  
County of Camden

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Township of Voorhees School District, in the County of Camden, State of New Jersey, as of and for the fiscal year ended June 30, 2012, which collectively comprise the School District's basic financial statements and have issued our report thereon dated October 15, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and in compliance with audit requirements as prescribed by the Division of Administration and Finance, Department of Education, State of New Jersey.

**Internal Control Over Financial Reporting**

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

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

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

**Compliance and Other Matters**

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

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

Respectfully submitted,

*Bowman : Company LLP*

BOWMAN & COMPANY LLP  
Certified Public Accountants  
& Consultants

*Todd R. Saler*

Todd R. Saler  
Certified Public Accountant  
Public School Accountant No. CS 02195

Voorhees, New Jersey  
October 15, 2012

REQUIRED SUPPLEMENTARY INFORMATION  
PART I

# Voorhees Township School District

## Management's Discussion and Analysis Year Ended June 30, 2012

This section of the Voorhees Township School District's annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2012. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statements, which immediately follows this section.

The Management's Discussion and Analysis (MD&A) is a element initiated as of June 30, 2003 as part of the Required Supplementary Information specified in the Governmental Accounting Standard Board's (GASB) Statement No. 34- Basic Financial Statements- and Management's Discussion and Analysis – for State and Local Governments issued in June 1999. Certain comparative information between the current year (2011-12) and the prior year (2010-11) is required to be presented in the MD&A.

### FINANCIAL HIGHLIGHTS

Key financial highlights for the 2011-12 fiscal year include the following:

- Net Assets at June 30, 2012 for Governmental and Business-Type activities were \$29,776,349 and \$2,893,318 respectively.
- Net Assets for both activities increased by \$3,148,815 from July 1, 2011 to June 30, 2012.
- The General Fund fund balance as of June 30, 2012 was \$7,317,287, an increase of \$1,626,797 when compared with the beginning balance as of July 1, 2011 of \$5,690,491.

### OVERVIEW OF THE FINANCIAL STATEMENTS

The financial section of the annual report consists of four parts – Independent Auditor's Report, required supplementary information which includes the management's discussion and analysis (this section), the basic financial statements, and supplemental information. The basic financial statements include two kinds of statements that present different views of the Voorhees Township School District.

- The first two statements are district-wide financial statements that provide both short-term and long-term information about the Voorhees Township School District's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the Voorhees Township School District, reporting the Voorhees Township School District's operation in more detail than the district-wide statements.
- The governmental funds statements tell how basic services such as regular and special education were financed in short term as well as what remains for future spending.
- Proprietary funds statements offer short-term and long-term financial information about the activities that the Voorhees Township School District operates like businesses.
- Fiduciary funds statements provide information about the financial relationships in which the District acts solely as a trustee or agent for the benefit of others to whom the resources belong.

Voorhees Township School District  
 Voorhees, New Jersey

Management's Discussion and Analysis (continued)  
 Year Ended June 30, 2012

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. Table A-1 summarizes the major features of the Voorhees Township School District's financial statements, including the portion of the District's activities they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis highlights the structure and contents of each of the statements.

Table A-1

**MAJOR FEATURES OF THE DISTRICT-WIDE AND FUND FINANCIAL STATEMENTS**

		Fund Financial Statements	
	District-wide Statements	Governmental Funds	Proprietary Funds
Scope	Entire district (except fiduciary funds)	The activities of the district that are not proprietary or fiduciary, such as regular and special education, building maintenance and transportation	Activities the district operates similar to private businesses: Food Service Fund, Community Education and Recreation Fund
Required Financial Statements	Statements of net assets	Balance sheet	Statement of net assets
	Statement of activities	Statement of revenue, expenditures and changes in fund balances	Statement of revenue, expenses and changes in fund net assets
			Statement of cash flows
Accounting Basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both financial and capital, and short-term and long-term
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All revenue and expenses during the year, regardless of when cash is received or paid

**District-wide Statements**

The district-wide statements report information about the Voorhees Township School District as a whole using accounting methods similar to those used by private-sector companies. The statement of net assets includes all of the district's assets and liabilities. All of the current year's revenue and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

Voorhees Township School District  
Voorhees, New Jersey

Management's Discussion and Analysis (continued)  
Year Ended June 30, 2012

**District-wide Statements (Cont'd)**

The two district-wide statements report the Voorhees Township School District's net assets and how they have changed. Net assets – the difference between the district's assets and liabilities – are a measure of the District's financial health or position.

- Over time, increases or decreases in the District's net assets are an indicator of whether the financial position is improving or deteriorating, respectively.
- To assess the overall health of the district you need to consider additional non-financial factors such as changes in the District's property tax base and the condition of school buildings and other facilities.

In the district-wide financial statements the district's activities are shown in two categories:

- *Governmental activities*- Most of the District's basic services are included here, such as regular and special education, transportation, administration, and maintenance. Aid from the State of New Jersey and from the Federal government along with local property taxes finances most of these activities.
- *Business-type activities*-The District charges fees to customers to help it cover the costs of certain services it provides. The District's Food Service Fund and Community Education and Recreation Fund are included here.

**Fund Financial Statements**

The fund financial statements provide more detailed information about the District's funds – focusing on the most significant or "major" funds – not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs:

- Some funds are required by State law and by bond covenants.
- The District uses other funds, established in accordance with the State of New Jersey Uniform Chart of Accounts, to control and manage money for particular purposes (e.g., repaying its long-term debts) or to show that it is properly using certain revenues (e.g., federal funds).

The District has three kinds of funds:

- **Governmental funds** - Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the district-wide statements, we provide additional information at the bottom of the governmental funds statements that explain the relationship (or differences) between them.
- **Proprietary funds** - Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the district-wide statements.
- **Fiduciary funds** – The District is the trustee, or fiduciary, for assets that belong to others. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. All of the District's fiduciary activities are reported in a separate statement of fiduciary net assets and a statement of changes in fiduciary net assets. We exclude these activities from the district-wide financial statements because the District cannot use these assets to finance its operations.

Voorhees Township School District  
Voorhees, New Jersey

Management's Discussion and Analysis (continued)  
Year Ended June 30, 2012

**FINANCIAL ANALYSIS OF THE VOORHEES TOWNSHIP SCHOOL DISTRICT AS A WHOLE**

**Net Assets.** The District's net assets for **governmental and business-type activities** were \$29,776,349 and \$2,893,318, respectively, as of June 30, 2012.  
(See Table A-2).

	Governmental Activities		Business-Type Activities		Total	
	2012	2011	2012	2011	2012	2011
Current and Other Assets	\$ 14,601,632	\$ 14,153,706	\$ 2,768,683	\$ 2,582,377	\$ 17,370,315	\$ 16,736,083
Capital Assets	30,560,986	29,284,232	139,417	145,264	30,700,403	29,429,496
<b>Total Assets</b>	<b>45,162,618</b>	<b>43,437,938</b>	<b>2,908,100</b>	<b>2,727,641</b>	<b>48,070,718</b>	<b>46,165,579</b>
Long-term Liabilities	13,450,290	14,984,156	55,378	(14,074)	13,505,668	14,970,082
Other Liabilities	1,935,979	1,622,156	(40,596)	52,488	1,895,383	1,674,644
<b>Total Liabilities</b>	<b>15,386,269</b>	<b>16,606,312</b>	<b>14,781</b>	<b>38,414</b>	<b>15,401,050</b>	<b>16,644,726</b>
Net Assets						
Invested in capital assets, net of related debt	17,176,043	14,410,879	139,417	145,264	17,315,460	14,556,143
Restricted	11,572,242	11,501,270	-	-	11,572,242	11,501,270
Unrestricted	1,028,065	919,477	2,753,901	2,543,963	3,781,966	3,463,440
<b>Total Net Assets</b>	<b>\$ 29,776,349</b>	<b>\$ 26,831,626</b>	<b>\$ 2,893,318</b>	<b>\$ 2,689,227</b>	<b>\$ 32,669,668</b>	<b>\$ 29,520,853</b>

The District's financial position for governmental and business-type activities is the product of the following factors:

- Program revenues were \$7,777,011.
  - ✓ Charges for Services--\$2,103,944.
  - ✓ Operating Grants & Contributions--\$5,673,067.
- General revenues, Special Items, Extraordinary Items and Transfers amounted to \$47,558,587.
- Net Expenditures were \$44,409,772.
- Total District revenues & beginning assets are adjusted by net adjusted expenditures resulting in a calculation of net assets of \$32,669,668 as of June 30, 2012.
- General Revenues (\$47,558,587) + Beginning assets (\$29,520,853) – Net expenditures (\$44,409,772) = Net Assets of \$32,669,668.

Voorhees Township School District  
Voorhees, New Jersey

Management's Discussion and Analysis (continued)  
Year Ended June 30, 2012

**Change in Net Assets.** Net assets for **governmental and business-type activities** increased by \$3,148,815 from July 1, 2011 to June 30, 2012.  
(See Table A-3).

	2012	2011	Increase/ (Decrease)
<b>Revenues</b>			
Program revenues:			
Charges for services	\$ 2,103,944	\$ 1,894,903	\$ 209,041
Operating Grants and Contributions	5,673,067	4,905,937	767,129
General revenues			
Property taxes	41,732,063	41,102,767	629,296
State and Federal Aid	5,639,642	4,849,673	789,969
Other	186,882	354,751	(167,869)
<b>Total revenues</b>	<b><u>55,335,597</u></b>	<b><u>53,108,031</u></b>	<b><u>2,227,566</u></b>
<b>Expenses</b>			
Governmental Activities:			
Instruction:			
Regular	16,920,056	17,504,319	(584,263)
Special Education	5,097,249	5,074,718	22,530
Other Instruction	1,077,415	1,289,677	(212,262)
Community Service Programs	30,638	30,638	-
Support Services:			
Tuition	1,228,232	1,036,796	191,436
Student & Instruction Related Services	4,523,609	4,870,268	(346,659)
School Administrative Services	1,424,243	1,461,720	(37,477)
General and Business Administrative Services	1,754,383	1,916,792	(162,409)
Plant Operations and Maintenance	3,798,540	4,023,459	(224,918)
Pupil Transportation	2,064,459	1,963,077	101,381
Unallocated Benefits	11,385,516	10,741,048	644,468
Interest on Long-term Debt	674,487	491,185	183,302
Amortization of Bond Issuance Costs	27,023	31,886	(4,863)
Unallocated Depreciation	23,695	27,381	(3,686.00)
Transfers	-	-	-
Total Expenses--Governmental Activities	<u>50,029,545</u>	<u>50,462,964</u>	<u>(433,419)</u>
Business-Type Activities:			
Food Service	977,945	915,454	62,491
CER	1,179,293	1,077,907	101,386
Total Expenses--Business-Type Activities	<u>2,157,238</u>	<u>1,993,361</u>	<u>163,877</u>
<b>Total Expenses</b>	<b><u>52,186,782</u></b>	<b><u>52,456,325</u></b>	<b><u>(269,542)</u></b>
<b>Net Increase/(Decrease) in Net Assets</b>	<b><u>3,148,815</u></b>	<b><u>651,707</u></b>	<b><u>2,497,108</u></b>
<b>Net Assets July 1</b>	<b><u>29,520,853</u></b>	<b><u>28,869,146</u></b>	<b><u>651,707</u></b>
<b>Net Assets June 30</b>	<b><u>\$ 32,669,668</u></b>	<b><u>\$ 29,520,853</u></b>	<b><u>\$ 3,148,815</u></b>

Voorhees Township School District  
Voorhees, New Jersey

Management's Discussion and Analysis (continued)  
Year Ended June 30, 2012

Total revenues for the District were \$55,335,597. Government funding was the source of 20.45% of the district's revenues. This includes the State of New Jersey and Federal sources.

Property taxes of \$41,732,063 provided 75.42% of revenues, down from 77.39% in 2011.

Other miscellaneous revenues of \$186,882 represent 0.34% of the district revenues.

The District's expenses for government activities are predominantly related to instruction and support services. Instruction together with tuition totaled \$24,353,590 (48.68%) of total expenditures. Student support services including transportation, exclusive of administration, totaled \$6,588,068 (13.17%) of total expenditures. (See Table A-3).

Total revenues exceeded expenses for governmental activities, increasing net assets \$2,944,723 from the beginning balance as of July 1, 2011.

The District's net cost of services for governmental activities was \$44,606,166 for the year ended June 30, 2012. (See Table A-4).

<b>Governmental Activities:</b>	<b>Total Cost of Services</b>	<b>Net Cost of Services</b>
Instruction:		
Regular	\$ 16,920,056	\$ 15,760,951
Special Education	5,097,249	5,097,249
Other Instruction	1,077,415	1,077,415
Community Service Programs	30,638	30,638
Support Services:		
Tuition	1,228,232	1,228,232
Student & Instruction Related Services	4,523,609	4,358,262
School Administrative Services	1,424,243	1,424,243
General and Business Administrative Services	1,754,383	1,754,383
Plant Operations and Maintenance	3,798,540	3,798,540
Pupil Transportation	2,064,459	2,064,459
Unallocated Benefits	11,385,516	7,379,860
Interest on Long-term Debt	674,487	581,217
Amortization of Bond Issuance Costs	27,023	27,023
Unallocated Depreciation	23,695	23,695
	<hr/>	<hr/>
<b>Total Governmental Activities</b>	<b><u>\$ 50,029,545</u></b>	<b><u>\$ 44,606,166</u></b>

Voorhees Township School District  
Voorhees, New Jersey

Management's Discussion and Analysis (continued)  
Year Ended June 30, 2012

**Activity Descriptions**

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

**Tuition expenses** include the cost to the District to send pupils with special needs living within the District to private schools and/or schools outside the District area.

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

**School Administrative and General and Business Administrative services** include expenses associated with establishing and administering policy for the District including financial supervision.

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

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

**Unallocated benefits** includes the cost of benefits for the District staff for social security, retirement contributions, worker's compensation, health benefits and other employee benefits.

**Interest on long-term debt and amortization of bond issuance costs** involve the transactions associated with the payment of interest and other related charges to the debt of the District.

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

**FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT'S FUNDS**

The financial performance of the Voorhees Township School District as a whole is also reflected in the governmental funds which are accounted for using the modified accrual basis of accounting. As the District completed the year, its governmental funds reported a combined fund balance of \$13,882,876. As of June 30, 2011, the fund balance was \$13,471,739. The General Fund balance increased by \$1,626,797.

The Governor reduced State Aid to school districts during the 2009-2010 school year and forced districts to draw on available financial resources to compensate for his initiatives. In essence, he utilized the financial strength and well managed local school districts to "bail out" the State. Over the subsequent two Budget years, the District has been able to return to a strong financial position by reinvesting funds in the emergency reserve for the general fund and the capital reserve for capital projects and repayment of debt.

All governmental funds had total revenues of \$52,972,653 and total expenditures of \$52,560,092.

**GENERAL FUND BUDGETING HIGHLIGHTS**

The 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.

The General Fund includes the primary operations of the District in providing educational services to students from pre-kindergarten through grade 8 including pupil transportation activities and capital outlay projects.

Voorhees Township School District  
Voorhees, New Jersey

Management's Discussion and Analysis (continued)  
Year Ended June 30, 2012

The following schedule (Table A-5) presents a summary of General Fund Revenues. The summary reflects the dollar and percent increase (decrease) from the prior year.

<b>Table A-5</b>				
<b>Voorhees Township School District</b>				
<b>Summary of General Fund Revenues</b>				
	<b>Year Ended</b>	<b>Year Ended</b>	<b>Amount of</b>	<b>Percent</b>
	<b>June 30, 2012</b>	<b>June 30, 2011</b>	<b>Increase</b>	<b>Increase</b>
			<b>(Decrease)</b>	<b>(Decrease)</b>
Local sources:				
Local tax levy	\$ 40,542,446	\$ 39,747,496	\$ 794,950	2.0%
Miscellaneous	161,595	318,959	(157,364)	-49.3%
<b>Total - Local Sources</b>	<b>40,704,041</b>	<b>40,066,455</b>	<b>637,586</b>	<b>1.6%</b>
State Sources	9,154,834	8,074,723	1,080,111	13.4%
Federal Sources	240,959	16,351	224,607	1373.6%
<b>Total - Govt Sources</b>	<b>9,395,793</b>	<b>8,091,074</b>	<b>1,304,719</b>	<b>16.1%</b>
<b>Total Revenues</b>	<b>\$ 50,099,834</b>	<b>\$ 48,157,529</b>	<b>\$ 1,942,305</b>	<b>4.0%</b>

The primary source of funding for the district is received from local property taxes that accounted for 80.93% of total revenues. State aid accounted for 18.28% of total revenues.

Total General Fund revenues increased by \$1,942,305 or 4.0% from the previous year.

State aid revenue was supposed to be determined by a formula under the School Funding Reform Act of 2008 for the 2011-2012 fiscal year. This new funding formula utilizes wealth in the calculation for special education aid moving this aid from categorical aid. This will result in future shortfalls in funding of over \$3 million per year going forward if wealth had not been a determining factor. This is an irresponsible function of the new funding formula since the State determined the additional costs of special education is approximately \$11,000 per student for all special education students throughout the state of New Jersey. However, during the fiscal year, the Governor continued to arbitrarily devise a new formula to reduce State Aid to local school districts to compensate for the State of New Jersey's deficit.

Voorhees Township School District  
Voorhees, New Jersey

Management's Discussion and Analysis (continued)  
Year Ended June 30, 2012

The following schedule (Table A-6) presents a summary of General Fund expenditures. The summary reflects the dollar and percent increases (decreases) from the prior year.

<b>Table A-6</b>				
<b>Voorhees Township School District</b>				
<b>Summary of General Fund Expenditures</b>				
	<b>Year Ended June 30, 2012</b>	<b>Year Ended June 30, 2011</b>	<b>Amount of Increase/ (Decrease)</b>	<b>Percent Increase/ (Decrease)</b>
<b>Current:</b>				
Regular Instruction	\$ 14,938,446	\$ 15,480,387	\$ (541,941)	-3.5%
Special Education Instruction	5,097,249	5,074,718	22,530	0.4%
Other Instruction	1,077,415	1,289,677	(212,262)	-16.5%
<b>Support Services and Undistributed Costs:</b>				
Tuition	1,228,232	1,036,796	191,436	18.5%
Student & Instruction Related Services	4,302,122	4,728,613	(426,492)	-9.0%
School Administrative Services	1,382,425	1,419,425	(37,000)	-2.6%
Other Administrative Services	1,639,012	1,783,174	(144,162)	-8.1%
Plant Operations and Maintenance	3,651,700	3,979,762	(328,061)	-8.2%
Pupil Transportation	2,064,459	1,963,077	101,381	5.2%
Unallocated Employee Benefits	11,300,972	10,918,745	382,226	3.5%
Capital Outlay	151,053	106,562	44,491	41.8%
<b>Total Expenditures</b>	<b>\$ 46,833,084</b>	<b>\$ 47,780,938</b>	<b>\$ (947,854)</b>	<b>-2.0%</b>

Total General Fund expenditures decreased \$947,854 or 2.0% from the previous year. This decrease was due primarily to the effect of employee retirements, health benefit costs and the moderation of special education costs.

The Voorhees Township School District values its fund balances as a vehicle for addressing unbudgeted and emergent needs that occur during the school year. The amounts of budgeted fund balance designated to support the subsequent year's budgets and provide tax relief were \$913,841 for the 2011-12 school year and \$1,279,073 for the 2012-13 school year.

The District has continued the practice of returning surplus funds to taxpayers in the subsequent budget years. However, in June of 2004 the State of New Jersey passed legislation (SR1701) that weakened the financial position of all school districts. The legislation immediately reduced fund balance to a maximum of 3% as of June 30, 2004 and a maximum of 2% as of June 30, 2005 and each year thereafter. The District is left with a fund balance that will not cover one payroll which could result in a negative cash flow if local taxes, federal and state aid are not received in a timely manner. The State of New Jersey has gone from fiscal irresponsibility to fiscal chaos to fiscal ineptness. It appears the legislature is trying to financially weaken school districts as they have accomplished with the State of New Jersey. The Legislature, in June of 2011, passed Chapter 78, P.L. 2011, in an attempt to improve the solvency of the Pension Fund. In addition, Governor Christie allocated additional State Aid to be appropriated in 2011-2012 or saved for subsequent budgets up to 2013-2014.

During the course of fiscal year 2012 the District modified the General Fund Budget as needed to ensure no line item was projected to be over-expended.

Voorhees Township School District  
Voorhees, New Jersey

Management's Discussion and Analysis (continued)  
Year Ended June 30, 2012

**DEBT SERVICE FUND**

The current year obligations for payment of debt service principal and interest amounted to \$2,033,605, of which \$1,189,617 in funding was provided by the local tax levy, \$339,550 was received as aid from the State and \$504,438 was budgeted fund balance.

**FOOD SERVICE FUND**

The Food Service Fund had net assets of \$775,978 as of June 30, 2012. This reflects a decrease of \$9,581 from June 30, 2011.

**COMMUNITY EDUCATION AND RECREATION PROGRAM (CER)**

The CER Program had net assets of \$2,117,340 as of June 30, 2012. This reflects an increase of \$213,673 from June 30, 2011.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets**

Capital Assets are individual items purchased at a cost exceeding \$2,000, have an extended useful life of one year or more and maintain their identity and structure when placed into service.

At the end of 2012, the District had capital assets with a book value of \$30,700,403. This consists of a broad range of capital assets, including land, school buildings, computer and audio-visual equipment, administrative offices, and construction in progress for renovations at various schools within the District. (See Table A-7). Total depreciation expense for the year was \$1,227,298.

	Governmental Activities		Business-Type Activities		Total	
	2012	2011	2012	2011	2012	2011
Land	\$ 6,399,000	\$ 6,399,000			\$ 6,399,000	\$ 6,399,000
Construction in Progress	1,148,684	2,071,393			1,148,684	2,071,393
Buildings and Improvements	45,918,515	42,630,080			45,918,515	42,630,080
Furnishings and Equipment	4,983,014	4,844,687	\$ 858,773	\$ 834,944	5,841,787	5,679,631
Total Capital Assets	<u>58,449,213</u>	<u>55,945,160</u>	<u>858,773</u>	<u>834,944</u>	<u>59,307,986</u>	<u>56,780,104</u>
Less:						
Accumulated Depreciation	<u>(27,888,227)</u>	<u>(26,660,928)</u>	<u>(719,356)</u>	<u>(689,680)</u>	<u>(28,607,583)</u>	<u>(27,350,608)</u>
<b>Net Capital Assets</b>	<u><u>\$ 30,560,986</u></u>	<u><u>\$ 29,284,232</u></u>	<u><u>\$ 139,417</u></u>	<u><u>\$ 145,264</u></u>	<u><u>\$ 30,700,403</u></u>	<u><u>\$ 29,429,496</u></u>

Voorhees Township School District  
 Voorhees, New Jersey

Management's Discussion and Analysis (continued)  
 Year Ended June 30, 2012

**Long-term Obligations**

At year-end, the District had \$13,279,000 in general obligation bonds outstanding, a decrease of \$1,475,000 from last year. (See Table A-8).

The District had a \$1,670,347 general liability for compensated absences. This liability represents the District's contractual obligation to compensate employees for accumulated unused sick leave entitlements upon retirement. The liability for Compensated Absences was calculated utilizing an expected retirement age of 55, which is the minimum retirement age with 25 years of service. In the future, this calculation will be revised as new pension laws are enacted, effecting minimum retirement age.

<b>Voorhees Township School District</b>				
<b>Long Term Debt Schedule</b>				
<b><u>Governmental Activity</u></b>	<b><u>Balance at</u></b>	<b><u>Balance at</u></b>	<b><u>Increase/</u></b>	<b><u>%</u></b>
	<b><u>June 30, 2012</u></b>	<b><u>June 30, 2011</u></b>	<b><u>(Decrease)</u></b>	<b><u>Change</u></b>
General Obligation Bonds Payable	\$ 13,279,000	\$ 14,754,000	\$ (1,475,000)	-10.0%
Compensated Absences	1,670,347	1,585,803	84,544	5.3%
<b>Total</b>	<b><u>\$ 14,949,347</u></b>	<b><u>\$ 16,339,803</u></b>	<b><u>\$ (1,390,456)</u></b>	<b><u>-8.5%</u></b>

**THE FUTURE OUTLOOK**

The Governor has implemented financial measures to cope with the State of New Jersey's growing budget deficit. The result of these measures was a \$4.3 million reduction in State Aid for the Voorhees Township School District during the 2009-2010 school year. We were able to financially stabilize the District through appropriation of District reserves, a freeze in District spending during the 2009-2010 school year, additional reductions in spending for the 2010-2011 school year and a 3¢ tax increase for the 2010-2011 budget. The tax increase was in line with past increases, but was not acceptable to the community during current economic conditions. However, the community approved a 3.6¢ tax increase for the 2011-2012 budget in order to stabilize the District after a reduction in spending of \$1.9 million, a salary freeze for all administrators, and a favorable Collective Bargaining Agreement supported by the Association.

We must now function within the newly enacted economic parameters established by the Governor and State Legislators. The Legislature passed a 2% cap on the tax levy, with limited exceptions. Our District must compensate for the one-time loss of \$4.3 million in State Aid and the overall lowering of State Aid going forward while complying with the new, more restrictive 2% cap on the tax levy.

In order to meet this extraordinary challenge, we have implemented a comprehensive solution which will have a significant impact on the way in which our District will function in the future. With input from the community, we clearly established the core services the District must provide to our students to ensure a superior education. We also challenged the community to define the overall educational environment they desired for their children through their vote on the 2011-2012 budget approving a 3.6¢ tax increase. However, before we challenged the community, we challenged ourselves as demonstrated through the Board and Association negotiating a Collective Bargaining Agreement that will permit the District to continue to provide a superior education and the ability to meet the needs of all children.

Voorhees Township School District  
Voorhees, New Jersey

Management's Discussion and Analysis (continued)  
Year Ended June 30, 2012

Notwithstanding the adoption of the fiscal plan for 2011-2012, the 2012-2013 budget will require continued fiscal austerity, especially in the area of collective bargaining and discretionary spending. The actions required to move the District into compliance with the new economic parameters and maintain a quality education are significant, but achievable.

**CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Frank T. DeBerardinis, Ed.D., Assistant Superintendent for Business/Board Secretary at:

Voorhees Township School District, 329 Rt. 73, Voorhees, New Jersey 08043.

## BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

**TOWNSHIP OF VOORHEES SCHOOL DISTRICT**  
Statement of Net Assets  
June 30, 2012

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b>ASSETS:</b>			
Cash and Cash Equivalents	\$ 2,833,232.47	\$ 2,744,540.73	\$ 5,577,773.20
Receivables, net (Note 4)	595,708.04	14,000.50	609,708.54
Inventory (Note 5)		10,141.41	10,141.41
Prepaid Expenses	378,622.00		378,622.00
Deferred Charges:			
Debt Issuance Costs (Net of Amortization)	181,524.20		181,524.20
Restricted Assets:			
Restricted Cash and Cash Equivalents	7,029,237.13		7,029,237.13
Capital Reserve Account - Cash	3,583,308.58		3,583,308.58
Capital Assets, net (Note 7)	<u>30,560,986.00</u>	<u>139,417.00</u>	<u>30,700,403.00</u>
<b>Total Assets</b>	<u>45,162,618.42</u>	<u>2,908,099.64</u>	<u>48,070,718.06</u>
<b>LIABILITIES:</b>			
Interfund Accounts Payable	104,931.02	(45,473.03)	59,457.99
Payable to State Government	53,679.59		53,679.59
Deferred Revenue		4,876.75	4,876.75
Accrued Interest on Bonds	172,368.33		172,368.33
Noncurrent Liabilities (Note 8):			
Due within One Year	1,605,000.00		1,605,000.00
Due beyond One Year	<u>13,450,290.08</u>	<u>55,377.50</u>	<u>13,505,667.58</u>
<b>Total Liabilities</b>	<u>15,386,269.02</u>	<u>14,781.22</u>	<u>15,401,050.24</u>
<b>NET ASSETS:</b>			
Invested in Capital Assets, Net of Related Debt	17,176,042.92	139,417.00	17,315,459.92
Restricted for:			
Debt Service	1,543,606.30		1,543,606.30
Capital Projects	9,014,480.28		9,014,480.28
Other Purposes	1,014,155.34		1,014,155.34
Unrestricted	<u>1,028,064.56</u>	<u>2,753,901.42</u>	<u>3,781,965.98</u>
<b>Total Net Assets</b>	<u>\$ 29,776,349.40</u>	<u>\$ 2,893,318.42</u>	<u>\$ 32,669,667.82</u>

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

**TOWNSHIP OF VOORHEES SCHOOL DISTRICT**  
Statement of Activities  
For the Fiscal Year Ended June 30, 2012

Functions / Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<b>Governmental Activities:</b>							
<b>Instruction:</b>							
Regular	\$ 16,920,055.70		\$ 1,159,104.84		\$ (15,760,950.86)		\$ (15,760,950.86)
Special Education	5,097,248.53				(5,097,248.53)		(5,097,248.53)
Other Special Instruction	811,011.26				(811,011.26)		(811,011.26)
Other Instruction	266,403.35				(266,403.35)		(266,403.35)
Community Services Programs / Operations	30,638.00				(30,638.00)		(30,638.00)
<b>Support Services:</b>							
Tuition	1,228,232.48				(1,228,232.48)		(1,228,232.48)
Student and Instruction Related Services	4,523,609.12		165,347.50		(4,358,261.62)		(4,358,261.62)
School Administrative Services	1,424,243.12				(1,424,243.12)		(1,424,243.12)
General and Business Administrative Services	1,754,382.86				(1,754,382.86)		(1,754,382.86)
Plant Operations and Maintenance	3,798,540.28				(3,798,540.28)		(3,798,540.28)
Pupil Transportation	2,064,458.59				(2,064,458.59)		(2,064,458.59)
Unallocated Benefits	11,385,516.12		4,005,655.80		(7,379,860.32)		(7,379,860.32)
Interest on Long-Term Debt	674,486.91		93,269.99		(581,216.91)		(581,216.91)
Amortization of Bond Issuance Costs	27,023.25				(27,023.25)		(27,023.25)
Unallocated Depreciation	23,695.00				(23,695.00)		(23,695.00)
<b>Total Governmental Activities</b>	<b>50,029,544.57</b>	<b>-</b>	<b>5,423,378.13</b>	<b>-</b>	<b>(44,606,166.43)</b>	<b>-</b>	<b>(44,606,166.43)</b>
<b>Business-Type Activities:</b>							
Food Service	977,944.99	\$ 716,418.51	249,688.64			\$ (11,837.84)	(11,837.84)
Community Education and Recreation	1,179,292.64	1,387,525.38				208,232.74	208,232.74
<b>Total Business-Type Activities</b>	<b>2,157,237.63</b>	<b>2,103,943.89</b>	<b>249,688.64</b>	<b>-</b>	<b>-</b>	<b>196,394.90</b>	<b>196,394.90</b>
<b>Total Primary Government</b>	<b>\$ 52,186,782.20</b>	<b>\$ 2,103,943.89</b>	<b>\$ 5,673,066.77</b>	<b>\$ -</b>	<b>(44,606,166.43)</b>	<b>196,394.90</b>	<b>(44,409,771.53)</b>
<b>General Revenues:</b>							
<b>Taxes:</b>							
Property Taxes, Levied for General Purposes, net					40,542,446.00		40,542,446.00
Taxes Levied for Debt Service					1,189,617.00		1,189,617.00
Federal and State Aid not Restricted					5,639,641.71		5,639,641.71
Investment Earnings					54,052.45	7,696.55	61,749.00
Miscellaneous Income					123,517.74		123,517.74
<b>Special Items:</b>							
Donation of Assets					3,040.00		3,040.00
Canceled Accounts Receivable					(1,425.00)		(1,425.00)
<b>Total General Revenues, Special Items, Extraordinary Items and Transfers</b>					<b>47,550,889.90</b>	<b>7,696.55</b>	<b>47,558,586.45</b>
<b>Change in Net Assets</b>					<b>2,944,723.46</b>	<b>204,091.45</b>	<b>3,148,814.91</b>
<b>Net Assets -- July 1</b>					<b>26,831,625.94</b>	<b>2,689,226.97</b>	<b>29,520,852.91</b>
<b>Net Assets -- June 30</b>					<b>\$ 29,776,349.40</b>	<b>\$ 2,893,318.42</b>	<b>\$ 32,669,667.82</b>

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

FUND FINANCIAL STATEMENTS

**TOWNSHIP OF VOORHEES 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>
<b>ASSETS:</b>					
Cash and Cash Equivalents	\$ 3,296,881.44		\$ 4,865,588.34	\$ 1,699,999.82	\$ 9,862,469.60
Interfund Accounts Receivable	250,311.41			15,974.81	266,286.22
Receivables from Other Governments	291,717.04	\$ 303,991.00			595,708.04
Restricted Cash and Cash Equivalents	<u>3,583,308.58</u>				<u>3,583,308.58</u>
Total Assets	<u>\$ 7,422,218.47</u>	<u>\$ 303,991.00</u>	<u>\$ 4,865,588.34</u>	<u>\$ 1,715,974.63</u>	<u>\$ 14,307,772.44</u>
<b>LIABILITIES AND FUND BALANCES:</b>					
Liabilities:					
Interfund Accounts Payable	\$ 104,931.02	\$ 250,311.41	\$ 15,974.81		371,217.24
Payable to State Government		<u>53,679.59</u>			<u>53,679.59</u>
Total Liabilities	<u>104,931.02</u>	<u>303,991.00</u>	<u>15,974.81</u>	<u>-</u>	<u>424,896.83</u>
Fund Balances:					
Restricted:					
Capital Reserve Account	3,983,342.55				3,983,342.55
Emergency Reserve	463,648.97				463,648.97
Excess Surplus	550,506.37				550,506.37
Capital Projects			4,849,613.53		4,849,613.53
Debt Service				\$ 1,715,974.63	1,715,974.63
Excess Surplus--Designated for Subsequent Year's Expenditures	963,853.00				963,853.00
Assigned:					
Designated for Subsequent Year's Expenditures	315,220.00				315,220.00

(Continued)

**TOWNSHIP OF VOORHEES 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>
<b>LIABILITIES AND FUND BALANCES (CONT'D):</b>					
Fund Balances (Continued):					
Unassigned	\$ 1,040,716.56	-	-	-	\$ 1,040,716.56
Total Fund Balances	<u>7,317,287.45</u>	<u>-</u>	<u>\$ 4,849,613.53</u>	<u>\$ 1,715,974.63</u>	13,882,875.61
Total Liabilities and Fund Balances	<u>\$ 7,422,218.47</u>	<u>\$ 303,991.00</u>	<u>\$ 4,865,588.34</u>	<u>\$ 1,715,974.63</u>	
Amounts reported for <i>governmental activities</i> in the statement of net assets (A-1) are different because:					
Governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.					
Unamortized Bond Issuance Costs					181,524.20
Interest on long-term debt in the statement of activities is accrued, regardless of when due.					
					(172,368.33)
Governmental funds report prepaid expenses as expenditures when the payments are made under the purchases method, whereas these amounts are deferred and amortized in the statement of activities.					
					378,622.00
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$58,449,213.00 and the accumulated depreciation is \$27,888,227.00.					
					30,560,986.00
Long-term liabilities, including bonds and compensated absences payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds.					
					<u>(15,055,290.08)</u>
Net assets of governmental activities					<u>\$ 29,776,349.40</u>

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

**TOWNSHIP OF VOORHEES SCHOOL DISTRICT**  
Statement of Revenues, Expenditures, and Changes in Fund Balances  
Governmental Funds  
For the Fiscal Year Ended 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>
<b>REVENUES:</b>					
Local Tax Levy	\$ 40,542,446.00			\$ 1,189,617.00	\$ 41,732,063.00
Miscellaneous	161,595.36		\$ 15,974.81		177,570.17
State Sources	9,154,833.80	\$ 151,717.41		339,550.00	9,646,101.21
Federal Sources	240,958.70	1,175,959.93			1,416,918.63
	<u>50,099,833.86</u>	<u>1,327,677.34</u>	<u>15,974.81</u>	<u>1,529,167.00</u>	<u>52,972,653.01</u>
Total Revenues					
<b>EXPENDITURES:</b>					
Current:					
Regular Instruction	14,938,445.86	1,159,104.84			16,097,550.70
Special Education Instruction	5,097,248.53				5,097,248.53
Other Special Instruction	811,011.26				811,011.26
Other Instruction	266,403.35				266,403.35
Support Services and Undistributed Costs:					
Tuition	1,228,232.48				1,228,232.48
Student and Instruction Related Services	4,302,121.62	165,347.50			4,467,469.12
School Administrative Services	1,382,425.12				1,382,425.12
Other Administrative Services	1,639,011.86				1,639,011.86
Plant Operations and Maintenance	3,651,700.28				3,651,700.28
Pupil Transportation	2,064,458.59				2,064,458.59
Unallocated Benefits	11,300,971.62				11,300,971.62
Debt Service:					
Principal				1,475,000.00	1,475,000.00
Interest and Other Charges				558,605.00	558,605.00
Capital Outlay	151,053.34	3,225.00	2,365,725.64		2,520,003.98
	<u>46,833,083.91</u>	<u>1,327,677.34</u>	<u>2,365,725.64</u>	<u>2,033,605.00</u>	<u>52,560,091.89</u>
Total Expenditures					
Excess (Deficiency) of Revenues over Expenditures	<u>3,266,749.95</u>	<u>-</u>	<u>(2,349,750.83)</u>	<u>(504,438.00)</u>	<u>412,561.12</u>

(Continued)

**TOWNSHIP OF VOORHEES SCHOOL DISTRICT**  
Statement of Revenues, Expenditures, and Changes in Fund Balances  
Governmental Funds  
For the Fiscal Year Ended 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>
OTHER FINANCING SOURCES (USES):					
Accounts Receivable Canceled	\$ (1,425.00)				\$ (1,425.00)
Operating Transfers In				\$ 1,654,502.81	1,654,502.81
Operating Transfers Out	<u>(1,638,528.00)</u>		<u>\$ (15,974.81)</u>		<u>(1,654,502.81)</u>
Total Other Financing Sources and Uses	<u>(1,639,953.00)</u>	<u>-</u>	<u>(15,974.81)</u>	<u>1,654,502.81</u>	<u>(1,425.00)</u>
Net Change in Fund Balances	1,626,796.95	-	(2,365,725.64)	1,150,064.81	411,136.12
Fund Balance -- July 1	<u>5,690,490.50</u>	<u>-</u>	<u>7,215,339.17</u>	<u>565,909.82</u>	<u>13,471,739.49</u>
Fund Balance -- June 30	<u><u>\$ 7,317,287.45</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 4,849,613.53</u></u>	<u><u>\$ 1,715,974.63</u></u>	<u><u>\$ 13,882,875.61</u></u>

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

**TOWNSHIP OF VOORHEES SCHOOL DISTRICT**  
 Reconciliation of the Statement of Revenues, Expenditures,  
 and Changes in Fund Balances of Governmental Funds  
 to the Statement of Activities  
 For the Fiscal Year Ended June 30, 2012

Total Net Change in Fund Balances - Governmental Funds	\$	411,136.12
<p>Amounts reported for governmental activities in the statement of activities (A-2) are different because:</p> <p>Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.</p>		
Depreciation Expense	\$	(1,227,299.00)
Capital Outlays (Exclusive of SDA Debt Service Aid Assessment)		2,501,013.00
		1,273,714.00
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.		1,475,000.00
The issuance of long-term debt (bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of the governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.		(13,613.05)
The net effect of various miscellaneous transactions involving capital assets (i.e., disposals, donations and capital grants) is to increase net assets.		3,040.00
Interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. This amount is the net effect of the difference in the treatment of interest on long-term debt.		(110,301.11)
In the statement of activities, certain operating expenses, (e.g., compensated absences) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). This amount is the net effect of the difference in treatment of compensated absences.		(84,544.50)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. This amount is the net effect of the difference in the treatment of prepaid expenses.		(9,708.00)
Change in Net Assets of Governmental Activities	\$	2,944,723.46

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

**TOWNSHIP OF VOORHEES SCHOOL DISTRICT**  
Statement of Net Assets  
Proprietary Funds  
June 30, 2012

	Business-Type Activities - Enterprise Funds		
	<u>Food Service</u>	<u>Community Education and Recreation</u>	<u>Totals</u>
<b>ASSETS:</b>			
Current Assets:			
Cash and Cash Equivalents	\$ 657,319.67	\$ 2,087,221.06	\$ 2,744,540.73
Accounts Receivable:			
State	692.34		692.34
Federal	13,088.16		13,088.16
Other	220.00		220.00
Interfunds Receivable	45,473.03		45,473.03
Inventories	10,141.41		10,141.41
Total Current Assets	<u>726,934.61</u>	<u>2,087,221.06</u>	<u>2,814,155.67</u>
Noncurrent Assets:			
Furniture, Machinery and Equipment	795,847.00	62,926.00	858,773.00
Less Accumulated Depreciation	<u>(686,549.00)</u>	<u>(32,807.00)</u>	<u>(719,356.00)</u>
Total Noncurrent Assets	<u>109,298.00</u>	<u>30,119.00</u>	<u>139,417.00</u>
Total Assets	<u>836,232.61</u>	<u>2,117,340.06</u>	<u>2,953,572.67</u>
<b>LIABILITIES :</b>			
Current Liabilities:			
Deferred Revenue	<u>4,876.75</u>	<u>-</u>	<u>4,876.75</u>
Total Current Liabilities	<u>4,876.75</u>	<u>-</u>	<u>4,876.75</u>
Noncurrent Liabilities:			
Compensated absences	<u>55,377.50</u>	<u>-</u>	<u>55,377.50</u>
Total Noncurrent Liabilities	<u>55,377.50</u>	<u>-</u>	<u>55,377.50</u>
Total Liabilities	<u>60,254.25</u>	<u>-</u>	<u>60,254.25</u>
<b>NET ASSETS:</b>			
Invested in Capital Assets Net of Related Debt	109,298.00	30,119.00	139,417.00
Unrestricted	<u>666,680.36</u>	<u>2,087,221.06</u>	<u>2,753,901.42</u>
Total Net Assets	<u>\$ 775,978.36</u>	<u>\$ 2,117,340.06</u>	<u>\$ 2,893,318.42</u>

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

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

	Business-Type Activities - Enterprise Fund		
	<u>Food Service</u>	<u>Community Education and Recreation</u>	<u>Total Enterprise</u>
<b>OPERATING REVENUES:</b>			
Charges for Services:			
Daily Sales - Reimbursable Programs	\$ 465,063.60		\$ 465,063.60
Daily Sales - Non-Reimbursable Programs	226,122.85		226,122.85
Special Functions	21,107.31		21,107.31
Miscellaneous	4,124.75	\$ 10,798.85	14,923.60
Community Service Activities		1,376,726.53	1,376,726.53
	<u>716,418.51</u>	<u>1,387,525.38</u>	<u>2,103,943.89</u>
Total Operating Revenues			
	<u>716,418.51</u>	<u>1,387,525.38</u>	<u>2,103,943.89</u>
<b>OPERATING EXPENSES:</b>			
Salaries	406,376.37	824,854.78	1,231,231.15
Employee Benefits	110,561.84	146,457.09	257,018.93
Other Professional Services		7,500.00	7,500.00
Transportation		10,700.00	10,700.00
Travel	372.53	82.86	455.39
General Supplies	23,872.34	97,992.08	121,864.42
Depreciation	25,273.00	4,403.00	29,676.00
Cost of Sales	367,199.51		367,199.51
Miscellaneous Expense	44,289.40	87,302.83	131,592.23
	<u>977,944.99</u>	<u>1,179,292.64</u>	<u>2,157,237.63</u>
Total Operating Expenses			
	<u>977,944.99</u>	<u>1,179,292.64</u>	<u>2,157,237.63</u>
Operating Income (Loss)	<u>(261,526.48)</u>	<u>208,232.74</u>	<u>(53,293.74)</u>
<b>NONOPERATING REVENUES (EXPENSES):</b>			
State Sources:			
State School Lunch Program	10,165.87		10,165.87
Federal Sources:			
National School Lunch Program	192,685.83		192,685.83
Food Distribution Program	46,836.94		46,836.94
Interest and Investment Revenue	2,256.54	5,440.01	7,696.55
	<u>251,945.18</u>	<u>5,440.01</u>	<u>257,385.19</u>
Total Nonoperating Revenues (Expenses)			
	<u>251,945.18</u>	<u>5,440.01</u>	<u>257,385.19</u>
Change in Net Assets	(9,581.30)	213,672.75	204,091.45
Total Net Assets -- July 1	<u>785,559.66</u>	<u>1,903,667.31</u>	<u>2,689,226.97</u>
Total Net Assets -- June 30	<u>\$ 775,978.36</u>	<u>\$ 2,117,340.06</u>	<u>\$ 2,893,318.42</u>

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

**TOWNSHIP OF VOORHEES SCHOOL DISTRICT**  
Statement of Cash Flows  
Proprietary Funds  
For the Fiscal Year Ended June 30, 2012

	Business-Type Activities - Enterprise Funds		
	<u>Food Service</u>	<u>Community Education and Recreation</u>	<u>Total Enterprise</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Receipts from Customers	\$ 712,512.01	\$ 1,387,525.38	\$ 2,100,037.39
Payments to Employees	(406,376.37)	(824,854.78)	(1,231,231.15)
Payments for Employee Benefits	(107,671.84)	(146,457.09)	(254,128.93)
Payments to Suppliers	<u>(434,682.16)</u>	<u>(203,577.77)</u>	<u>(638,259.93)</u>
Net Cash Provided by (used for) Operating Activities	<u>(236,218.36)</u>	<u>212,635.74</u>	<u>(23,582.62)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>			
State Sources	10,852.94		10,852.94
Federal Sources	237,370.44		237,370.44
Operating Subsidies and Transfers to Other Funds	<u>(20,224.21)</u>		<u>(20,224.21)</u>
Net Cash Provided by (used for) Non-Capital Financing Activities	<u>227,999.17</u>	<u>-</u>	<u>227,999.17</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>			
Purchases of Capital Assets	<u>(18,934.00)</u>	<u>(4,895.00)</u>	<u>(23,829.00)</u>
Net Cash Provided by (used for) Capital and Related Financing Activities	<u>(18,934.00)</u>	<u>(4,895.00)</u>	<u>(23,829.00)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Interest and Dividends	<u>2,256.54</u>	<u>5,440.01</u>	<u>7,696.55</u>
Net Cash Provided by (used for) Investing Activities	<u>2,256.54</u>	<u>5,440.01</u>	<u>7,696.55</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(24,896.65)	213,180.75	188,284.10
Balances -- July 1	<u>682,216.32</u>	<u>1,874,040.31</u>	<u>2,556,256.63</u>
Balances -- June 30	<u>\$ 657,319.67</u>	<u>\$ 2,087,221.06</u>	<u>\$ 2,744,540.73</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating Income (Loss)	\$ (261,526.48)	\$ 208,232.74	\$ (53,293.74)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities:			
Depreciation and Net Amortization	25,273.00	4,403.00	29,676.00
(Increase) Decrease in Inventories	1,051.62		1,051.62
(Increase) Decrease in Accounts Receivable, net	(3,906.50)		(3,906.50)
Increase (Decrease) in Compensated Absences Payable	<u>2,890.00</u>		<u>2,890.00</u>
Total Adjustments	<u>25,308.12</u>	<u>4,403.00</u>	<u>29,711.12</u>
Net Cash Provided by (used for) Operating Activities	<u>\$ (236,218.36)</u>	<u>\$ 212,635.74</u>	<u>\$ (23,582.62)</u>

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

**TOWNSHIP OF VOORHEES SCHOOL DISTRICT**  
 Statement of Fiduciary Net Assets  
 Fiduciary Funds  
 June 30, 2012

	Trust Funds		Agency Funds	
	Unemployment Compensation	Private-Purpose Scholarship Fund	Student Activity	Payroll
<b>ASSETS:</b>				
Cash and Cash Equivalents	\$ 300,370.48	\$ 2,421.81	\$ 37,079.60	\$ 243,225.45
Intrafund Accounts Receivable	10,734.92			
Interfund Accounts Receivable	66,092.00			
	<u>377,197.40</u>	<u>2,421.81</u>	<u>37,079.60</u>	<u>243,225.45</u>
<b>LIABILITIES:</b>				
Accounts Payable	17,328.34			
Intrafund Accounts Payable				10,734.92
Interfund Accounts Payable				6,634.01
Payable to Student Groups			37,079.60	
Payroll Deductions and Withholdings				225,856.52
	<u>17,328.34</u>	<u>-</u>	<u>\$ 37,079.60</u>	<u>\$ 243,225.45</u>
<b>NET ASSETS:</b>				
Held in Trust for Unemployment Claims and Other Purposes Reserved for Special Revenue	359,869.06	2,421.81		
	<u>\$ 359,869.06</u>	<u>\$ 2,421.81</u>		

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

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

	<u>Unemployment Compensation Trust</u>	<u>Private-Purpose Scholarship Fund</u>
<b>ADDITIONS:</b>		
Contributions:		
Employee Salary Deductions	\$ 41,408.43	
Board Contributions	66,092.00	
Investment Earnings:		
Interest	<u>837.11</u>	<u>\$ 8.12</u>
Total Additions	<u>108,337.54</u>	<u>8.12</u>
<b>DEDUCTIONS:</b>		
Unemployment Claims	39,159.11	
Scholarships		<u>450.00</u>
Total Deductions	<u>39,159.11</u>	<u>450.00</u>
Change in Net Assets	69,178.43	(441.88)
Net Assets -- July 1	<u>290,690.63</u>	<u>2,863.69</u>
Net Assets -- June 30	<u><u>\$ 359,869.06</u></u>	<u><u>\$ 2,421.81</u></u>

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

**TOWNSHIP OF VOORHEES SCHOOL DISTRICT**

Notes to Financial Statements  
For the Fiscal Year Ended June 30, 2012

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**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Description of the Reporting Entity** - The Township of Voorhees School District (hereafter referred to as the "School District") is a Type II district located in the County of Camden, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The Board is comprised of nine members elected to three-year terms. These terms are staggered so that three member's terms expire each year. The purpose of the School District is to educate students in grades K-8 at the School District's five schools. The Township of Voorhees School District has an approximate enrollment at June 30, 2012 of 3,173.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**Enterprise Funds** - The enterprise funds are used to account for operations

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

The School District's enterprise funds are:

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

**Community Education and Recreation Program** - This fund accounts for financial activity related to providing community education and recreation program activities for School District students and community residents.

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

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

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

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

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

**Trust Funds** - The unemployment compensation and private-purpose scholarship trust funds are accounted for using the economic resources measurement focus. The unemployment compensation trust fund is used to account for contributions and interest earned on the balance as well as payments to the State for reimbursement of unemployment claims. The private purpose scholarship fund is utilized to provide scholarships to students and to account for the related transactions.

**Agency Funds** - The student activity and payroll 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.

**Measurement Focus**

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

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

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

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

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting.

For fund financial statements, all governmental funds use the modified accrual basis of accounting. Proprietary and fiduciary funds, like the government-wide financial statements, use the accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue and the presentation of expenses versus expenditures.

**Recognition of Revenue** - Revenue resulting from exchange transactions, which are defined as transactions in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. For the governmental fund financial statements, which are prepared on the modified accrual basis, however, such revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the School District, available means expected to be received within sixty days after fiscal year end.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**Operating and Non-Operating Revenues and Expenses** - Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the School District, these revenues are sales for the food service program and fees for the community education and recreation program. Non-operating revenues principally consist of federal and state subsidies and interest income earned on various interest-bearing accounts. Operating expenses are necessary costs incurred to provide the goods or services that are the primary activity of the fund.

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

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

**Note 2: CASH AND CASH EQUIVALENTS**

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

As of June 30, 2012, the School District's bank balances of \$18,810,040.67 were exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 390,178.74
Collateralized by securities held by the pledging financial institution	250,000.00
Collateralized by securities held by the pledging financial institution's trust department or agent but not in the depositor-government's name	<u>18,169,861.93</u>
Total	<u>\$ 18,810,040.67</u>

**Note 2: CASH AND CASH EQUIVALENTS (CONT'D)**

**New Jersey Cash Management Fund** - During the fiscal year, the School District participated in the New Jersey Cash Management Fund. The Fund is governed by regulations of the State Investment Council, who prescribe standards designed to insure the quality of investments in order to minimize risk to the Funds participants. Deposits with the New Jersey Cash Management Fund are not subject to custodial credit risk as defined above. At June 30, 2012, the School District's deposits with the New Jersey Cash Management Fund were \$204,510.42.

**Note 3: CAPITAL RESERVE ACCOUNT**

A capital reserve account was established by the School District by inclusion of \$100.00 on October 11, 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.

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

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

Beginning Balance July 1, 2011		\$ 2,515,308.61
Increased by:		
Interest Earnings	\$ 6,561.94	
Deposits:		
Board Resolution June 13, 2012	<u>3,100,000.00</u>	
		<u>3,106,561.94</u>
		5,621,870.55
Decreased by:		
Withdrawals:		
Board Resolution March 28, 2012	<u>1,638,528.00</u>	
Total Withdrawals		<u>1,638,528.00</u>
Ending Balance June 30, 2012		<u><u>\$ 3,983,342.55</u></u>

The June 30, 2012 capital reserve balance does not exceed the LRFP balance of local support costs of uncompleted projects. The withdrawal from the capital reserve was used to offset principal and interest for bonded projects in the LRFP.

**Note 4: ACCOUNTS RECEIVABLE**

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

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Proprietary Funds</u>	<u>Total</u>
Intergovernmental	\$ 291,717.04	\$ 303,991.00	\$ 13,780.50	\$ 609,488.54
Other			220.00	220.00
Total	<u>\$ 291,717.04</u>	<u>\$ 303,991.00</u>	<u>\$ 14,000.50</u>	<u>\$ 609,708.54</u>

**Note 5: INVENTORY**

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

Food	\$ 9,569.58
Supplies	<u>571.83</u>
	<u>\$ 10,141.41</u>

**Note 6: OPERATING LEASES**

At June 30, 2012, the School District had operating lease agreements in effect for copy machines and mail systems. The present value of the future minimum rental payments under the operating lease agreements are as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Amount</u>
2013	\$ 138,681.24
2014	129,383.98
2015	23,763.42
2016	16,823.52
2017	<u>4,284.00</u>
	<u>\$ 312,936.16</u>

Rental payments under operating leases for the fiscal year ended June 30, 2012 were \$137,605.20.

**Note 7: CAPITAL ASSETS**

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

	<u>Balance</u> <u>July 1, 2011</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2012</u>
<b>Governmental Activities:</b>				
Land	\$ 6,399,000.00			\$ 6,399,000.00
Construction in Progress	2,071,393.00	\$ 2,365,726.00	\$ (3,288,435.00)	1,148,684.00
Total Capital Assets not being Depreciated	8,470,393.00	2,365,726.00	(3,288,435.00)	7,547,684.00
Building Improvements	1,032,125.00		3,288,435.00	4,320,560.00
Buildings	41,597,955.00			41,597,955.00
Furnishings and Equipment	1,475,715.00	8,167.00		1,483,882.00
Movable Equipment	3,368,972.00	130,160.00		3,499,132.00
Totals at Historical Cost	55,945,160.00	2,504,053.00	3,288,435.00	58,449,213.00
Less Accumulated Depreciation:				
Building Improvements	(144,014.00)	(24,157.00)		(168,171.00)
Buildings	(23,023,709.00)	(968,063.00)		(23,991,772.00)
Furnishings and Equipment	(1,150,154.00)	(113,641.00)		(1,263,795.00)
Movable Equipment	(2,343,051.00)	(121,438.00)		(2,464,489.00)
Total Accumulated Depreciation	(26,660,928.00)	(1,227,299.00) *	-	(27,888,227.00)
Governmental Activities Capital Assets, Net	<u>\$ 29,284,232.00</u>	<u>\$ 1,276,754.00</u>	<u>\$ -</u>	<u>\$ 30,560,986.00</u>
<b>Business-Type Activities:</b>				
Equipment	\$ 834,944.00	\$ 23,829.00		\$ 858,773.00
Less Accumulated Depreciation	(689,680.00)	(29,676.00)		(719,356.00)
Business-Type Activities Capital Assets, Net	<u>\$ 145,264.00</u>	<u>\$ (5,847.00)</u>	<u>\$ -</u>	<u>\$ 139,417.00</u>

\* Depreciation expense was charged to governmental functions as follows:

Instruction Regular Programs	\$ 822,505.00
Community Service Operations	30,638.00
Support Services Students	56,140.00
Support Services General Administration	35,631.00
Support Services School Administration	41,818.00
Support Services Plant Operations and Maintenance	131,242.00
Support Services Business and Other Support Services	85,630.00
Unallocated	23,695.00
Total Depreciation Expense	<u>\$ 1,227,299.00</u>



**Note 9: PENSION PLANS**

A substantial number of the School District's employees participate in one of the following defined benefit pension plans: the Teachers' Pension and Annuity Fund and the Public Employees' Retirement System, which are administered by the New Jersey Division of Pensions and Benefits. In addition, several School District employees participate in the Defined Contribution Retirement Program, which is a defined contribution pension plan. This too is administered by the New Jersey Division of Pensions and Benefits. Each plan has a Board of Trustees that is primarily responsible for its administration. The Division issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to:

State of New Jersey  
Division of Pensions and Benefits  
P.O. Box 295  
Trenton, New Jersey 08625-0295

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

The contribution requirements of plan members are determined by State statute. In accordance with Chapters 113, 114 and 115, P.L. 1997, plan members enrolled in the TPAF were required to contribute 5% of their annual covered salary. Effective July 1, 2007, however, in accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members were required to contribute 5.5% of their annual covered salary. For employees who were enrolled in the retirement system prior to July 1, 2007, the increase was effective with the payroll period that began immediately after July 1, 2007. Pursuant to the provisions of Chapter 78, P.L. 2011, effective October 1, 2011, the active member contribution rate was increased to 6.5%. An additional 1.0% increase will be phased-in over seven years beginning on July 1, 2012. The State Treasurer has the right under the current law to make temporary reductions in member rates based on the existence of surplus pension assets in the retirement system; however, statute also requires the return to the normal rate when such surplus pension assets no longer exist.

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

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

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 62, P.L. 1994, plan members enrolled in the Public Employees' Retirement System were required to contribute 5% of their annual covered salary. Effective July 1, 2008, however, 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. For employees enrolled in the retirement system prior to July 1, 2008, the increase is effective with the payroll period that begins immediately after July 1, 2008. Pursuant to the provisions of Chapter 78, P.L. 2011, effective October 1, 2011, the active member contribution rate was increased to 6.5%. An additional 1.0% increase will be phased-in over seven years beginning on July 1, 2012. The State Treasurer has the right under the current law to make temporary reductions in member rates based on the existence of surplus pension assets in the retirement system; however, the statute also requires the return to the normal rate when such surplus pension assets no longer exist.

**Note 9: PENSION PLANS (CONT'D)**

**Public Employees' Retirement System (Cont'd)** – The School District is billed annually for its normal contribution plus any accrued liability. The School District's contributions, equal to the required contribution for each fiscal year, were as follows:

<u>Fiscal Year</u>	<u>Normal Contribution</u>	<u>Accrued Liability</u>	<u>Total Liability</u>	<u>Paid by School District</u>
2012	\$ 194,429.00	\$ 326,459.00	\$ 520,888.00	\$ 520,888.00
2011	213,428.00	284,121.00	497,549.00	497,549.00
2010	197,251.00	192,462.00	389,713.00	389,713.00

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

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

The School District's contributions, equal to the required contribution for each fiscal year, were \$5,497.93 and \$911.76 for fiscal years ending June 30, 2012 and June 30, 2011, respectively.

**Note 10: POST-RETIREMENT BENEFITS**

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

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

**Note 11: ON-BEHALF PAYMENTS**

For the fiscal year ended June 30, 2012, the School District has recognized as revenues and expenditures on-behalf payments made by the State for normal costs and post-retirement costs related to TPAF. The amounts recognized as revenues and expenditures for normal costs and post-retirement costs were \$767,068 and \$1,542,009, respectively.

**Note 12: RISK MANAGEMENT**

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

**Property and Liability Insurance** - The School District maintains insurance coverage for property, liability and employee dishonesty through the Burlington County Insurance Pool Joint Insurance Fund. A complete schedule of insurance coverage can be found in the Statistical Section of this Comprehensive Annual Financial Report.

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

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

<u>Fiscal Year Ended June 30,</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2012	\$ 66,092.00	\$ 41,408.43	\$ 39,159.11	\$ 359,869.06
2011		40,761.62	48,765.01	290,690.63
2010	100,000.00	42,687.86	16,792.72	297,943.09

**Joint Insurance Pool** - The School District is a member of the Burlington County Insurance Pool Joint Insurance Fund.

The Fund provides the School District with the following coverage:

- Property (Including Crime and Auto Physical Damage)
- General Liability
- Automobile Liability
- Workers' Compensation
- Educator's Legal Liability
- Boiler and Machinery
- Pollution/Environmental Legal Liability

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

The Fund publishes its own financial report for the fiscal year ended June 30, 2011, which can be obtained from:

Burlington County Insurance Pool Joint Insurance Fund  
P.O. Box 449  
Marlton, New Jersey 08053

**Note 13: DEFERRED COMPENSATION**

The School District offers its employees a choice of three deferred compensation plans created in accordance with Internal Revenue Code Sections 403(b) and 457. The plans, which are administered by the entities listed below, permit participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death, or unforeseeable emergency. The plan administrators are as follows:

Lincoln Investment Planning, Inc.  
Vanguard Group  
AXA Equitable Life Insurance Co.

**Note 14: COMPENSATED ABSENCES**

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

District employees are granted vacation and sick leave in varying amounts under the District's personnel policies. In the event of termination, an employee is reimbursed for accumulated sick leave as calculated according to formulas outlined in the District's agreements with the various employee unions.

The liability for vested compensated absences is recorded within those funds as the benefits accrue to employees. As of June 30, 2012, the liability for compensated absences in the governmental activities and proprietary fund types was \$1,670,347.00 and \$55,377.50, respectively.

**Note 15: INTERFUND BALANCES AND TRANSFERS**

The following interfund balances were recorded on the various balance sheets as June 30, 2012:

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
General Fund	\$ 250,311.41	\$ 104,931.02
Special Revenue		250,311.41
Capital Projects		15,974.81
Debt Service	15,974.81	
Proprietary	45,473.03	
Fiduciary	66,092.00	6,634.01
	<u>\$ 377,851.25</u>	<u>\$ 377,851.25</u>

The interfund receivables and payables above resulted from interest earnings and subsidies collected in one fund but allocable to another fund, from amounts appropriated in one fund for transfer to another fund and from expenditures made against reimburse-type grant funds. During fiscal year 2013, the District expects to liquidate such interfunds.

**Note 16: FUND BALANCES****RESTRICTED**

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

**General Fund -**

**For Excess Surplus** - In accordance with N.J.S.A. 18A:7F-7, as amended, the designation of restricted fund balance - excess surplus is the result of a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve general fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2012 is \$1,031,277.37 presented on the budgetary basis of accounting (Exhibit C-1). Additionally, \$963,853.00 of excess fund balance generated during 2010-2011 has been restricted and designated for utilization in the 2012-2013 budget.

**For Capital Reserve Account** - As of June 30, 2012, the balance in the capital reserve account is \$3,983,342.55. These funds are restricted for future capital outlay expenditures for capital projects in the School District's approved Long Range Facilities Plan (LRFP).

**For Emergency Reserve** - As of June 30, 2012, the balance in the emergency reserve is \$463,648.97. These funds are restricted for the purpose of financing unanticipated general fund expenditures required for a thorough and efficient education in accordance with N.J.S.A. 18A:7F-41c(1).

**Capital Projects Fund** - On March 13, 2008, the School District issued \$10,199,000.00 of general obligation bonds pursuant to: (i) Chapter 24 of Title 18A of the New Jersey Statutes, as amended and supplemented ("School Bond Law") and (ii) two (2) resolutions adopted by the Board on January 23, 2008 and February 27, 2008, respectively. The Bonds were authorized by a proposal adopted by the Board on October 22, 2007 and approved by the voters of the School District at a special election held on December 11, 2007. The bond issuance was approved by the voters for the completion of various improvements at the Voorhees Middle School, Osage Elementary School, Kresson Elementary School, E.T. Hamilton Elementary School and Signal Hill Elementary School. As of June 30, 2012, the restricted fund balance amount is \$4,849,613.53.

**Debt Service Fund** - As of June 30, 2012, \$1,715,974.63 of debt service fund balance is restricted for future debt service expenditures.

**ASSIGNED**

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

**General Fund -**

**For Subsequent Year's Expenditures** - As of June 30, 2012, the School District has appropriated and included as anticipated revenue for the fiscal year ending June 30, 2013 \$315,220.00 of general fund balance.

**Note 16: FUND BALANCES (CONT'D)****UNASSIGNED**

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

**General Fund** - As of June 30, 2012, \$1,040,716.56 of general fund balance was unassigned.

REQUIRED SUPPLEMENTARY INFORMATION  
PART II

BUDGETARY COMPARISON SCHEDULES

**TOWNSHIP OF VOORHEES SCHOOL DISTRICT**  
 Required Supplementary Information  
 Budgetary Comparison Schedule  
 GENERAL FUND  
 For the Fiscal Year Ended June 30, 2012

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
<b>REVENUES:</b>					
Local Sources:					
Local Tax Levy	\$ 40,542,446.00		\$ 40,542,446.00	\$ 40,542,446.00	
Miscellaneous	80,000.00		80,000.00	161,595.36	\$ 81,595.36
Total - Local Sources	40,622,446.00	-	40,622,446.00	40,704,041.36	81,595.36
State Sources:					
Categorical Special Education Aid	1,584,375.00		1,584,375.00	1,584,375.00	
Equalization Aid	2,831,966.00		2,831,966.00	2,831,966.00	
Categorical Security Aid	178,056.00		178,056.00	230,954.00	52,898.00
Categorical Transportation Aid				419,261.00	419,261.00
Nonpublic School Transportation Aid				18,444.00	18,444.00
Extraordinary Special Education Costs Aid				165,724.00	165,724.00
Reimbursed TPAF Social Security Contributions (non-budgeted)				1,696,578.80	1,696,578.80
On-behalf TPAF Pension Contributions (non-budgeted)				2,309,077.00	2,309,077.00
Total - State Sources	4,594,397.00	-	4,594,397.00	9,256,379.80	4,661,982.80
Federal Sources:					
Special Education Medicaid Initiative	20,213.00		20,213.00	19,470.70	(742.30)
Education Jobs Fund	214,000.00	\$ 7,488.00	221,488.00	221,488.00	
Total - Federal Sources	234,213.00	7,488.00	241,701.00	240,958.70	(742.30)
Total Revenues	45,451,056.00	7,488.00	45,458,544.00	50,201,379.86	4,742,835.86
<b>EXPENDITURES:</b>					
<b>GENERAL CURRENT EXPENSE:</b>					
Regular Programs - Instruction:					
Salaries of Teachers:					
Preschool	147,204.00		147,204.00	141,355.67	5,848.33
Kindergarten	455,903.00	47,894.00	503,797.00	503,727.96	69.04
Grades 1 - 5	8,179,131.00	(39,800.00)	8,139,331.00	8,096,582.25	42,748.75
Grades 6 - 8	5,420,272.00	(214,494.00)	5,205,778.00	5,145,702.51	60,075.49
Regular Programs - Home Instruction:					
Salaries of Teachers	150,000.00		150,000.00	106,177.62	43,822.38
Regular Programs - Undistributed Instruction:					
Purchased Professional - Educational Services	3,150.00		3,150.00		3,150.00
Purchased Professional - Technical Services	25,000.00		25,000.00	15,492.20	9,507.80
Rentals	170,000.00		170,000.00	139,364.37	30,635.63
Travel	9,550.00		9,550.00	1,671.39	7,878.61
General Supplies	650,133.00	193,104.29	843,237.29	711,608.74	131,628.55
Textbooks	106,880.00	(95,800.00)	11,080.00	2,943.52	8,136.48
Other Objects	73,055.00	107,137.23	180,192.23	73,819.63	106,372.60
Total Regular Programs	15,390,278.00	(1,958.48)	15,388,319.52	14,938,445.86	449,873.66

(Continued)

**TOWNSHIP OF VOORHEES SCHOOL DISTRICT**  
 Required Supplementary Information  
 Budgetary Comparison Schedule  
 GENERAL FUND  
 For the Fiscal Year Ended June 30, 2012

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
<b>EXPENDITURES (CONT'D):</b>					
<b>GENERAL CURRENT EXPENSE (CONT'D):</b>					
Special Education:					
Learning and/or Language Disabilities:					
Salaries of Teachers	\$ 591,505.00	\$ (2,314.00)	\$ 589,191.00	\$ 554,476.37	\$ 34,714.63
Other Salaries for Instruction	92,437.00	1,500.00	93,937.00	90,435.24	3,501.76
General Supplies	6,070.00	(1,670.00)	4,400.00	3,589.57	810.43
Textbooks	725.00		725.00		725.00
Total - Learning and/or Language Disabilities	<u>690,737.00</u>	<u>(2,484.00)</u>	<u>688,253.00</u>	<u>648,501.18</u>	<u>39,751.82</u>
Behavioral Disabilities:					
Salaries of Teachers	<u>67,236.00</u>	<u>814.00</u>	<u>68,050.00</u>	<u>68,042.92</u>	<u>7.08</u>
Total - Behavioral Disabilities	<u>67,236.00</u>	<u>814.00</u>	<u>68,050.00</u>	<u>68,042.92</u>	<u>7.08</u>
Multiple Disabilities:					
Salaries of Teachers	427,381.00	24,616.00	451,997.00	405,533.53	46,463.47
Other Salaries for Instruction	399,448.00		399,448.00	367,500.98	31,947.02
Purchased Professional - Educational Services	418,633.00	(1,875.00)	416,758.00	221,151.65	195,606.35
General Supplies	1,500.00		1,500.00	1,034.00	466.00
Total - Multiple Disabilities	<u>1,246,962.00</u>	<u>22,741.00</u>	<u>1,269,703.00</u>	<u>995,220.16</u>	<u>274,482.84</u>
Resource Room/Center:					
Salaries of Teachers	2,615,720.00	(24,616.00)	2,591,104.00	2,448,014.73	143,089.27
Other Salaries for Instruction	797,000.00	3,594.00	800,594.00	701,418.62	99,175.38
General Supplies	17,000.00		17,000.00	6,892.88	10,107.12
Textbooks	2,900.00		2,900.00		2,900.00
Total - Resource Room/Center	<u>3,432,620.00</u>	<u>(21,022.00)</u>	<u>3,411,598.00</u>	<u>3,156,326.23</u>	<u>255,271.77</u>
Autism:					
Other Salaries for Instruction	<u>38,000.00</u>	<u>6,250.00</u>	<u>44,250.00</u>	<u>44,171.70</u>	<u>78.30</u>
Total - Autism	<u>38,000.00</u>	<u>6,250.00</u>	<u>44,250.00</u>	<u>44,171.70</u>	<u>78.30</u>
Preschool Disabilities - Part-time:					
Salaries of Teachers	55,300.00	(584.00)	54,716.00	48,023.22	6,692.78
Other Salaries for Instruction	131,898.00	(37,250.00)	94,648.00	86,211.31	8,436.69
General Supplies	2,000.00		2,000.00	1,716.59	283.41
Total - Preschool Disabilities - Part-Time	<u>189,198.00</u>	<u>(37,834.00)</u>	<u>151,364.00</u>	<u>135,951.12</u>	<u>15,412.88</u>

(Continued)

**TOWNSHIP OF VOORHEES SCHOOL DISTRICT**  
 Required Supplementary Information  
 Budgetary Comparison Schedule  
 GENERAL FUND  
 For the Fiscal Year Ended June 30, 2012

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
<b>EXPENDITURES (CONT'D):</b>					
<b>GENERAL CURRENT EXPENSE (CONT'D):</b>					
Special Education (Cont'd):					
Preschool Disabilities - Full-time:					
Salaries of Teachers	\$ 48,454.00	\$ 584.00	\$ 49,038.00	\$ 49,035.22	\$ 2.78
Total - Preschool Disabilities - Full-Time	48,454.00	584.00	49,038.00	49,035.22	2.78
Total - Special Education	5,713,207.00	(30,951.00)	5,682,256.00	5,097,248.53	585,007.47
Basic Skills/Remedial:					
Salaries of Teachers	793,140.00	-	793,140.00	671,881.25	121,258.75
Total - Basic Skills/Remedial	793,140.00	-	793,140.00	671,881.25	121,258.75
Bilingual Education:					
Salaries of Teachers	190,662.00		190,662.00	138,630.33	52,031.67
General Supplies	1,400.00		1,400.00	499.68	900.32
Total - Bilingual Education	192,062.00	-	192,062.00	139,130.01	52,931.99
School Sponsored Cocurricular Activities - Instruction:					
Other Salaries	240,571.00	9,857.52	250,428.52	249,459.50	969.02
Other Objects	27,900.00	(9,857.52)	18,042.48	16,943.85	1,098.63
Total - School-Sponsored Activities - Instruction	268,471.00	-	268,471.00	266,403.35	2,067.65
Total - Instruction	22,357,158.00	(32,909.48)	22,324,248.52	21,113,109.00	1,211,139.52
Community Services Programs/Operations:					
Communications/Telephone	1,000.00		1,000.00	-	1,000.00
Total - Community Services Programs/Operations	1,000.00	-	1,000.00	-	1,000.00
Undistributed Expenditures - Instruction:					
Tuition to Other LEAs Within the State-Regular	12,000.00	39,000.00	51,000.00	22,058.40	28,941.60
Tuition to Other LEAs Within the State-Special	128,000.00	(99,500.00)	28,500.00	28,043.33	456.67
Tuition to CSSD & Regional Day Schools	242,568.00	8,000.00	250,568.00	239,881.37	10,686.63
Tuition to Private School for the Disabled - State	940,805.00	10,700.00	951,505.00	901,824.38	49,680.62
Tuition to Private School for the Disabled and Other LEAs - Spl., O/S State		38,700.00	38,700.00	33,325.00	5,375.00
Tuition - Other		3,100.00	3,100.00	3,100.00	
Total Undistributed Expenditures - Instruction	1,323,373.00	-	1,323,373.00	1,228,232.48	95,140.52

(Continued)

**TOWNSHIP OF VOORHEES SCHOOL DISTRICT**  
 Required Supplementary Information  
 Budgetary Comparison Schedule  
 GENERAL FUND  
 For the Fiscal Year Ended June 30, 2012

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
<b>EXPENDITURES (CONT'D):</b>					
<b>GENERAL CURRENT EXPENSE (CONT'D):</b>					
Undistributed Expenditures - Attendance and Social Work Services:					
Other Salaries	\$ 2,500.00		\$ 2,500.00	\$ 2,000.00	\$ 500.00
General Supplies		\$ 150.00	150.00	150.00	
Total Undistributed Expenditures - Attendance and Social Work	<u>2,500.00</u>	<u>150.00</u>	<u>2,650.00</u>	<u>2,150.00</u>	<u>500.00</u>
Total Undistributed Expenditures - Health Services:					
Salaries of Other Professional Staff	489,437.00	2,365.00	491,802.00	491,801.01	0.99
Purchased Professional and Technical Services	17,800.00		17,800.00	15,100.00	2,700.00
General Supplies	11,765.00	154.09	11,919.09	9,245.89	2,673.20
Total Undistributed Expenditures - Health Services	<u>519,002.00</u>	<u>2,519.09</u>	<u>521,521.09</u>	<u>516,146.90</u>	<u>5,374.19</u>
Undistributed Expenditures - Speech, OT, PT & Related Services:					
Salaries	622,469.00		622,469.00	529,527.30	92,941.70
Purchased Professional - Educational Services	25,300.00		25,300.00	6,800.00	18,500.00
General Supplies	4,500.00	(200.00)	4,300.00	2,663.65	1,636.35
Total Undistributed Expenditures - Speech, OT, PT & Related Services	<u>652,269.00</u>	<u>(200.00)</u>	<u>652,069.00</u>	<u>538,990.95</u>	<u>113,078.05</u>
Undistributed Expenditures - Guidance:					
Salaries of Other Professional Staff	585,958.00	(23,100.00)	562,858.00	540,130.02	22,727.98
Salaries of Secretarial and Clerical Assistants	52,422.00	610.00	53,032.00	53,024.85	7.15
General Supplies	3,400.00		3,400.00	2,065.69	1,334.31
Total Undistributed Expenditures - Guidance	<u>641,780.00</u>	<u>(22,490.00)</u>	<u>619,290.00</u>	<u>595,220.56</u>	<u>24,069.44</u>
Undistributed Expenses - Child Study Teams:					
Salaries of Other Professional Staff	1,236,032.00	(86,587.00)	1,149,445.00	1,066,564.09	82,880.91
Salaries of Secretarial and Clerical Assistants	84,845.00	925.00	85,770.00	85,763.53	6.47
Purchased Professional - Educational Services	21,000.00	(3,175.00)	17,825.00	17,595.00	230.00
Miscellaneous Purchased Services	3,500.00		3,500.00	3,077.10	422.90
General Supplies	45,360.00	7,480.00	52,840.00	52,474.74	365.26
Other Objects	12,400.00	(3,480.00)	8,920.00	3,550.09	5,369.91
Total Undistributed Expenditures - Child Study Teams	<u>1,403,137.00</u>	<u>(84,837.00)</u>	<u>1,318,300.00</u>	<u>1,229,024.55</u>	<u>89,275.45</u>

(Continued)

**TOWNSHIP OF VOORHEES SCHOOL DISTRICT**  
 Required Supplementary Information  
 Budgetary Comparison Schedule  
 GENERAL FUND  
 For the Fiscal Year Ended June 30, 2012

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
<b>EXPENDITURES (CONT'D):</b>					
<b>GENERAL CURRENT EXPENSE (CONT'D):</b>					
Undistributed Expenditures - Improvement of Instructional Services:					
Salaries of Supervisors of Instruction	\$ 257,015.00	\$ (6,781.00)	\$ 250,234.00	\$ 246,458.03	\$ 3,775.97
Salaries of Secretarial and Clerical Assistants	116,103.00	(38,419.00)	77,684.00	77,662.61	21.39
Other Salaries	5,000.00		5,000.00		5,000.00
Purchased Professional - Educational Services	8,000.00	(5,755.00)	2,245.00	2,045.00	200.00
Travel	5,050.00		5,050.00	854.50	4,195.50
General Supplies	22,735.00	22,485.00	45,220.00	43,309.61	1,910.39
Textbooks	12,000.00	(1,200.00)	10,800.00	773.28	10,026.72
Other Objects	10,630.00	320.00	10,950.00	6,431.29	4,518.71
<b>Total Undistributed Expenditures - Improvement of Instructional Services</b>	<b>436,533.00</b>	<b>(29,350.00)</b>	<b>407,183.00</b>	<b>377,534.32</b>	<b>29,648.68</b>
Undistributed Expenditures - Educational Media/Library:					
Salaries of Other Professional Staff	392,386.00	5,387.00	397,773.00	397,666.72	106.28
General Supplies	47,260.00	(1,000.00)	46,260.00	36,135.23	10,124.77
<b>Total Undistributed Expenditures - Educational Media/Library</b>	<b>439,646.00</b>	<b>4,387.00</b>	<b>444,033.00</b>	<b>433,801.95</b>	<b>10,231.05</b>
Undistributed Expenditures - Instructional Staff Training Services:					
Salaries of Supervisors of Instruction	328,846.00	(1,938.00)	326,908.00	318,688.72	8,219.28
Other Salaries	277,974.00	2,738.00	280,712.00	252,671.60	28,040.40
Other Purchased Professional - Technical Services	29,000.00		29,000.00	17,145.00	11,855.00
Travel	1,000.00		1,000.00	147.56	852.44
General Supplies	2,000.00		2,000.00	1,916.05	83.95
Other Objects	11,211.00	16,000.00	27,211.00	18,683.46	8,527.54
<b>Total Undistributed Expenditures - Instructional Staff Training Services</b>	<b>650,031.00</b>	<b>16,800.00</b>	<b>666,831.00</b>	<b>609,252.39</b>	<b>57,578.61</b>
Undistributed Expenditures - Support Services General Administration:					
Salaries of Other Professional Staff	302,436.00	1,347.00	303,783.00	303,780.33	2.67
Legal Services	64,000.00		64,000.00	40,052.37	23,947.63
Audit Fees	45,000.00	1,300.00	46,300.00	46,300.00	
Architect and Engineering Services	21,500.00	(10,000.00)	11,500.00	3,362.35	8,137.65
Other Purchased Professional Services	69,400.00	8,560.00	77,960.00	71,538.45	46,421.55
Communications/Telephone	126,013.00		126,013.00	55,157.94	70,855.06
Travel	5,000.00		5,000.00	136.73	4,863.27
BOE Other Purchased Services	9,600.00		9,600.00	9,600.00	
Insurance	261,600.00	800.00	262,400.00	259,006.00	3,394.00
General Supplies	2,300.00		2,300.00	2,299.79	0.21
BOE In-House Training/Meeting Supplies	6,000.00		6,000.00		6,000.00
Miscellaneous Expenditures	21,800.00		21,800.00	7,579.18	14,220.82
BOE Membership Dues and Fees	23,000.00	(500.00)	22,500.00	21,985.85	514.15
<b>Total Undistributed Expenditures - Support Services General Administration</b>	<b>957,649.00</b>	<b>1,507.00</b>	<b>959,156.00</b>	<b>771,198.99</b>	<b>187,957.01</b>

(Continued)

**TOWNSHIP OF VOORHEES SCHOOL DISTRICT**  
 Required Supplementary Information  
 Budgetary Comparison Schedule  
 GENERAL FUND  
 For the Fiscal Year Ended June 30, 2012

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
<b>EXPENDITURES (CONT'D):</b>					
<b>GENERAL CURRENT EXPENSE (CONT'D):</b>					
Undistributed Expenditures - Support Services School Administration:					
Salaries of Principals/Assistant Principals	\$ 895,632.00	\$ (5,036.00)	\$ 890,596.00	\$ 854,289.66	\$ 36,306.34
Salaries of Secretarial and Clerical Assistants	512,695.00	3,689.00	516,384.00	516,099.25	284.75
General Supplies	22,370.00		22,370.00	12,036.21	10,333.79
<b>Total Undistributed Expenditures - Support Services School Administration</b>	<b>1,430,697.00</b>	<b>(1,347.00)</b>	<b>1,429,350.00</b>	<b>1,382,425.12</b>	<b>46,924.88</b>
Undistributed Expenditures - Central Services:					
Salaries of Other Professional Staff	485,423.00	(585.00)	484,838.00	475,687.36	9,150.64
Purchased Professional Services	13,000.00	140.00	13,140.00	13,140.00	
Miscellaneous Purchased Services	13,300.00		13,300.00	4,284.00	9,016.00
General Supplies	19,000.00	4,000.00	23,000.00	22,231.05	768.95
Miscellaneous Expenditures	66,080.00	(4,360.00)	61,720.00	26,271.51	35,448.49
<b>Total Undistributed Expenditures - Central Services</b>	<b>596,803.00</b>	<b>(805.00)</b>	<b>595,998.00</b>	<b>541,613.92</b>	<b>54,384.08</b>
Undistributed Expenditures - Admin. Info. Technology:					
Salaries of Supervisors of Instruction	125,151.00	585.00	125,736.00	125,334.88	401.12
Travel	2,000.00		2,000.00	1,301.43	698.57
General Supplies	79,000.00	(3,500.00)	75,500.00	75,447.04	52.96
Other Objects	109,500.00	38,925.00	148,425.00	124,115.60	24,309.40
<b>Total Undistributed Expenditures - Admin. Info. Technology</b>	<b>315,651.00</b>	<b>36,010.00</b>	<b>351,661.00</b>	<b>326,198.95</b>	<b>25,462.05</b>
Undistributed Expenditures - Required Maint. for School Facilities:					
Other Salaries - Maintenance	231,848.00	(143.00)	231,705.00	214,218.30	17,486.70
Cleaning, Repair & Maintenance Services	636,800.00	165,300.00	802,100.00	788,365.52	13,734.48
<b>Total Undistributed Expenditures - Required Maint. for School Facilities</b>	<b>868,648.00</b>	<b>165,157.00</b>	<b>1,033,805.00</b>	<b>1,002,583.82</b>	<b>31,221.18</b>
Undistributed Expenditures - Custodial Services:					
Other Salaries	1,018,752.00	(26,050.00)	992,702.00	860,143.66	132,558.34
Cleaning, Repair & Maintenance Services	5,824.00		5,824.00	5,776.41	47.59
Other Purchased Property Services	149,665.00	(18,500.00)	131,165.00	124,184.18	6,980.82
Insurance	151,220.00	(14,800.00)	136,420.00	135,622.00	798.00
General Supplies - Custodial and Buildings	265,200.00	16,300.00	281,500.00	276,526.13	4,973.87
General Supplies - Vehicles	36,400.00	11,650.00	48,050.00	32,883.03	15,166.97
Energy (Natural Gas)	93,560.00		93,560.00	30,001.43	63,558.57
Energy (Heat & Electricity)	1,521,015.00		1,521,015.00	1,027,599.49	493,415.51
Other Objects	2,590.00		2,590.00	1,512.00	1,078.00
<b>Total - Custodial Services</b>	<b>3,244,226.00</b>	<b>(31,400.00)</b>	<b>3,212,826.00</b>	<b>2,494,248.33</b>	<b>718,577.67</b>
Undistributed Expenditures - Care and Upkeep of Grounds:					
Cleaning, Repair & Maintenance Services		166,760.00	166,760.00	154,868.13	11,891.87
General Supplies	147,166.00	(144,060.00)	3,106.00		3,106.00
<b>Total Undistributed Expenditures - Care and Upkeep of Grounds</b>	<b>147,166.00</b>	<b>22,700.00</b>	<b>169,866.00</b>	<b>154,868.13</b>	<b>14,997.87</b>

(Continued)

**TOWNSHIP OF VOORHEES SCHOOL DISTRICT**  
 Required Supplementary Information  
 Budgetary Comparison Schedule  
 GENERAL FUND  
 For the Fiscal Year Ended June 30, 2012

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
<b>EXPENDITURES (CONT'D):</b>					
<b>GENERAL CURRENT EXPENSE (CONT'D):</b>					
Undistributed Expenditures - Student Transportation Services:					
Salaries for Pupil Transportation					
(Between Home & School) - Regular	\$ 47,552.00	\$ 123.00	\$ 47,675.00	\$ 47,668.06	\$ 6.94
Salaries for Pupil Transportation					
(Between Home & School) - Special	8,392.00	20.00	8,412.00	8,411.99	0.01
Management Fee - ESC Transportation Program	18,963.00		18,963.00	10,767.59	8,195.41
Contracted Services (Between Home & School) - Vendor	1,202,641.00	47,650.00	1,250,291.00	1,249,955.60	335.40
Contracted Services ( Other than Between Home & School) - Vendor	136,269.00	(1,700.00)	134,569.00	64,751.50	69,817.50
Contracted Services (Special Ed Students) - Vendors	284,761.00	38,500.00	323,261.00	321,251.30	2,009.70
Contracted Services ( Special Ed Students) - ESC & CTSA's	350,000.00		350,000.00	258,351.04	91,648.96
Contracted Services - Aid in Lieu of Payments	124,065.00	(50.00)	124,015.00	96,716.72	27,298.28
General Supplies	9,860.00	(2,400.00)	7,460.00	6,584.79	875.21
<b>Total Undistributed Expenditures - Student Transportation Services</b>	<b>2,182,503.00</b>	<b>82,143.00</b>	<b>2,264,646.00</b>	<b>2,064,458.59</b>	<b>200,187.41</b>
Unallocated Benefits - Employee Benefits:					
Group Insurance		600.00	600.00	400.04	199.96
Social Security Contributions	542,480.00		542,480.00	398,317.86	144,162.14
Other Retirement Contributions - PERS	597,000.00	(66,612.00)	530,388.00	528,428.22	1,959.78
Unemployment Compensation	66,092.00		66,092.00	66,092.00	
Health Benefits	6,670,124.00	(251,181.00)	6,418,943.00	5,999,512.59	419,430.41
Tuition Reimbursement	19,200.00	99,612.00	118,812.00	67,821.16	50,990.84
Other Employee Benefits	183,200.00	60,000.00	243,200.00	234,743.95	8,456.05
<b>Total Unallocated Benefits - Employee Benefits</b>	<b>8,078,096.00</b>	<b>(157,581.00)</b>	<b>7,920,515.00</b>	<b>7,295,315.82</b>	<b>625,199.18</b>
Undistributed Expenditures- Non-budgeted:					
On-behalf TPAF Pension Contributions	-	-	-	2,309,077.00	(2,309,077.00)
Undistributed Expenditures - Non-budgeted					
Reimbursed TPAF Social Security Contributions	-	-	-	1,696,578.80	(1,696,578.80)
<b>Total Undistributed Expenses</b>	<b>23,889,710.00</b>	<b>3,363.09</b>	<b>23,893,073.09</b>	<b>25,568,921.57</b>	<b>(1,675,848.48)</b>
<b>Total Current Expense</b>	<b>46,247,868.00</b>	<b>(29,546.39)</b>	<b>46,218,321.61</b>	<b>46,682,030.57</b>	<b>(463,708.96)</b>

(Continued)

**TOWNSHIP OF VOORHEES SCHOOL DISTRICT**  
 Required Supplementary Information  
 Budgetary Comparison Schedule  
 GENERAL FUND  
 For the Fiscal Year Ended June 30, 2012

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
<b>EXPENDITURES (CONT'D):</b>					
<b>CAPITAL OUTLAY:</b>					
Equipment:					
Undistributed Expenditures:					
Support Services - Students - Regular	\$ 88,038.00	\$ 39,034.39	\$ 127,072.39	\$ 124,076.74	\$ 2,995.65
Support Services - Child Study Teams	5,000.00	(5,000.00)			
Required Maintenance for School Facilities	5,000.00	3,000.00	8,000.00	7,985.60	14.40
Total - Equipment	<u>98,038.00</u>	<u>37,034.39</u>	<u>135,072.39</u>	<u>132,062.34</u>	<u>3,010.05</u>
Facilities Acquisition and Construction Services:					
Other Objects	18,991.00	-	18,991.00	18,991.00	-
Total - Facilities Acquisition and Construction Services	<u>18,991.00</u>	<u>-</u>	<u>18,991.00</u>	<u>18,991.00</u>	<u>-</u>
Total Capital Outlay	<u>117,029.00</u>	<u>37,034.39</u>	<u>154,063.39</u>	<u>151,053.34</u>	<u>3,010.05</u>
Total Expenditures	<u>46,364,897.00</u>	<u>7,488.00</u>	<u>46,372,385.00</u>	<u>46,833,083.91</u>	<u>(460,698.91)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(913,841.00)</u>	<u>-</u>	<u>(913,841.00)</u>	<u>3,368,295.95</u>	<u>4,282,136.95</u>
Other Financing Sources (Uses):					
Canceled Accounts Receivable				(1,425.00)	(1,425.00)
Transfers to Debt Service Fund				(1,638,528.00)	(1,638,528.00)
Total - Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,639,953.00)</u>	<u>(1,639,953.00)</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>(913,841.00)</u>	<u>-</u>	<u>(913,841.00)</u>	<u>1,728,342.95</u>	<u>2,642,183.95</u>
Fund Balances, July 1	<u>6,069,715.50</u>	<u>-</u>	<u>6,069,715.50</u>	<u>6,069,715.50</u>	<u>-</u>
Fund Balances, June 30	<u>\$ 5,155,874.50</u>	<u>\$ -</u>	<u>\$ 5,155,874.50</u>	<u>\$ 7,798,058.45</u>	<u>\$ 2,642,183.95</u>
<b>Recapitulation:</b>					
Restricted:					
Capital Reserve				\$ 3,983,342.55	
Emergency Reserve				463,648.97	
Excess Surplus--Current Year				1,031,277.37	
Excess Surplus--Prior Year--Designated for Subsequent Year's Expenditures				963,853.00	
Assigned:					
Designated for Subsequent Year's Expenditures				315,220.00	
Unassigned				<u>1,040,716.56</u>	
				7,798,058.45	
Reconciliation to Governmental Funds Statements (GAAP):					
Last State Aid Payment Not Recognized on GAAP Basis				<u>(480,771.00)</u>	
Fund Balance per Governmental Funds (GAAP)				<u>\$ 7,317,287.45</u>	

**TOWNSHIP OF VOORHEES SCHOOL DISTRICT**  
 Required Supplementary Information  
 Budgetary Comparison Schedule - Education Jobs Fund  
 GENERAL FUND  
 For the Fiscal Year Ended June 30, 2012

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
<b>REVENUES:</b>					
Federal Sources:					
Education Jobs Fund	\$ 214,000.00	\$ 7,488.00	\$ 221,488.00	\$ 221,488.00	-
Total - Federal Sources	214,000.00	7,488.00	221,488.00	221,488.00	-
Total Revenues	214,000.00	7,488.00	221,488.00	221,488.00	-
<b>EXPENDITURES:</b>					
<b>GENERAL CURRENT EXPENSE:</b>					
Special Education:					
Learning and/or Language Disabilities:					
Other Salaries for Instruction	17,446.00	-	17,446.00	17,446.00	-
Special Education:					
Multiple Disabilities:					
Other Salaries for Instruction	71,870.00	-	71,870.00	71,870.00	-
Special Education:					
Resource Room/Center:					
Other Salaries for Instruction	23,761.00	3,594.00	27,355.00	27,355.00	-
Total - Special Education	113,077.00	3,594.00	116,671.00	116,671.00	-
Unallocated Benefits - Employee Benefits:					
Social Security Contributions	8,651.00		8,651.00	8,651.00	
Health Benefits	92,272.00	3,894.00	96,166.00	96,166.00	
Total Unallocated Benefits - Employee Benefits	100,923.00	3,894.00	104,817.00	104,817.00	-
Total Current Expense	214,000.00	7,488.00	221,488.00	221,488.00	-
Total Expenditures	214,000.00	7,488.00	221,488.00	221,488.00	-
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	-	-	-	-	-
Fund Balances, July 1	-	-	-	-	-
Fund Balances, June 30	\$ -	\$ -	\$ -	\$ -	\$ -

**TOWNSHIP OF VOORHEES SCHOOL DISTRICT**  
 Required Supplementary Information  
 Budgetary Comparison Schedule  
 SPECIAL REVENUE FUND  
 For the Fiscal Year Ended June 30, 2012

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>REVENUES:</b>					
State Sources:					
Nonpublic Aid		\$ 195,369.00	\$ 195,369.00	\$ 141,689.41	\$ (53,679.59)
Municipal Drug Alliance		9,240.00	9,240.00	9,240.00	
Other State Aids		788.00	788.00	788.00	
Total - State Sources	-	205,397.00	205,397.00	151,717.41	(53,679.59)
Federal Sources:					
N.C.L.B.:					
Title I	\$ 229,248.00	87,325.00	316,573.00	290,735.00	(25,838.00)
Title II - Part A	75,916.00	28,573.00	104,489.00	96,320.00	(8,169.00)
Title III	10,369.00	3,832.00	14,201.00	13,004.00	(1,197.00)
I.D.E.I.A. Part B:					
Basic	624,881.00	132,522.65	757,403.65	738,205.62	(19,198.03)
Preschool	31,352.00	6,688.00	38,040.00	37,695.31	(344.69)
Total - Federal Sources	971,766.00	258,940.65	1,230,706.65	1,175,959.93	(54,746.72)
Total Revenues	971,766.00	464,337.65	1,436,103.65	1,327,677.34	(108,426.31)

(Continued)

**TOWNSHIP OF VOORHEES SCHOOL DISTRICT**  
 Required Supplementary Information  
 Budgetary Comparison Schedule  
 SPECIAL REVENUE FUND  
 For the Fiscal Year Ended June 30, 2012

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>EXPENDITURES:</b>					
Instruction:					
Salaries of Teachers	\$ 243,333.00	\$ 29,591.00	\$ 272,924.00	\$ 272,599.00	\$ 325.00
Other Salaries for Instruction	364,761.00	41,272.00	406,033.00	405,569.50	463.50
Purchased Professional Educational Services	901.00	201,680.00	202,581.00	138,330.75	64,250.25
Tuition	263,478.00	33,438.00	296,916.00	296,916.00	
General Supplies	180.00	38,587.15	38,767.15	32,720.25	6,046.90
Textbooks		13,394.00	13,394.00	12,969.34	424.66
<b>Total Instruction</b>	<u>872,653.00</u>	<u>357,962.15</u>	<u>1,230,615.15</u>	<u>1,159,104.84</u>	<u>71,510.31</u>
Support Services:					
Other Salaries for Instruction		4,620.00	4,620.00	4,620.00	
Personal Services--Employee Benefits	99,113.00	92,081.50	191,194.50	156,279.50	34,915.00
Purchased Professional Educational Services		635.00	635.00	635.00	
General Supplies		888.00	888.00	888.00	
Other Objects		2,925.00	2,925.00	2,925.00	
<b>Total Support Services</b>	<u>99,113.00</u>	<u>101,149.50</u>	<u>200,262.50</u>	<u>165,347.50</u>	<u>34,915.00</u>
Facilities Acquisition and Construction Services:					
Instructional Equipment		5,226.00	5,226.00	3,225.00	2,001.00
<b>Total Facilities Acquisition and Construction Services</b>	<u>-</u>	<u>5,226.00</u>	<u>5,226.00</u>	<u>3,225.00</u>	<u>2,001.00</u>
<b>Total Expenditures</b>	<u>971,766.00</u>	<u>464,337.65</u>	<u>1,436,103.65</u>	<u>1,327,677.34</u>	<u>108,426.31</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**TOWNSHIP OF VOORHEES SCHOOL DISTRICT**

Required Supplementary Information  
Budgetary Comparison Schedule  
Note to Required Supplementary Information  
For the Fiscal Year Ended June 30, 2012

Note A - Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures.

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources / Inflows of Resources:		
Actual amounts (budgetary basis) "revenues" from the budgetary comparison schedules	\$ 50,201,379.86	\$ 1,327,677.34
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	379,225.00	
State aid payments recognized as revenue for budgetary purposes, not recognized for GAAP statements until the subsequent year.	<u>(480,771.00)</u>	
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 50,099,833.86</u>	<u>\$ 1,327,677.34</u>
Uses / Outflows of Resources:		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	<u>\$ 46,833,083.91</u>	<u>\$ 1,327,677.34</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (B-2)	<u>\$ 46,833,083.91</u>	<u>\$ 1,327,677.34</u>

OTHER SUPPLEMENTARY INFORMATION

SPECIAL REVENUE FUND

**TOWNSHIP OF VOORHEES SCHOOL DISTRICT**  
**SPECIAL REVENUE FUND**  
Combining Schedule of Revenues and Expenditures - Budgetary Basis  
For the Fiscal Year Ended June 30, 2012

	N.C.L.B.					Total Brought Forward
	Total	Title I	Title II Part A	Title III	Municipal Drug Alliance	
<b>REVENUES:</b>						
Federal Sources	\$ 1,175,959.93	\$ 290,735.00	\$ 96,320.00	\$ 13,004.00		\$ 775,900.93
State Sources	151,717.41				\$ 9,240.00	142,477.41
Total Revenues	<u>1,327,677.34</u>	<u>290,735.00</u>	<u>96,320.00</u>	<u>13,004.00</u>	<u>9,240.00</u>	<u>918,378.34</u>
<b>EXPENDITURES:</b>						
Instruction:						
Salaries of Teachers	272,599.00	208,621.00	55,801.00	8,177.00		403,874.50
Other Salaries for Instruction	405,569.50				1,695.00	137,825.75
Purchased Professional Educational Services	138,330.75			505.00		296,916.00
Tuition	296,916.00					31,784.25
General Supplies	32,720.25	936.00				12,969.34
Textbooks	12,969.34					883,369.84
Total Instruction	<u>1,159,104.84</u>	<u>209,557.00</u>	<u>55,801.00</u>	<u>8,682.00</u>	<u>1,695.00</u>	<u>883,369.84</u>
Support Services:						
Other Salaries for Instruction	4,620.00				4,620.00	
Personal Services--Employee Benefits	156,279.50	81,178.00	39,884.00	4,322.00		30,895.50
Purchased Professional Educational Services	635.00		635.00			888.00
General Supplies	888.00					
Other Objects	2,925.00				2,925.00	
Total Support Services	<u>165,347.50</u>	<u>81,178.00</u>	<u>40,519.00</u>	<u>4,322.00</u>	<u>7,545.00</u>	<u>31,783.50</u>
Facilities Acquisition and Construction Services:						
Instructional Equipment	3,225.00	-	-	-	-	3,225.00
Total Facilities Acquisition and Construction Services	<u>3,225.00</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,225.00</u>
Total Expenditures	<u>\$ 1,327,677.34</u>	<u>\$ 290,735.00</u>	<u>\$ 96,320.00</u>	<u>\$ 13,004.00</u>	<u>\$ 9,240.00</u>	<u>\$ 918,378.34</u>

(Continued)

**TOWNSHIP OF VOORHEES SCHOOL DISTRICT**  
**SPECIAL REVENUE FUND**  
 Combining Schedule of Revenues and Expenditures - Budgetary Basis  
 For the Fiscal Year Ended June 30, 2012

	Total Carried Forward	I. D. E. I. A. Part B			Anti-Bullying Bill of Rights Act	NJ Non-Public Textbook Aid	NJ Non-Public Nursing Services Aid	Total Brought Forward
		Basic	Preschool					
<b>REVENUES:</b>								
Federal Sources	\$ 775,900.93	\$ 738,205.62	\$ 37,695.31					
State Sources	142,477.41			\$ 788.00	\$ 12,969.34	\$ 19,899.00	\$ 108,821.07	
Total Revenues	918,378.34	738,205.62	37,695.31	788.00	12,969.34	19,899.00	108,821.07	
<b>EXPENDITURES:</b>								
Instruction:								
Salaries of Teachers								
Other Salaries for Instruction	403,874.50	368,857.50	35,017.00					
Purchased Professional Educational Services	137,825.75	29,004.68					108,821.07	
Tuition	296,916.00	296,916.00						
General Supplies	31,784.25	11,885.25				19,899.00		
Textbooks	12,969.34				12,969.34			
Total Instruction	883,369.84	706,663.43	35,017.00	-	12,969.34	19,899.00	108,821.07	
Support Services:								
Other Salaries for Instruction								
Personal Services--Employee Benefits	30,895.50	28,217.19	2,678.31					
Purchased Professional Educational Services								
General Supplies	888.00	100.00		788.00				
Other Objects								
Total Support Services	31,783.50	28,317.19	2,678.31	788.00	-	-	-	
Facilities Acquisition and Construction Services:								
Instructional Equipment	3,225.00	3,225.00	-	-	-	-	-	
Total Facilities Acquisition and Construction Services	3,225.00	3,225.00	-	-	-	-	-	
Total Expenditures	\$ 918,378.34	\$ 738,205.62	\$ 37,695.31	\$ 788.00	\$ 12,969.34	\$ 19,899.00	\$ 108,821.07	

(Continued)

**TOWNSHIP OF VOORHEES SCHOOL DISTRICT**  
**SPECIAL REVENUE FUND**  
 Combining Schedule of Revenues and Expenditures - Budgetary Basis  
 For the Fiscal Year Ended June 30, 2012

	Total Carried Forward	N.J. Nonpublic Auxiliary Services, Ch. 192, L. 1977			N.J. Nonpublic Handicapped Services, Ch. 193, L. 1977		
		Compensatory Education	English as a Second Language	Transportation and Maintenance	Examination and Classification	Corrective Speech	Supplementary Instruction
<b>REVENUES:</b>							
Federal Sources							
State Sources	\$ 108,821.07	\$ 49,788.17	\$ 1,034.40	\$ 3,810.61	\$ 16,907.74	\$ 24,091.95	\$ 13,188.20
Total Revenues	108,821.07	49,788.17	1,034.40	3,810.61	16,907.74	24,091.95	13,188.20
<b>EXPENDITURES:</b>							
Instruction:							
Salaries of Teachers							
Other Salaries for Instruction							
Purchased Professional Educational Services	108,821.07	49,788.17	1,034.40	3,810.61	16,907.74	24,091.95	13,188.20
Tuition							
General Supplies							
Textbooks							
Total Instruction	108,821.07	49,788.17	1,034.40	3,810.61	16,907.74	24,091.95	13,188.20
Support Services:							
Other Salaries for Instruction							
Personal Services--Employee Benefits							
Purchased Professional Educational Services							
General Supplies							
Other Objects							
Total Support Services	-	-	-	-	-	-	-
Facilities Acquisition and Construction Services:							
Instructional Equipment							
Total Facilities Acquisition and Construction Services	-	-	-	-	-	-	-
Total Expenditures	\$ 108,821.07	\$ 49,788.17	\$ 1,034.40	\$ 3,810.61	\$ 16,907.74	\$ 24,091.95	\$ 13,188.20

CAPITAL PROJECTS FUND

**TOWNSHIP OF VOORHEES SCHOOL DISTRICT**  
**CAPITAL PROJECTS FUND**  
 Summary Schedule of Project Expenditures  
 For the Fiscal Year Ended June 30, 2012

Project Title/Issue	Original Date	Appropriations	Expenditures to Date		Unexpended Balance June 30, 2012
			Prior Years	Current Year	
(a) (i) The completion of various improvements at the Voorhees Middle School, Osage Elementary School, Kresson Elementary School, E.T. Hamilton Elementary School and Signal Hill Elementary School, including the upgrading of the access, emergency, communications and security systems, the replacement and/or repair of various portions of the roofs, and the replacement and/or upgrading of the electrical, heating, ventilation and other building systems.					
(ii) The completion of all work, including site improvements, necessary or desirable to make said improvements compatible with the existing facilities.					
(iii) The acquisition of furniture, fixtures and equipment for said improvements.	10-22-2007	<u>\$ 10,199,000.00</u>	<u>\$ 2,983,660.83</u>	<u>\$ 2,365,725.64</u>	<u>\$ 4,849,613.53</u>
Restricted for Capital Projects:					
Year-End Encumbrances					\$ 1,387,690.49
Designated for Subsequent Year's Expenditures					<u>3,461,923.04</u>
					<u>\$ 4,849,613.53</u>

**TOWNSHIP OF VOORHEES SCHOOL DISTRICT**  
**CAPITAL PROJECTS FUND**  
Statement of Revenues, Expenditures, and Changes in Fund Balances  
For the Fiscal Year Ended June 30, 2012

**Revenues:**

Interest Earned on Deposits	\$ 15,974.81
	<u>15,974.81</u>
Total Revenues	<u>15,974.81</u>

**Expenditures:**

Other Professional Services	307,882.13
Construction Services	<u>2,057,843.51</u>
Total Expenditures	<u>2,365,725.64</u>

Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(2,349,750.83)</u>
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## Other Financing Sources (Uses):

Transfers to Debt Service Fund:	
Interest Earned on Deposits	<u>(15,974.81)</u>
Total Other Financing Sources and Uses	<u>(15,974.81)</u>

Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(2,365,725.64)
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Fund Balance -- July 1	<u>7,215,339.17</u>
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Fund Balance -- June 30	<u>\$ 4,849,613.53</u>
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**TOWNSHIP OF VOORHEES SCHOOL DISTRICT**  
**CAPITAL PROJECTS FUND**  
Statement of Project Revenues, Expenditures, Project Balance and Project Status--Budgetary Basis  
Kresson Elementary School Renovations  
From Inception and for the Fiscal Year Ended June 30, 2012

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
Bond Proceeds and Transfers	\$ 959,995.00	_____	\$ 959,995.00	\$ 959,995.00
Total Revenues	959,995.00	-	959,995.00	959,995.00
<b>Expenditures and Other Financing Uses</b>				
Other Professional Services	99,144.10	\$ 50,237.85	149,381.95	198,095.00
Construction Services	185,552.31	38,336.43	223,888.74	761,900.00
Total Expenditures	284,696.41	88,574.28	373,270.69	959,995.00
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 675,298.59</u>	<u>\$ (88,574.28)</u>	<u>\$ 586,724.31</u>	<u>\$ -</u>
<b>Additional Project Information:</b>				
Project Number	5400-055-08-1000			
Bond Authorization Date	10-22-2007			
Bonds Authorized	\$ 959,995.00			
Bonds Issued	\$ 959,995.00			
Original Authorized Cost	\$ 959,995.00			
Additional Authorized Cost	-			
Revised Authorized Cost	\$ 959,995.00			
Percentage Increase over Original Authorized Cost	-			
Percentage Completion	38.88%			
Original Target Completion Date	6-30-13			
Revised Target Completion Date	9-01-13			

**TOWNSHIP OF VOORHEES SCHOOL DISTRICT**  
**CAPITAL PROJECTS FUND**  
Statement of Project Revenues, Expenditures, Project Balance and Project Status--Budgetary Basis  
E.T. Hamilton Elementary School Renovations  
From Inception and for the Fiscal Year Ended June 30, 2012

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
Bond Proceeds and Transfers	\$ 1,919,411.00	_____	\$ 1,919,411.00	\$ 1,919,411.00
Total Revenues	1,919,411.00	-	1,919,411.00	1,919,411.00
<b>Expenditures and Other Financing Uses</b>				
Other Professional Services	193,916.53	\$ 67,656.44	261,572.97	396,183.00
Construction Services	339,458.04	80,015.08	419,473.12	1,523,228.00
Total Expenditures	533,374.57	147,671.52	681,046.09	1,919,411.00
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 1,386,036.43</u>	<u>\$ (147,671.52)</u>	<u>\$ 1,238,364.91</u>	<u>\$ -</u>
<b>Additional Project Information:</b>				
Project Number	5400-020-08-1000			
Bond Authorization Date	10-22-2007			
Bonds Authorized	\$ 1,919,411.00			
Bonds Issued	\$ 1,919,411.00			
Original Authorized Cost	\$ 1,919,411.00			
Additional Authorized Cost	-			
Revised Authorized Cost	\$ 1,919,411.00			
Percentage Increase over Original Authorized Cost	-			
Percentage Completion	35.48%			
Original Target Completion Date	6-30-13			
Revised Target Completion Date	9-01-13			

**TOWNSHIP OF VOORHEES SCHOOL DISTRICT**  
**CAPITAL PROJECTS FUND**  
Statement of Project Revenues, Expenditures, Project Balance and Project Status--Budgetary Basis  
Signal Hill Elementary School Renovations  
From Inception and for the Fiscal Year Ended June 30, 2012

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
Bond Proceeds and Transfers	\$ 240,000.00	_____	\$ 240,000.00	\$ 240,000.00
Total Revenues	240,000.00	-	240,000.00	240,000.00
<b>Expenditures and Other Financing Uses</b>				
Other Professional Services	59,881.90	\$ 1,200.00	61,081.90	61,081.90
Construction Services	86,094.04	_____	86,094.04	178,918.10
Total Expenditures	145,975.94	1,200.00	147,175.94	240,000.00
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 94,024.06	\$ (1,200.00)	\$ 92,824.06	\$ -
<b>Additional Project Information:</b>				
Project Number	5400-095-08-1000			
Bond Authorization Date	10-22-2007			
Bonds Authorized	\$ 240,000.00			
Bonds Issued	\$ 240,000.00			
Original Authorized Cost	\$ 240,000.00			
Additional Authorized Cost	-			
Revised Authorized Cost	\$ 240,000.00			
Percentage Increase over Original Authorized Cost	-			
Percentage Completion	61.32%			
Original Target Completion Date	6-30-13			
Revised Target Completion Date	9-01-13			

**TOWNSHIP OF VOORHEES SCHOOL DISTRICT**  
**CAPITAL PROJECTS FUND**  
Statement of Project Revenues, Expenditures, Project Balance and Project Status--Budgetary Basis  
Voorhees Middle School Renovations  
From Inception and for the Fiscal Year Ended June 30, 2012

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
Bond Proceeds and Transfers	\$ 4,679,579.00	_____	\$ 4,679,579.00	\$ 4,679,579.00
Total Revenues	4,679,579.00	_____	4,679,579.00	4,679,579.00
<b>Expenditures and Other Financing Uses</b>				
Other Professional Services	364,807.57	\$ 113,657.44	478,465.01	965,694.00
Construction Services	1,482,815.62	1,895,196.00	3,378,011.62	3,713,885.00
Total Expenditures	1,847,623.19	2,008,853.44	3,856,476.63	4,679,579.00
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 2,831,955.81</u>	<u>\$ (2,008,853.44)</u>	<u>\$ 823,102.37</u>	<u>\$ -</u>
<b>Additional Project Information:</b>				
Project Number	5400-100-08-1000			
Bond Authorization Date	10-22-2007			
Bonds Authorized	\$ 4,679,579.00			
Bonds Issued	\$ 4,679,579.00			
Original Authorized Cost	\$ 4,679,579.00			
Additional Authorized Cost	-			
Revised Authorized Cost	\$ 4,679,579.00			
Percentage Increase over Original Authorized Cost	-			
Percentage Completion	82.41%			
Original Target Completion Date	6-30-13			
Revised Target Completion Date	9-01-13			

**TOWNSHIP OF VOORHEES SCHOOL DISTRICT**  
**CAPITAL PROJECTS FUND**  
Statement of Project Revenues, Expenditures, Project Balance and Project Status--Budgetary Basis  
Osage Elementary School Renovations  
From Inception and for the Fiscal Year Ended June 30, 2012

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
Bond Proceeds and Transfers	<u>\$ 2,400,015.00</u>	<u>                    </u>	<u>\$ 2,400,015.00</u>	<u>\$ 2,400,015.00</u>
Total Revenues	<u>2,400,015.00</u>	<u>-</u>	<u>2,400,015.00</u>	<u>2,400,015.00</u>
<b>Expenditures and Other Financing Uses</b>				
Other Professional Services	94,282.55	\$ 75,130.40	169,412.95	495,239.00
Construction Services	<u>77,708.17</u>	<u>44,296.00</u>	<u>122,004.17</u>	<u>1,904,776.00</u>
Total Expenditures	<u>171,990.72</u>	<u>119,426.40</u>	<u>291,417.12</u>	<u>2,400,015.00</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 2,228,024.28</u>	<u>\$ (119,426.40)</u>	<u>\$ 2,108,597.88</u>	<u>\$ -</u>
<b>Additional Project Information:</b>				
Project Number	5400-090-08-1000			
Bond Authorization Date	10-22-2007			
Bonds Authorized	\$ 2,400,015.00			
Bonds Issued	\$ 2,400,015.00			
Original Authorized Cost	\$ 2,400,015.00			
Additional Authorized Cost	-			
Revised Authorized Cost	\$ 2,400,015.00			
Percentage Increase over Original Authorized Cost	-			
Percentage Completion	12.14%			
Original Target Completion Date	6-30-13			
Revised Target Completion Date	9-01-13			

## PROPRIETARY FUNDS

**TOWNSHIP OF VOORHEES SCHOOL DISTRICT**  
**ENTERPRISE FUNDS**  
 Combining Statement of Net Assets  
 June 30, 2012

	<u>Food Service</u>	<u>Community Education and Recreation</u>	<u>Total</u>
<b>ASSETS:</b>			
Current Assets:			
Cash and Cash Equivalents	\$ 657,319.67	\$ 2,087,221.06	\$ 2,744,540.73
Accounts Receivable:			
State	692.34		692.34
Federal	13,088.16		13,088.16
Other	220.00		220.00
Interfunds Receivable	45,473.03		45,473.03
Inventories	10,141.41		10,141.41
Total Current Assets	<u>726,934.61</u>	<u>2,087,221.06</u>	<u>2,814,155.67</u>
Noncurrent Assets:			
Furniture, Machinery and Equipment	795,847.00	62,926.00	858,773.00
Less Accumulated Depreciation	<u>(686,549.00)</u>	<u>(32,807.00)</u>	<u>(719,356.00)</u>
Total Noncurrent Assets	<u>109,298.00</u>	<u>30,119.00</u>	<u>139,417.00</u>
Total Assets	<u>836,232.61</u>	<u>2,117,340.06</u>	<u>2,953,572.67</u>
<b>LIABILITIES:</b>			
Current Liabilities:			
Deferred Revenue	<u>4,876.75</u>	<u>-</u>	<u>4,876.75</u>
Total Current Liabilities	<u>4,876.75</u>	<u>-</u>	<u>4,876.75</u>
Noncurrent Liabilities:			
Compensated Absences Payable	<u>55,377.50</u>	<u>-</u>	<u>55,377.50</u>
Total Liabilities	<u>60,254.25</u>	<u>-</u>	<u>60,254.25</u>
<b>NET ASSETS:</b>			
Invested in Capital Assets, Net of Related Debt	109,298.00	30,119.00	139,417.00
Unrestricted	<u>666,680.36</u>	<u>2,087,221.06</u>	<u>2,753,901.42</u>
Total Net Assets	<u>\$ 775,978.36</u>	<u>\$ 2,117,340.06</u>	<u>\$ 2,893,318.42</u>

**TOWNSHIP OF VOORHEES SCHOOL DISTRICT**  
**ENTERPRISE FUNDS**  
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets  
For the Fiscal Year Ended June 30, 2012

	<u>Food Service</u>	<u>Community Education and Recreation</u>	<u>Total</u>
<b>OPERATING REVENUES:</b>			
Charges for Services:			
Daily Sales - Reimbursable Programs	\$ 465,063.60		\$ 465,063.60
Daily Sales - Non-Reimbursable Programs	226,122.85		226,122.85
Special Functions	21,107.31		21,107.31
Miscellaneous	4,124.75	\$ 10,798.85	14,923.60
Community Service Activities		1,376,726.53	1,376,726.53
	<u>716,418.51</u>	<u>1,387,525.38</u>	<u>2,103,943.89</u>
Total Operating Revenues			
<b>OPERATING EXPENSES:</b>			
Salaries	406,376.37	824,854.78	1,231,231.15
Employee Benefits	110,561.84	146,457.09	257,018.93
Other Professional Services		7,500.00	7,500.00
Transportation		10,700.00	10,700.00
Travel	372.53	82.86	455.39
General Supplies	23,872.34	97,992.08	121,864.42
Depreciation	25,273.00	4,403.00	29,676.00
Cost of Sales	367,199.51		367,199.51
Miscellaneous	44,289.40	87,302.83	131,592.23
	<u>977,944.99</u>	<u>1,179,292.64</u>	<u>2,157,237.63</u>
Total Operating Expenses			
Operating Income (Loss)	<u>(261,526.48)</u>	<u>208,232.74</u>	<u>(53,293.74)</u>
<b>NONOPERATING REVENUES (EXPENSES):</b>			
State Sources:			
State School Lunch Program	10,165.87		10,165.87
Federal Sources:			
National School Lunch Program	192,685.83		192,685.83
Food Distribution Program	46,836.94		46,836.94
Interest and Investment Revenue	2,256.54	5,440.01	7,696.55
	<u>251,945.18</u>	<u>5,440.01</u>	<u>257,385.19</u>
Total Nonoperating Revenues (Expenses)			
Change in Net Assets	(9,581.30)	213,672.75	204,091.45
Net Assets -- July 1	<u>785,559.66</u>	<u>1,903,667.31</u>	<u>2,689,226.97</u>
Net Assets -- June 30	<u>\$ 775,978.36</u>	<u>\$ 2,117,340.06</u>	<u>\$ 2,893,318.42</u>

**TOWNSHIP OF VOORHEES SCHOOL DISTRICT**  
**ENTERPRISE FUNDS**  
Combining Statement of Cash Flows  
For the Fiscal Year Ended June 30, 2012

	<u>Food Service</u>	<u>Community Education and Recreation</u>	<u>Totals</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Receipts from Customers	\$ 712,512.01	\$ 1,387,525.38	\$ 2,100,037.39
Payments to Employees	(406,376.37)	(824,854.78)	(1,231,231.15)
Payments for Employee Benefits	(107,671.84)	(146,457.09)	(254,128.93)
Payments to Suppliers	(434,682.16)	(203,577.77)	(638,259.93)
Net Cash Provided by (used for) Operating Activities	<u>(236,218.36)</u>	<u>212,635.74</u>	<u>(23,582.62)</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:</b>			
State Sources	10,852.94		10,852.94
Federal Sources	237,370.44		237,370.44
Operating Subsidies and Transfers to Other Funds	(20,224.21)		(20,224.21)
Net Cash Provided by (used for) Non-Capital Financing Activities	<u>227,999.17</u>	<u>-</u>	<u>227,999.17</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>			
Purchases of Capital Assets	(18,934.00)	(4,895.00)	(23,829.00)
Net Cash Provided by (used for) Capital and Related Financing Activities	<u>(18,934.00)</u>	<u>(4,895.00)</u>	<u>(23,829.00)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Interest and Dividends	2,256.54	5,440.01	7,696.55
Net Cash Provided by (used for) Investing Activities	<u>2,256.54</u>	<u>5,440.01</u>	<u>7,696.55</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(24,896.65)	213,180.75	188,284.10
Cash and Cash Equivalents -- July 1	<u>682,216.32</u>	<u>1,874,040.31</u>	<u>2,556,256.63</u>
Cash and Equivalents -- June 30	<u>\$ 657,319.67</u>	<u>\$ 2,087,221.06</u>	<u>\$ 2,744,540.73</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating Income (Loss)	\$ (261,526.48)	\$ 208,232.74	\$ (53,293.74)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities:			
Depreciation and Net Amortization	25,273.00	4,403.00	29,676.00
(Increase) Decrease in Inventories	1,051.62		1,051.62
(Increase) Decrease in Accounts Receivable	(3,906.50)		(3,906.50)
Increase (Decrease) in Compensated Absences Payable	2,890.00		2,890.00
Total Adjustments	<u>25,308.12</u>	<u>4,403.00</u>	<u>29,711.12</u>
Net Cash Provided by (used for) Operating Activities	<u>\$ (236,218.36)</u>	<u>\$ 212,635.74</u>	<u>\$ (23,582.62)</u>

FIDUCIARY FUNDS

**TOWNSHIP OF VOORHEES SCHOOL DISTRICT**  
**FIDUCIARY FUNDS**  
Combining Statement of Fiduciary Net Assets  
June 30, 2012

	Trust Fund		Agency Funds		
	Unemployment Compensation Trust	Private- Purpose Scholarship Fund	Student Activity	Payroll	Total
<b>ASSETS:</b>					
Cash and Cash Equivalents	\$ 300,370.48	\$ 2,421.81	\$ 37,079.60	\$ 243,225.45	\$ 583,097.34
Intrafund Accounts Receivable	10,734.92				10,734.92
Interfund Accounts Receivable	66,092.00				66,092.00
Total Assets	377,197.40	2,421.81	37,079.60	243,225.45	659,924.26
<b>LIABILITIES:</b>					
Accounts Payable	17,328.34				17,328.34
Intrafund Accounts Payable				10,734.92	10,734.92
Interfund Accounts Payable				6,634.01	6,634.01
Payable to Student Groups			37,079.60		37,079.60
Payroll Deductions and Withholdings				225,856.52	225,856.52
Total Liabilities	17,328.34	-	\$ 37,079.60	\$ 243,225.45	297,633.39
<b>NET ASSETS:</b>					
Held in Trust for Unemployment Claims and Other Purposes	359,869.06				359,869.06
Reserved for Scholarships		2,421.81			2,421.81
Total Net Assets	\$ 359,869.06	\$ 2,421.81			\$ 362,290.87

**TOWNSHIP OF VOORHEES SCHOOL DISTRICT**  
**FIDUCIARY FUNDS**  
Statement of Changes in Fiduciary Net Assets  
For the Fiscal Year Ended June 30, 2012

	Unemployment Compensation <u>Trust</u>	Private-Purpose Scholarship <u>Fund</u>	<u>Total</u>
<b>ADDITIONS:</b>			
Contributions:			
Employee Salary Deductions	\$ 41,408.43		\$ 41,408.43
Board Contributions	66,092.00		66,092.00
Investment Earnings:			
Interest	<u>837.11</u>	\$ <u>8.12</u>	<u>845.23</u>
Total Additions	<u>108,337.54</u>	<u>8.12</u>	<u>108,345.66</u>
<b>DEDUCTIONS:</b>			
Unemployment Claims	39,159.11		39,159.11
Scholarships		<u>450.00</u>	<u>450.00</u>
Total Deductions	<u>39,159.11</u>	<u>450.00</u>	<u>39,609.11</u>
Change in Net Assets	69,178.43	(441.88)	68,736.55
Net Assets -- July 1	<u>290,690.63</u>	<u>2,863.69</u>	<u>293,554.32</u>
Net Assets -- June 30	<u>\$ 359,869.06</u>	<u>\$ 2,421.81</u>	<u>\$ 362,290.87</u>

**TOWNSHIP OF VOORHEES SCHOOL DISTRICT**  
**FIDUCIARY FUNDS**  
 Student Activity Agency Fund Schedule of Receipts and Disbursements  
 For the Fiscal Year Ended June 30, 2012

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	<u>Balance</u> <u>June 30, 2011</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursements</u>	<u>Balance</u> <u>June 30, 2012</u>
<b>ELEMENTARY SCHOOLS:</b>				
Kresson School	\$ 2,379.78	\$ 678.47	\$ 1,008.28	\$ 2,049.97
Signal Hill School	430.97	695.20	579.22	546.95
E.T. Hamilton School	<u>1,755.22</u>	<u>649.04</u>	<u>150.00</u>	<u>2,254.26</u>
Total Elementary Schools	<u>4,565.97</u>	<u>2,022.71</u>	<u>1,737.50</u>	<u>4,851.18</u>
<b>MIDDLE SCHOOLS:</b>				
Voorhees Middle School	<u>34,645.33</u>	<u>90,625.20</u>	<u>93,042.11</u>	<u>32,228.42</u>
Total All Schools	<u>\$ 39,211.30</u>	<u>\$ 92,647.91</u>	<u>\$ 94,779.61</u>	<u>\$ 37,079.60</u>

**TOWNSHIP OF VOORHEES SCHOOL DISTRICT**  
**FIDUCIARY FUNDS**  
 Payroll Agency Fund Schedule of Receipts and Disbursements  
 For the Fiscal Year Ended June 30, 2012

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	<u>Balance</u> <u>June 30, 2011</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2012</u>
<b>ASSETS:</b>				
Cash and Cash Equivalents	\$ 17,815.81	\$ 32,382,712.61	\$ 32,157,302.97	\$ 243,225.45
Total Assets	<u>\$ 17,815.81</u>	<u>\$ 32,382,712.61</u>	<u>\$ 32,157,302.97</u>	<u>\$ 243,225.45</u>
<b>LIABILITIES:</b>				
Net Payroll, Payroll Deductions and Withholdings	\$ 6,920.51	\$ 32,334,668.06	\$ 32,115,732.05	\$ 225,856.52
Intrafund Accounts Payable	10,256.73	41,408.43	40,930.24	10,734.92
Interfund Accounts Payable: Due to General Fund	<u>638.57</u>	<u>6,636.12</u>	<u>640.68</u>	<u>6,634.01</u>
Total Liabilities	<u>\$ 17,815.81</u>	<u>\$ 32,382,712.61</u>	<u>\$ 32,157,302.97</u>	<u>\$ 243,225.45</u>

## LONG-TERM DEBT

**TOWNSHIP OF VOORHEES SCHOOL DISTRICT**  
 Schedule of Serial Bonds  
 For the Fiscal Year Ended June 30, 2012

	Date of <u>Issue</u>	Amount of <u>Issue</u>	<u>Annual Maturities</u>		Interest <u>Rate</u>	Balance <u>June 30, 2011</u>	<u>Retired</u>	Balance <u>June 30, 2012</u>
			<u>Date</u>	<u>Amount</u>				
School Bonds, Series 2008	3-1-2008	\$ 10,199,000.00	3-1-2013	\$ 700,000.00	4.30%	\$ 9,999,000.00	\$ 600,000.00	\$ 9,399,000.00
			3-1-2014	750,000.00				
			3-1-2015	800,000.00				
			3-1-2016/18	850,000.00				
			3-1-2019/21	900,000.00				
			3-1-2022	950,000.00				
			3-1-2023	949,000.00				
Refunding Bonds, Series 2010	8-5-2010	4,835,000.00	3-1-2013	905,000.00	2.00%	<u>4,755,000.00</u>	<u>875,000.00</u>	<u>3,880,000.00</u>
			3-1-2014	940,000.00	3.00%			
			3-1-2015	975,000.00	3.00%			
			3-1-2016	1,060,000.00	4.00%			
					<u>\$ 14,754,000.00</u>	<u>\$ 1,475,000.00</u>	<u>\$ 13,279,000.00</u>	

**TOWNSHIP OF VOORHEES SCHOOL DISTRICT**  
 Budgetary Comparison Schedule  
 DEBT SERVICE FUND  
 For the Fiscal Year Ended June 30, 2012

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<b>REVENUES:</b>					
Local Sources:					
Local Tax Levy	\$ 1,189,617.00		\$ 1,189,617.00	\$ 1,189,617.00	
Debt Service Aid Type II	339,550.00		339,550.00	339,550.00	
Total Revenues	<u>1,529,167.00</u>	<u>-</u>	<u>1,529,167.00</u>	<u>1,529,167.00</u>	<u>-</u>
<b>EXPENDITURES:</b>					
Regular Debt Service:					
Interest on Bonds	558,605.00		558,605.00	558,605.00	
Redemption of Principal	1,475,000.00		1,475,000.00	1,475,000.00	
Total Regular Debt Service	<u>2,033,605.00</u>	<u>-</u>	<u>2,033,605.00</u>	<u>2,033,605.00</u>	<u>-</u>
Total Expenditures	<u>2,033,605.00</u>	<u>-</u>	<u>2,033,605.00</u>	<u>2,033,605.00</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(504,438.00)</u>	<u>-</u>	<u>(504,438.00)</u>	<u>(504,438.00)</u>	<u>-</u>
Other Financing Sources (Uses):					
Operating Transfers In:					
Transfers from Capital Reserve				1,638,528.00	\$ 1,638,528.00
Transfers from Capital Projects Fund:					
Interest Earned on Deposits				15,974.81	15,974.81
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,654,502.81</u>	<u>1,654,502.81</u>
Excess (Deficiency) of Revenues and Other Financing Sources (Uses) Over (Under) Expenditures	<u>(504,438.00)</u>	<u>-</u>	<u>(504,438.00)</u>	<u>1,150,064.81</u>	<u>1,654,502.81</u>
Fund Balance, July 1	<u>565,909.82</u>	<u>-</u>	<u>565,909.82</u>	<u>565,909.82</u>	<u>-</u>
Fund Balance, June 30	<u>\$ 61,471.82</u>	<u>\$ -</u>	<u>\$ 61,471.82</u>	<u>\$ 1,715,974.63</u>	<u>\$ 1,654,502.81</u>
Restricted for:					
Debt Service				\$ 15,974.63	
Debt Service--Designated for Subsequent Year's Expenditures				1,700,000.00	
				<u>\$ 1,715,974.63</u>	

STATISTICAL SECTION

## Financial Trends Information

Financial trends information is intended to assist the user in understanding and assessing how the School District's financial position has changed over time. Please refer to the following exhibits for a historical view of the School District's financial performance.

**TOWNSHIP OF VOORHEES SCHOOL DISTRICT**  
 Net Assets by Component  
 Last Ten Fiscal Years (Accrual Basis of Accounting)

	Fiscal Year Ended June 30,									
	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Governmental Activities:										
Invested in Capital Assets, Net of Related Debt	\$ 17,176,043	\$ 14,410,879	\$ 12,699,817	\$ 11,409,348	\$ 11,172,709	\$ 20,797,966	\$ 19,772,987	\$ 19,033,625	\$ 17,661,672	\$ 13,764,553
Restricted	11,572,242	11,501,270	13,599,445	16,627,058	16,333,443	5,457,140	4,891,489	4,261,812	2,727,274	5,249,852
Unrestricted	1,028,065	919,477	26,074	42,393	(100,663)	30,221	644,300	1,078,156	2,627,092	2,090,945
<b>Total Governmental Activities Net Assets</b>	<b><u>\$ 29,776,349</u></b>	<b><u>\$ 26,831,626</u></b>	<b><u>\$ 26,325,337</u></b>	<b><u>\$ 28,078,799</u></b>	<b><u>\$ 27,405,489</u></b>	<b><u>\$ 26,285,327</u></b>	<b><u>\$ 25,308,776</u></b>	<b><u>\$ 24,373,593</u></b>	<b><u>\$ 23,016,038</u></b>	<b><u>\$ 21,105,350</u></b>
Business-type Activities:										
Invested in Capital Assets, Net of Related Debt	\$ 139,417	\$ 145,264	\$ 175,204	\$ 159,284	\$ 140,792	\$ 161,718	\$ 134,579	\$ 142,280	\$ 160,886	\$ 179,492
Unrestricted	2,753,901	2,543,963	2,368,605	2,242,992	2,141,992	1,681,655	1,036,499	538,312	86,754	156,947
<b>Total Business-type Activities Net Assets</b>	<b><u>\$ 2,893,318</u></b>	<b><u>\$ 2,689,227</u></b>	<b><u>\$ 2,543,809</u></b>	<b><u>\$ 2,402,276</u></b>	<b><u>\$ 2,282,784</u></b>	<b><u>\$ 1,843,373</u></b>	<b><u>\$ 1,171,078</u></b>	<b><u>\$ 680,592</u></b>	<b><u>\$ 247,640</u></b>	<b><u>\$ 336,439</u></b>
District-wide:										
Invested in Capital Assets, Net of Related Debt	\$ 17,315,460	\$ 14,556,143	\$ 12,875,021	\$ 11,568,632	\$ 11,313,501	\$ 20,959,684	\$ 19,907,566	\$ 19,175,905	\$ 17,822,558	\$ 13,944,045
Restricted	11,572,242	11,501,270	13,599,445	16,627,058	16,333,443	5,457,140	4,891,489	4,261,812	2,727,274	5,249,852
Unrestricted	3,781,966	3,463,440	2,394,679	2,285,386	2,041,329	1,711,876	1,680,799	1,616,468	2,713,846	2,247,892
<b>Total District-wide Net Assets</b>	<b><u>\$ 32,669,668</u></b>	<b><u>\$ 29,520,853</u></b>	<b><u>\$ 28,869,146</u></b>	<b><u>\$ 30,481,075</u></b>	<b><u>\$ 29,688,273</u></b>	<b><u>\$ 28,128,700</u></b>	<b><u>\$ 26,479,854</u></b>	<b><u>\$ 25,054,185</u></b>	<b><u>\$ 23,263,678</u></b>	<b><u>\$ 21,441,789</u></b>

Source: CAFR Exhibit A-1

**TOWNSHIP OF VOORHEES SCHOOL DISTRICT**  
Changes in Net Assets  
Last Ten Fiscal Years (Accrual Basis of Accounting)

	Fiscal Year Ended June 30,									
	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
<b>Expenses:</b>										
Governmental Activities:										
Instruction:										
Regular	\$ 16,920,056	\$ 17,504,319	\$ 18,669,287	\$ 17,427,245	\$ 16,992,131	\$ 16,354,016	\$ 15,758,250	\$ 15,325,479	\$ 15,383,588	\$ 14,664,052
Special Education	5,097,249	5,074,718	5,212,567	4,712,335	4,183,577	4,063,743	4,047,070	3,967,051	3,502,056	3,313,444
Other Special Education	811,011	1,025,850	948,217	881,892	820,009	795,135	777,086	747,404	655,188	608,836
Other Instruction	266,403	263,827	255,689	247,823	230,755	217,782	216,152	204,505	197,494	184,139
Community Service Programs	30,638	30,638	32,135	34,665	34,665	34,665	34,665	34,665	34,665	77,702
Support Services:										
Tuition	1,228,232	1,036,796	604,141	1,225,253	1,378,656	1,317,204	1,141,886	1,244,245	1,157,156	1,153,718
Student and Instruction Related Services	4,523,609	4,870,268	4,848,848	4,722,352	4,675,528	4,584,611	4,327,898	4,080,313	4,303,533	4,136,275
School Administrative Services	1,424,243	1,461,720	1,460,670	1,419,384	1,400,469	1,320,261	1,289,088	1,338,798	1,346,168	1,198,360
General and Business Administrative Services	1,754,383	1,916,792	2,038,120	1,841,313	1,817,410	1,897,875	1,835,154	1,819,198	1,342,293	1,306,512
Plant Operations and Maintenance	3,798,540	4,023,459	3,991,629	4,477,490	3,877,520	3,767,327	3,572,478	3,350,242	3,352,505	3,029,133
Pupil Transportation	2,064,459	1,963,077	2,066,744	2,140,469	2,083,680	1,981,322	1,868,802	1,915,069	1,879,338	1,750,226
Unallocated Benefits	11,385,516	10,741,048	11,045,503	10,220,092	11,291,171	11,004,783	8,296,968	7,583,625	7,194,234	5,949,164
Interest on Long-term Debt	674,487	491,185	607,714	757,967	474,837	438,522	484,022	570,124	664,024	755,824
Amortization of Bond Issuance Costs	27,023	31,886	18,180	24,394	16,543	12,617	12,617	13,336	15,492	15,492
Unallocated Depreciation	23,695	27,381	29,783	29,783	30,661	30,662	30,169	24,491	21,598	21,606
<b>Total Governmental Activities Expenses</b>	<b>50,029,545</b>	<b>50,462,964</b>	<b>51,829,229</b>	<b>50,162,456</b>	<b>49,307,612</b>	<b>47,820,525</b>	<b>43,692,305</b>	<b>42,218,544</b>	<b>41,049,333</b>	<b>38,164,485</b>
Business-type Activities:										
Food Service	977,945	915,454	1,006,730	922,694	945,342	805,866	787,930	819,310	1,007,314	951,593
Community Education and Recreation	1,179,293	1,077,907	1,066,388	1,094,739	939,382	868,807	798,816	722,568	1,107,245	1,292,344
<b>Total Business-type Activities Expense</b>	<b>2,157,238</b>	<b>1,993,361</b>	<b>2,073,118</b>	<b>2,017,432</b>	<b>1,884,724</b>	<b>1,674,673</b>	<b>1,586,746</b>	<b>1,541,878</b>	<b>2,114,559</b>	<b>2,243,937</b>
<b>Total District Expenses</b>	<b>\$ 52,186,782</b>	<b>\$ 52,456,325</b>	<b>\$ 53,902,347</b>	<b>\$ 52,179,888</b>	<b>\$ 51,192,336</b>	<b>\$ 49,495,198</b>	<b>\$ 45,279,051</b>	<b>\$ 43,760,422</b>	<b>\$ 43,163,892</b>	<b>\$ 40,408,422</b>
<b>Program Revenues:</b>										
Governmental Activities:										
Operating Grants and Contributions	\$ 5,423,378	\$ 4,669,421	\$ 5,761,178	\$ 4,487,504	\$ 5,151,213	\$ 4,959,584	\$ 3,462,085	\$ 3,113,461	\$ 3,061,998	\$ 2,681,215
Capital Grants and Contributions					184,886		13,737	6,679	13,939	
<b>Total Governmental Activities Program Revenues</b>	<b>5,423,378</b>	<b>4,669,421</b>	<b>5,761,178</b>	<b>4,487,504</b>	<b>5,336,099</b>	<b>4,959,584</b>	<b>3,475,822</b>	<b>3,120,140</b>	<b>3,075,937</b>	<b>2,681,215</b>
Business-type activities:										
Charges for services										
Food service	716,419	732,420	795,895	787,112	768,320	688,512	626,281	593,460	584,095	607,886
Community Education and Recreation	1,387,525	1,162,483	1,151,141	1,118,897	1,192,202	1,213,005	1,095,324	1,062,898	1,102,238	1,100,918
Capital Grants and Contributions							5,000			
Operating Grants and Contributions	249,689	236,516	259,128	209,584	206,808	164,942	167,843	167,452	169,513	154,332
<b>Total Business-type Activities Program Revenues</b>	<b>2,353,633</b>	<b>2,131,419</b>	<b>2,206,164</b>	<b>2,115,593</b>	<b>2,167,330</b>	<b>2,066,460</b>	<b>1,894,448</b>	<b>1,823,810</b>	<b>1,855,847</b>	<b>1,863,136</b>
<b>Total District Program Revenues</b>	<b>\$ 7,777,011</b>	<b>\$ 6,800,841</b>	<b>\$ 7,967,342</b>	<b>\$ 6,603,097</b>	<b>\$ 7,503,429</b>	<b>\$ 7,026,044</b>	<b>\$ 5,370,270</b>	<b>\$ 4,943,950</b>	<b>\$ 4,931,784</b>	<b>\$ 4,544,351</b>

(Continued)

**TOWNSHIP OF VOORHEES SCHOOL DISTRICT**  
 Changes in Net Assets  
 Last Ten Fiscal Years (Accrual Basis of Accounting)

	Fiscal Year Ended June 30,									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
<b>Net (Expense)/Revenue:</b>										
Governmental Activities	\$ (44,606,166)	\$ (45,793,543)	\$ (46,068,051)	\$ (45,674,952)	\$ (43,971,513)	\$ (42,860,941)	\$ (40,216,483)	\$ (39,098,405)	\$ (37,973,396)	\$ (35,483,271)
Business-type Activities	196,395	138,059	133,046	98,161	282,606	391,787	307,702	281,932	(258,712)	(380,801)
Total District-wide Net Expense	<u>\$ (44,409,772)</u>	<u>\$ (45,655,484)</u>	<u>\$ (45,935,005)</u>	<u>\$ (45,576,791)</u>	<u>\$ (43,688,907)</u>	<u>\$ (42,469,154)</u>	<u>\$ (39,908,781)</u>	<u>\$ (38,816,473)</u>	<u>\$ (38,232,108)</u>	<u>\$ (35,864,072)</u>
<b>General Revenues and Other Changes in Net Assets:</b>										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	\$ 40,542,446	\$ 39,747,496	\$ 37,304,872	\$ 37,636,920	\$ 36,652,389	\$ 35,490,300	\$ 33,010,848	\$ 31,670,548	\$ 30,844,768	\$ 28,613,945
Taxes Levied for Debt Service	1,189,617	1,355,271	1,617,027	1,426,395	1,374,254	1,328,433	1,268,534	2,073,577	2,072,996	2,023,907
Unrestricted Grants and Contributions	5,639,642	4,849,673	5,193,609	6,699,932	6,653,586	6,494,334	6,561,930	6,616,433	6,970,279	5,837,764
Investment Earnings	54,052	65,993	140,064	469,625	488,312	556,567	421,984	223,373	95,720	177,107
Other Income	123,518	281,399	60,414	115,389	12,428	7,747	36,524	15,048	68,315	67,526
Grants Receivable Canceled						(38,826)				
Donation/(Disposal) of Assets	3,040				2,817	213,680				(209,125)
Transfers	(1,425)		(1,397)		(92,111)	(214,744)	(148,155)	(143,021)	(167,995)	(418,761)
Total Governmental Activities	<u>47,550,890</u>	<u>46,299,832</u>	<u>44,314,589</u>	<u>46,348,262</u>	<u>45,091,675</u>	<u>43,837,491</u>	<u>41,151,665</u>	<u>40,455,958</u>	<u>39,884,083</u>	<u>36,092,363</u>
Business-type Activities:										
Investment Earnings	7,697	7,359	8,487	21,331	64,694	65,764	34,629	8,000	1,920	2,749
Transfers					92,111	214,744	148,155	143,021	167,995	418,761
Total Business-type Activities	<u>7,697</u>	<u>7,359</u>	<u>8,487</u>	<u>21,331</u>	<u>156,805</u>	<u>280,508</u>	<u>182,784</u>	<u>151,020</u>	<u>169,914</u>	<u>421,510</u>
Total District-wide	<u>\$ 47,558,586</u>	<u>\$ 46,307,191</u>	<u>\$ 44,323,076</u>	<u>\$ 46,369,592</u>	<u>\$ 45,248,480</u>	<u>\$ 44,117,999</u>	<u>\$ 41,334,449</u>	<u>\$ 40,606,978</u>	<u>\$ 40,053,997</u>	<u>\$ 36,513,873</u>
<b>Change in Net Assets:</b>										
Governmental Activities	\$ 2,944,723	\$ 506,289	\$ (1,753,462)	\$ 673,310	\$ 1,120,162	\$ 976,551	\$ 935,182	\$ 1,357,554	\$ 1,910,687	\$ 609,092
Business-type Activities	204,091	145,418	141,533	119,492	439,411	672,295	490,486	432,952	(88,798)	40,709
Total District	<u>\$ 3,148,815</u>	<u>\$ 651,707</u>	<u>\$ (1,611,929)</u>	<u>\$ 792,802</u>	<u>\$ 1,559,573</u>	<u>\$ 1,648,846</u>	<u>\$ 1,425,668</u>	<u>\$ 1,790,505</u>	<u>\$ 1,821,889</u>	<u>\$ 649,802</u>

Source: CAFR Exhibit A-2

**TOWNSHIP OF VOORHEES SCHOOL DISTRICT**  
Fund Balances, Governmental Funds  
Last Ten Fiscal Years (Modified Accrual Basis of Accounting)

	Fiscal Year Ended June 30,									
	2012 (1)	2011 (1)	2010	2009	2008	2007	2006	2005	2004	2003
General Fund:										
Reserved			\$ 4,375,540	\$ 6,725,674	\$ 6,093,250	\$ 5,375,637	\$ 4,460,088	\$ 3,067,620	\$ 870,109	\$ 105,960
Unreserved			1,408,859	1,525,838	1,082,760	1,092,614	1,180,129	1,808,086	3,349,372	2,803,966
Restricted	\$ 5,961,351	\$ 3,573,541								
Assigned	315,220	913,841								
Unassigned	1,040,717	1,203,108								
<b>Total General Fund</b>	<b><u>\$ 7,317,287</u></b>	<b><u>\$ 5,690,491</u></b>	<b><u>\$ 5,784,399</u></b>	<b><u>\$ 8,251,512</u></b>	<b><u>7,176,010</u></b>	<b><u>6,468,251</u></b>	<b><u>5,640,216</u></b>	<b><u>4,875,706</u></b>	<b><u>4,219,481</u></b>	<b><u>2,909,926</u></b>
All Other Governmental Funds:										
Reserved			\$ 1,394,561	\$ 704,850	\$ 70,555		\$ 217,607	\$ 691,935	\$ 487,644	\$ 3,023,241
Unreserved, Reported in:										
Special Revenue Fund										(7,922)
Capital Projects Fund			7,260,191	8,991,493	9,939,671		122,802	405,879	1,259,445	1,994,671
Debt Service Fund			523,926	309,653	103,224	\$ 11,181	7,642		2,574	2,574
Permanent Fund				1,397	1,929	2,397	2,807	3,219	3,581	3,994
Restricted, Reported in:										
Capital Projects Fund	\$ 4,849,614	\$ 7,215,339								
Debt Service Fund	1,715,975	565,910								
<b>Total All Other Governmental Funds</b>	<b><u>\$ 6,565,588</u></b>	<b><u>\$ 7,781,249</u></b>	<b><u>\$ 9,178,678</u></b>	<b><u>\$ 10,007,394</u></b>	<b><u>\$ 10,115,379</u></b>	<b><u>\$ 13,578</u></b>	<b><u>\$ 350,859</u></b>	<b><u>\$ 1,101,033</u></b>	<b><u>\$ 1,753,244</u></b>	<b><u>\$ 5,016,558</u></b>

(1) GASB Statement No. 54 was effective for the fiscal year ending June 30, 2011. The objective of this Statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. See the Notes to Financial Statements.

Source: CAFR Exhibit B-1

**TOWNSHIP OF VOORHEES SCHOOL DISTRICT**  
 Changes in Fund Balances, Governmental Funds  
 Last Ten Fiscal Years (Modified Accrual Basis of Accounting)

	Fiscal Year Ended June 30,									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
<b>Revenues:</b>										
Tax Levy	\$ 41,732,063	\$ 41,102,767	\$ 38,921,899	\$ 39,063,315	\$ 38,026,643	\$ 36,818,733	\$ 34,279,382	\$ 33,744,125	\$ 32,917,764	\$ 30,637,852
Other Local Revenue	177,570	347,392	200,479	585,015	500,741	564,313	458,507	230,000	164,035	234,788
State Sources	9,646,101	8,425,983	8,258,058	10,030,090	10,669,503	10,291,733	8,849,942	8,607,431	8,879,889	7,677,123
Federal Sources	1,416,919	1,093,111	2,696,728	1,157,347	1,135,296	1,162,185	1,187,811	1,129,142	1,166,326	841,856
<b>Total Revenue</b>	<b>52,972,653</b>	<b>50,969,253</b>	<b>50,077,164</b>	<b>50,835,766</b>	<b>50,332,183</b>	<b>48,836,965</b>	<b>44,775,642</b>	<b>43,710,697</b>	<b>43,128,014</b>	<b>39,391,619</b>
<b>Expenditures:</b>										
Instruction										
Regular Instruction	16,097,551	16,632,557	17,795,651	16,554,649	16,116,321	15,665,557	15,102,107	14,704,632	14,813,156	14,093,801
Special Education Instruction	5,097,249	5,074,718	5,212,567	4,712,335	4,183,577	4,063,743	4,047,070	3,967,051	3,502,056	3,313,444
Other Special Instruction	811,011	1,025,850	948,217	881,892	820,009	795,135	777,086	747,404	655,188	608,836
Other Instruction	266,403	263,827	255,689	247,823	230,755	217,782	216,152	204,505	197,494	184,139
Community Services										
Support Services:										
Tuition	1,228,232	1,036,796	604,141	1,225,253	1,378,656	1,317,204	1,141,886	1,244,245	1,157,156	1,153,718
Student and Instruction Related Services	4,467,469	4,804,451	4,779,311	4,644,822	4,588,700	4,489,168	4,190,412	3,945,804	4,049,162	3,854,617
School Administrative Services	1,382,425	1,419,425	1,417,007	1,375,721	1,350,776	1,270,568	1,238,922	1,289,629	1,295,885	1,149,654
Other Administrative Services	1,639,012	1,783,174	2,013,336	1,846,875	1,732,344	1,656,488	1,817,703	1,721,331	1,485,580	1,221,739
Plant Operations and Maintenance	3,651,700	3,979,762	3,874,462	4,255,495	3,786,400	3,866,992	3,358,993	3,367,652	3,185,123	3,039,995
Pupil Transportation	2,064,459	1,963,077	2,066,744	2,140,469	2,083,680	1,981,322	1,868,802	1,915,069	1,879,338	1,750,226
Unallocated Benefits	11,300,972	10,918,745	10,766,583	10,114,742	11,188,674	10,446,670	8,583,841	7,525,308	7,068,991	6,285,839
Debt Service:										
Principal	1,475,000	1,460,000	1,300,000	1,100,000	1,000,000	900,000	800,000	1,575,000	1,575,000	1,500,000
Interest and Other Charges	558,605	552,233	1,170,744	365,134	417,634	465,934	510,034	606,909	700,809	791,559
Capital Outlay	2,520,004	1,545,975	1,345,298	403,040	751,987	956,078	960,143	749,126	3,348,842	5,034,013
<b>Total Expenditures</b>	<b>52,560,092</b>	<b>52,460,591</b>	<b>53,549,750</b>	<b>49,868,250</b>	<b>49,629,512</b>	<b>48,092,640</b>	<b>44,613,150</b>	<b>43,563,663</b>	<b>44,913,779</b>	<b>44,024,629</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	412,561	(1,491,338)	(3,472,586)	967,517	702,671	744,324	162,492	147,035	(1,785,765)	(4,633,010)
<b>Other Financing Sources (Uses):</b>										
EDA Grant Receivable Canceled						(38,826)				
Sale of Bonds					10,199,000					
Premium on Sale of Bonds										
Lease Purchase Agreement			178,155							
Accrued Interest on Sale of Bonds										
Accounts Receivable/Payable Canceled	(1,425)									(856)
Transfers In	1,654,503	493,862	660,062	211,193	99,685	3,538	9,879			108,991
Transfers Out	(1,654,503)	(493,862)	(661,459)	(211,193)	(191,797)	(218,282)	(158,034)	(143,021)	(167,995)	(527,752)
<b>Total Other Financing Sources (Uses)</b>	<b>(1,425)</b>	<b>-</b>	<b>176,758</b>	<b>-</b>	<b>10,106,889</b>	<b>(253,570)</b>	<b>(148,155)</b>	<b>(143,021)</b>	<b>(167,995)</b>	<b>(419,617)</b>
<b>Net Change in Fund Balances</b>	<b>\$ 411,136</b>	<b>\$ (1,491,338)</b>	<b>\$ (3,295,829)</b>	<b>\$ 967,517</b>	<b>\$ 10,809,560</b>	<b>\$ 490,754</b>	<b>\$ 14,337</b>	<b>\$ 4,014</b>	<b>\$ (1,953,759)</b>	<b>\$ (5,052,627)</b>
Debt Service as a Percentage of Noncapital Expenditures	4.1%	4.0%	4.7%	3.0%	2.9%	2.9%	3.0%	5.1%	5.5%	5.9%

Source: CAFR Exhibit B-2

**TOWNSHIP OF VOORHEES SCHOOL DISTRICT**  
 General Fund - Other Local Revenue by Source  
 Last Ten Fiscal Years (Modified Accrual Basis of Accounting)  
*Unaudited*

	Fiscal Year Ended June 30.									
	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Various Refunds	\$ 21,437.59	\$ 151,163.52	\$ 13,809.10	\$ 35,840.91	\$ 2,383.78	\$ 2,311.54	\$ 35,945.24	\$ 3,339.45	\$ 40,212.68	\$ 190.42
Refund of Prior Year Expenditures--SDA Grants		36,866.00								
Photocopy Fees (OPRA)							8.33	177.00	256.50	103.25
FEA/NJ Elite										5,210.00
Energy Incentives	6,266.04									
Sale of Assets/Textbooks			200.00		25.00	450.00			130.00	1,360.00
Outstanding Checks Canceled					677.37	2,684.41		1,848.31	80.00	6,959.37
Excess Payroll						70.47				
Tuition	95,605.20	71,690.20	46,244.62	79,215.12	9,027.14			491.64		700.00
Prior Year Tuition Adjustments										19,103.30
Tuition Reimbursements									2,200.00	
Other	9.89	407.14			32.68	1,802.27	3.12	204.95	5.48	
Administrative Fees	199.00	169.68	161.35	333.48	283.58	427.40	566.90	565.32	235.83	643.41
Self Assessment										13,750.00
DYFS										270.00
Vocational Rehabilitation										104.70
Municipal Drug Alliance										9,240.00
Emergency Snow Removal--FEMA		21,102.57							4,090.58	
Elementary School Foreign Language Incentive									6,787.00	
Interest Earned on Deposits	<u>38,077.64</u>	<u>37,560.16</u>	<u>80,001.33</u>	<u>258,413.54</u>	<u>388,544.98</u>	<u>552,888.72</u>	<u>411,966.01</u>	<u>205,858.67</u>		<u>68,115.76</u>
Total Miscellaneous Revenues	<u>\$ 161,595.36</u>	<u>\$ 318,959.27</u>	<u>\$ 140,416.40</u>	<u>\$ 373,803.05</u>	<u>\$ 400,974.53</u>	<u>\$ 560,634.81</u>	<u>\$ 448,489.60</u>	<u>\$ 212,485.34</u>	<u>\$ 53,998.07</u>	<u>\$ 125,750.21</u>

Source: District Records

## Revenue Capacity Information

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

**TOWNSHIP OF VOORHEES SCHOOL DISTRICT**  
Assessed Value and Actual Value of Taxable Property  
Last Ten Fiscal Years  
*Unaudited*

Year Ended Dec_31	Vacant Land	Residential	Farm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities (2)	Net Valuation Taxable	Taxable Value of Partial Exemptions and Abatements	Real Property Exempt from Taxation	Estimated Actual (County Equalized ) Value	Total Direct School Tax Rate (3)
2012	\$ 55,063,136.00	\$ 2,867,757,290.00	\$ 2,412,900.00	\$ 720,330,302.00	\$ 30,438,700.00	\$ 163,947,300.00	\$ 3,839,949,628.00	\$ 5,880,232.00	\$ 3,845,829,860.00	\$ 1,343,200.00	\$ 442,421,200.00	\$ 3,616,212,714.00	\$ 1.081
2011	56,917,536.00	2,894,373,390.00	2,412,900.00	727,482,802.00	31,074,300.00	153,757,100.00	3,866,018,028.00	6,050,077.00	3,872,068,105.00	1,254,900.00	335,937,800.00	3,817,563,464.00	1.070
2010	59,871,936.00	2,914,742,490.00	2,415,100.00	717,368,302.00	31,293,100.00	139,233,700.00	3,864,924,628.00	8,018,045.00	3,872,942,673.00	1,713,200.00	334,434,100.00	3,880,300,009.00	1.034
2009	73,054,253.00	2,928,432,441.00	2,415,100.00	721,567,602.00	31,295,800.00	132,232,400.00	3,888,997,596.00	6,250,830.00	3,895,248,426.00	1,727,000.00	329,891,000.00	3,957,681,023.00	1.002
2008	100,398,023.00	2,920,933,820.00	2,415,100.00	683,226,500.00	38,674,400.00	128,030,300.00	3,873,678,143.00	5,680,427.00	3,879,358,570.00	1,834,600.00	320,351,600.00	3,969,739,108.00	0.994
2007	104,031,558.00	2,892,611,720.00	2,416,600.00	676,297,900.00	38,674,400.00	129,149,500.00	3,843,181,678.00	5,625,621.00	3,848,807,299.00	2,026,600.00	298,311,300.00	3,938,476,294.00	0.952
2006 (1)	127,730,000.00	2,891,048,600.00	2,416,700.00	695,341,500.00	38,682,300.00	117,026,700.00	3,872,245,800.00	5,671,089.00	3,877,916,889.00	2,271,500.00	290,595,400.00	3,516,320,046.00	0.913
2005	31,870,330.00	1,104,972,088.00	919,876.00	362,995,600.00	16,400,100.00	71,309,900.00	1,588,467,894.00	3,429,718.00	1,591,897,612.00	1,189,750.00	161,360,929.00	3,079,471,341.00	2.177
2004	27,096,531.00	1,079,756,288.00	937,241.00	370,851,000.00	16,400,100.00	76,793,100.00	1,571,834,260.00	3,815,775.00	1,575,650,035.00	1,259,450.00	153,981,129.00	2,772,104,363.00	2.134
2003	23,759,230.00	1,066,804,590.00	936,330.00	398,588,000.00	16,558,100.00	76,793,100.00	1,583,439,350.00	4,477,556.00	1,587,916,906.00	5,253,650.00	153,342,629.00	2,557,176,814.00	2.002

(1) Revaluation

(2) Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies

(3) Tax Rates are per \$100.00 of Assessed Valuation

Source: Camden County Board of Taxation

**TOWNSHIP OF VOORHEES SCHOOL DISTRICT**

Direct and Overlapping Property Tax Rates

Last Ten Fiscal Years

(Rate per \$100 of Assessed Value)

*Unaudited*

Year Ended <u>Dec. 31</u>	<u>District Direct Rate</u>			<u>Overlapping Rates</u>				<u>Total Direct and Overlapping Tax Rate</u>
	<u>Basic Rate</u>	<u>General Obligation Debt Service</u>	<u>Total Direct School Tax Rate</u>	<u>Regional High School District</u>	<u>Township of Voorhees</u>	<u>Township of Voorhees Fire District</u>	<u>Camden County</u>	
2012	\$ 1.065	\$ 0.016	\$ 1.081	\$ 0.484	\$ 0.466	\$ 0.137	\$ 0.723	\$ 2.891
2011	1.037	0.033	1.070	0.484	0.441	0.125	0.713	2.833
2010	0.996	0.038	1.034	0.466	0.441	0.125	0.654	2.720
2009	0.963	0.039	1.002	0.433	0.412	0.124	0.631	2.602
2008	0.957	0.036	0.994	0.417	0.394	0.124	0.651	2.580
2007	0.917	0.035	0.952	0.420	0.368	0.118	0.635	2.493
2006 (1)	0.879	0.033	0.913	0.407	0.331	0.104	0.659	2.414
2005	2.073	0.105	2.177	0.935	0.748	0.209	1.461	5.530
2004	2.002	0.132	2.134	0.865	0.711	0.208	1.424	5.342
2003	1.873	0.129	2.002	0.809	0.647	0.175	1.402	5.035

(1) Revaluation

Source: Municipal Tax Collector

**TOWNSHIP OF VOORHEES SCHOOL DISTRICT**  
Principal Property Tax Payers  
Current Year and Nine Years Ago  
*Unaudited*

<u>Taxpayer</u>	2012			2003		
	<u>Taxable Assessed Value (1)</u>	<u>Rank</u>	<u>% of Total District Net Assessed Value</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>% of Total District Net Assessed Value</u>
Echelon Glen I & II Investors, LLC	\$ 46,835,000.00	1	1.22%	\$ 50,574,500.00	1	3.18%
Echelon Title LLC % PREIT	39,370,500.00	2	1.02%			
Village Group Limited Partnership	35,415,500.00	3	0.92%	29,595,700.00	3	1.86%
Virtua Health-Division of Property Mgmt	34,727,800.00	4	0.90%			
Echelon Residential Unit Owner LLC	25,920,000.00	5	0.67%			
Eagle Plaza Associates	24,392,400.00	6	0.63%	11,674,000.00	7	0.74%
QRP Voorhees, LP	19,685,200.00	7	0.51%			
Del Coop, LLC	17,713,900.00	8	0.46%			
SJF CCRC, Inc.	16,691,300.00	9	0.43%			
Cooper Holdings, LLC % Deloitte	16,507,900.00	10	0.43%			
Aetna Life Insurance				29,635,200.00	2	1.87%
401 Whitehorse Assoc. LP Equivest				15,898,700.00	4	1.00%
Brandywine Plaza 1000 LLC				14,925,300.00	5	0.94%
Posel Voorhees, LLC				12,558,500.00	6	0.79%
The May Department Stores Co. (Strawbridge's)				9,975,000.00	8	0.63%
Millstein, H. & Hilda et al (Boscov's)				8,863,700.00	9	0.56%
Stomad Center Coopes Plaza				7,954,600.00	10	0.50%
<b>Total</b>	<b>\$ 277,259,500.00</b>		<b>7.21%</b>	<b>\$ 191,655,200.00</b>		<b>12.07%</b>

(1) Revaluation Completed in 2006

Source: Municipal Tax Assessor

**TOWNSHIP OF VOORHEES SCHOOL DISTRICT**  
 Property Tax Levies and Collections  
 Last Ten Fiscal Years  
*Unaudited*

<u>Fiscal Year</u> <u>Ended June 30.</u>	School District Taxes Levied for the <u>Fiscal Year</u>	<u>Collected within the Fiscal Year of the Levy (1)</u>		<u>Collections in</u> <u>Subsequent Years</u>
		<u>Amount</u>	<u>Percentage</u> <u>of Levy</u>	
2012	\$ 41,732,063.00	\$ 41,732,063.00	100.00%	-
2011	41,102,767.00	41,102,767.00	100.00%	-
2010	38,921,899.00	38,921,899.00	100.00%	-
2009	39,063,315.00	39,063,315.00	100.00%	-
2008	38,026,643.00	38,026,643.00	100.00%	-
2007	36,818,733.00	36,818,733.00	100.00%	-
2006	34,279,382.00	34,279,382.00	100.00%	-
2005	33,744,125.00	33,744,125.00	100.00%	-
2004	32,917,764.00	32,917,764.00	100.00%	-
2003	30,637,852.00	30,637,852.00	100.00%	-

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

Source: District Records

## Debt Capacity Information

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

**TOWNSHIP OF VOORHEES SCHOOL DISTRICT**  
 Ratios of Outstanding Debt by Type  
 Last Ten Fiscal Years  
*Unaudited*

Fiscal Year Ended June 30,	Governmental Activities		Total District	Percentage of Personal Income (2)	Per Capita (3)
	General Obligation Bonds (1)	Capital Leases			
2012	\$ 13,279,000.00	-	\$ 13,279,000.00	Unavailable	\$ 456.20
2011	14,754,000.00	-	14,754,000.00	1.19%	506.52
2010	16,176,000.00	\$ 73,859.08	16,249,859.08	1.23%	510.25
2009	17,476,000.00	-	17,476,000.00	1.33%	558.27
2008	18,576,000.00	-	18,576,000.00	1.49%	599.94
2007	9,377,000.00	-	9,377,000.00	0.80%	309.34
2006	10,277,000.00	-	10,277,000.00	0.96%	347.57
2005	11,077,000.00	-	11,077,000.00	1.08%	379.23
2004	12,652,000.00	-	12,652,000.00	1.30%	437.76
2003	14,227,000.00	-	14,227,000.00	1.52%	495.68

## Sources:

- (1) District Records
- (2) Personal income has been estimated based upon the municipal population and per capita personal income data provided by the NJ Dept of Labor and Workforce Development
- (3) Per Capita calculation based upon population information provided by the NJ Dept of Labor and Workforce Development

**TOWNSHIP OF VOORHEES SCHOOL DISTRICT**  
 Ratios of Net General Bonded Debt Outstanding  
 Last Ten Fiscal Years  
*Unaudited*

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Net Assessed Valuation Taxable (2)	Per Capita (3)
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding (1)		
2012	\$ 13,279,000.00	-	\$ 13,279,000.00	0.35%	\$ 456.20
2011	14,754,000.00	-	14,754,000.00	0.38%	506.52
2010	16,176,000.00	-	16,176,000.00	0.42%	507.93
2009	17,476,000.00	-	17,476,000.00	0.45%	558.27
2008	18,576,000.00	-	18,576,000.00	0.48%	599.94
2007	9,377,000.00	-	9,377,000.00	0.24%	309.34
2006	10,277,000.00	-	10,277,000.00	0.27%	347.57
2005	11,077,000.00	-	11,077,000.00	0.70%	379.23
2004	12,652,000.00	-	12,652,000.00	0.80%	437.76
2003	14,227,000.00	-	14,227,000.00	0.90%	495.68

**Sources:**

- (1) District Records
- (2) Net Assessed Valuation provided by Abstract of Ratables, County Board of Taxation
- (3) Per Capita calculation based upon population information provided by the NJ Dept of Labor and Workforce Development

**TOWNSHIP OF VOORHEES SCHOOL DISTRICT**  
 Direct and Overlapping Governmental Activities Debt  
 As of December 31, 2011  
*Unaudited*

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Statutory Net Debt Outstanding</u>	<u>Net Debt Outstanding Allocated to Voorhees Township</u>	<u>County Debt Authorized But Not Issued</u>
Municipal Debt: (1)					
Voorhees Township School District	\$ 14,754,000.00	\$ 14,754,000.00			
Eastern Regional High School District	4,746,912.06	4,746,912.06			
Voorhees Township	<u>28,644,056.27</u>	<u>6,780,835.53</u>	<u>\$ 21,863,220.74</u>	<u>\$ 21,863,220.74</u>	
	<u>48,144,968.33</u>	<u>26,281,747.59</u>	<u>21,863,220.74</u>	<u>21,863,220.74</u>	
Overlapping Debt Apportioned to the Municipality:					
County of Camden: (2)					
General:					
Bonds	43,903,921.00	27,403,718.00 (4)	16,500,203.00	1,509,768.57 (6)	\$ 25,204,000.00
Loan Agreement	169,310,000.00		169,310,000.00	15,491,865.00 (6)	
Bonds Issued by Other Public Bodies					
Guaranteed by the County	750,920,785.00	750,920,785.00 (5)			
Voorhees Township Fire District (3)	<u>4,925,000.00</u>		<u>4,925,000.00</u>	<u>4,925,000.00</u>	
	<u>969,059,706.00</u>	<u>778,324,503.00</u>	<u>190,735,203.00</u>	<u>21,926,633.57</u>	<u>25,204,000.00</u>
	<u>\$ 1,017,204,674.33</u>	<u>\$ 804,606,250.59</u>	<u>\$ 212,598,423.74</u>	<u>\$ 43,789,854.31</u>	<u>\$ 25,204,000.00</u>

## Sources:

- (1) 2011 Annual Debt Statement
- (2) County's 2011 Audit Report
- (3) Entity's Audit Report
- (4) Includes Reserve for Payment of Bonds, Other Accounts Receivable and General Obligation Pension Refunding Bonds.
- (5) Deductible in accordance with N.J.S. 40:37A-80.
- (6) Such debt is allocated as a proportion of the Township's share of the total 2011 Net Valuation on which County taxes are apportioned, which is 9.15%. The source for this computation was the 2011 Camden County Abstract of Ratables.

**TOWNSHIP OF VOORHEES SCHOOL DISTRICT**  
 Legal Debt Margin Information  
 Last Ten Fiscal Years  
*Unaudited*

Legal Debt Margin Calculation for Fiscal Year 2012

	Equalized Valuation Basis (1)
2011	\$ 3,634,842,072
2010	3,810,435,402
2009	<u>3,896,400,757</u>
	<u>\$ 11,341,678,231</u>
Average equalized valuation of taxable property	<u>\$ 3,780,559,410</u>
Debt limit (3% of average equalization value) (2)	\$ 113,416,782
Total Net Debt Applicable to Limit	<u>13,279,000</u>
Legal Debt Margin	<u>\$ 100,137,782</u>

	<u>Fiscal Year Ended June 30,</u>									
	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Debt limit	\$ 113,416,782.31	\$ 116,427,009.66	\$ 117,651,162.36	\$ 113,793,644.37	\$ 105,195,412.53	\$ 93,549,791.67	\$ 83,970,294.69	\$ 75,802,499.57	\$ 69,474,968.00	\$ 63,463,727.37
Total net debt applicable to limit (3)	<u>13,279,000.00</u>	<u>14,754,000.00</u>	<u>16,176,000.00</u>	<u>17,476,000.00</u>	<u>18,576,000.00</u>	<u>9,377,000.00</u>	<u>10,277,000.00</u>	<u>11,077,000.00</u>	<u>12,652,000.00</u>	<u>14,227,000.00</u>
Legal debt margin	<u>\$ 100,137,782.31</u>	<u>\$ 101,673,009.66</u>	<u>\$ 101,475,162.36</u>	<u>\$ 96,317,644.37</u>	<u>\$ 86,619,412.53</u>	<u>\$ 84,172,791.67</u>	<u>\$ 73,693,294.69</u>	<u>\$ 64,725,499.57</u>	<u>\$ 56,822,968.00</u>	<u>\$ 49,236,727.37</u>
Total net debt applicable to the limit as a percentage of debt limit	11.71%	12.67%	13.75%	15.36%	17.66%	10.02%	12.24%	14.61%	18.21%	22.42%

Sources:

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

## Demographic and Economic Information

Demographic and economic information is intended (1) to assist users in understanding the socioeconomic environment within which the School District operates and (2) to provide information that facilitates comparisons of financial statement information over time and among school districts. Please refer to the following exhibits for a historical view of the demographic and economic statistics and factors prevalent in the location in which the School District operates.

**TOWNSHIP OF VOORHEES SCHOOL DISTRICT**  
 Demographic and Economic Statistics  
 Last Ten Fiscal Years  
*Unaudited*

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<u>Year</u>	<u>Population (1)</u>	<u>Personal Income (2)</u>	County of Camden <u>Per Capita Personal Income (3)</u>	<u>Unemployment Rate (4)</u>
2011	29,108	Unavailable	Unavailable	7.0%
2010	29,128	\$ 1,244,348,160.00	\$ 42,720.00	6.4%
2009	31,847	1,318,656,882.00	41,406.00	6.5%
2008	31,304	1,314,517,568.00	41,992.00	3.8%
2007	30,963	1,246,570,380.00	40,260.00	2.9%
2006	30,313	1,172,234,023.00	38,671.00	3.2%
2005	29,568	1,073,288,832.00	36,299.00	2.8%
2004	29,209	1,021,000,595.00	34,955.00	2.2%
2003	28,902	976,078,344.00	33,772.00	2.5%
2002	28,702	933,762,166.00	32,533.00	2.4%

## Sources:

- (1) Population information provided by the NJ Dept of Labor and Workforce Development
- (2) Personal income has been estimated based upon the municipal population and per capita personal income presented
- (3) Per Capita Personal Income data provided by the NJ Dept of Labor and Workforce Development
- (4) Unemployment data provided by the NJ Dept of Labor and Workforce Development

**TOWNSHIP OF VOORHEES SCHOOL DISTRICT**  
Principal Non-Governmental Employers  
Current Year and Nine Years Ago  
*Unaudited*

<u>Employer</u>	<u>2012</u>			<u>2003 (1)</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Municipal Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Municipal Employment</u>
Echelon Mall	1,450	1	8.25%	1,500	1	10.51%
Virtua New Jersey Health System	1,200	2	6.83%	1,200	2	8.41%
Macy's	450	3	2.56%			
Cigna Corp.	445	4	2.53%	445	5	3.12%
Boscov's	300	5	1.71%	300	6	2.10%
Lakewood of Voorhees	290	6	1.65%	290	7	2.03%
Comcast Corp.	265	7	1.51%	225	8	1.58%
Genesis Eldercare/Kresson View Center	225	8	1.28%			
AFL-Web Inc.	200	9	1.14%			
NJ-American Water	180	10	1.02%	138	10	0.97%
Towers Perrin				986	3	6.91%
Strawbridges				450	4	3.15%
Alliance Data Systems				198	9	1.39%
	<u>5,005</u>		<u>28.48%</u>	<u>5,732</u>		<u>40.16%</u>

(1) Information not available

Source: Individual Employers

## Operating Information

Operating information is intended to provide contextual information about the School District's operations and resources to assist readers in using financial statement information to understand and assess the School District's economic condition. Please refer to the following exhibits for a historical view of the factors and statistics pertinent to the School District's operations.

**TOWNSHIP OF VOORHEES SCHOOL DISTRICT**  
 Full-time Equivalent District Employees by Function/Program  
 Last Ten Fiscal Years  
*Unaudited*

<u>Function/Program</u>	Fiscal Year Ended June 30,									
	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Instruction:										
Regular	181.0	182.1	203.1	207.1	204.1	203.1	207.3	207.0	222.0	218.7
Special Education	117.7	117.4	114.0	104.0	107.5	112.0	111.9	113.9	99.0	104.1
Support Services:										
Student & Instruction Related Services	47.9	48.9	49.2	48.9	48.9	49.9	48.7	48.7	51.0	46.5
General Administrative Services	2.0	2.0	4.0	4.0	4.0	4.0	4.0	4.0	5.0	5.0
School Administrative Services	19.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0	19.0
Business Administrative Services	7.5	7.5	8.5	8.5	8.5	8.5	9.0	9.0	9.0	9.0
Plant Operations and Maintenance	28.0	29.5	30.0	29.5	28.0	30.0	27.5	29.0	27.5	27.0
Pupil Transportation	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Community Education and Recreation										
Total	<u>404.1</u>	<u>408.4</u>	<u>429.8</u>	<u>423.0</u>	<u>422.0</u>	<u>428.5</u>	<u>429.4</u>	<u>432.6</u>	<u>434.5</u>	<u>430.3</u>

Source: District Records

**TOWNSHIP OF VOORHEES SCHOOL DISTRICT**  
 Operating Statistics  
 Last Ten Fiscal Years  
*Unaudited*

Fiscal Year Ended June 30.	Enrollment	Operating Expenditures	Cost Per Pupil	Percentage Change	Teaching Staff	Pupil/Teacher Ratio		Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School				
2012	3,173	\$48,006,482.91	\$ 15,129.68	0.06%	297	11.4	11.2	3,179	3,058	-0.33%	96.20%
2011	3,234	48,902,382.70	15,121.33	-1.31%	302	11.3	11.4	3,189	3,059	0.02%	96.00%
2010	3,246	49,733,709.02	15,321.54	6.61%	306	11.6	11.7	3,189	3,050	-3.73%	95.70%
2009	3,340	48,000,075.39	14,371.28	1.50%	314	11.6	11.9	3,312	3,185	-0.72%	96.17%
2008	3,352	47,459,891.66	14,158.68	5.52%	315	12.1	12.0	3,336	3,204	-1.67%	96.04%
2007	3,411	45,770,628.27	13,418.54	8.25%	311	12.4	12.1	3,393	3,259	-1.10%	96.10%
2006	3,416	42,342,973.52	12,395.48	5.61%	315	12.4	12.1	3,430	3,285	-0.54%	96.10%
2005	3,462	40,632,627.77	11,736.75	4.02%	311	14.0	15.0	3,449	3,308	-1.03%	95.91%
2004	3,482	39,289,128.28	11,283.49	11.30%	320	14.0	15.0	3,485	3,345	-3.48%	96.00%
2003	3,620	36,699,057.22	10,137.86	6.95%	318	14.0	15.0	3,610	3,448	1.67%	95.50%

Sources: District Records

**TOWNSHIP OF VOORHEES SCHOOL DISTRICT**  
 School Building Information  
 Last Ten Fiscal Years  
*Unaudited*

	Fiscal Year Ended June 30,									
	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
<b>District Buildings:</b>										
<b>Elementary Schools:</b>										
Hamilton School (1969)										
Square Feet	63,347	63,347	63,347	63,347	63,347	63,347	63,347	63,347	63,347	63,347
Capacity (students)	550	550	550	550	550	550	550	511	511	511
Enrollment	486	487	504	512	541	546	571	551	561	548
Kresson School (1981)										
Square Feet	61,115	61,115	61,115	61,115	61,115	61,115	61,115	61,115	61,115	61,115
Capacity (students)	539	539	539	539	539	539	539	511	511	511
Enrollment	359	390	393	438	433	464	470	472	472	515
Osage School (1957)										
Square Feet	78,797	78,797	78,797	78,797	78,797	78,797	78,797	78,797	78,797	78,797
Capacity (students)	620	620	620	620	620	620	620	620	620	620
Enrollment	647	610	596	614	606	619	631	636	625	615
Signal Hill (1988)										
Square Feet	81,283	81,283	81,283	81,283	81,283	81,283	81,283	81,283	81,283	81,283
Capacity (students)	615	615	615	615	615	615	615	527	527	527
Enrollment	467	527	560	575	550	555	552	557	576	597
<b>Middle School:</b>										
Voorhees Middle School (1972)										
Square Feet	198,270	198,270	198,270	198,270	198,270	198,270	198,270	198,270	198,270	198,270
Capacity (students)	1,259	1,259	1,259	1,259	1,259	1,259	1,259	1,259	1,259	1,259
Enrollment	1,146	1,165	1,151	1,170	1,191	1,202	1,184	1,219	1,231	1,312
<b>Other:</b>										
Administration Building (1957)										
Square Feet	18,854	18,854	18,854	18,854	18,854	18,854	18,854	18,854	18,854	18,854

Number of Schools at June 30, 2012

Elementary = 4

Middle School = 1

Other = 1

Source: District Records

**TOWNSHIP OF VOORHEES SCHOOL DISTRICT**  
 Schedule of Required Maintenance  
 Last Ten Fiscal Years  
*Unaudited*

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

School Facilities	Project Number	Fiscal Year Ended June 30,									
		2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Kresson Elementary School	SP 5400-055-02-0129	\$ 128,943.17	\$ 109,166.82	\$ 122,037.20	\$ 133,653.87	\$ 114,891.02	\$ 99,667.09	\$ 95,200.26	\$ 82,383.00	\$ 86,854.00	\$ 87,150.00
E.T. Hamilton Elementary School	SP 5400-020-02-0130	115,972.08	91,113.65	117,613.13	151,742.69	126,574.57	133,648.43	162,237.09	133,524.00	84,491.00	88,707.00
Signal Hill Elementary School	SP 5400-095-02-0131	170,501.73	103,453.25	183,314.46	280,046.57	185,202.01	187,593.10	100,434.43	131,151.00	117,636.00	103,695.00
Voorhees Middle School	SP 5400-100-02-0132	425,690.70	346,308.97	344,208.48	501,197.50	407,527.74	366,671.34	370,459.39	324,130.00	321,190.00	239,254.00
Osage Elementary School	SP 5400-090-02-0133	147,728.47	139,022.20	216,726.90	192,021.58	152,816.46	277,944.60	126,857.85	143,867.00	119,718.00	128,020.00
Total School Facilities		988,836.15	789,064.89	983,900.17	1,258,662.21	987,011.80	1,065,524.56	855,189.02	815,055.00	729,889.00	646,826.00
Other Facilities		13,747.67	8,599.36	11,688.82	12,711.03	17,261.16	14,337.28	11,239.25	13,354.00	10,535.00	18,613.00
Grand Total		\$ 1,002,583.82	\$ 797,664.25	\$ 995,588.99	\$ 1,271,373.24	\$ 1,004,272.96	\$ 1,079,861.84	\$ 866,428.27	\$ 828,409.00	\$ 740,424.00	\$ 665,439.00

Source: District Records

**TOWNSHIP OF VOORHEES SCHOOL DISTRICT**

Insurance Schedule

June 30, 2012

*Unaudited*

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy		
Property		
Blanket Building & Contents - Per Occurrence	\$ 150,000,000.00	\$ 500.00
Boiler and Machinery		
Property Damage	125,000,000.00	1,000.00
Comprehensive General Liability	10,000,000.00	
Automobile Liability	10,000,000.00	
Workers Compensation	Statutory	
Educators Legal Liability Policy - Per Claim/Aggregate	10,000,000.00	
Crime		
Public Employee Dishonesty	500,000.00	500.00
Forgery or Alteration	500,000.00	500.00
Funds Transfer Fraud	500,000.00	500.00
Money Orders and Counterfeit Money	500,000.00	500.00
Theft, Disappearance and Destruction	500,000.00	500.00
Computer Fraud	500,000.00	500.00
School Forgery or Alteration	500,000.00	500.00
Pollution Legal Liability - Per Claim/Aggregate	3,000,000.00	25,000.00
Student Accident	1,000,000.00	
Student Catastrophic Accident	6,000,000.00	25,000.00

Source: School District Records

SINGLE AUDIT SECTION

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

The Honorable President and  
Members of the Board of Education  
Township of Voorhees School District  
County of Camden

**Compliance**

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

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

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

**Internal Control Over Compliance**

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

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

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

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

Respectfully submitted,

*Bowman & Company LLP*

BOWMAN & COMPANY LLP  
Certified Public Accountants  
& Consultants

*Todd R. Saler*

Todd R. Saler  
Certified Public Accountant  
Public School Accountant No. CS 02195

Voorhees, New Jersey  
October 15, 2012

**TOWNSHIP OF VOORHEES SCHOOL DISTRICT**  
 Schedule of Expenditures of Federal Awards  
 For the Fiscal Year Ended June 30, 2012

<u>Pass-through</u> <u>Grantor/Program Title</u>	<u>CFDA</u> <u>Number</u>	<u>State Project</u> <u>Number</u>	<u>Award</u> <u>Amount</u>	<u>Grant Period</u>	
				<u>From</u>	<u>To</u>
General Fund:					
U.S. Department of Health and Human Services:					
Passed-through the State Department of Education:					
Educations Jobs Fund	84.410	Unavailable	\$ 221,488.00	8-10-10	9-30-12
Special Education--Medicaid Initiative	93.778	N/A	15,727.10	7-1-10	6-30-11
Special Education--Medicaid Initiative	93.778	N/A	24,612.06	7-1-11	6-30-12
Total General Fund					
Special Revenue Fund:					
U.S. Department of Education:					
Passed-through State Department of Education:					
N.C.L.B.:					
Title I	84.010	NCLB540011	254,733.00	9-1-10	8-31-11
Title I	84.010	NCLB540012	272,227.00	9-1-11	8-31-12
Title II - Part A	84.367	NCLB540011	84,515.00	9-1-10	8-31-11
Title II - Part A	84.367	NCLB540012	76,480.00	9-1-11	8-31-12
Title III	84.365	NCLB540011	14,274.00	9-1-10	8-31-11
Title III	84.365	NCLB540012	10,857.00	9-1-11	8-31-12
I.D.E.I.A. Part B:					
Basic	84.027	IDEIA540011	731,048.00	9-1-10	8-31-11
Basic	84.027	IDEIA540009	728,461.00	9-1-08	8-31-09
Basic	84.027	IDEIA540012	757,466.00	9-1-11	8-31-12
ARRA--Basic	84.391	ARRA540010	708,628.00	7-1-09	8-31-11
Pre-School	84.173	IDEIA540011	36,419.00	9-1-10	8-31-11
Pre-School	84.173	IDEIA540012	38,040.00	9-1-11	8-31-12
ARRA--Preschool	84.392	ARRA540010	25,623.00	7-1-09	8-31-11
Total Special Revenue Fund					
Enterprise Fund:					
U.S. Department of Agriculture:					
Passed-through State Department of Education:					
Child Nutrition Cluster:					
Non-Cash Assistance (Food Distribution):					
National School Lunch Program	10.555	Unavailable	44,297.13	7-1-11	6-30-12
National School Lunch Program	10.555	Unavailable	43,741.65	7-1-10	6-30-11
Cash Assistance:					
National School Lunch Program	10.555	Unavailable	192,685.83	7-1-11	6-30-12
National School Lunch Program	10.555	Unavailable	169,726.66	7-1-10	6-30-11
Total Enterprise Fund:					
Total Federal Financial Assistance					

(A) See Note 5 to the Schedules of Expenditures of Federal Awards and State Financial Assistance

(B) Realized as Miscellaneous Revenue

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

Balance June 30, 2011	Carry-over Amount	Cash Received	Adjustments (A)	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance at June 30, 2012		
						Accounts Receivable	Deferred Revenue	Due to Grantor
		\$ 199,339.20		\$ 221,488.00		\$ (22,148.80)		
		2,051.26	\$ (2,051.26)					
		19,470.70		19,470.70				
-	-	220,861.16	(2,051.26)	240,958.70	-	(22,148.80)	-	-
\$ (62,265.00)		81,099.00	(1.00)	18,833.00				
		192,464.00	1.00	271,902.00		\$ (79,437.00)		
(19,329.00)		39,170.00	(1.00)	19,840.00				
		50,855.00	1.00	76,480.00		(25,624.00)		
(2,832.00)		4,978.00	1.00	2,147.00				
		7,866.00	(2.00)	10,857.00		(2,993.00)		
(160,280.00)	\$ (7,905.00)	168,185.00						
(1,425.00)			1,425.00					
	7,905.00	538,201.00	3.62	738,205.62		(192,096.00)		
(106.00)		106.00						
(6,936.00)	(1,583.00)	8,519.00						
	1,583.00	32,270.00	1.31	37,695.31		(3,841.00)		
(100.00)		100.00						
(253,273.00)	-	1,123,813.00	1,428.93	1,175,959.93	-	(303,991.00)	-	-
		44,297.13		39,420.38			\$ 4,876.75	
7,416.56				7,416.56				
		179,597.67		192,685.83		(13,088.16)		
(13,475.64)		13,475.64						
(6,059.08)	-	237,370.44	-	239,522.77	-	(13,088.16)	4,876.75	-
\$ (259,332.08)	\$ -	\$ 1,582,044.60	\$ (622.33)	\$ 1,656,441.40	\$ -	\$ (339,227.96)	\$ 4,876.75	\$ -

**TOWNSHIP OF VOORHEES SCHOOL DISTRICT**  
 Schedule of Expenditures of State Financial Assistance  
 For the Fiscal Year Ended June 30, 2012

State Grantor/ Program Title	State Project Number	Award Amount	Grant Period		Balance at June 30, 2011	
			From	To	Deferred Revenue/ Accounts Receivable	Due to Grantor
<b>General Fund:</b>						
State Department of Education:						
Transportation Aid	12-495-034-5120-014	\$ 419,261.00	7-1-11	6-30-12		
Nonpublic School Transportation Aid	12-495-034-5120-014	18,444.00	7-1-11	6-30-12		
Nonpublic School Transportation Aid	11-495-034-5120-014	21,402.00	7-1-10	6-30-11	\$ (21,402.00)	
Equalization Aid	12-495-034-5120-078	2,831,966.00	7-1-11	6-30-12		
Equalization Aid	11-495-034-5120-078	2,537,863.00	7-1-10	6-30-11	(233,470.00)	
Special Education Categorical Aid	12-495-034-5120-089	1,584,375.00	7-1-11	6-30-12		
Special Education Categorical Aid	11-495-034-5120-089	1,584,375.00	7-1-10	6-30-11	(145,755.00)	
Security Aid	12-495-034-5120-084	230,954.00	7-1-11	6-30-12		
Extraordinary Special Education Costs Aid	12-100-034-5120-473	165,274.00	7-1-11	6-30-12		
Extraordinary Special Education Costs Aid	11-100-034-5120-473	293,818.00	7-1-10	6-30-11	(293,818.00)	
Reimbursed TPAF Social Security Contributions	12-495-034-5095-002	1,696,578.80	7-1-11	6-30-12		
Reimbursed TPAF Social Security Contributions	11-495-034-5095-002	1,787,180.89	7-1-10	6-30-11	(89,120.70)	
<b>Total General Fund</b>					<b>(783,565.70)</b>	<b>-</b>
<b>Special Revenue Fund:</b>						
State Department of Education:						
Nonpublic Aid:						
Nursing Services	12-100-034-5120-070	19,899.00	7-1-11	6-30-12		
Textbook Aid (Ch. 194, L. 1977)	12-100-034-5120-064	13,394.00	7-1-11	6-30-12		
Textbook Aid (Ch. 194, L. 1977)	11-100-034-5120-064	14,324.00	7-1-10	6-30-11	\$ 101.77	
Auxiliary Services (Ch. 192, L. 1977)	12-100-034-5120-067					
Compensatory Education		65,090.00	7-1-11	6-30-12		
English as a Second Language		3,448.00	7-1-11	6-30-12		
Transportation and Maintenance		13,589.00	7-1-11	6-30-12		
Auxiliary Services (Ch. 192, L. 1977)	11-100-034-5120-067					
Compensatory Education		48,059.00	7-1-10	6-30-11		5,600.00
English as a Second Language		9,392.00	7-1-10	6-30-11		8,632.00
Transportation and Maintenance		6,262.00	7-1-10	6-30-11		3,215.00
Handicapped Services (Ch. 193, L. 1977)	12-100-034-5120-066					
Corrective Speech		33,964.00	7-1-11	6-30-12		
Examination and Classification		27,044.00	7-1-11	6-30-12		
Supplementary Instruction		18,941.00	7-1-11	6-30-12		
Handicapped Services (Ch. 193, L. 1977)	11-100-034-5120-066					
Corrective Speech		33,014.00	7-1-10	6-30-11		3,782.00
Examination and Classification		25,194.00	7-1-10	6-30-11		5,333.00
Supplementary Instruction		17,510.00	7-1-10	6-30-11		2,056.00
Anti-Bullying Bill of Rights Act	Unavailable	788.00	Unavailable	Unavailable		
State Department of Treasury:						
Passed through Township of Voorhees:						
Municipal Drug Alliance	2000-475-995120-60	9,240.00	7-1-11	6-30-12		
<b>Total Special Revenue Fund</b>					<b>-</b>	<b>28,719.77</b>
<b>Debt Service Fund:</b>						
State Department of Education:						
State Support	12-495-034-5120-075	339,550.00	7-1-11	6-30-12	-	-
<b>Enterprise Fund:</b>						
State School Lunch Aid	12-100-010-3350-023	10,165.87	7-1-11	6-30-12		
State School Lunch Aid	11-100-010-3350-023	10,498.95	7-1-10	6-30-11	(1,379.41)	
<b>Total Enterprise Fund</b>					<b>(1,379.41)</b>	<b>-</b>
<b>Total State Financial Assistance</b>					<b>\$ (784,945.11)</b>	<b>\$ 28,719.77</b>

(A) See Note 5 to the Schedules of Expenditures of Federal Awards and State Financial Assistance

(B) Passed through to Camden County Educational Services Commission

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

Carryover/ Walkover Amount	Cash Received	Adjustments (A)	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance at June 30, 2012			Memo	
					Accounts Receivable	Deferred Revenue	Due to Grantor	Budgetary Receivable June 30, 2012	Cumulative Total Expenditures
	\$ 379,477.00		\$ 419,261.00		\$ (39,784.00)			\$ (39,784.00)	\$ 419,261.00
	21,402.00		18,444.00		(18,444.00)				18,444.00
	2,563,237.00		2,831,966.00		(268,729.00)			(268,729.00)	2,831,966.00
	233,470.00								
	1,434,032.00		1,584,375.00		(150,343.00)			(150,343.00)	1,584,375.00
	145,755.00								
	209,039.00		230,954.00		(21,915.00)			(21,915.00)	230,954.00
	293,818.00		165,724.00		(165,724.00)				165,724.00
	1,611,178.56		1,696,578.80		(85,400.24)				1,696,578.80
	89,120.70								
	<u>6,980,529.26</u>	<u>-</u>	<u>6,947,302.80</u>	<u>-</u>	<u>(750,339.24)</u>	<u>-</u>	<u>-</u>	<u>(480,771.00)</u>	<u>6,947,302.80</u>
	19,899.00		19,899.00						19,899.00
	13,394.00		12,969.34	\$ 101.77			\$ 424.66		12,969.34
	65,090.00		49,788.17				15,301.83		49,788.17
	3,448.00		1,034.40				2,413.60		1,034.40
	13,589.00		3,810.61				9,778.39		3,810.61
				5,600.00					
				8,632.00					
				3,215.00					
	33,964.00		24,091.95				9,872.05		24,091.95
	27,044.00		16,907.74				10,136.26		16,907.74
	18,941.00		13,188.20				5,752.80		13,188.20
				3,782.00					
				5,333.00					
				2,056.00					
	788.00		788.00						788.00
	<u>9,240.00</u>	<u>-</u>	<u>9,240.00</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,872.05</u>	<u>-</u>	<u>9,240.00</u>
	205,397.00	-	151,717.41	28,719.77	-	-	53,679.59	-	151,717.41
	339,550.00	-	339,550.00	-	-	-	-	-	339,550.00
	9,473.53		10,165.87		(692.34)				10,165.87
	1,379.41								
	<u>10,852.94</u>	<u>-</u>	<u>10,165.87</u>	<u>-</u>	<u>(692.34)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,165.87</u>
<u>\$ -</u>	<u>\$ 7,536,329.20</u>	<u>\$ -</u>	<u>\$ 7,448,736.08</u>	<u>\$ 28,719.77</u>	<u>\$ (751,031.58)</u>	<u>\$ -</u>	<u>\$ 53,679.59</u>	<u>\$ (480,771.00)</u>	<u>\$ 7,448,736.08</u>

**TOWNSHIP OF VOORHEES SCHOOL DISTRICT**  
Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance  
For the Fiscal Year Ended June 30, 2012

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**Note 1: GENERAL**

The accompanying schedules of expenditures of federal awards and state financial assistance include federal and state award activity of the Township of Voorhees School District (hereafter referred to as the "School District"). The School District is defined in note 1 to the School District's basic financial statements. All federal and state awards received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies, are included on the schedules of expenditures of federal awards and state financial assistance.

**Note 2: BASIS OF ACCOUNTING**

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

**Note 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS**

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

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

The net adjustment to reconcile revenues from the budgetary basis to the GAAP basis is (\$101,546.00) for the general fund. No adjustment is required to reconcile expenditures from the budgetary basis to the GAAP basis. See Exhibit C-3, notes to required supplementary information, for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds.

**Note 3: RELATIONSHIP TO FINANCIAL STATEMENTS (CONT'D)**

Awards and financial assistance expenditures are reported in the School District's basic financial statements on a GAAP basis as presented as follows:

<u>Fund</u>	<u>Federal</u>	<u>State</u>	<u>Total</u>
General	\$ 240,958.70	\$ 6,947,302.80	\$ 7,188,261.50
Special Revenue	1,175,959.93	151,717.41	1,327,677.34
Debt Service		339,550.00	339,550.00
Food Service	239,522.77	10,165.87	249,688.64
Total Awards and Financial Assistance	<u>\$ 1,656,441.40</u>	<u>\$ 7,448,736.08</u>	<u>\$ 9,105,177.48</u>

**Note 4: RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS**

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

**Note 5: ADJUSTMENTS**

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

<u>Adjustment</u>	<u>Federal</u>	<u>State</u>	<u>Total</u>
Rounding Adjustments	\$ 3.93		\$ 3.93
Prior Year Expenditures	(2,051.26)		(2,051.26)
Grants Receivable Canceled	1,425.00		1,425.00
Total Adjustments	<u>\$ (622.33)</u>	<u>\$ -</u>	<u>\$ (622.33)</u>

**Note 6: OTHER**

Revenues and expenditures reported under the food distribution program represent current year value received and current year distribution, respectively. TPAF social security Contributions represents the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the fiscal year ended June 30, 2012.

**Note 7: MAJOR PROGRAMS**

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

TOWNSHIP OF VOORHEES SCHOOL DISTRICT  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2012

**Section 1- Summary of Auditor's Results**

**Financial Statements**

Type of auditor's report issued Unqualified

Internal control over financial reporting:

Material weakness(es) identified?      yes   X   no

Significant deficiency(ies) identified?      yes   X   none reported

Noncompliance material to financial statements noted?      yes   X   no

**Federal Awards**

Internal control over major programs:

Material weakness(es) identified?      yes   X   no

Significant deficiency(ies) identified?      yes   X   none reported

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

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

Identification of major programs:

<b><u>CFDA Number(s)</u></b>	<b><u>Name of Federal Program or Cluster</u></b>
<u>84.027</u>	<u>I.D.E.I.A. Part B Basic</u>
<u>84.173</u>	<u>I.D.E.I.A. Part B Preschool</u>
<u>                    </u>	<u>  </u>

Dollar threshold used to determine Type A programs \$300,000

Auditee qualified as low-risk auditee?   X   yes      no

**TOWNSHIP OF VOORHEES SCHOOL DISTRICT**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended June 30, 2012**

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

**State Financial Assistance**

Internal control over major programs:

Material weakness(es) identified? \_\_\_ yes X no

Significant deficiency(ies) identified? \_\_\_ yes X none reported

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

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

Identification of major programs:

<u>GMIS Number(s)</u>	<u>Name of State Program</u>
<u>12-495-034-5120-078</u>	<u>Equalization Aid</u>
<u>12-495-034-5120-089</u>	<u>Special Education Categorical Aid</u>
<u>12-495-034-5120-084</u>	<u>Security Aid</u>
<u>12-495-034-5095-002</u>	<u>Reimbursed TPAF Social Security Contributions</u>
<u>12-495-034-5120-075</u>	<u>Debt Service Aid</u>
<u>12-495-034-5120-014</u>	<u>Transportation Aid</u>

Dollar threshold used to determine Type A programs \$300,000

Auditee qualified as low-risk auditee? X yes \_\_\_ no

**TOWNSHIP OF VOORHEES SCHOOL DISTRICT**  
Schedule of Findings and Questioned Costs  
For the Fiscal Year Ended June 30, 2012

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***Section 2- Schedule of Financial Statement Findings***

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

None.

**TOWNSHIP OF VOORHEES SCHOOL DISTRICT**  
Schedule of Findings and Questioned Costs  
For the Fiscal Year Ended June 30, 2012

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***Section 3- Schedule of Federal Award Findings and Questioned Costs***

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

None.

**TOWNSHIP OF VOORHEES SCHOOL DISTRICT**  
Schedule of Findings and Questioned Costs  
For the Fiscal Year Ended June 30, 2012

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

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

None.

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

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

**FINANCIAL STATEMENT FINDINGS**

None.

**FEDERAL AWARDS**

None.

**STATE FINANCIAL ASSISTANCE PROGRAMS**

None.

