

**Comprehensive Annual
Financial Report**

of the

Township of West Amwell School District

County of Hunterdon

County of Hunterdon, New Jersey

For the Fiscal Year Ended June 30, 2012

Prepared by

**West Amwell Township Board of Education
Department of Administration**



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INTRODUCTORY SECTION



West Amwell Township Elementary School

1417 Route 179 ★ Lambertville, New Jersey 08530-3413

Dr. Todd A. Fay, Superintendent ★ Mrs. Lynne Meara, Principal

Donna M. Tolley, BA/Board Secretary

Phone (609) 397-0819 ★ Fax (609) 397-2470

www.westamwellschool.org

November 19, 2012

Honorable President and
Members of the Board of Education
West Amwell Township
1417 Route 179
Lambertville, New Jersey 08530

Dear Board Members:

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

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and list of principal officials. The financial section includes the general purpose financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984 {as amended 1996} and the U.S. Office of Management and Budget Circular A-133, "Audits of State, Local Governments and Non-Profit Organizations", and the New Jersey OMB's Circular 98-07, "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) REPORTING ENTITY AND ITS SERVICES: West Amwell Township School District is an independent reporting entity with the criteria adopted by the GASB as established by Statement No. 14. All funds and account groups of the District are included in this report. The West Amwell Township Board of Education and its school constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels K through 6. These include regular, as well as special education for handicapped youngsters. The District completed the 2011-2012 fiscal year with an enrollment of 261 students. Projected or budgeted enrollment for September 1, 2012 is 242 students. The following details the changes in the student enrollment of the District over the last ten years.

AVERAGE DAILY ENROLLMENT

<u>FISCAL YEAR</u>	<u>STUDENT ENROLLMENT</u>	<u>PERCENT CHANGE</u>
2011-12	242.0	(7.85%)
2010-11	261.0	1.16%
2009-10	258.0	0.77%
2008-09	258.0	0.77%
2007-08	260.0	0.93%
2006-07	257.6	4.2%
2005-06	247.2	6.87%
2004-05	231.3	6.15%
2003-04	217.9	7.60%
2002-03	202.5	16.11%
2001-02	174.4	(8.64%)
2000-01	190.9	2.74%
1999-00	185.8	(5.73%)
1998-99	197.1	9.26%
1997-98	180.4	(9.12%)
1996-97	198.5	2.64%

2) ECONOMIC CONDITION AND OUTLOOK: West Amwell Township consists mostly of farmlands. Many of the farms maintain their original status, although we have seen an increase in the sale of farms to developers over the past few years. A development of 49 single-family homes in Mt. Airy, built by Orleans Builders has been completed. Heritage Builders has received planning board approval for 14 homes near Mt. Airy off of Rt. 179. Toll Brothers, Inc. has two parcels of land, one behind the school and the other less than ¼ mile south on the southern side of Route 179.

The township is dedicated to maintaining its rural nature and has an active open space farmland preservation program of over 600 acres. Lots in the township are zoned 4, 5, 6, and 8 acre lots depending on the location.

There is a strip mall which has a deli and some other stores. The burden of taxes, however, falls mainly on the property owner.

3) MAJOR INITIATIVES: The West Amwell Township School District continues to provide a highly effective educational program for students of all ability levels. We continue to strive to provide a guaranteed and viable curriculum using the New Jersey Core Curriculum Standards. Our district has moved forward with the purchase of technology using monies from a combination of a Federal Rural Education Achievement Program Grant, grants from the Lambertville Area Education Foundation, and local tax dollars. Our children have a computer cart that is used in the Library and classrooms, and have at least four computers in each class.

This year we have begun to focus on providing our children with the skills and competencies that they will need in order to be successful for the 21st Century. Each teacher has selected one of the seven survival skills as their instructional focus for the year. It is our belief to provide each child with a well rounded education so in addition to the core academic areas; the students receive weekly instruction in art, music, physical education, spanish, and technology. We all work closely with Lambertville Public School and South Hunterdon Regional High School on curriculum articulation in an effort to ensure that we have a K-12 curriculum, and a seamless transition to the Middle School as seventh graders.

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 ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation costs and benefits require 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 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 and the special revenue fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as re-appropriations of fund balance in the subsequent year.

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

7) DEBT ADMINISTRATION: As of June 30, 2012, the District had Permanent bonds outstanding of \$1,015,000 for the school renovations and addition of two classrooms.

8) CASH MANAGEMENT: The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements", Notes 1 and 3. The District had 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.

9) RISK MANAGEMENT: The Board carries various forms of insurance, including but not limited to general liability, automobile liability, hazard and theft insurance on property and contents, student insurance and fidelity bonds.

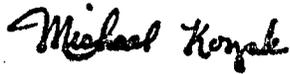
10) OTHER INFORMATION:

A. Independent Audit: State statutes require an annual audit by independent certified public accountants or registered municipal accounts. The accounting firm of Suplee, Clooney and Company, was selected by the Board of Education. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit of Act of 1984 {as amended 1996} and the related OMB Circular A-133 and New Jersey OMB's Circular 98-07. The auditor's report on the general-purpose financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

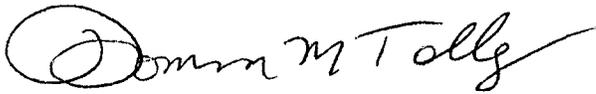
12) ACKNOWLEDGMENTS: The members of the West Amwell Township Board of Education show extraordinary dedication to their responsibilities as board members, a sincere commitment to their community's public school, and a firm belief in effective governance of the public school through the local school board.

We would like to express our sincere appreciation to the members of the West Amwell Township School Board for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial operation.

Respectfully submitted,



Dr. Michael G. Kozak
Superintendent



Donna M. Tolley
School Business Administrator/Board Secretary

**WEST AMWELL TOWNSHIP BOARD OF EDUCATION
WEST AMWELL TOWNSHIP
LAMBERTVILLE, NEW JERSEY**

ROSTER OF OFFICIALS

JUNE 30, 2012

<u>MEMBERS OF THE BOARD OF EDUCATION</u>	<u>TERM EXPIRES</u>
Peter Gasparro, President	2015
Viktor Paerg, Vice-President	2013
Aaron Balog	2014
Paula Kauth	2013
John Dupuis	2015
Dennis Reilly	2013
Leila Rice	2014
Kevin Snyder	2014
Andrea Little	2015

OTHER OFFICIALS

Dr. Michael Kozak	Superintendent
Donna M. Tolley	Business Administrator/ Board Secretary
Marlene Steele	Treasurer of School Monies

**WEST AMWELL TOWNSHIP BOARD OF EDUCATION
CONSULTANTS AND ADVISORS
JUNE 30, 2012**

AUDIT FIRM

Suplee, Clooney & Company
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Westfield, New Jersey 07090-2122

ATTORNEY

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Attorneys at Law
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Moorestown, NJ 08051

GAAP CONSULTING

CDK Systems, Inc.
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Great Meadows, NJ 07838

OFFICIAL DEPOSITORY

TD Bank
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Flemington, NJ 08822

ARCHITECT

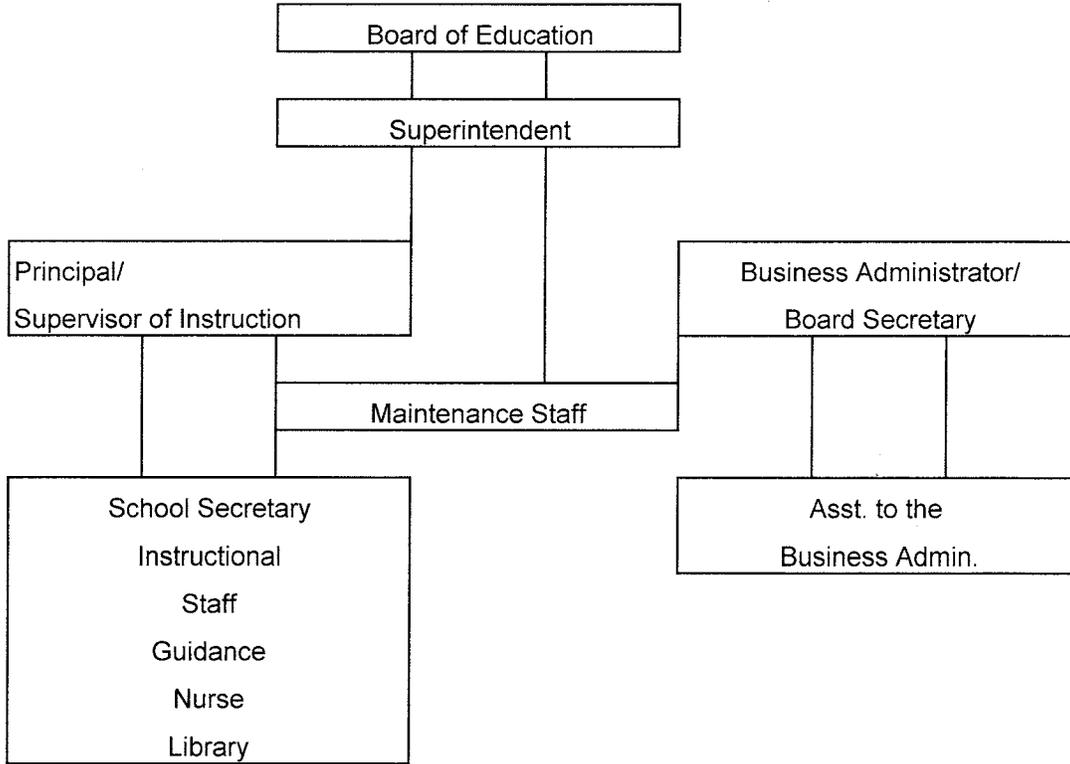
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BOND COUNSEL

Wilentz, Goldman Spitzer
Attorneys at Law
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Suite 900, Box 10
Woodbridge, NJ 07095-0958

TOWNSHIP OF WEST AMWELL BOARD OF EDUCATION

ORGANIZATIONAL CHART
(UNIT CONTROL)



FINANCIAL SECTION



SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

308 East Broad Street, Westfield, New Jersey 07090-2122

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E-mail info@scnco.com

INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Education
Township of West Amwell School District
County of Hunterdon
Lambertville, New Jersey 08530

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 West Amwell School District, County of Hunterdon, New Jersey as of and for the year ended June 30, 2012, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, audit requirements prescribed by the Division of Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the basic financial statements referred to above 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 West Amwell School District, County of Hunterdon, New Jersey as of June 30, 2012, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with U.S. generally accepted accounting principles.

SUPLEE, CLOONEY & COMPANY

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

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and Budgetary Comparison Information in Exhibits C-1 through C-3 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 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 Township of West Amwell School District's financial statements that collectively comprise the basic financial statements. The accompanying supplementary information schedules such as the combining and individual fund financial statements, as listed in the table of contents, as required by the State of New Jersey, Department of Education, Division of Finance are presented for purposes of additional analysis and are not a required part of the basic financial statements of the Township of West Amwell School District, County of Hunterdon, New Jersey. 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 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America.

SUPLEE, CLOONEY & COMPANY

In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole. The accompanying other information, such as the introductory and statistical sections, is presented for the purposes of additional analysis and is 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.


CERTIFIED PUBLIC ACCOUNTANTS

November 19, 2012


PUBLIC SCHOOL ACCOUNTANT NO. 93

REQUIRED SUPPLEMENTARY INFORMATION – PART I

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

WEST AMWELL TOWNSHIP SCHOOL DISTRICT
WEST AMWELL TOWNSHIP

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

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

Financial Highlights

Key financial highlights for 2012 are as follows:

- In total, net assets increased \$ 130,668 which represents a 4.57 % increase from 2011.
- General revenues accounted for \$4,248,833 in revenue or 96% of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$ 180,277 or 4% of total revenues of \$ 4,429,110.
- Total assets of governmental activities increased by \$72,474.00 as cash and cash equivalents increased by \$40,924.00, receivables decreased by \$13,525.00 and capital assets increased by \$45,075.00.
- The School District had \$4,298,442 in expenses; only \$180,277 of these expenses was offset by program specific charges for services, grants or contributions. General revenues (primarily tax levy) of \$4,248,833 were adequate to provide for these programs.
- Among major funds, the General Fund had \$4,135,863.00 in revenues and \$3,965,119.00 in expenditures. After factoring in other financing uses of \$131,667.00, the General Fund's balance increased \$39,077.00 from 2011. This increase is a result of cost-cutting measures implemented by the district, one special education student less than was budgeted, and the health benefits was less than the budgeted amount. This year the state was uncertain of their year ending budget so the District put a hold on spending for most of the year after necessities for 2012. Therefore, the School District was able to transfer \$110,000 to the Capital Reserve Account for use in 2012-2013 for the parking lot paving projects.

Using this Comprehensive Annual Financial Report (CAFR)

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

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

Reporting the District as a Whole

Statement of Net Assets and the Statement of Activities (Changes in Net Assets)

While this document contains the various funds used by the District to provide programs and activities, the view of the School district as a whole looks at all financial transactions and asks the question, "How did we do financially during fiscal year 2011- 2012?" The Statement of Net Assets and the Statement of Activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

In the Statement of Net Assets and the Statement of Activities, the School District reports governmental activities. Governmental activities are the activities where most of the School District's programs and services are reported including, but not limited to, instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities.

Reporting the School District's Most Significant Funds

Fund Financial Statements

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

Governmental Funds

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

The School District as a Whole

Table 1 provides a summary of the District's net assets at June 30, 2012 with comparisons to June 30, 2011.

**Table 1
Net Assets**

	6/30/12	6/30/11	Variance	
			Dollars	%
Current & Other Assets	819,105	793,930	25,175	3.17
Capital Assets	3,274,381	3,232,751	41,630	1.29
Total Assets	4,093,486	4,026,681	66,805	1.66
Long-Term Liabilities	1,066,029	1,130,527	(64,498)	(5.71)
Other Liabilities	37,151	36,516	635	1.74
Total Liabilities	1,103,180	1,167,043	(63,863)	(5.47)
Net Assets				
Invested in Capital Assets, Net of Related Debt	2,122,492	2,035,862	86,630	4.26
Restricted	6333,708	601,501	32,207	5.35
Unrestricted	234,106	222,275	11,831	5.32
Total Net Assets	2,990,306	2,859,638	130,668	4.57

Total assets increased \$66,805. Cash and cash equivalents increased by \$42,631, receivables decreased by \$17,188, capital assets increased by \$41,629 and other assets decreased by \$267. Unrestricted net assets, the part of net assets that can be used to finance day to day activities without constraints established by grants or legal requirements, of the School District increased by \$11,831 due to cost cutting measures implemented by the district. .

Table 2 provides a summary of the district's changes in net assets in fiscal year 2012 with comparisons to 2011.

Table 2
Changes in Net Assets

	6/30/12	6/30/11	Variance	
			Dollars	%
Revenues				
Program Revenues:				
Charges for Services	46,255	46,813	(558)	(1.19)
Operating Grants	134,022	171,956	37,934	(22.06)
Capital Grants				
General Revenues:				
Property Taxes	3,718,078	3,721,264	3,186	(0.09)
Unrestricted Grants	525,441	567,729	42,287	(7.45)
Other	5,314	9,176	3,862	(42.09)
Total Revenues	<u>4,429,110</u>	<u>4,516,937</u>	<u>87,827</u>	<u>(1.94)</u>
Program Expenses				
Instruction:				
Regular	1,610,871	1,491,102	119,769	8.03
Special	770,662	800,479	(29,817)	(3.72)
Other	73,601	70,809	2,792	3.94
Support Services:				
Tuition	16,395	3,965	12,430	313.49
Student & Instructional Staff	639,343	619,019	20,324	3.28
General & Business				
Administration	453,464	441,052	12,412	2.81
School Administration	49,417	48,163	1,254	2.60
Maintenance	374,450	333,764	40,686	12.19
Transportation	194,973	192,032	2,942	1.53
Food Service	56,239	60,113	(3,874)	(6.45)
Summer Enrichment	2,405	2,411	(6)	(0.25)
Interest on Long-Term Debt	56,622	64,757	(8,135)	(12.56)
Total Expenses	<u>4,298,442</u>	<u>4,127,666</u>	<u>170,776</u>	<u>4.14</u>
Increases (Decreases) Before				
Special Items	<u>130,668</u>	<u>389,272</u>	<u>(258,604)</u>	<u>(66.43)</u>
Special Items:				
Transfers				
Gain (Loss) on Disposal of Assets				
Prior Year Receivables Canceled				
Total Special Items				
Increase (Decrease) in Net Assets	<u>130,668</u>	<u>389,272</u>	<u>(258,604)</u>	<u>(66.43)</u>

There was a decrease in property taxes of \$3,186 or (0.09%) while unrestricted grant revenues decreased by \$42,287 or (7.45%).

Governmental Activities

The unique nature of property taxes in New Jersey creates the need to routinely seek voter approval for the School District operations. Property taxes made up 85.01% of revenues for governmental activities for the West Amwell Township Public School District for fiscal year 2012.

Instruction comprises 57.91% of district expenses. Support services expenses make up 40.76% of the expenses and other expenses are equal to 1.34%.

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services.

Table 3 shows the total cost of services and the net cost of services. That is, it identifies the cost of these services supported by tax revenue and unrestricted State entitlements.

Table 3
Cost of Governmental Services

	Total Cost of Services		Net Cost of Services	
	6/30/12	6/30/11	6/30/12	6/30/11
Instruction	2,455,134	2,362,390	2,408,245	2,271,355
Support Services:				
Tuition	16,395	3,965	16,395	3,965
Student & Instructional Staff	639,343	619,019	568,391	563,000
General & Business				
Administration	453,464	441,052	453,464	441,052
School Administration	49,417	48,163	49,417	48,163
Plant Operations &				
Maintenance	374,450	333,764	374,450	333,764
Pupil Transportation	194,973	192,032	194,973	192,032
Interest on Long-Term Debt	56,622	64,757	49,744	52,929
Total Expenses	<u>4,239,798</u>	<u>4,065,142</u>	<u>4,115,080</u>	<u>3,906,259</u>

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

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

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

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

Food service activities involve services related to serving lunch for students and employees.

Summer enrichment activities involve maintaining a summer school program.

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

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

The School District's Funds

These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$4,373,544, expenditures of \$4,350,955. The net increase in fund balance for the year was most significant in the General Fund, an increase of \$22,589. This was due to cost cutting measures implemented by the board, one less special education student than originally budgeted, and the health benefits did not increase as much as budgeted.

General Fund Budgeting Highlights

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

During the course of the fiscal year 2012, the School District amended its General Fund budget as needed. The School District uses program based budgeting and the budgeting systems are designed to tightly control total program budgets but provide flexibility for program management.

For the General Fund, budget basis revenue and other financing sources was \$3,846,348, \$41,396 above budgeted estimates of \$3,804,952. This difference was due primarily to conservative revenue estimates in relation to interest earnings.

Capital Assets

At the end of fiscal year 2012, the District had \$ 3,274,381 invested in land, land improvements, buildings, and equipment net of accumulated depreciation.

Table 4 provides a summary of the District's capital assets net of depreciation at June 30, 2012 with comparisons to June 30, 2011.

Table 4
Capital Assets at Year-End
(Net of Depreciation)

	6/30/12	6/30/11	Variance	
			Dollars	%
Land	269,900	269,900	- 0 -	- 0 -
Land Improvements	190,718	156,217	34,501	22.08
Construction in Progress	0	0	0	0.00
Buildings & Improvements	2,761,918	2,761,179	739	00.00
Machinery & Equipment	51,845	45,456	6,389	14.06
Total	3,274,381	3,232,752	41,629	1.29

Overall, capital assets increased \$41,629 from FY 2011 to FY 2012. Decreases in capital assets were mostly due to depreciation of capital assets for the current fiscal year.

The equipment purchased during FY 2012 was smart boards, and a portable laptop cart.

Table 5 provided a summary of the district's outstanding debt at 6/30/12 with comparisons to 6/30/11.

Table 5
Outstanding Debt

	6/30/12	6/30/11	Variance	
			Dollars	%
2001 General Obligation Bonds	1,015,000	1,080,000	(65,000)	(5.68)
Temporary Notes Payable	0	0	0	
Compensated Absences	51,029	50,527	502	
Totals	1,066,029	1,130,527	(64,498)	(5.68)

Debt Administration-Long Term Liabilities

At June 30, 2012, the School District had \$1,066,029 as outstanding debt. Of this amount \$ 51,029 is for compensated absences and \$ 1,015,000 for bonds for school construction. In September 1999 the voters of West Amwell Township approved the addition of two classrooms and extensive renovations to the school in the amount of \$ 2,500,000. This provided the addition of two classrooms and a connecting hallway; a new septic system; and needed repairs or replacement of the heating , plumbing and mechanical/electrical systems. In addition, classrooms received new floor tiles and or carpeting, new lighting, ceiling replacement, new marker/bulletin boards and were repainted. The project was substantially completed on December 31, 2000.

At June 30, 2012, the School District's debt limit is \$13,886,217.00, the current debt is \$1,015,000, and therefore, the legal debt margin is \$12,871,217.00.

For the Future

The West Amwell Township School District is in good financial condition. A major concern is the continued growth of the district with the increased reliance on local property taxes. However, future finances are not without challenges as the community continues to grow and state funding remains flat and recently decreased.

West Amwell Township has successfully passed their school budget vote each year for thirteen of the last eighteen years. The budget failed in 1991, 2003, 2006, 2008, 2009, and 2011. The contributing factors are thought to be the reassessment of homes in the township, the high tax rate and the change in the economy and the promise of the state to decrease the Township State Aid by \$1,000,000.

West Amwell Township is primarily a rural residential community, with very few commercial ratables; therefore the tax burden is focused on homeowners to foot the tax burden.

The Board of Education is exploring other sources of revenue including grants and partnerships and methods to reign in the cost of expenditures through shared services with local area districts. In the 2007-08 year the district shared the superintendent with the Lambertville School District. In the 2008-09 school year the District shared a Superintendent and a Business Administrator. In the 2009-2010, 2010-2011, and 2011-2012 school year the District shared a Superintendent, Business Administrator, 4 teaching staff members, and several classroom aides. In the 2012-2013 school year the District will again share a Superintendent, Business Administrator, and 4 teaching staff members.

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

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional information contact the School Business Administrator/Board Secretary at West Amwell Township Board of Education, 1417, Route 179, Lambertville, NJ 08530 or by calling 609.397.0819 ext 207.

BASIC FINANCIAL STATEMENTS

The basic financial statements provide a financial overview of the District's operations. These financial statements present the financial position and operating results of all funds as of June 30, 2012.

DISTRICT-WIDE FINANCIAL STATEMENTS

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

TOWNSHIP OF WEST AMWELL SCHOOL DISTRICT
STATEMENT OF NET ASSETS
JUNE 30, 2012

	<u>GOVERNMENTAL</u> <u>ACTIVITIES</u>	<u>BUSINESS-TYPE</u> <u>ACTIVITIES</u>	<u>TOTAL</u>
ASSETS:			
Cash and cash equivalents	\$164,579.81	\$11,019.93	\$175,599.74
Receivables, net	169,432.93	401.43	169,834.36
Inventory		1,308.70	1,308.70
Restricted assets:			
Restricted cash and cash equivalents	472,362.78		472,362.78
Capital assets:			
Land and Construction in Progress	269,900.00		269,900.00
Other capital assets, net of depreciation	3,001,210.62	3,270.36	3,004,480.98
Total Assets	<u>4,077,486.14</u>	<u>16,000.42</u>	<u>4,093,486.56</u>
LIABILITIES:			
Payable to state government	64.00		64.00
Deferred revenue	8,401.43	3,955.72	12,357.15
Accrued interest on bonds	24,729.35		24,729.35
Noncurrent liabilities:			
Due within one year:			
Bonds and capital leases payable	70,000.00		70,000.00
Due beyond one year:			
Compensated absences payable	51,029.34		51,029.34
Bonds and capital leases payable	945,000.00		945,000.00
Total liabilities	<u>1,099,224.12</u>	<u>3,955.72</u>	<u>1,103,179.84</u>
NET ASSETS:			
Invested in capital assets, net of related debt	2,119,221.60	3,270.36	2,122,491.96
Restricted for:			
Capital projects fund	160,358.80		160,358.80
Debt service fund	1.00		1.00
Other purposes	473,348.49		473,348.49
Unrestricted	<u>225,332.13</u>	<u>8,774.34</u>	<u>234,106.47</u>
Total net assets	<u>\$2,978,262.02</u>	<u>\$12,044.70</u>	<u>\$2,990,306.72</u>

See accompanying notes to financial statements.

TOWNSHIP OF WEST AMWELL SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

Functions/Programs	Expenses	Programs Revenues		Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental activities:						
Instruction:						
Regular	\$ 1,610,870.63	\$	\$	\$ (1,610,870.63)	\$	\$ (1,610,870.63)
Special	770,662.07		46,888.47	(723,773.60)		(723,773.60)
Other instruction	73,601.13			(73,601.13)		(73,601.13)
Support services:						
Tuition	16,395.03			(16,395.03)		(16,395.03)
Student and instruction related services	639,343.02		70,951.84	(568,391.18)		(568,391.18)
General administrative services	213,599.32			(213,599.32)		(213,599.32)
School administrative services	49,417.10			(49,417.10)		(49,417.10)
Central services	162,198.92			(162,198.92)		(162,198.92)
Administration information technology	77,665.39			(77,665.39)		(77,665.39)
Plant operations and maintenance	374,450.08			(374,450.08)		(374,450.08)
Pupil transportation	194,973.57			(194,973.57)		(194,973.57)
Interest on long-term debt	56,621.85		6,878.00	(49,743.85)		(49,743.85)
Total governmental activities	<u>4,239,798.11</u>		<u>124,718.31</u>	<u>(4,115,079.80)</u>		<u>(4,115,079.80)</u>
Business-type activities						
Food service	56,238.63	42,909.99	9,303.59		(4,025.05)	(4,025.05)
Summer enrichment	2,405.09	3,345.00			939.91	939.91
Total business-type activities	<u>58,643.72</u>	<u>46,254.99</u>	<u>9,303.59</u>		<u>(3,085.14)</u>	<u>(3,085.14)</u>
Total primary government	<u>\$ 4,298,441.83</u>	<u>\$ 46,254.99</u>	<u>\$ 134,021.90</u>	<u>\$ (4,115,079.80)</u>	<u>\$ (3,085.14)</u>	<u>\$ (4,118,164.94)</u>
General revenues:						
Taxes:						
Property taxes, levied for general purposes, net				\$ 3,601,750.00	\$	\$ 3,601,750.00
Taxes levied for debt service				116,328.00		116,328.00
Federal and state aid not restricted				521,927.93		521,927.93
Federal and state aid restricted				3,513.20		3,513.20
Miscellaneous income				5,306.62	7.70	5,314.32
Total general revenues and special items				<u>4,248,825.75</u>	<u>7.70</u>	<u>4,248,833.45</u>
Change in net assets				133,745.95	(3,077.44)	130,668.51
Net Assets - beginning				<u>2,844,516.07</u>	<u>15,122.14</u>	<u>2,859,638.21</u>
Net Assets - ending				<u>\$ 2,978,262.02</u>	<u>\$ 12,044.70</u>	<u>\$ 2,990,306.72</u>

See accompanying notes to financial statements.

MAJOR FUND FINANCIAL STATEMENTS

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

TOWNSHIP OF WEST AMWELL SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2012

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTAL GOVERNMENTAL FUNDS
ASSETS:					
Cash and cash equivalents	\$ 156,113.38	\$ 8,465.43		\$ 1.00	\$ 164,579.81
Cash, capital reserve	330,399.25				330,399.25
Cash, maintenance reserve	141,963.53				141,963.53
Due from other funds	136,889.02				136,889.02
Receivables from other governments	9,074.13		160,358.80		169,432.93
Total assets	\$ 774,439.31	\$ 8,465.43	\$ 160,358.80	\$ 1.00	\$ 943,264.54
LIABILITIES AND FUND BALANCES:					
Liabilities:					
Interfund payables	\$	\$	136,889.02	\$	136,889.02
Payable to state government		64.00			64.00
Deferred revenue		8,401.43			8,401.43
Total liabilities		8,465.43	136,889.02		145,354.45
Fund balances:					
Restricted for:					
Excess surplus - designated for subsequent year's expenditure - prior year	985.71				985.71
Maintenance reserve account	141,963.53				141,963.53
Capital reserve account	330,399.25				330,399.25
Committed to:					
Capital projects			23,469.78		23,469.78
Assigned to:					
Designated for subsequent year's expenditure	90,522.29			1.00	90,523.29
Unassigned:					
General fund	210,568.53				210,568.53
Total fund balances	774,439.31		23,469.78	1.00	797,910.09
Total liabilities and fund balances	\$ 774,439.31	\$ 8,465.43	\$ 160,358.80	\$ 1.00	

See accompanying notes to financial statements.

TOWNSHIP OF WEST AMWELL SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2012

Total Fund Balances (Brought Forward)		\$797,910.09
Amounts Reported for Governmental Activities in the Statement of Net Assets (A-1) are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		
Cost of Assets	\$ 4,380,030.51	
Accumulated Depreciation	<u>(1,108,919.89)</u>	3,271,110.62
Long term liabilities, including bonds payable, and other related amounts that are not due and payable in the current period and therefore are not reported as liabilities in the funds.		
Compensated Absences	(51,029.34)	
Bonds Payable	<u>(1,015,000.00)</u>	(1,066,029.34)
Certain liabilities are not due and payable in the current period and therefore, are not reported in the governmental funds.		
Accrued Interest Payable	<u>(24,729.35)</u>	<u>(24,729.35)</u>
Net Assets of Governmental Activities		<u><u>\$2,978,262.02</u></u>

See accompanying notes to financial statements.

TOWNSHIP OF WEST AMWELL SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTAL GOVERNMENTAL FUNDS
REVENUES:					
Local sources:					
Local tax levy	\$3,601,750.00			\$116,328.00	\$3,718,078.00
Interest on maintenance reserve	74.65				74.65
Interest on capital reserve	288.18				288.18
Miscellaneous	4,943.79	\$7,136.47			12,080.26
Total revenues - local sources	3,607,056.62	7,136.47		116,328.00	3,730,521.09
State sources	516,957.93		\$3,513.20		520,471.13
Federal sources	11,848.00	110,703.84			122,551.84
Total revenues	4,135,862.55	117,840.31	3,513.20	116,328.00	4,373,544.06
EXPENDITURES:					
Current expense:					
Regular instruction	1,236,875.52				1,236,875.52
Special instruction	386,932.97	46,888.47			433,821.44
Other Instruction	71,312.59				71,312.59
Support services:					
Tuition	16,395.03				16,395.03
Student & instruction related services	468,973.27	70,951.84			539,925.11
General administrative services	166,979.10				166,979.10
School administrative services	28,110.95				28,110.95
Central services	116,973.44				116,973.44
Administration information technology	42,605.29				42,605.29
Plant operations and maintenance	306,845.97				306,845.97
Pupil transportation	194,973.57				194,973.57
Allocated benefits	623,148.72				623,148.72
Unallocated benefits	298,114.55				298,114.55
Debt Service:					
Principal				65,000.00	65,000.00
Interest				51,327.50	51,327.50
Capital outlay	6,878.00		151,668.00		158,546.00
Total expenditures	3,965,118.97	117,840.31	151,668.00	116,327.50	4,350,954.78
Excess (deficiency) of revenues over (under) expenditures	170,743.58		(148,154.80)	0.50	22,589.28
Other financing sources (uses):					
Transfers in/(out)	(131,667.00)		131,668.00	(1.00)	
Total other financing sources (uses)	(131,667.00)		131,668.00	(1.00)	
Net change in fund balances	39,076.58		(16,486.80)	(0.50)	22,589.28
Fund balances, July 1, 2011	735,362.73	-0-	39,956.58	1.50	775,320.81
Fund balances, June 30, 2012	\$774,439.31	\$-0-	\$23,469.78	\$1.00	\$797,910.09

See accompanying notes to financial statements.

TOWNSHIP OF WEST AMWELL SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

Total net change in fund balances - governmental funds (from B-2)		\$22,589.28
Amounts reported for governmental activities in the statement of activities (A-2) are different because:		
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		
Depreciation expense		(123,063.01)
Capital outlays	\$158,546.00	
Add: Other assets capitalized	16,470.49	
Less: Capital outlays not capitalized	<u>(6,878.00)</u>	
		168,138.49
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.		
		65,000.00
In the statement of activities, interest on long-term debt is accrued, regardless of when due. In governmental funds, interest is reported when due. The accrued interest is an addition in the reconciliation.		
		1,583.65
In the statement of activities, certain expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).		
Increase in Compensated Absences		<u>(502.46)</u>
Change in net assets of governmental activities		<u><u>\$133,745.95</u></u>

See accompanying notes to financial statements.

OTHER FUNDS

TOWNSHIP OF WEST AMWELL SCHOOL DISTRICT
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2012

	BUSINESS-TYPE ACTIVITIES		
	FOOD SERVICE FUND	SUMMER ENRICHMENT FUND	TOTAL ENTERPRISE
ASSETS:			
Current assets:			
Cash and cash equivalents	\$3,475.62	\$7,544.31	\$11,019.93
Intergovernmental receivables			
State	35.94		35.94
Federal	365.49		365.49
Inventories	1,308.70		1,308.70
Total current assets	<u>5,185.75</u>	<u>7,544.31</u>	<u>12,730.06</u>
Noncurrent assets:			
Furniture, machinery & equipment	45,582.00		45,582.00
Less accumulated depreciation	(42,311.64)		(42,311.64)
Total noncurrent assets	<u>3,270.36</u>		<u>3,270.36</u>
Total assets	<u>8,456.11</u>	<u>7,544.31</u>	<u>16,000.42</u>
LIABILITIES:			
Current liabilities:			
Deferred revenue	245.72	3,710.00	3,955.72
Total current liabilities	<u>245.72</u>	<u>3,710.00</u>	<u>3,955.72</u>
Total liabilities	<u>245.72</u>	<u>3,710.00</u>	<u>3,955.72</u>
NET ASSETS:			
Invested in capital assets, net	3,270.36		3,270.36
Unrestricted	4,940.03	3,834.31	8,774.34
Total net assets	<u>\$8,210.39</u>	<u>\$3,834.31</u>	<u>\$12,044.70</u>

See accompanying notes to financial statements.

TOWNSHIP OF WEST AMWELL SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	BUSINESS-TYPE ACTIVITIES		
	FOOD SERVICE FUND	SUMMER ENRICHMENT FUND	TOTAL ENTERPRISE
OPERATING REVENUES:			
Charges for services:			
Daily sales	\$42,909.99		\$42,909.99
Program fees		\$3,345.00	3,345.00
Total operating revenues	<u>42,909.99</u>	<u>3,345.00</u>	<u>46,254.99</u>
OPERATING EXPENSES:			
Salaries	16,285.15	1,800.00	18,085.15
Employee benefits	4,351.02		4,351.02
Other purchase service (administrative expenses)	8,098.27		8,098.27
General supplies		605.09	605.09
Depreciation	3,445.88		3,445.88
Cost of sales	24,058.31		24,058.31
Total operating expenses	<u>56,238.63</u>	<u>2,405.09</u>	<u>58,643.72</u>
Operating gain/(loss)	<u>(13,328.64)</u>	<u>939.91</u>	<u>(12,388.73)</u>
NONOPERATING REVENUES (EXPENSES):			
State sources:			
State School Lunch Program	577.55		577.55
Federal Sources:			
National School Lunch Program	6,001.40		6,001.40
National food distribution commodities	2,724.64		2,724.64
Interest on investments	7.70		7.70
Total nonoperating revenues	<u>9,311.29</u>		<u>9,311.29</u>
Change in net assets	<u>(4,017.35)</u>	<u>939.91</u>	<u>(3,077.44)</u>
Total net assets - beginning	<u>12,227.74</u>	<u>2,894.40</u>	<u>15,122.14</u>
Total net assets - ending	<u>\$8,210.39</u>	<u>\$3,834.31</u>	<u>\$12,044.70</u>

See accompanying notes to financial statements.

TOWNSHIP OF WEST AMWELL SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	BUSINESS-TYPE ACTIVITIES		
	FOOD SERVICE FUND	SUMMER ENRICHMENT FUND	TOTAL ENTERPRISE
Cash flows from operating activities:			
Receipts from customers	\$46,943.44	\$3,940.00	\$50,883.44
Payments to employees	(16,285.15)	(1,800.00)	(18,085.15)
Payments to employee benefits	(4,351.02)		(4,351.02)
Payments to suppliers	(32,351.34)	(605.09)	(32,956.43)
Net cash provided by (used for) operating activities	(6,044.07)	1,534.91	(4,509.16)
Cash flows from noncapital financing activities:			
State Sources	572.40		572.40
Federal Sources	5,635.91		5,635.91
Net cash provided by noncapital financing activities	6,208.31		6,208.31
Cash flows from investing activities:			
Interest	7.70		7.70
Net cash provided by (used for) investing activities	7.70		7.70
Net increase in cash and cash equivalents	171.94	1,534.91	1,706.85
Cash and cash equivalents, July 1, 2011	3,303.68	6,009.40	9,313.08
Cash and cash equivalents, June 30, 2012	\$3,475.62	\$7,544.31	\$11,019.93
Reconciliation of operating income (loss) to net cash provided (used) by operating activities			
Operating income (loss)	(\$13,328.64)	\$939.91	(\$12,388.73)
Adjustments to reconciling operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation	3,445.88		3,445.88
Federal commodities	2,724.64		2,724.64
Change in assets and liabilities:			
(Increase) decrease in Accounts Receivable - Other	4,033.45		4,033.45
(Increase) decrease in inventories	267.19		267.19
Increase (decrease) in accounts payable	(2,768.51)		(2,768.51)
Increase (decrease) in deferred revenue	(418.08)	595.00	176.92
	7,284.57	595.00	7,879.57
Net cash provided by (used for) operating activities	(\$6,044.07)	\$1,534.91	(\$4,509.16)

See accompanying notes to financial statements.

TOWNSHIP OF WEST AMWELL SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	<u>Unemployment Compensation Fund</u>	<u>Private Purpose Award Fund</u>	<u>Agency Funds</u>
ASSETS:			
Cash and cash equivalents	<u>\$45,824.13</u>	<u>\$4,677.29</u>	<u>\$13,492.09</u>
Total Assets	<u><u>\$45,824.13</u></u>	<u><u>\$4,677.29</u></u>	<u><u>\$13,492.09</u></u>
LIABILITIES:			
Payroll deductions and withholdings Due to student groups			<u>\$4,501.12</u> <u>8,990.97</u>
Total Liabilities			<u>13,492.09</u>
NET ASSETS:			
Held in trust for unemployment claims	<u>\$45,824.13</u>		
Reserved for awards and other purposes		<u>\$4,677.29</u>	
Total Net Assets	<u><u>\$45,824.13</u></u>	<u><u>\$4,677.29</u></u>	<u><u>\$-0-</u></u>

See accompanying notes to financial statements.

TOWNSHIP OF WEST AMWELL SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	<u>Private Purpose Award Funds</u>	<u>Unemployment Compensation Fund</u>
ADDITIONS:		
Contributions:		
Plan Members		\$4,137.83
Total contributions		<u>4,137.83</u>
Investment earnings:		
Interest	\$5.59	51.64
Net investment earnings	<u>5.59</u>	<u>51.64</u>
Total additions	<u>5.59</u>	<u>4,189.47</u>
DEDUCTIONS:		
Unemployment claims		332.50
Total deductions		<u>332.50</u>
Change in net assets	5.59	3,856.97
Net assets beginning of year	<u>4,671.70</u>	<u>41,967.16</u>
Net assets end of year	<u><u>\$4,677.29</u></u>	<u><u>\$45,824.13</u></u>

See accompanying notes to financial statements.

Township of West Amwell School District
Notes to the Financial Statements
June 30, 2012

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Township of West Amwell School District have been prepared in conformity with U.S. generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Board's accounting policies are described below.

Reporting Entity

The Township of West Amwell School District is a Type II District located in Hunterdon County, New Jersey. The School District is an instrumentality of the State of New Jersey, established to function as an educational institution. The District is governed by a 9 member board elected to three-year terms and is responsible for the fiscal control of the District. A Superintendent is appointed by the Board and is responsible for the administrative control of the District.

The primary criterion for including activities within the District's reporting entity, are set forth in Statement No. 39 of the Governmental Accounting Standards Board entitled "*Determining Whether Certain Organizations are Component Units*" (GASB 39) as codified in Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards.

Organizations that are legally separate, tax-exempt entities and that meet *all* of the following criteria should be discretely presented as component units. These criteria are:

1. The economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government.
2. The primary government, or its component units, is entitled to, or has the ability to otherwise access, a majority of the economic resources of the organization.
3. The economic resources received or held by an *individual organization* that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government.

The combined financial statements include all funds of the District over which the Board exercises operating control. The operations of the District include an elementary school located in the Township of West Amwell. 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 District is not includable in any other reporting entity on the basis of such criteria.

Township of West Amwell School District
Notes to the Financial Statements
June 30, 2012

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation, Basis of Accounting

The District's basic financial statements consist of District-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.

Basis of Presentation

District-wide Statements: The Statement of Net Assets and the Statement of Activities display information about the District as a whole. These statements include the financial activities of the overall District, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. These statements distinguish generally between the governmental and business-type activity of the District. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

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

Fund Financial Statements: During the fiscal year, the District segregates transactions related to certain District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. The fund financial statements provide information about the District's funds, including its fiduciary funds. Separate statements for each fund category - governmental, proprietary, and fiduciary - are presented. The New Jersey Department of Education (NJDOE) has elected to require New Jersey districts to treat each governmental fund as a major fund in accordance with the option noted in GASB No. 34, paragraph 76. The NJDOE believes that the presentation of all funds as major is important for public interest and to promote consistency among district financial reporting models.

Township of West Amwell School District
Notes to the Financial Statements
June 30, 2012

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Governmental Fund Types

General Fund - The general fund is the general operating fund of the 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 noninstructional equipment which are classified in the capital outlay subfund.

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

Special Revenue Fund - The special revenue funds are 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. The term "proceeds of specific revenue sources" establishes that one or more specific restricted or committed revenues should be the foundation for a special revenue fund.

Capital Projects Fund - Capital project funds are 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. Capital projects funds exclude those types of capital related outflows financed by proprietary funds or for assets that will be held in trust for individuals, private organizations, or other governments.

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

Township of West Amwell School District
Notes to the Financial Statements
June 30, 2012

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Proprietary Fund

Enterprise Fund - The enterprise fund accounts for all revenues and expenses pertaining to cafeteria operations. The food service fund is utilized to account for operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that the cost (i.e. expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis are financed or recovered primarily through user charges.

Fiduciary Fund Types

Agency Funds - The agency funds are used to account for assets held by the district on behalf of others and are custodial in nature. The agency funds included in this category are as follows:

Unemployment Compensation Insurance Trust Fund - A trust fund used to account for assets to finance the costs of unemployment benefits. Since the Board has adopted the direct reimbursement method, the District is under obligation to appropriate sufficient funds out of its general fund and hold them in trust for this purpose.

Payroll and Student Activities Funds (Agency) - These are agency funds 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.

Township of West Amwell School District
Notes to the Financial Statements
June 30, 2012

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting – Measurement Focus

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

Districtwide, Proprietary, and Fiduciary Fund Financial Statements: The Districtwide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures. 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 District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available.

The District is entitled to receive monies under the established payment schedule and the unpaid amount is considered to be an "accounts receivable". Revenue from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied. Governmental Fund Financial Statements: Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. "Measurable" means the amount of the transactions can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

All governmental and business type activities and enterprise funds of the District follow FASB Statements and Interpretations issued on or before November 30, 1989, Accounting Research Bulletins, unless those pronouncements conflict with GASB pronouncements.

Township of West Amwell School District
Notes to the Financial Statements
June 30, 2012

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets/Budgetary Control

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. The budgets are submitted to the county office and are voted upon at the annual school election on the third Tuesday in April. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. All budget amendments and transfers must be approved by School Board resolution.

All budget amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budgets during the year).

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

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

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

Township of West Amwell School District
Notes to the Financial Statements
June 30, 2012

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Encumbrance Accounting

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

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

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

Interfunds

Interfund receivables and payables arise from transactions between particular funds and are considered short term in duration. The Interfund transactions are recorded by all funds affected in the period in which the transactions are executed and are part of the district's available spendable resources.

Inventories and Prepaid Expenses

Inventories of materials and supplies held for consumption in the governmental funds are recorded as expenditures at the time of purchase and year end balances are not reported in the financial statements.

Inventories of food and/or supplies in the food service fund are recorded at cost on a first-in, first-out basis or, in the case of Food Distribution Commodities, at stated value which approximates market.

Prepaid expenses which benefit future period, other than those recorded in the enterprise fund, are recorded as an expenditure in the year of purchase.

Township of West Amwell School District
Notes to the Financial Statements
June 30, 2012

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets

The District has an established formal system of accounting for its capital assets. Purchased or constructed capital assets are reported at cost. Donated capital assets are valued at their estimated fair market value on the date received. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Capital assets are depreciated in the district-wide statements using the straight-line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
School Buildings	50
Building Improvements	20
Electrical/Plumbing	30
Vehicles	8
Office and Computer Equipment	5-10
Instructional Equipment	10
Grounds Equipment	15

Compensated Absences

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

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

Township of West Amwell School District
Notes to the Financial Statements
June 30, 2012

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Equity

Fund balance reserves are used to indicate that portion of the fund balance that is not available for expenditures or is legally segregated for a specific future use. Designation of portions of the fund balances is established to indicate tentative plans for financial utilization in a future period. The unreserved fund balances represent the amount available for future budgetary operations.

Unrestricted retained earnings represent the remains of the District's equity in the cumulative earnings of the proprietary funds.

Deferred Revenue

Deferred revenue in the special revenue and capital projects funds represents funds which have been received but not yet earned. A corresponding accounts receivable has also been established for any open encumbrances at year end which is allowable under generally accepted accounting principles.

Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported on the District-wide financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, contractually required pension contributions and compensated absences that are paid from governmental funds are reported as liabilities on the fund financial statements only to the extent that they are due for payment during the current year. Bonds are recognized as a liability on the fund financial statements when due.

Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction, or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The District's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

Township of West Amwell School District
Notes to the Financial Statements
June 30, 2012

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balance Reserves

The District implemented GASB Statement 54, "Fund Balance Reporting and Governmental Fund Type Definitions". This statement modifies fund balance reporting and clarifies fund type definitions. This new Statement aims to enhance the usefulness of fund balance information by providing clearer fund balance clarifications that can be applied more consistently.

The restricted fund balance classification includes amounts that are subject to externally enforceable legal restriction such as by constitutional provision, enabling legislation or other government imposed restrictions. The committed fund balance classification includes amounts constrained for a specific purpose by a government using its highest decision-making authority. The assigned fund balance classification includes amounts for all funds, other than the general fund with any remaining positive balances not already classified as restricted or committed. For the general fund amounts, constrained with the intent to be used for a specific purpose by the governing board or an official delegated authority by the board. The unassigned fund balance classification includes for the general fund, amounts not classified as restricted, committed or assigned. The general fund is the only fund that will report a positive unassigned fund balance. For all other governmental funds the amount of a residual deficit would be classified as unassigned. Fund balance restrictions have been established for excess surplus, excess surplus-designated for subsequent year's expenditures, capital reserve, maintenance reserve and emergency reserve.

The District reserves those portions of fund balance which are legally segregated for a specific future use of which do not represent available expendable resources and, therefore, are not available for appropriation or expenditure. Unreserved fund balance indicates that portion which is available for appropriation in future periods. A fund balance reserve has been established for encumbrances in accordance with N.J.S.A. 18A:7F-7.

Township of West Amwell School District
Notes to the Financial Statements
June 30, 2012

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenues – Exchange and Non-Exchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, available means within sixty days of the fiscal year end.

Non-exchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, income taxes, grants, entitlements, and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from income taxes is recognized in the period in which the income is earned. Revenue from grants, 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 year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the District must provide local resources to be used for a specific purpose; and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On the modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

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

Township of West Amwell School District
Notes to the Financial Statements
June 30, 2012

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Operating Revenues and Expenses

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

Allocation of Indirect Expenses

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

Extraordinary and Special Items

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

Township of West Amwell School District
Notes to the Financial Statements
June 30, 2012

NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS

The Board considers petty cash, change funds, cash in banks, deposits in the government money market account, and short-term investments with original maturities of three months or less as cash and cash equivalents. Investments are stated at cost, which approximates market.

Deposits

New Jersey statutes permit the deposit of public funds in public depositories which are located in New Jersey and which meet the requirements of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA requires a bank that accepts public funds to be a public depository. A public depository is defined as a state bank, a national bank, or a savings bank, which is located in the State of New Jersey, the deposits of which are insured by the Federal Deposit Insurance Corporation. The statutes also require public depositories to maintain collateral for deposits of public funds that exceed certain insurance limits. All collateral must be deposited with the Federal Reserve Bank or a Banking Institution that is a member of the Federal Reserve System, and has capital funds of not less than \$25,000,000.00. Under (GUDPA), if a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of the deposits to the governmental unit.

The Township of West Amwell School District had the following cash and cash equivalents at June 30, 2012.

Fund Type:	Bank	Reconciling Items:		Reconciled
	<u>Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u>
Governmental	\$678,064.04	\$1,434.36	\$42,555.81	\$636,942.59
Proprietary	12,227.08	22.50	1,229.65	11,019.93
Fiduciary	75,684.34		11,690.83	63,993.51
	<u>\$765,975.46</u>	<u>\$1,456.86</u>	<u>\$55,476.29</u>	<u>\$711,956.03</u>

Custodial Credit Risk - Deposits - Custodial credit risk is the risk that in the event of a bank failure, the deposits may not be returned. The District does not have a specific deposit policy for custodial credit risk other than those policies that adhere to the requirements of statute. As of June 30, 2012, based upon the coverage provided by FDIC and NJGUDPA, no amount of the bank balance was exposed to custodial credit risk. Of the cash on balance in the bank, \$250,000.00 was covered by Federal Depository Insurance and \$515,975.46 was covered by NJGUDPA.

Township of West Amwell School District
Notes to the Financial Statements
June 30, 2012

NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

Investments

The purchase of investments by the Board is strictly limited by the express authority of the N.J.S.A. 18A:20-37 Education, Administration of School Districts. Permitted investments include any of the following type of securities:

1. Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
2. Government money market mutual funds which are purchased from an investment company or investment trust which is registered with the Securities and Exchange Commission under the "Investment Company Act of 1940," 15 U.S.C. 80a-1 et seq., and operated in accordance with 17 C.F.R. § 270.2a-7 and which portfolio is limited to U.S. Government securities that meet the definition of an eligible security pursuant to 17 C.F.R. § 270.2a-7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 18A:20-37. These funds are also required to be rated by a nationally recognized statistical rating organization.
3. Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor.
4. Bonds or other obligations of the Local Unit or bonds or other obligations of school districts of which the Local Unit is a part or within which the school district is located.
5. Bonds or other obligations, having a maturity date not more than 397 days from date of purchase, approved by the Division of Investment of the Department of Treasury for investment by School Districts.
6. Local government investment pools that are fully invested in U.S. Government securities that meet the definition of eligible security pursuant to 17 C.F.R. § 270a-7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 18A:20-37. This type of investment is also required to be rated in the highest category by a nationally recognized statistical rating organization.

Township of West Amwell School District
Notes to the Financial Statements
June 30, 2012

NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

Investments (Continued)

7. Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C. 52:18A-90.4); or
8. Agreements for the repurchase of fully collateralized securities if:
 - a. the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection;
 - b. the custody of collateral is transferred to a third party;
 - c. the maturity of the agreement is not more than 30 days;
 - d. the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c.236 (C. 17:19-41); and;
 - e. a master repurchase agreement providing for the custody and security of collateral is executed.

As of June 30, 2012, the Board had no investments.

Based upon the limitation set forth by New Jersey Statutes 18A:20-37 and its existing investment practices, the District is generally not exposed to credit risks, custodial credit risks, concentration of credit risks and interest rate risks for its investments, nor is it exposed to foreign currency risks for its deposits and investments.

Township of West Amwell School District
Notes to the Financial Statements
June 30, 2012

NOTE 3: CHANGE IN CAPITAL ASSETS

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Transfers/ Retirements</u>	<u>Ending Balance</u>
Governmental Activities				
Capital assets not being depreciated:				
Land	\$ 269,900.00	\$ _____	\$ _____	\$ 269,900.00
Total Capital assets not being depreciated	<u>269,900.00</u>	<u>_____</u>	<u>_____</u>	<u>269,900.00</u>
Land Improvements	231,891.02	47,278.00		279,169.02
Building and Building Improvements	3,624,369.00	104,390.00		3,728,759.00
Furniture and Equipment	<u>85,732.00</u>	<u>16,470.49</u>		<u>102,202.49</u>
Totals as historical cost	<u>3,941,992.02</u>	<u>168,138.49</u>		<u>4,110,130.51</u>
Total Gross assets (Memo only)	<u>\$ 4,211,892.02</u>	<u>\$ 168,138.49</u>	<u>\$ _____</u>	<u>\$ 4,380,030.51</u>
Less: Accumulated Depreciation for:				
Land Improvements	\$ (75,674.19)	\$ (12,776.50)	\$ _____	\$ (88,450.69)
Building and Building Improvements	(863,190.47)	(103,650.86)		(966,841.33)
Furniture and Equipment	<u>(46,992.22)</u>	<u>(6,635.65)</u>		<u>(53,627.87)</u>
Total depreciation	<u>(985,856.88)</u>	<u>(123,063.01)</u>		<u>(1,108,919.89)</u>
Total Capital assets being depreciated net of accumulated depreciation	<u>3,467,532.58</u>	<u>45,075.48</u>		<u>3,512,608.06</u>
Governmental activities capital assets, net	<u>\$ 3,226,035.14</u>	<u>\$ 45,075.48</u>	<u>\$ _____</u>	<u>\$ 3,271,110.62</u>
Business-type activities:				
Equipment	\$ 45,582.00	\$ _____	\$ _____	\$ 45,582.00
Less: Accumulated Depreciation	<u>(38,865.76)</u>	<u>(3,445.88)</u>		<u>(42,311.64)</u>
Proprietary fund capital assets, net	<u>\$ 6,716.24</u>	<u>\$ (3,445.88)</u>	<u>\$ _____</u>	<u>\$ 3,270.36</u>

Township of West Amwell School District
Notes to the Financial Statements
June 30, 2012

NOTE 3: CHANGE IN CAPITAL ASSETS

Depreciation Expense was charged to governmental expenses as follows:

Instruction:		
Regular	\$	60,363.99
Special		18,760.05
Other		2,288.54
Support Services:		
Student & Instruction Related Services		24,121.01
General Administrative Services		13,164.92
School Administrative Services		2,981.08
Plant Operations and Maintenance		<u>1,383.42</u>
	\$	<u><u>123,063.01</u></u>

Township of West Amwell School District
Notes to the Financial Statements
June 30, 2012

NOTE 4: LONG-TERM DEBT

Bonds are issued by the District pursuant to the provisions of Title 18A, Education, of the New Jersey Statutes and are required to be approved by the voters of the municipality through referendum. The proceeds of bonds are recorded in the Capital Projects Fund and are restricted to the use for which they were approved in the bond referendum. All bonds are retired in annual installments within the statutory period of usefulness.

School Bonds issued by the District are entitled to and benefit from the provision of the New Jersey School Board Reserve Act P.L. 1980 c.72. Basically, funds are held by the State of New Jersey within its State Fund for the Support of Free Public Schools as a school bond reserve pledged by law to secure payment of principal and interest due on such bonds in the event of the inability of the issuer to make payments.

At June 30, 2012, the District had no bonds or notes authorized but not issued.

The following is a summary of changes in liabilities that effect other long-term obligations for the year ended June 30, 2012:

	<u>Bonds Payable</u>	<u>Compensated Absences Payable</u>	<u>Sub-Total</u>
Balance June 30, 2011	\$ 1,080,000.00	\$ 50,526.88	\$ 1,130,526.88
Additions	<u>1,080,000.00</u>	<u>2,101.87</u>	<u>2,101.87</u>
Deletions	<u>65,000.00</u>	<u>1,599.41</u>	<u>66,599.41</u>
Balance June 30, 2012	<u>\$ 1,015,000.00</u>	<u>\$ 51,029.34</u>	<u>\$ 1,066,029.34</u>
Amounts due within one year	<u>\$ 70,000.00</u>		

Township of West Amwell School District
Notes to the Financial Statements
June 30, 2012

NOTE 4: LONG-TERM DEBT (CONTINUED)

Bonds Payable

The annual requirements to amortize all debt outstanding as of June 30, 2012, with interest payments on issued debt, are as follows:

Fiscal Year Ended		<u>Principal</u>		<u>Interest</u>		<u>Total</u>
<u>June 30,</u>						
2013	\$	70,000.00	\$	48,020.00	\$	118,020.00
2014		75,000.00		44,467.50		119,467.50
2015		80,000.00		40,670.00		120,670.00
2016		80,000.00		36,750.00		116,750.00
2017		85,000.00		32,707.50		117,707.50
2018		90,000.00		28,420.00		118,420.00
2019		95,000.00		23,887.50		118,887.50
2020		100,000.00		19,110.00		119,110.00
2021		110,000.00		13,965.00		123,965.00
2022		115,000.00		8,452.50		123,452.50
2023		115,000.00		2,817.50		117,817.50
		<u>\$ 1,015,000.00</u>		<u>\$ 299,267.50</u>		<u>\$ 1,314,267.50</u>

Township of West Amwell School District
Notes to the Financial Statements
June 30, 2012

NOTE 4: LONG-TERM DEBT (CONTINUED)

Under New Jersey Statutes the District may incur debt in an amount not to exceed 2.5% of the averaged equalized valuation basis of real property. For the year ended June 30, 2012, the District borrowing capacity under N.J.S. 18A:24-19 would be as follows:

<u>Year</u>	<u>Equalized Valuation of Real Property</u>
2011	\$545,421,566.00
2010	\$555,749,294.00
2009	565,175,168.00
	\$1,666,346,028.00
Average equalized valuation of property	\$555,448,676.00
School borrowing margin (2.5% of average equalized valuation of property)	13,886,217.00
Net bonded school debt as of June 30, 2012	1,015,000.00
School borrowing power available	\$12,871,217.00

Township of West Amwell School District
Notes to the Financial Statements
June 30, 2012

NOTE 5: PENSION PLANS

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

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

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

Vesting and Benefit Provisions - The vesting and benefit provisions of PERS are set by N.J.S.A. 43:15A and 43.3B, and N.J.S.A. 18A:6C for TPAF. All benefits vest after eight to ten years of service, except for medical benefits that vest after 25 years of service. Retirement benefits for age and service are available at age 55 and are generally determined to be 1/55 of the final average salary for each year of service credit, as defined. Final average salary equals the average salary for the final three years of service prior to retirement (or highest three years' compensation if other than the final three years).

Township of West Amwell School District
Notes to the Financial Statements
June 30, 2012

NOTE 5: PENSION PLANS (CONTINUED)

Vesting and Benefit Provisions - Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving eight to ten years of service in which case benefits would begin the first day of the month after the member attains normal retirement age. The TPAF and PERS provides for specified medical benefits for members who retire after achieving 25 years of qualified service, as defined, or under the disability provision of the System.

Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

Significant Legislation – Chapter 103, P.L. 2007 changed the contribution rate of the TPAF and PERS to 5.5% of annual compensation; imposed an annual maximum contribution base for members hired on or after July 1, 2007; and amended the early retirement reduction formula for new members. Any members of the system enrolled on or after July 1, 2007 must be at least 60 years of age in order to retire without a reduction in their retirement allowance. In addition, the funding of the post-retirement medical benefits through the TPAF was eliminated. Chapter 92, P.L. 2007 changed the pension loan interest rate to 4.69% per annum. The legislation also removed language from the existing law that permitted the State Treasurer to reduce employer pension contributions needed to fund the system when excess assets are available.

Township of West Amwell School District
Notes to the Financial Statements
June 30, 2012

NOTE 5: PENSION PLANS (CONTINUED)

Contribution Requirements - The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 and N.J.S.A. 18:66, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. TPAF and PERS provide for employee contributions of 5% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The actuarially determined contribution includes funding for both cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums. Under current statute the District is a non-contributing employer of TPAF.

<u>Three-Year Trend Information for PERS</u>			
<u>Year</u> <u>June 30,</u>	<u>Annual Pension</u> <u>Cost (APC)</u>	<u>Percentage of</u> <u>APC Contributed</u>	<u>Net Pension</u> <u>Obligation</u>
2012	\$40,492.00	100.00%	\$40,492.00
2011	\$38,792.00	100.00%	\$38,792.00
2010	\$27,921.00	100.00%	\$27,921.00

<u>Three-Year Trend Information for TPAF (Paid on-behalf of the District)</u>			
<u>Year</u> <u>June 30,</u>	<u>Annual Pension</u> <u>Cost (APC)</u>	<u>Percentage of</u> <u>APC Contributed</u>	<u>Net Pension</u> <u>Obligation</u>
2012	\$56,853.00	100.00%	\$56,853.00
2011	Not Available	100.00%	Not Available
2010	Not Available	100.00%	Not Available

During the fiscal year ended June 30, 2012, the State of New Jersey contributed \$56,853.00 to the TPAF pension system on behalf of the District. No such payments were made for the fiscal years ended June 30, 2011 or 2010.

Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$126,970.55 during the year ended June 30, 2012 for the employer's share of social security contributions for TPAF members, as calculated on their base salaries. This amount has been included in the basic financial statements, and the combining and individual fund statements and schedules as a revenue and expenditure in accordance with GASB 27.

Township of West Amwell School District
Notes to the Financial Statements
June 30, 2012

NOTE 6: OTHER POST-RETIREMENT BENEFITS

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

The State Health Benefits Commission is the executive body established by statute to be responsible for the operation of the SHBP. The State of New Jersey Division of Pensions and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for the SHBP. That report may be obtained by writing to: State of New Jersey Division of Pensions and Benefits, P.O. Box 295, Trenton, NJ 08625-0295.

Chapter 384 of Public Laws 1987 and Chapter 6 of Public Laws 1990 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 state disability retirement. P.L. 2007, Chapter 103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2011, there were 93,323 retirees eligible for post-retirement medical benefits. The cost of these benefits is funded through contributions by the State in accordance with Chapter 62, P.L. 1994. 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 Chapter 126, P.L. 1992, which provides free health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$144 million toward Chapter 126 benefits for 15,709 eligible retired members in Fiscal Year 2011.

Township of West Amwell School District
Notes to the Financial Statements
June 30, 2012

NOTE 6: OTHER POST-RETIREMENT BENEFITS (CONTINUED)

The State will set the contribution rate based on the annual required contribution of the employers (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The State's contributions to the State Health Benefits Program Fund for TPAF retirees' post-retirement benefits on behalf of the School District for the years ended June 30, 2012, 2011 and 2010 were \$114,291, \$120,378 and \$103,873, respectively, which equaled the required contributions for each year. The State's contributions to the State Health Benefits Program Fund for PERS retirees' post-retirement benefits on behalf of the School District was not determined or made available by the State of New Jersey.

NOTE 7: LITIGATION

The Board attorney's letter advises that there is no litigation, pending litigation, claims, contingent liabilities, unasserted claims or assessments or statutory violations which involve the Board of Education and which might materially affect the Board's financial position.

NOTE 8: CONTINGENCIES

The Board receives financial assistance from the State of New Jersey and the U.S. Government in the form of grants. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditure of the funds for eligible purposes. The State and Federal grants received and expended in the 2011-2012 fiscal year were subject to the U.S. OMB A-133 and New Jersey OMB Circular 04-04 which mandates that grant revenues and expenditures be audited in conjunction with the Board's annual audit. Findings and questioned costs, if any, relative to federal and state financial assistance programs will be discussed in the Single Audit Section, Schedule of Findings and Questioned Costs. In addition, all grants and cost reimbursements are subject to financial and compliance audits by the grantors. Further, the School Child Nutrition Program is a recipient of federal reimbursements and is subject to certain related federal regulations. These federal reimbursements are subject to subsequent audit and interpretation by the New Jersey Department of Education. The Board management does not believe such an audit would result in material amounts of disallowed costs.

Township of West Amwell School District
Notes to the Financial Statements
June 30, 2012

NOTE 9: RISK MANAGEMENT

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

Property and Liability Insurance - The District maintains commercial insurance coverage for property, liability, and student accident and surety bonds. 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 District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The District is billed quarterly for amounts due to the State. The table on the following page is a summary of District contributions, employee contributions, reimbursements to the State for benefits paid, and the ending balance of the District's expendable trust fund for the current and previous two years:

<u>Fiscal Year</u>	<u>Interest Earnings</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2011-12	\$ 51.64	\$ 4,137.83	\$ 332.50	\$ 45,824.13
2010-11	63.46	3,808.45	547.71	41,967.16
2009-10	99.23	3,899.32	1,282.59	38,642.96

Township of West Amwell School District
Notes to the Financial Statements
June 30, 2012

NOTE 10: INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances remained on the balance sheet at June 30, 2012:

<u>FUND</u>	<u>INTERFUND RECEIVABLE</u>	<u>INTERFUND PAYABLE</u>
General Fund	\$ 136,889.02	
Capital Projects Fund		136,889.02
	\$ 136,889.02	136,889.02
	\$ 136,889.02	136,889.02

The interfund balances resulted from cash deficits in the Capital Projects Fund.

NOTE 11: FUND BALANCE APPROPRIATED

General Fund - Of the \$774,439.31 General Fund fund balance at June 30, 2012, \$330,399.25 has been restricted in the Capital Reserve Account; \$141,963.53 has been restricted in a Maintenance Reserve Account; \$985.71 has been restricted as excess surplus designated for subsequent years' expenditures; \$90,522.29 is assigned as designated for subsequent years' expenditures and \$210,568.53 is unassigned.

Debt Service Fund - Of the \$1.00 Debt Service Fund fund balance at June 30, 2012, \$1.00 is assigned as designated for subsequent years' expenditures

Township of West Amwell School District
Notes to the Financial Statements
June 30, 2012

NOTE 12: CALCULATION OF EXCESS SURPLUS – BUDGETARY BASIS

Calculation of Excess Surplus In accordance with N.J.S.A. 18A:7F-7, as amended by P.L. 2007, c73 (S1701), the designation for Reserved Fund Balance-Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30 if the District did not appropriate a required minimum amount as budgeted fund balance in the subsequent year's budget.

General Fund Expenditures Fiscal Year Ended June 30, 2012	\$3,965,118.97
Add:	
Transfer from Capital Reserve to Capital Projects Fund	131,668.00
Less:	
On-behalf TPAF Pension and Social Security Reimbursement	<u>298,114.55</u>
Adjusted General Fund Expenditures	\$3,798,672.42
Excess Surplus Percentage	<u>2.00%</u>
2% of Adjusted 2011-12 General Fund Expenditures	75,973.45
Greater of 2% or \$250,000.00	250,000.00
Add: Allowable Adjustments	2,113.38
Maximum Unreserved/Undesignated Fund Balance	252,113.38
Actual Unreserved/Undesignated General Fund Balance	<u>232,412.53</u>
Excess Surplus	<u>None</u>

Based on the above calculation, as of June 30, 2012 \$-0- is reported as Excess Surplus and must be appropriated as tax relief in the 2012-13 budget.

Township of West Amwell School District
Notes to the Financial Statements
June 30, 2012

NOTE 13: CAPITAL AND OTHER RESERVE ACCOUNTS

Capital Reserve

A capital reserve account was established by the Township of West Amwell Board of Education by the inclusion of \$5.00 on October 12, 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 district's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a 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 year end, any unanticipated revenue or unexpended line-item appropriation amounts. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6:23A-5.1(d) 7, the balance in the account cannot at any time exceed the local costs of uncompleted capital projects in its approved LRFP.

Beginning in the fiscal year 2008, districts are allowed as per N.J.A.C. 6A:23A-14.2 to deposit to the legal reserves by board resolution during the month of June for any unanticipated revenue and/or unexpended line-item appropriation amounts. Pursuant to the code, the District deposited \$110,000.00 to their Capital Reserve account by board resolution in June 2012.

Maintenance Reserve

A maintenance reserve account was established by the Township of West Amwell Board of Education per board resolution. The maintenance reserve account is used to accumulate funds for the required maintenance of a facility in accordance with the EFCFA (N.J.S.A. 18A:7G-9) as amended by P.L. 2004, c. 73 (S1701). Districts may increase the balance in the maintenance reserve account by appropriating funds in the annual general fund budget certified for taxes (N.J.A.C. 6A:23A-14.2) or by deposit of any unanticipated revenue or unexpended line item appropriation by board resolution at year end. Pursuant to the code, the District deposited and additional \$90,000.00 to their Maintenance Reserve account by board resolution in June 2012.

Township of West Amwell School District
Notes to the Financial Statements
June 30, 2012

NOTE 13: CAPITAL AND OTHER RESERVE ACCOUNTS (CONTINUED)

The following schedule is a summarization of the District's legal reserve accounts:

Capital Reserve Account

Beginning balance, July 1, 2011		\$351,779.07
Budgeted increase in Capital Reserve		
District contribution	\$110,000.00	
Unused balance returned	18,332.00	
Interest earned	288.18	
		128,620.18
		480,399.25
Withdrawals		
Transfer to Capital Projects		150,000.00
Ending balance, June 30, 2012		\$330,399.25

Maintenance Reserve Account

Beginning balance, July 1, 2011		\$91,888.88
Budgeted increase in Capital Reserve		
District contribution	\$90,000.00	
Interest earnings	74.65	
		90,074.65
		181,963.53
Withdrawals		
Transfer to Budget		40,000.00
Ending balance, June 30, 2012		\$141,963.53

NOTE 14: DEFERRED COMPENSATION

The District offers its employees a choice of the deferred compensation plans created in accordance with Internal Revenue Code Section 403(b) and 457. The plans 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. Since the District does not have any property or rights to the plan assets and no fiduciary relationship exists between the District and the deferred compensation plan, the plan assets are not included in the District's financial statements as of June 30, 2012.

Township of West Amwell School District
Notes to the Financial Statements
June 30, 2012

NOTE 15: INVENTORY

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

Food and Supplies	\$1,062.98
Commodities	<u>245.72</u>
	<u>\$1,308.70</u>

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

REQUIRED SUPPLEMENTARY INFORMATION – PART II

BUDGETARY COMPARISON SCHEDULES

TOWNSHIP OF WEST AMWELL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2012

	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 3,601,750.00	\$	\$ 3,601,750.00	\$ 3,601,750.00	\$
Interest Earned on Maintenance Reserve	1,000.00		1,000.00	74.65	(925.35)
Interest Earned on Capital Reserve Funds	1,000.00		1,000.00	288.18	(711.82)
Unrestricted Miscellaneous Revenues	3,500.00		3,500.00	4,943.79	1,443.79
Total Revenues-Local Sources	3,607,250.00		3,607,250.00	3,607,056.62	(193.38)
State Sources:					
Categorical Special Education Aid	148,690.00		148,690.00	148,690.00	
Categorical Security Aid	20,003.00		20,003.00	20,003.00	
Categorical Transportation Aid	16,115.00		16,115.00	56,637.00	40,522.00
Non-Public Transportation Aid				2,113.38	2,113.38
Reimbursed TPAF Social Security Contributions (Non-Budgeted)				126,970.55	126,970.55
On-Behalf TPAF Post Retirement Medical (Non-Budgeted)				114,291.00	114,291.00
On-Behalf TPAF Pension Contributions (Non-Budgeted)				56,853.00	56,853.00
Total - State Sources	184,808.00		184,808.00	525,557.93	340,749.93
Federal Sources:					
Education Jobs Fund	11,488.00	360.00	11,848.00	11,848.00	
Medicaid Reimbursement	1,046.00		1,046.00		(1,046.00)
Total - Federal Sources	12,534.00	360.00	12,894.00	11,848.00	(1,046.00)
Total Revenues	3,804,592.00	360.00	3,804,952.00	4,144,462.55	339,510.55
EXPENDITURES:					
CURRENT EXPENSE:					
Instruction - Regular Programs:					
Salaries of Teachers:					
Kindergarten	148,478.00	(10,083.38)	138,394.62	138,394.62	
Grades 1-5	817,108.00	6,937.30	824,045.30	824,045.30	
Grades 6-8	159,078.00	(1,143.38)	157,934.62	157,934.62	
Regular Programs - Home Instruction:					
Salaries of Teachers		1,663.88	1,663.88	1,200.00	463.88

TOWNSHIP OF WEST AMWELL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2012

	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	\$ 19,500.00	\$ 1,115.58	\$ 20,615.58	\$ 19,380.00	\$ 1,235.58
Purchased Professional Educational Services	3,635.00	(3,635.00)			
Purchased Technical Services	10,500.00	34.86	10,534.86	5,860.78	4,674.08
Other Purchased Services (400-500 Series)	21,510.00	(11,115.52)	10,394.48	11,393.81	(999.33)
General Supplies	57,968.00	6,132.93	64,100.93	61,941.43	2,159.50
Textbooks	3,000.00	12,451.04	15,451.04	15,451.04	
Other Objects		1,621.41	1,621.41	1,273.92	347.49
Total Regular Programs	1,240,777.00	3,979.72	1,244,756.72	1,236,875.52	7,881.20
Special Education - Instruction:					
Resource Room/Resource Center:					
Salaries of Teachers	230,201.00	549.58	230,750.58	225,750.58	5,000.00
Other Salaries for Instruction	137,818.00	(8,012.26)	129,805.74	108,650.86	21,154.88
General Supplies	3,750.00	(116.08)	3,633.92	3,633.92	
Total Resource Room/Resource Center	371,769.00	(7,578.76)	364,190.24	338,035.36	26,154.88
Preschool Disabilities - Part Time:					
Salaries of Teachers	47,049.00	(2,588.96)	44,460.04	41,417.00	3,043.04
Other Salaries for Instruction	27,069.00	(9,600.00)	17,469.00	6,348.84	11,120.16
Other Purchased Services (400-500 Series)	3,000.00		3,000.00	1,131.77	1,868.23
Total Preschool Disabilities - Part Time	77,118.00	(12,188.96)	64,929.04	48,897.61	16,031.43
Total Special Education - Instruction	448,887.00	(19,767.72)	429,119.28	386,932.97	42,186.31
Basic Skills/ Remedial - Instruction:					
Salaries of Teachers	70,382.00	500.00	70,882.00	70,442.00	440.00
General Supplies	2,250.00		2,250.00	870.59	1,379.41
Total Basic Skills/ Remedial - Instruction	72,632.00	500.00	73,132.00	71,312.59	1,819.41
Undistributed Expenditures - Instruction					
Tuition to Other LEAs Within the State - Regular		16,400.03	16,400.03	16,395.03	5.00
Total Undistributed Expenditures - Instruction		16,400.03	16,400.03	16,395.03	5.00

TOWNSHIP OF WEST AMWELL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2012

	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
Undistributed Expenditures - Attendance and Social Work:					
Salaries	\$ 12,110.00	\$ 200.00	\$ 12,310.00	\$ 12,242.77	\$ 67.23
Total Undistributed Expenditures - Attendance and Social Work	12,110.00	200.00	12,310.00	12,242.77	67.23
Undistributed Expenditures - Health Services:					
Salaries	65,474.00		65,474.00	65,314.00	160.00
Purchased Professional and Technical Services	1,200.00	615.00	1,815.00	1,815.00	
Other Purchased Services (400-500 Series)	500.00	(275.00)	225.00	225.00	
Supplies and Materials	3,100.00	(360.23)	2,739.77	2,739.77	
Total Undistributed Expenditures - Health Services	70,274.00	(20.23)	70,253.77	70,093.77	160.00
Undistributed Expend. - Speech, OT, PT and Related Services:					
Purchased Professional - Educational Services	75,000.00	2,886.99	77,886.99	68,897.18	8,989.81
Supplies and Materials	1,000.00	(760.00)	240.00	240.00	
Total Undistributed Expend. - Speech, OT, PT and Related Services	76,000.00	2,126.99	78,126.99	69,137.18	8,989.81
Undistributed Expenditures - Guidance:					
Salaries of Other Professional Staff	72,382.00	867.46	73,249.46	73,182.00	67.46
Salaries of Secretarial and Clerical Assistants	10,610.00	132.54	10,742.54	10,742.54	
Other Purchased Professional and Technical Services	5,580.00	(700.00)	4,880.00	4,880.00	
Other Purchased Services (400-500 Series)	250.00	(250.00)			
Supplies and Materials	2,870.00	134.78	3,004.78	3,004.78	
Total Undistributed Expenditures - Guidance	91,692.00	184.78	91,876.78	91,809.32	67.46
Undistributed Expenditures - Child Study Teams:					
Other Purchased Professional and Technical Services	75,000.00	(7,239.88)	67,760.12	67,760.12	
Total Undistributed Expenditures - Child Study Teams	75,000.00	(7,239.88)	67,760.12	67,760.12	
Undistributed Expenditures - Improvement of Instr. Serv.					
Salaries of Supervisors of Instruction	78,030.00	(9,206.07)	68,823.93	66,180.77	2,643.16
Salaries of Other Professional Staff	4,500.00		4,500.00	1,800.00	2,700.00
Salaries of Secretarial and Clerical Assistants	18,602.00		18,602.00	18,369.47	232.53
Other Purchased Services (400-500 Series)	1,950.00	411.63	2,361.63	1,953.77	407.86
Supplies and Materials	1,000.00	875.10	1,875.10	1,607.70	267.40
Other Objects	100.00	408.00	508.00	508.00	
Total Undistributed Expenditures - Improvement of Instr. Serv.	104,182.00	(7,511.34)	96,670.66	90,419.71	6,250.95

TOWNSHIP OF WEST AMWELL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2012

	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
Undistributed Expend. - Educational Media Serv./School Library:					
Salaries	\$ 66,683.00	\$ 400.00	\$ 67,083.00	\$ 66,681.40	\$ 401.60
Purchased Professional and Technical Services	2,200.00	(1,371.00)	829.00	829.00	
Other Purchased Services (400-500 Series)	1,500.00	(1,500.00)			
Supplies and Materials	3,300.00	(3,300.00)			
Total Undistributed Expend. - Educational Media Serv./School Library	73,683.00	(5,771.00)	67,912.00	67,510.40	401.60
Undistributed Expend.-Support Services-General Administration:					
Salaries	97,152.00	(1,947.75)	95,204.25	92,406.08	2,798.17
Legal Services	15,000.00	87.84	15,087.84	15,087.84	
Audit Fees	15,000.00	(2,200.00)	12,800.00	12,800.00	
Architectural/Engineering Services	8,200.00	9,349.00	17,549.00	17,074.00	475.00
Other Purchased Professional Services	3,000.00	(757.13)	2,242.87	2,242.87	
Communications/Telephone	11,660.00	703.89	12,363.89	10,200.65	2,163.24
BOE Other Purch Serv	1,000.00	(924.87)	75.13	75.13	
Misc. Purchased Services (400-500 Series, O/T 530 and 585)	11,770.00	(1,004.34)	10,765.66	9,964.21	801.45
General Supplies	3,200.00	483.59	3,683.59	1,765.54	1,918.05
BOE In-House Training/Meeting Supplies	500.00	(418.75)	81.25	81.25	
Miscellaneous Expenditures	2,770.00	1,810.33	4,580.33	2,430.33	2,150.00
BOE Membership Dues and Fees	2,500.00	351.20	2,851.20	2,851.20	
Total Undistributed Expend.-Support Services-General Administration	171,752.00	5,533.01	177,285.01	166,979.10	10,305.91
Undistributed Expend.-Support Services-School Administration:					
Salaries of Principals/Assistant Principals	26,010.00	(10.00)	26,000.00	26,000.00	
Other Purchased Services (400-500 Series)	750.00	(750.00)			
Supplies and Materials	500.00	304.95	804.95	804.95	
Other Objects	1,000.00	455.05	1,455.05	1,306.00	149.05
Total Undistributed Expend.-Support Services-School Administration	28,260.00		28,260.00	28,110.95	149.05

TOWNSHIP OF WEST AMWELL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2012

	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
Undistributed Expend. - Central Services					
Salaries	\$ 104,672.00	\$ 0.12	\$ 104,672.12	\$ 104,123.13	\$ 548.99
Purchased Professional Services	10,500.00		10,500.00	8,152.04	2,347.96
Miscellaneous Purchased Services (400-500 Series, O/T 594)	8,320.00	(1,126.12)	7,193.88	3,035.66	4,158.22
Sale/Lease-Back Payments	1,400.00		1,400.00	1,167.61	232.39
Supplies and Materials	750.00		750.00	495.00	255.00
Total Undistributed Expend. - Central Services	125,642.00	(1,126.00)	124,516.00	116,973.44	7,542.56
Undistributed Expend. - Admin. Info. Technology:					
Salaries	35,065.00		35,065.00	34,832.07	232.93
Purchased Technical Services	6,956.00	1,126.00	8,082.00	7,773.22	308.78
Total Undistributed Expend. - Admin. Info. Technology	42,021.00	1,126.00	43,147.00	42,605.29	541.71
Undistributed Expend.-Required Maintenance for School Facilities:					
Cleaning, Repair and Maintenance Services	30,000.00	78,015.70	108,015.70	104,979.88	3,035.82
Total Undistributed Expend.-Required Maintenance for School Facilities	30,000.00	78,015.70	108,015.70	104,979.88	3,035.82
Undistributed Expend.-Custodial Services:					
Salaries	92,459.00	1,124.12	93,583.12	92,362.78	1,220.34
Purchased Professional and Technical Services	2,000.00	198.76	2,198.76	2,198.76	
Cleaning, Repair and Maintenance Services	30,400.00	(7,930.55)	22,469.45	22,144.19	325.26
Rental of Land and Bldg. Other Than Lease Purch. Agreement		5,684.00	5,684.00	5,684.00	
Insurance	11,882.00	2,798.00	14,680.00	14,680.00	
General Supplies	24,100.00	(4,089.65)	20,010.35	19,417.29	593.06
Energy (Natural Gas)	25,204.00	(8,084.87)	17,119.13	8,073.90	9,045.23
Energy (Electricity)	40,115.00	(796.22)	39,318.78	29,604.89	9,713.89
Energy (Oil)	4,442.00	(127.50)	4,314.50	874.40	3,440.10
Other Objects	300.00	(34.12)	265.88	265.88	
Total Undistributed Expend.-Custodial Services:	230,902.00	(11,258.03)	219,643.97	195,306.09	24,337.88
Care and Upkeep of Grounds:					
Cleaning, Repair and Maintenance Services	7,200.00		7,200.00	6,560.00	640.00
Total Care and Upkeep of Grounds	7,200.00		7,200.00	6,560.00	640.00
Total Undistributed Expend.- Oper. and Maintenance of Plant Serv.	268,102.00	66,757.67	334,859.67	306,845.97	28,013.70

TOWNSHIP OF WEST AMWELL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2012

	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
Undistributed Expend.-Student Transportation Services:					
Management Fee - ESC Transportation Programs	\$ 1,800.00	\$	\$ 1,800.00	\$	\$ 1,800.00
Contracted Services (Other Than Between Home and School) - Vendors	7,500.00	(3,100.00)	4,400.00	4,400.00	
Contracted Services (Between Home and School) - Joint Agreements	152,964.00		152,964.00	149,094.93	3,869.07
Contracted Services - Special Ed. Students - Joint Agreements	37,750.00	(4,850.00)	32,900.00	31,447.77	1,452.23
Contracted Services - Reg. Students - ESC and CTSA		4,850.00	4,850.00	1,353.00	3,497.00
Contracted Services - Aid in Lieu of Payments - Non-Public Schools	15,000.00	(4,000.00)	11,000.00	8,677.87	2,322.13
Total Undistributed Expend.-Student Transportation Services	215,014.00	(7,100.00)	207,914.00	194,973.57	12,940.43
Allocated Benefits:					
Regular Programs - Instruction:					
Social Security Contributions - Other	18,100.00	3,382.41	21,482.41	20,768.39	714.02
Other Retirement Contributions - Regular	9,350.00		9,350.00	9,350.00	
Unemployment Compensation	25,000.00	(24,886.00)	114.00	114.00	
Workmen's Compensation	13,084.00	(2,529.43)	10,554.57	10,554.57	
Health Benefits	197,976.00	7,269.74	205,245.74	164,177.76	41,067.98
Tuition Reimbursement	12,500.00		12,500.00	5,550.62	6,949.38
Total Regular Programs - Instruction	276,010.00	(16,763.28)	259,246.72	210,515.34	48,731.38
Special Programs - Instruction:					
Social Security Contributions	20,000.00	(7,800.00)	12,200.00	11,545.92	654.08
Other Retirement Contributions - Regular	19,765.00	(3,095.40)	16,669.60	9,687.00	6,982.60
Workmen's Compensation	6,951.00	1,006.03	7,957.03	7,957.03	
Health Benefits	193,565.00	12,616.89	206,181.89	185,961.91	20,219.98
Tuition Reimbursement	12,500.00		12,500.00		12,500.00
Total Special Programs - Instruction	252,781.00	2,727.52	255,508.52	215,151.86	40,356.66
Attendance and Social Work Services:					
Social Security Contributions	800.00	126.48	926.48	926.48	
Other Retirement Contributions - Regular	1,200.00		1,200.00	1,200.00	
Workmen's Compensation	141.00	77.39	218.39	218.39	
Health Benefits	6,668.00	(366.72)	6,301.28	6,301.28	
Total Attendance and Social Work Services	8,809.00	(162.85)	8,646.15	8,646.15	

TOWNSHIP OF WEST AMWELL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2012

	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
Health Services:					
Other Retirement Contributions - Regular	\$ 625.00	\$	\$ 625.00	\$ 625.00	\$
Workmen's Compensation	191.00	77.39	268.39	268.39	
Health Benefits	11,550.00	(1,801.72)	9,748.28	9,748.28	
Total Health Services	12,366.00	(1,724.33)	10,641.67	10,641.67	
Other Supp. Services - Guidance:					
Social Security Contributions	800.00	29.53	829.53	829.53	
Other Retirement Contributions - Regular	750.00		750.00	750.00	
Workmen's Compensation	421.00	77.39	498.39	498.39	
Health Benefits	16,650.00	(10,348.59)	6,301.41	6,301.41	
Total Other Supp. Services - Guidance	18,621.00	(10,241.67)	8,379.33	8,379.33	
Improvement of Instructional Services:					
Social Security Contributions	1,600.00	1,275.87	2,875.87	2,495.65	380.22
Other Retirement Contributions - Regular	1,850.00		1,850.00	1,850.00	
Workmen's Compensation	179.00	154.77	333.77	333.77	
Health Benefits	23,824.00	(3,668.86)	20,155.14	18,155.14	2,000.00
Total Improvement of Instructional Services	27,453.00	(2,238.22)	25,214.78	22,834.56	2,380.22
Educational Media Services - School Library					
Social Security Contributions	1,300.00		1,300.00	1,259.40	40.60
Other Retirement Contributions - Regular	1,710.00		1,710.00	1,710.00	
Workmen's Compensation	325.00	154.77	479.77	479.77	
Health Benefits	17,436.00	(7,785.68)	9,650.32	9,650.32	
Total Educational Media Services	20,771.00	(7,630.91)	13,140.09	13,099.49	40.60
Support Services - General Administration:					
Social Security Contributions	800.00	2,575.72	3,375.72	2,379.11	996.61
Other Retirement Contributions - Regular	950.00		950.00	950.00	
Workmen's Compensation	543.00	1,267.47	1,810.47	1,654.63	155.84
Health Benefits	12,568.00	5,103.14	17,671.14	17,671.14	
Other Employee Benefits	6,420.00	(14.53)	6,405.47		6,405.47
Total Support Services - General Administration	21,281.00	8,931.80	30,212.80	22,654.88	7,557.92

TOWNSHIP OF WEST AMWELL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2012

	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
Support Services - School Administration:					
Social Security Contributions	\$ 100.00	\$ 14.75	\$ 114.75	\$ 114.75	
Other Retirement Contributions - Regular	1,810.00		1,810.00	1,810.00	
Workmen's Compensation	190.00	77.39	267.39	267.39	
Health Benefits	8,312.00	391.06	8,703.06	8,703.06	
Other Employee Benefits		1,500.00	1,500.00	1,500.00	
Total Support Services - School Administration	10,412.00	1,983.20	12,395.20	12,395.20	
Support Services - Central Services:					
Social Security Contributions	3,600.00		3,600.00	3,314.03	285.97
Other Retirement Contributions - Regular	3,450.00		3,450.00	3,450.00	
Workmen's Compensation	803.00	154.77	957.77	957.77	
Health Benefits	21,774.00	1,095.02	22,869.02	22,869.02	
Total Support Services - Central Services	29,627.00	1,249.79	30,876.79	30,590.82	285.97
Support Services - Admin. Info. Technology:					
Social Security Contributions	2,600.00	230.00	2,830.00	2,811.66	18.34
Other Retirement Contributions - Regular	1,560.00		1,560.00	1,560.00	
Workmen's Compensation	86.00	154.77	240.77	240.77	
Health Benefits	19,074.00	1,028.46	20,102.46	19,102.46	1,000.00
Total Support Services - Admin. Info. Technology	23,320.00	1,413.23	24,733.23	23,714.89	1,018.34
Operation and Maintenance of Plant Service:					
Social Security Contributions	6,800.00	300.00	7,100.00	6,967.84	132.16
Other Retirement Contributions - ERIP	7,550.00		7,550.00	7,550.00	
Workmen's Compensation	803.00	154.77	957.77	957.77	
Health Benefits	27,448.00	2,600.92	30,048.92	29,048.92	1,000.00
Total Operation and Maintenance of Plant Service	42,601.00	3,055.69	45,656.69	44,524.53	1,132.16
Total Allocated Benefits	744,052.00	(19,400.03)	724,651.97	623,148.72	101,503.25
Total Personal Services - Employee	744,052.00	(19,400.03)	724,651.97	623,148.72	101,503.25
Reimbursed TPAF Social Security Contributions (Non-Budgeted)				126,970.55	(126,970.55)
On-Behalf TPAF Post Retirement Medical (Non-Budgeted)				114,291.00	(114,291.00)
On-Behalf TPAF Pension Contributions (Non-Budgeted)				56,853.00	(56,853.00)
TOTAL UNDISTRIBUTED EXPENDITURES	2,097,784.00	44,160.00	2,141,944.00	2,263,119.89	(121,175.89)
TOTAL GENERAL CURRENT EXPENSE	3,860,080.00	28,872.00	3,888,952.00	3,958,240.97	(69,288.97)

TOWNSHIP OF WEST AMWELL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2012

	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
CAPITAL OUTLAY:					
EQUIPMENT:					
Kindergarten	\$ 4,000.00	\$ (4,000.00)	\$	\$	
Undistributed:					
Undist. Expend. - Required Maintenance for School Facilities		4,000.00	4,000.00		4,000.00
TOTAL EQUIPMENT	4,000.00		4,000.00		4,000.00
Facilities Acquisition and Construction Services:					
Construction Services	150,000.00	(150,000.00)		6,878.00	
Other Objects		6,878.00	6,878.00		
	150,000.00	(143,122.00)	6,878.00	6,878.00	
TOTAL CAPITAL OUTLAY	154,000.00	(143,122.00)	10,878.00	6,878.00	4,000.00
TOTAL EXPENDITURES	4,014,080.00	(114,250.00)	3,899,830.00	3,965,118.97	(65,288.97)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(209,488.00)	114,610.00	(94,878.00)	179,343.58	274,221.58
Other Financing Sources (Use)					
Transfer to Capital Projects Fund		(143,122.00)	(143,122.00)	(131,668.00)	(11,454.00)
Transfer from Debt Service Fund				1.00	(1.00)
Total Other Financing Sources		(143,122.00)	(143,122.00)	(131,667.00)	(11,455.00)
Excess/Deficit of Revenues and Other Financing Sources Over Expenditures and Other Expenditures and Other Financing Sources	(209,488.00)	(28,512.00)	(238,000.00)	47,676.58	262,766.58
Fund Balances, July 1,	748,606.73		748,606.73	748,606.73	
Fund Balances, June 30,	\$ 539,118.73	\$ (28,512.00)	\$ 510,606.73	\$ 796,283.31	\$ 262,766.58
Recapitulation:					
Restricted Fund Balance:					
Capital Reserve				\$ 330,399.25	
Maintenance Reserve				141,963.53	
Excess Surplus - Designated for Subsequent Year's Expenditures				985.71	
Committed Fund Balance:					
Designated for Subsequent Year's Expenditures				90,522.29	
Unassigned Fund Balance				232,412.53	
				796,283.31	
Reconciliation to Governmental Funds Statements (GAAP):					
Last State Aid Payment Not Recognized on GAAP Basis				(21,844.00)	
Fund Balance per Governmental Funds (GAAP)				\$ 774,439.31	

TOWNSHIP OF WEST AMWELL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND - EDUCATION JOBS FUND
FISCAL YEAR ENDED JUNE 30, 2012

	<u>ORIGINAL BUDGET</u>	<u>BUDGET TRANSFERS/ AMENDMENTS</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FINAL TO ACTUAL</u>
REVENUES:					
Federal Sources:					
Education Jobs Fund	\$ 11,488.00	\$ 360.00	\$ 11,848.00	\$ 11,848.00	\$ _____
Total - Federal Sources	<u>11,488.00</u>	<u>360.00</u>	<u>11,848.00</u>	<u>11,848.00</u>	<u>_____</u>
 Total Revenues	 <u>11,488.00</u>	 <u>360.00</u>	 <u>11,848.00</u>	 <u>11,848.00</u>	 <u>_____</u>
EXPENDITURES:					
CURRENT EXPENSE:					
Resource Room/Resource Center:					
Other Salaries for Instruction	<u>11,488.00</u>	<u>360.00</u>	<u>11,848.00</u>	<u>11,848.00</u>	<u>_____</u>
Total Resource Room/Resource Center	<u>\$ 11,488.00</u>	<u>\$ 360.00</u>	<u>\$ 11,848.00</u>	<u>\$ 11,848.00</u>	<u>\$ _____</u>

TOWNSHIP OF WEST AMWELL SCHOOL DISTRICT
 BUDGETARY COMPARISON SCHEDULE
 SPECIAL REVENUE FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
REVENUES:					
Federal Aid	\$ 93,000.00	\$ 28,497.48	\$ 121,497.48	\$ 110,703.84	\$ 10,793.64
Local Sources	1,000.00	14,537.90	15,537.90	7,136.47	8,401.43
Total Revenues	94,000.00	43,035.38	137,035.38	117,840.31	19,195.07
EXPENDITURES:					
Instruction:					
Salaries of Teachers	50,000.00	(50,000.00)			
Other Salaries for Instruction	5,000.00	16,877.00	21,877.00	21,877.00	
Other Purchased Services		17,875.00	17,875.00	17,875.00	
General Supplies	1,000.00	13,267.90	14,267.90	5,972.47	8,295.43
Other Objects		1,270.00	1,270.00	1,164.00	106.00
Total Instruction	56,000.00	(710.10)	55,289.90	46,888.47	8,401.43
Support Services:					
Purchased Professional - Educational Services		14,033.00	14,033.00	14,033.00	
Other Purchased Services (400-500 Series)	3,000.00	10,604.80	13,604.80	11,239.67	2,365.13
Supplies and Materials	35,000.00	19,107.68	54,107.68	45,679.17	8,428.51
Total Support Services	38,000.00	43,745.48	81,745.48	70,951.84	10,793.64
Total Expenditures	94,000.00	43,035.38	137,035.38	117,840.31	19,195.07
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	\$	\$	\$	\$	\$

TOWNSHIP OF WEST AMWELL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
BUDGET TO GAAP RECONCILIATION
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

Note A - Explanation of difference between budgetary inflows and outflows and GAAP Revenues and Expenditures

	GENERAL FUND	SPECIAL REVENUE FUND
Sources/inflows of resources		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	\$4,144,462.55	\$117,840.31
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.	N/A	
The last State aid payment of the current year is recognized as revenue for budgetary purposes and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expense (GASB 33)	(21,844.00)	
The last State aid payment of the prior year is recognized as revenue under GAAP when the State recognizes the related expense (GASB 33). (This revenue was recognized during the previous fiscal year for budgetary purposes.)	13,244.00	
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	<u>\$4,135,862.55</u>	<u>\$117,840.31</u>
Uses/outflows of resources		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule.	\$3,965,118.97	\$117,840.31
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.	N/A	
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$3,965,118.97</u>	<u>\$117,840.31</u>

OTHER SUPPLEMENTARY INFORMATION

SPECIAL REVENUE FUND DETAIL STATEMENTS

Special revenue funds are 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. The term "proceeds of specific revenue sources" establishes that one or more specific restricted or committed revenues should be the foundation for a special revenue fund.

TOWNSHIP OF WEST AMWELL SCHOOL DISTRICT
 SPECIAL REVENUE FUND
 COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	IDEA PSH CURRENT YEAR	IDEA BASIC CURRENT YEAR	TITLE II -A CURRENT YEAR	R.E.A.P. CURRENT YEAR	R.E.A.P. PRIOR YEAR	LOCAL PROJECTS	TOTAL
Revenues:							
Federal Aid	\$3,393.00	\$50,392.00	\$3,284.00	\$22,105.36	\$31,529.48		\$110,703.84
Local Sources						\$7,136.47	7,136.47
Total Revenues	\$3,393.00	\$50,392.00	\$3,284.00	\$22,105.36	\$31,529.48	\$7,136.47	\$117,840.31
Expenditures:							
Instruction:							
Other Salaries for Instruction	\$3,393.00	\$18,484.00					\$21,877.00
Other purchased services		17,875.00					17,875.00
General Supplies						\$5,972.47	5,972.47
Other Objects						1,164.00	1,164.00
Total Instruction	3,393.00	36,359.00				7,136.47	46,888.47
Support Services:							
Purchased Professional - Educational Services		14,033.00					14,033.00
Other Purchased Services (400-500 Series)			\$3,284.00	\$5,634.87	\$2,320.80		11,239.67
Supplies and Materials				16,470.49	29,208.68		45,679.17
Total Support Services		14,033.00	3,284.00	22,105.36	31,529.48		70,951.84
Total Expenditures	\$3,393.00	\$50,392.00	\$3,284.00	\$22,105.36	\$31,529.48	\$7,136.47	\$117,840.31
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)							

CAPITAL PROJECTS FUND DETAIL STATEMENTS

Capital project funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets. Capital project funds exclude those types of capital related outflows financed by proprietary funds or for assets that will be held in trust for individuals, private organizations, or other governments.

TOWNSHIP OF WEST AMWELL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2012

Revenues and Other Financing Sources:	
State Sources - SCC Grant	\$3,513.20
Capital Reserve	<u>131,668.00</u>
Total Revenues	<u>135,181.20</u>
Expenditures and Other Financing Uses:	
Construction Services	<u>151,668.00</u>
Total Expenditures	<u>151,668.00</u>
Net Change in Fund Balances	(16,486.80)
Fund Balance - Beginning	<u>39,956.58</u>
Fund Balance - Ending	<u><u>\$23,469.78</u></u>

TOWNSHIP OF WEST AMWELL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS
ROOF REPLACEMENT PROJECT
FOR THE YEAR ENDED JUNE 30, 2012

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources:				
State Sources - SCC Grant	\$ 92,400.00	\$	\$ 92,400.00	\$ 92,400.00
Capital Reserve	194,006.00		194,006.00	194,006.00
Total revenues	<u>286,406.00</u>		<u>286,406.00</u>	<u>286,406.00</u>
Expenditures and Other Financing Uses:				
Purchased Professional and Technical Services	21,843.00		21,843.00	21,843.00
Construction Services	306,000.00		306,000.00	306,000.00
Equipment Purchases				
Other Expenditures				
Total Expenditures	<u>327,843.00</u>		<u>327,843.00</u>	<u>327,843.00</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ <u>(41,437.00)</u>	\$	\$ <u>(41,437.00)</u>	<u>(41,437.00)</u>
Additional Project Information:				
Project Number	5600-050-09-1002			
Grant Date	3/20/2009			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$333,500.00			
Additional Authorized Cost				
Revised Authorized Cost	\$327,843.00			
Percentage Increase Over Original Authorized Cost	0%			
Percentage Completion	100%			
Original Target Completion Date	9/1/2010			
Revised Target Completion Date	9/1/2010			

TOWNSHIP OF WEST AMWELL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS
REPLACEMENT OF COAT CLOSETS IN SIX CLASSROOMS AND HALLWAY AREA
FOR THE YEAR ENDED JUNE 30, 2012

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources:				
State Sources - SCC Grant	\$ 24,798.80	\$ 45,000.00	\$ 24,798.80	\$ 24,798.80
Capital Reserve	79,994.00	45,000.00	124,994.00	124,994.00
Total Revenues	<u>104,792.80</u>	<u>45,000.00</u>	<u>149,792.80</u>	<u>149,792.80</u>
Expenditures and Other Financing Uses:				
Purchased Professional and Technical Services	4,500.00	45,000.00	4,500.00	4,500.00
Construction Services	51,937.00	45,000.00	96,937.00	96,637.00
Total Expenditures	<u>56,437.00</u>	<u>45,000.00</u>	<u>101,437.00</u>	<u>101,137.00</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 48,355.80</u>	<u>\$</u>	<u>\$ 48,355.80</u>	<u>\$ 48,655.80</u>
Additional Project Information:				
Project Number	5600-050-09-1001			
Grant Date	6/29/2009			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$156,000.00			
Additional Authorized Cost				
Revised Authorized Cost	\$156,000.00			
Percentage Increase Over Original Authorized Cost	0%			
Percentage Completion	100%			
Original Target Completion Date	9/7/2010			
Revised Target Completion Date	9/7/2010			

TOWNSHIP OF WEST AMWELL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS
PLAYGROUND CONSTRUCTION
FOR THE YEAR ENDED JUNE 30, 2012

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources:				
State Sources - SCC Grant	\$ 39,646.80	\$ 3,513.20	\$ 43,160.00	\$ 43,160.00
Capital Reserve	50,000.00		50,000.00	50,000.00
Total Revenues	<u>89,646.80</u>	<u>3,513.20</u>	<u>93,160.00</u>	<u>93,160.00</u>
Expenditures and Other Financing Uses:				
Purchased Professional and Technical Services	6,837.00		6,837.00	6,837.00
Construction Services	69,772.02		69,772.02	69,772.02
Total Expenditures	<u>76,609.02</u>		<u>76,609.02</u>	<u>76,609.02</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 13,037.78</u>	<u>\$ 3,513.20</u>	<u>\$ 16,550.98</u>	<u>\$ 16,550.98</u>
Additional Project Information:				
Project Number				
Grant Date				
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$89,646.80			
Additional Authorized Cost				
Revised Authorized Cost	\$89,646.80			
Percentage Increase Over Original Authorized Cost				
Percentage Completion	100%			
Original Target Completion Date				
Revised Target Completion Date				

TOWNSHIP OF WEST AMWELL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS
ART AND MUSIC TRAILER
FOR THE YEAR ENDED JUNE 30, 2012

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources:				
Capital Reserve	\$ 20,000.00	\$ 80,000.00	\$ 100,000.00	\$ 100,000.00
Total Revenues	<u>20,000.00</u>	<u>80,000.00</u>	<u>100,000.00</u>	<u>100,000.00</u>
Expenditures and Other Financing Uses:				
Construction Services		100,000.00	100,000.00	100,000.00
Total Expenditures		<u>100,000.00</u>	<u>100,000.00</u>	<u>100,000.00</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ <u>20,000.00</u>	\$ <u>(20,000.00)</u>	\$ <u> </u>	\$ <u> </u>
Additional Project Information:				
Project Number	N/A			
Grant Date	N/A			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$100,000.00			
Additional Authorized Cost				
Revised Authorized Cost	\$100,000.00			
Percentage Increase Over Original Authorized Cost				
Percentage Completion	100%			
Original Target Completion Date				
Revised Target Completion Date				

CITY OF LAMBERTVILLE SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS
MAIN OFFICE AIR CONDITIONING REPLACEMENT
FOR THE YEAR ENDED JUNE 30, 2012

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources:				
Capital Reserve	\$ -	\$6,668.00	\$6,668.00	\$18,122.00
Total Revenues	<u> </u>	<u>6,668.00</u>	<u>6,668.00</u>	<u>18,122.00</u>
Expenditures and Other Financing Uses:				
Construction Services	<u> </u>	<u>6,668.00</u>	<u>6,668.00</u>	<u>18,122.00</u>
Total Expenditures	<u> </u>	<u>6,668.00</u>	<u>6,668.00</u>	<u>18,122.00</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u> </u>
Additional Project Information:				
Project Number	N/A			
Grant Date	N/A			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$18,122.00			
Additional Authorized Cost				
Revised Authorized Cost	\$18,122.00			
Percentage Increase Over Original Authorized Cost				
Percentage Completion				
Original Target Completion Date				
Revised Target Completion Date				

TOWNSHIP OF WEST AMWELL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY STATEMENT OF PROJECT EXPENDITURES
AS OF JUNE 30, 2012

<u>ISSUE/PROJECT TITLE</u>	<u>ORIGINAL DATE</u>	<u>REVISED BUDGETARY APPROPRIATIONS</u>	<u>EXPENDITURES TO DATE</u>		<u>(MEMO ONLY) UNEXPENDED PROJECT BALANCE</u>
			<u>PRIOR YEAR</u>	<u>CURRENT YEAR</u>	
Replacement of Roof	3/20/2009	\$286,406.00	\$327,843.00		(\$41,437.00)
Replacement of Coat Closets in Six Classrooms and the Hallway	6/29/2009	149,792.80	56,437.00	\$45,000.00	48,355.80
Playground	2010-11	93,160.00	76,609.02		16,550.98
Art/Music Trailer	2010-11	100,000.00		100,000.00	
Main Office Air Conditioning Replacement	2012	<u>6,668.00</u>		<u>6,668.00</u>	
Totals		<u>\$636,026.80</u>	<u>\$460,889.02</u>	<u>\$151,668.00</u>	<u>\$23,469.78</u>

PROPRIETARY FUND DETAIL STATEMENTS

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

Food Services Fund: This fund provides for the operation of food services within the District.

Summer Enrichment Fund: This fund provides for the operation of the summer enrichment program within the District.

TOWNSHIP OF WEST AMWELL SCHOOL DISTRICT
COMBINING STATEMENT OF NET ASSETS
PROPRIETARY FUNDS - ENTERPRISE FUNDS
JUNE 30, 2012

	FOOD SERVICE FUND	SUMMER ENRICHMENT FUND	TOTAL
ASSETS:			
Current assets:			
Cash and cash equivalents	\$3,475.62	\$7,544.31	\$11,019.93
Intergovernmental receivables:			
State	35.94		35.94
Federal	365.49		365.49
Inventories	1,308.70		1,308.70
Total current assets	5,185.75	7,544.31	12,730.06
Noncurrent assets:			
Furniture, machinery and equipment	45,582.00		45,582.00
Less accumulated depreciation	(42,311.64)		(42,311.64)
Total noncurrent assets	3,270.36		3,270.36
Total assets	8,456.11	7,544.31	16,000.42
LIABILITIES:			
Current liabilities:			
Deferred revenue	245.72	3,710.00	3,955.72
Total current liabilities	245.72	3,710.00	3,955.72
Total liabilities	245.72	3,710.00	3,955.72
NET ASSETS:			
Invested in capital assets, net	3,270.36		3,270.36
Unrestricted	4,940.03	3,834.31	8,774.34
Total net assets	\$8,210.39	\$3,834.31	\$12,044.70

TOWNSHIP OF WEST AMWELL SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS - ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	FOOD SERVICE FUND	SUMMER ENRICHMENT FUND	TOTAL
OPERATING REVENUES:			
Charges for services:			
Daily sales	\$42,909.99		\$42,909.99
Program fees		\$3,345.00	3,345.00
Total operating revenues	<u>42,909.99</u>	<u>3,345.00</u>	<u>46,254.99</u>
OPERATING EXPENSES:			
Salaries	16,285.15	1,800.00	18,085.15
Employee benefits	4,351.02		4,351.02
Other purchase service (administrative expenses)	8,098.27		8,098.27
General supplies		605.09	605.09
Depreciation	3,445.88		3,445.88
Cost of sales	24,058.31		24,058.31
Total operating expenses	<u>56,238.63</u>	<u>2,405.09</u>	<u>58,643.72</u>
Operating income (loss)	<u>(13,328.64)</u>	<u>939.91</u>	<u>(12,388.73)</u>
NONOPERATING REVENUES (EXPENSES):			
State sources:			
State School Lunch Program	577.55		577.55
Federal Sources:			
National School Lunch Program	6,001.40		6,001.40
National food distribution commodities	2,724.64		2,724.64
Interest on investments	7.70		7.70
Total nonoperating revenues	<u>9,311.29</u>		<u>9,311.29</u>
Change in net assets	(4,017.35)	939.91	(3,077.44)
Total net assets - July 1, 2011	<u>12,227.74</u>	<u>2,894.40</u>	<u>15,122.14</u>
Total net assets - June 30, 2012	<u><u>\$8,210.39</u></u>	<u><u>\$3,834.31</u></u>	<u><u>\$12,044.70</u></u>

TOWNSHIP OF WEST AMWELL SCHOOL DISTRICT
COMBINING STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS - ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	FOOD SERVICE FUND	SUMMER ENRICHMENT FUND	TOTAL
Cash flows from operating activities:			
Receipts from customers	\$46,943.44	\$3,940.00	\$50,883.44
Payments to employees	(16,285.15)	(1,800.00)	(18,085.15)
Payments to employee benefits	(4,351.02)		(4,351.02)
Payments to suppliers	(32,351.34)	(605.09)	(32,956.43)
Net cash provided by (used for) operating activities)	(6,044.07)	1,534.91	(4,509.16)
Cash flows from noncapital financing activities:			
State sources	572.40		572.40
Federal sources	5,635.91		5,635.91
Net cash provided by noncapital financing activities:	6,208.31		6,208.31
Cash flows from investing activities:			
Interest	7.70		7.70
Net cash provided by (used for) investing activities	7.70		7.70
Net increase in cash and cash equivalents	171.94	1,534.91	1,706.85
Cash and cash equivalents, July 1, 2011	3,303.68	6,009.40	9,313.08
Cash and cash equivalents, June 30, 2012	\$3,475.62	\$7,544.31	\$11,019.93
Reconciliation of operating income (loss) to net cash provided (used) by operating activities			
Operating income (loss)	(\$13,328.64)	\$939.91	(\$12,388.73)
Adjustments to reconciling operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation	3,445.88		3,445.88
Federal commodities	2,724.64		2,724.64
Change in assets and liabilities:			
(Increase) decrease in accounts receivable - other	4,033.45		4,033.45
(Increase) decrease in inventories	267.19		267.19
Increase (decrease) in accounts payable	(2,768.51)		(2,768.51)
Increase (decrease) in deferred revenue	(418.08)	595.00	176.92
	7,284.57	595.00	7,879.57
Net cash provided by (used for) operating activities	(\$6,044.07)	\$1,534.91	(\$4,509.16)

FIDUCIARY FUND DETAIL STATEMENTS

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

Unemployment Compensation Insurance Fund: This trust fund is used to pay unemployment compensation claims as they arise.

Agency Funds are used to account for assets held by the district as an agent for another party:

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

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

TOWNSHIP OF WEST AMWELL SCHOOL DISTRICT
 COMBINING STATEMENT OF FIDUCIARY NET ASSETS
 TRUST AND AGENCY FUNDS
 JUNE 30, 2012

	TRUST FUNDS		AGENCY FUNDS		TOTALS
	PRIVATE PURPOSE AWARD FUNDS	UNEMPLOYMENT COMPENSATION	STUDENT ACTIVITY	PAYROLL AGENCY	
ASSETS:					
Cash and cash equivalents	\$4,677.29	\$45,824.13	\$8,990.97	\$4,501.12	\$63,993.51
Total assets	\$4,677.29	\$45,824.13	\$8,990.97	\$4,501.12	\$63,993.51
LIABILITIES:					
Payroll deductions and withholdings				\$4,501.12	\$4,501.12
Due to student groups			\$8,990.97		8,990.97
Total liabilities			8,990.97	4,501.12	13,492.09
NET ASSETS:					
Held in trust for unemployment claims		\$45,824.13			45,824.13
Reserved for Scholarships	\$4,677.29				4,677.29
Total net assets	\$4,677.29	\$45,824.13	\$-0-	\$-0-	\$50,501.42

TOWNSHIP OF WEST AMWELL SCHOOL DISTRICT
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
TRUST FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	PRIVATE PURPOSE AWARD FUNDS KASAK MEMORIAL	UNEMPLOYMENT COMPENSATION TRUST FUND	TOTAL
ADDITIONS:			
Contributions:			
Plan Members		\$4,137.83	\$4,137.83
Total contributions		4,137.83	4,137.83
Investment earnings:			
Interest	\$5.59	51.64	57.23
Net investment earnings	5.59	51.64	57.23
Total additions	5.59	4,189.47	4,195.06
DEDUCTIONS:			
Unemployment claims		332.50	332.50
Total deductions		332.50	332.50
Change in net assets	5.59	3,856.97	3,862.56
Net assets end of year	4,671.70	41,967.16	46,638.86
Net assets end of year	\$4,677.29	\$45,824.13	\$50,501.42

TOWNSHIP OF WEST AMWELL SCHOOL DISTRICT
STUDENT ACTIVITY AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	<u>BALANCE</u> <u>JUNE 30, 2011</u>	<u>CASH</u> <u>RECEIPTS</u>	<u>CASH</u> <u>DISBURSE-</u> <u>MENTS</u>	<u>BALANCE</u> <u>JUNE 30, 2012</u>
PROGRAMS:				
Student Activity Fund	<u>\$9,522.60</u>	<u>\$25,775.20</u>	<u>\$26,306.83</u>	<u>\$8,990.97</u>
Total all schools	<u><u>\$9,522.60</u></u>	<u><u>\$25,775.20</u></u>	<u><u>\$26,306.83</u></u>	<u><u>\$8,990.97</u></u>

TOWNSHIP OF WEST AMWELL SCHOOL DISTRICT
PAYROLL AGENCY FUNDS
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	<u>BALANCE</u> <u>JULY 1, 2011</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE</u> <u>JUNE 30, 2012</u>
ASSETS:				
Cash and cash equivalents	(\$2.03)	\$2,611,618.40	\$2,607,115.25	\$4,501.12
Total assets	<u>(\$2.03)</u>	<u>\$2,611,618.40</u>	<u>\$2,607,115.25</u>	<u>\$4,501.12</u>
LIABILITIES:				
Payroll deductions and withholdings	(\$2.03)	\$1,006,233.58	\$1,001,730.43	\$4,501.12
Net payroll		<u>1,605,384.82</u>	<u>1,605,384.82</u>	
Total liabilities	<u>(\$2.03)</u>	<u>\$2,611,618.40</u>	<u>\$2,607,115.25</u>	<u>\$4,501.12</u>

LONG-TERM DEBT SCHEDULES

The long-term debt schedules are used to reflect the outstanding principal balances of the long-term liabilities of the District. This includes obligations under serial bonds and capital leases.

TOWNSHIP OF WEST AMWELL SCHOOL DISTRICT
 LONG-TERM DEBT
 SCHEDULE OF SERIAL BONDS
 JUNE 30, 2012

ISSUE	DATE OF ISSUE	AMOUNT OF ISSUE	MATURITIES		RATE OF INTEREST	BALANCE JULY 1, 2011	RETIRED	BALANCE JUNE 30, 2012
			DATE	AMOUNT				
School Improvements	7/1/2001	\$1,500,000.00	07/01/12	\$70,000.00	4.900%			
			07/01/13	75,000.00				
			07/01/14-15	80,000.00				
			07/01/16	85,000.00				
			07/01/17	90,000.00				
			07/01/18	95,000.00				
			07/01/19	100,000.00				
			07/01/20	110,000.00				
			07/01/21-22	115,000.00				
					<u>\$1,080,000.00</u>	<u>\$65,000.00</u>	<u>\$1,015,000.00</u>	

TOWNSHIP OF WEST AMWELL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	<u>ORIGINAL BUDGET</u>	<u>BUDGET TRANSFER</u>	2012 <u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FINAL TO ACTUAL</u>
REVENUES:					
Local sources:					
Local tax levy	\$116,328.00		\$116,328.00	\$116,328.00	
Total revenues	116,328.00		116,328.00	116,328.00	
EXPENDITURES:					
Regular debt service:					
Interest	51,328.00		51,328.00	51,327.50	\$0.50
Redemption of principal	65,000.00		65,000.00	65,000.00	
Total regular debt service-expenditures	116,328.00		116,328.00	116,327.50	0.50
Excess (deficiency) of revenues over (under) expenditures				0.50	0.50
Other financing sources:					
Transfers in/(out)	(1.00)		(1.00)	(1.00)	
	(1.00)		(1.00)	(0.50)	0.50
Fund balance, July 1	1.50		1.50	1.50	
Fund balance, June 30	\$0.50		\$0.50	\$1.00	\$0.50

STATISTICAL SECTION (UNAUDITED)



TOWNSHIP OF WEST AMWELL SCHOOL DISTRICT
STATISTICAL SECTION

<u>Contents</u>	<u>Page</u>
Financial Trends:	
These schedules contain trend information to help the reader understand how the district's financial performance and well being have changed over time.	J-1 to J-5
Revenue Capacity:	
These schedules contain information to help the reader assess the district's most significant local revenue source, the property tax.	J-6 to J-9
Debt Capacity:	
These schedules present information to help the reader assess the affordability of the district's current levels of outstanding debt and the district's ability to issue additional debt in the future.	J-10 to J-13
Demographic and Economic Information:	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place.	J-14 to J-15
Operating Information:	
These schedules contain service and infrastructure data to help the reader understand how the information in the district's financial report relates to the services the district provides and the activities it performs.	J-16 to J-20

Sources

Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports (CAFR) for the relevant year. The district implemented GASB Statement 34 in the fiscal year ending June 30, 2003; schedules presenting district-wide information include information beginning in that year.

TOWNSHIP OF WEST AMWELL SCHOOL DISTRICT
NET ASSETS BY COMPONENT
UNAUDITED

	2012	2011	2010	2009	2008	2007	2006	2005	2004
Governmental activities									
Invested in capital assets, net of related debt	\$2,119,221.60	\$2,029,146.12	\$1,609,237.70	\$1,477,215.00	\$1,490,452.00	\$1,512,365.00	\$1,506,044.00	\$1,248,992.00	\$1,242,950.00
Restricted	633,708.29	601,500.76	689,875.78	506,353.00	272,086.00	122,965.00	104,771.00	(899,626.00)	(946,388.00)
Unrestricted	225,332.13	213,869.19	153,501.78	307,375.00	279,995.00	274,219.00	153,632.00	215,243.00	471,237.00
Total governmental activities net assets	<u>\$2,978,262.02</u>	<u>\$2,844,516.07</u>	<u>\$2,452,615.26</u>	<u>\$2,290,943.00</u>	<u>\$2,042,533.00</u>	<u>\$1,909,549.00</u>	<u>\$1,764,447.00</u>	<u>\$564,609.00</u>	<u>\$767,799.00</u>
Business-type activities									
Invested in capital assets, net of related debt	\$3,270.36	\$6,716.24	\$10,162.12	\$13,608.00	\$17,226.00	\$20,710.00	\$24,194.00	\$27,749.00	\$31,303.00
Unrestricted	8,774.34	8,405.90	7,589.31	6,726.00	3,145.00	10,388.00	21,413.00	1,082.00	2,571.00
Total business-type activities net assets	<u>\$12,044.70</u>	<u>\$15,122.14</u>	<u>\$17,751.43</u>	<u>\$20,334.00</u>	<u>\$20,371.00</u>	<u>\$31,098.00</u>	<u>\$45,607.00</u>	<u>\$28,831.00</u>	<u>\$33,874.00</u>
District-wide									
Invested in capital assets, net of related debt	\$2,122,491.96	\$2,035,862.36	\$1,619,399.82	\$1,490,823.00	\$1,507,678.00	\$1,533,075.00	\$1,530,238.00	\$1,276,741.00	\$1,274,253.00
Restricted	633,708.29	601,500.76	689,875.78	506,353.00	272,086.00	122,965.00	104,771.00	(899,626.00)	(946,388.00)
Unrestricted	234,106.47	222,275.09	161,091.09	314,101.00	283,140.00	284,607.00	175,045.00	216,325.00	473,808.00
Total district net assets	<u>\$2,990,306.72</u>	<u>\$2,859,638.21</u>	<u>\$2,470,366.69</u>	<u>\$2,311,277.00</u>	<u>\$2,062,904.00</u>	<u>\$1,940,647.00</u>	<u>\$1,810,054.00</u>	<u>\$593,440.00</u>	<u>\$801,673.00</u>

Source: CAFR Schedule A-1

TOWNSHIP OF WEST AMWELL SCHOOL DISTRICT
CHANGES IN NET ASSETS
UNAUDITED

	2012	2011	2010	2009	2008	2007	2006	2005	2004
EXPENSES									
Governmental activities									
Instruction									
Regular	\$1,610,870.63	\$1,491,101.88	\$1,525,355.65	\$1,614,865.00	\$1,938,633.00	\$1,768,494.00	\$1,649,955.00	\$1,553,195.00	\$1,349,922.00
Special education	770,662.07	800,479.32	709,602.99	558,841.00	552,969.00	434,298.00	443,039.00	402,425.00	344,212.00
Other instruction	73,601.13	70,808.88	67,512.43	72,686.00	72,005.00	70,909.00	48,892.00	47,583.00	50,530.00
Support Services:									
Tuition	16,395.03	3,965.00	14,008.90	36,507.00	51,491.00	148,844.00	165,080.00	109,490.00	95,508.00
Student & instruction related services	639,343.02	619,019.34	675,437.68	707,163.00	565,159.00	585,199.00	485,498.00	492,215.00	455,906.00
General administrative services	213,599.32	227,240.09	236,220.25	370,876.00	369,749.00	348,641.00	310,512.00	242,209.00	245,715.00
School administrative services	49,417.10	48,162.68	67,817.80	91,824.00	92,271.00	110,644.00	101,349.00	105,540.00	126,302.00
Central services	162,198.92	143,421.32	140,183.95						
Administration information technology	77,665.39	70,390.75	51,265.65						
Plant operations and maintenance	374,450.08	333,763.83	261,577.07	252,097.00	263,027.00	222,746.00	215,233.00	210,476.00	217,962.00
Student transportation services	194,973.57	192,031.68	206,084.24	199,867.00	166,918.00	176,525.00	161,890.00	156,223.00	141,409.00
Interest on long-term debt	56,621.85	64,756.85	56,112.65	59,052.00	61,747.00	64,258.00	93,991.00	84,463.00	91,439.00
Total governmental activities expenses	4,239,798.11	4,065,141.62	4,011,179.26	3,963,778.00	4,133,969.00	3,930,558.00	3,675,439.00	3,403,819.00	3,118,905.00
Business-type activities:									
Food Service	56,238.63	60,112.59	60,154.26	73,080.00	75,505.00	80,656.00	83,434.00	78,083.00	75,896.00
Summer Enrichment	2,405.09	2,411.42	4,033.29	5,335.00	5,515.00	4,948.00	6,331.00	5,325.00	
Cool School Campaign					7,184.00	3,035.00	11,740.00		
Total business-type activities expense	58,643.72	62,524.01	64,187.55	78,415.00	88,204.00	88,639.00	101,505.00	83,408.00	75,896.00
Total district expenses	\$4,298,441.83	\$4,127,665.63	\$4,075,366.81	\$4,042,193.00	\$4,222,173.00	\$4,019,197.00	\$3,776,944.00	\$3,487,227.00	\$3,194,801.00
PROGRAM REVENUES									
Governmental activities:									
Charges for services				\$13,444.00	\$74.00	\$12,136.00	\$8,141.00	\$5,817.00	\$9,394.00
Operating grants and contributions	\$124,718.31	\$158,882.60	\$128,767.11	150,472.00	117,689.00	108,978.00	111,450.00	78,584.00	59,700.00
Capital grants and contributions							1,085,952.00	5,015.00	
Total governmental activities program revenues	124,718.31	158,882.60	128,767.11	163,916.00	117,763.00	121,114.00	1,205,543.00	89,416.00	69,094.00
Business-type activities:									
Charges for services									
Food Service	42,909.99	43,537.82	42,571.88	45,127.00	47,309.00	49,832.00	51,029.00	48,607.00	46,293.00
Summer Enrichment	3,345.00	3,275.00	4,860.11	5,263.00	6,275.00	600.00	10,620.00	5,900.00	
Cool School Campaign							22,923.00		
Operating grants and contributions	9,303.59	13,073.06	14,153.61	16,086.00	12,075.00	10,341.00	9,631.00	6,698.00	7,081.00
Total business type activities program revenues	55,558.58	59,885.88	61,585.60	66,476.00	65,659.00	60,773.00	94,203.00	61,205.00	53,374.00
Total district program revenues	\$180,276.89	\$218,768.48	\$190,352.71	\$230,392.00	\$183,422.00	\$181,887.00	\$1,299,746.00	\$150,621.00	\$122,468.00
NET (EXPENSE)/REVENUE									
Governmental activities	(\$4,115,079.80)	(\$3,906,259.02)	(\$3,882,412.15)	(\$3,799,862.00)	(\$4,016,206.00)	(\$3,809,444.00)	(\$2,469,896.00)	(\$3,314,403.00)	(\$3,049,811.00)
Business-type activities	(3,085.14)	(2,638.13)	(2,601.95)	(11,939.00)	(22,545.00)	(27,866.00)	(7,302.00)	(22,203.00)	(22,522.00)
Total district-wide net expense	(\$4,118,164.94)	(\$3,908,897.15)	(\$3,885,014.10)	(\$3,811,801.00)	(\$4,038,751.00)	(\$3,837,310.00)	(\$2,477,198.00)	(\$3,336,606.00)	(\$3,072,333.00)

TOWNSHIP OF WEST AMWELL SCHOOL DISTRICT
CHANGES IN NET ASSETS
UNAUDITED

	<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>GENERAL REVENUES AND OTHER CHANGES</u>									
<u>IN NET ASSETS</u>									
Governmental activities:									
Property taxes levied for general purposes, net	\$3,601,750.00	\$3,601,751.00	\$3,463,222.00	\$3,392,521.00	\$3,287,724.00	\$3,075,502.00	\$2,920,218.00	\$2,444,122.00	\$2,558,764.00
Taxes levied for debt service	116,328.00	119,513.00	93,071.00	106,146.00	118,088.00	137,527.00	128,110.00	125,438.00	112,520.00
Unrestricted grants and contributions	521,927.93	417,283.37	467,870.03	574,156.00	734,471.00	716,609.00	601,662.00	549,866.00	501,513.00
Restricted grants and contributions	3,513.20	150,445.60	6,400.00						
Disposal of capital assets					(7,866.00)	(473.00)		(1,806.00)	(5,702.00)
Miscellaneous income	5,306.62	9,166.86	9,169.89	19,993.00	26,273.00	40,381.00	43,971.00	8,451.00	3,178.00
Operating Transfer				(44,544.00)	(9,500.00)	(15,000.00)	(24,227.00)	(18,500.00)	(17,340.00)
Total governmental activities	<u>4,248,825.75</u>	<u>4,298,159.83</u>	<u>4,039,732.92</u>	<u>4,048,272.00</u>	<u>4,149,190.00</u>	<u>3,954,546.00</u>	<u>3,669,734.00</u>	<u>3,107,571.00</u>	<u>3,152,933.00</u>
Business-type activities:									
Transfers				11,950.00	9,500.00	15,000.00	24,227.00	18,500.00	17,340.00
Miscellaneous Income	7.70	8.84	19.38	105.00	2,318.00	(1,643.00)	(149.00)	(1,340.00)	44.00
Disposal of capital assets				(153.00)					
Total business-type activities	<u>7.70</u>	<u>8.84</u>	<u>19.38</u>	<u>11,902.00</u>	<u>11,818.00</u>	<u>13,357.00</u>	<u>24,078.00</u>	<u>17,160.00</u>	<u>17,384.00</u>
Total district-wide	<u>\$4,248,833.45</u>	<u>\$4,298,168.67</u>	<u>\$4,039,752.30</u>	<u>\$4,060,174.00</u>	<u>\$4,161,008.00</u>	<u>\$3,967,903.00</u>	<u>\$3,693,812.00</u>	<u>\$3,124,731.00</u>	<u>\$3,170,317.00</u>
<u>CHANGE IN NET ASSETS</u>									
Governmental activities	\$133,745.95	\$391,900.81	\$157,320.77	\$248,410.00	\$132,984.00	\$145,102.00	\$1,199,838.00	(\$206,832.00)	\$103,122.00
Business-type activities	(3,077.44)	(2,629.29)	(2,582.57)	(37.00)	(10,727.00)	(14,509.00)	16,776.00	(5,043.00)	(5,138.00)
Total district	<u>\$130,668.51</u>	<u>\$389,271.52</u>	<u>\$154,738.20</u>	<u>\$248,373.00</u>	<u>\$122,257.00</u>	<u>\$130,593.00</u>	<u>\$1,216,614.00</u>	<u>(\$211,875.00)</u>	<u>\$97,984.00</u>

Source: CAFR Schedule A-2

TOWNSHIP OF WEST AMWELL SCHOOL DISTRICT
FUND BALANCES - GOVERNMENTAL FUNDS
UNAUDITED

	<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>
General Fund									
Reserved			\$697,328.78	\$634,945.00	\$311,453.00	\$214,868.00	\$199,969.00	\$254,743.00	\$269,294.00
Restricted	\$473,348.49	\$444,653.66							
Assigned	90,522.29	50,000.00							
Unassigned	210,568.53	240,709.07							
Unreserved			217,403.88	236,030.00	288,682.00	197,265.00	95,575.00	93,979.00	324,266.00
Total General Fund	<u>\$774,439.31</u>	<u>\$735,362.73</u>	<u>\$914,732.66</u>	<u>\$870,975.00</u>	<u>\$600,135.00</u>	<u>\$412,133.00</u>	<u>\$295,544.00</u>	<u>\$348,722.00</u>	<u>\$593,560.00</u>
All Other Governmental Funds									
Reserved			\$122,340.00						
Restricted									
Committed	\$23,469.78	\$39,958.08							
Assigned	1.00								
Unreserved, Reported in:									
Special Revenue Fund									
Capital Projects Fund			(26,940.00)		\$24,504.00	\$24,504.00	\$24,504.00	(\$973,108.00)	(\$978,277.00)
Debt Service Fund			1.00	\$24,505.00	9,246.00	9,246.00	(12,621.00)	1,667.00	(31,125.00)
Total All Other Governmental Funds	<u>\$23,470.78</u>	<u>\$39,958.08</u>	<u>\$95,401.00</u>	<u>\$24,505.00</u>	<u>\$33,750.00</u>	<u>\$33,750.00</u>	<u>\$11,883.00</u>	<u>(\$971,441.00)</u>	<u>(\$1,009,402.00)</u>

Source: CAFR Schedule B-1

TOWNSHIP OF WEST AMWELL SCHOOL DISTRICT
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
UNAUDITED

	2012	2011	2010	2009	2008	2007	2006	2005	2004
Revenues									
Tax levy	\$3,718,078.00	\$3,721,264.00	\$3,556,293.00	\$3,498,667.00	\$3,405,812.00	\$3,213,029.00	\$3,048,328.00	\$2,569,560.00	\$2,671,284.00
Tuition charges				13,444.00		6,906.00	3,758.00	4,167.00	2,760.00
Interest earnings	362.83	587.17	1,252.78	5,897.00	22,823.00	39,360.00	31,447.00	8,451.00	3,178.00
Miscellaneous	12,080.26	29,792.77	20,839.81	20,446.00	9,409.00	11,567.00	26,384.00	862.00	7,205.00
State sources	520,471.13	579,556.97	474,270.03	584,500.00	772,782.00	719,606.00	1,688,889.00	558,618.00	506,179.00
Federal sources	122,551.84	125,861.52	115,844.41	133,978.00	73,493.00	95,435.00	96,315.00	74,777.00	55,034.00
Total revenue	4,373,544.06	4,457,062.43	4,168,500.03	4,256,732.00	4,284,319.00	4,085,903.00	4,895,121.00	3,216,435.00	3,245,640.00
Expenditures									
Instruction									
Regular Instruction	1,236,875.52	1,140,581.10	1,175,862.50	1,158,156.00	1,353,372.00	1,265,626.00	1,152,629.00	1,173,706.00	1,016,218.00
Special education instruction	433,821.44	471,101.25	449,345.29	405,103.00	341,102.00	269,453.00	271,892.00	262,585.00	238,863.00
Other instruction	71,312.59	69,059.11	66,155.31	62,685.00	58,026.00	49,457.00	40,577.00	40,021.00	36,192.00
Support Services:									
Tuition	16,395.03	3,965.00	14,008.90	26,507.00	38,486.00	133,052.00	154,724.00	109,490.00	95,508.00
Student & instruction related services	539,925.11	510,911.34	569,163.21	480,298.00	428,170.00	427,677.00	386,431.00	373,465.00	354,152.00
General administrative services	166,979.10	191,699.36	207,305.22	166,545.00	170,165.00	159,985.00	149,533.00	139,645.00	132,034.00
School Administrative services	28,110.95	32,089.40	42,796.67	74,770.00	171,020.00	81,736.00	77,493.00	85,796.00	94,355.00
Central services	116,973.44	109,290.98	107,408.18	121,055.00	125,412.00	117,531.00	100,672.00	65,849.00	65,000.00
Administration Information Technology	42,605.29	40,913.35	35,402.22	19,998.00		3,064.00			
Plant operations and maintenance	306,845.97	276,606.03	210,972.28	217,795.00	228,266.00	191,794.00	187,530.00	181,101.00	195,907.00
Student transportation services	194,973.57	192,031.68	206,084.24	199,867.00	166,918.00	176,525.00	161,890.00	156,223.00	140,420.00
Allocated employee benefits	623,148.72	607,920.86	547,163.97	508,181.00	488,191.00	431,210.00	431,808.00	354,863.00	317,397.00
On-Behalf TPAF Pension Contributions	298,114.55	259,456.30	238,901.03	237,906.00	379,762.00	366,931.00	279,700.00	230,696.00	200,449.00
Capital outlay	158,546.00	666,717.02	65,702.35	5,863.00	2,150.00	33,770.00	57,759.00	29,017.00	41,776.00
Special Revenue Funds				150,472.00	117,689.00	108,978.00	111,450.00	78,584.00	59,700.00
Capital projects							221,590.00		
Debt service:									
Principal	65,000.00	65,000.00	60,000.00	55,000.00	55,000.00	50,000.00	50,000.00	45,000.00	40,000.00
Interest and other charges	51,327.50	54,512.50	57,575.00	60,392.00	63,088.00	65,660.00	105,070.00	78,771.00	107,235.00
Total expenditures	4,350,954.78	4,691,855.28	4,053,846.37	3,950,593.00	4,086,817.00	3,932,447.00	3,940,748.00	3,404,812.00	3,135,206.00
Excess (Deficiency) of revenues over (under) expenditures	22,589.28	(234,792.85)	114,653.66	306,139.00	197,502.00	153,456.00	954,373.00	(188,377.00)	110,434.00
Other financing sources (uses)									
Bond proceeds									
Transfers out				(44,544.00)	(9,500.00)	(15,000.00)	(24,227.00)	(18,500.00)	(17,340.00)
Total other financing sources (uses)				(44,544.00)	(9,500.00)	(15,000.00)	(24,227.00)	(18,500.00)	(17,340.00)
Net change in fund balances	\$22,589.28	(\$234,792.85)	\$114,653.66	\$261,595.00	\$188,002.00	\$138,456.00	\$930,146.00	(\$206,877.00)	\$93,094.00
Debt service as a percentage of noncapital expenditures	2.77%	2.97%	2.95%	2.93%	2.89%	2.97%	4.24%	3.67%	4.76%

Source: CAFR Schedule B-2

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TOWNSHIP OF WEST AMWELL SCHOOL DISTRICT
GENERAL FUND OTHER LOCAL REVENUE BY SOURCE
UNAUDITED

<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>Tuition</u>	<u>Interest on</u> <u>Investments</u>	<u>Prior Year</u> <u>Refunds</u>	<u>E-Rate</u> <u>Reimbursement</u>	<u>Miscellaneous</u>	<u>Total</u>
2012		\$1,278.38			\$4,028.24	\$5,306.62
2011		1,879.16			7,287.70	9,166.86
2010		5,072.24			4,097.65	9,169.89
2009	\$13,444.00	5,697.00		\$3,349.00	10,947.00	33,437.00
2008		22,823.00	\$741.00		2,783.00	26,347.00
2007	6,906.00	39,360.00			1,021.00	47,287.00
2006	3,758.00	19,111.00	12,376.00		148.00	35,393.00
2005	4,167.00	8,297.00			792.00	13,256.00
2004	2,760.00	3,120.00	22.00		3,593.00	9,495.00

Source: District Records

TOWNSHIP OF WEST AMWELL SCHOOL DISTRICT
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
UNAUDITED

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Q-Farm	Commercial	Industrial	Apartment	Total Assessed Value	Less: Tax Exempt Property	Public Utilities (a)	Net Valuation Taxable	Est. Actual (County Equalized Value)	Total Direct School Tax Rate (b)
2012	\$10,033,700	\$332,729,100	\$77,431,800	\$2,430,400	\$27,613,899	\$11,745,700	\$1,251,600	\$463,236,199		\$769,481	\$464,005,680	\$549,571,463	\$0.818
2011	10,230,000	391,314,900	91,589,900	2,512,700	28,363,869	11,915,600	1,476,900	537,403,869		787,912	538,191,781	559,319,132	0.691
2010	9,660,400	390,271,500	91,907,300	2,506,900	28,610,669	11,864,400	1,476,900	536,298,069		1,035,707	537,333,776	596,252,266	0.693
2009	10,495,300	392,962,800	88,589,900	2,393,300	28,661,669	11,864,400	1,476,900	536,464,269		909,700	537,373,969	594,447,406	0.662
2008	12,194,200	393,294,500	87,906,400	2,417,000	25,084,069	11,864,400	1,476,900	534,237,469		815,851	535,053,320	620,311,859	0.653
2007	11,716,700	386,011,700	85,570,300	2,493,300	25,686,669	11,864,400	1,476,900	524,819,969		775,973	525,595,942	603,596,528	0.648
2006	12,850,000	373,997,100	84,908,400	2,509,400	25,112,399	11,864,400	1,476,900	512,718,599		799,587	513,518,186	575,156,117	0.626
2005	14,428,400	368,686,300	83,411,400	2,591,400	25,112,399	11,864,400	1,476,900	507,571,199		852,152	508,423,351	494,982,992	0.600
2004	17,647,000	328,229,700	71,604,100	2,430,500	25,825,899	11,771,300	1,332,200	458,840,699		865,345	459,706,044	449,170,864	0.560
2003	18,205,000	271,308,200	60,843,200	2,418,900	26,093,999	11,535,400	1,118,300	391,522,999		896,658	392,419,657	397,380,512	0.680

Source: District records Tax list summary & Municipal Tax Assessor
 Note: Real property is required to be assessed at some percentage of true value (fair or market value) established by each county board of taxation.
 Reassessment occurs when ordered by the County Board of Taxation
 (a): Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies
 (b): Tax rates are per \$100

TOWNSHIP OF WEST AMWELL SCHOOL DISTRICT
DIRECT AND OVERLAPPING PROPERTY TAX RATES
UNAUDITED

Fiscal Year Ended June 30,	School District Direct Rate			Regional School Debt	Overlapping Rates		Total Direct and Overlapping Tax Rate
	Basic Rate (a)	General Obligation Debt Service (b)	Total Direct School Tax Rate		Municipality	County	
2012	\$0.792	\$0.026	\$0.818	\$0.814	\$0.318	\$0.417	\$2.367
2011	0.669	0.022	0.691	0.666	0.282	0.358	1.996
2010	0.674	0.018	0.693	0.609	0.278	0.362	1.941
2009	0.642	0.020	0.662	0.572	0.252	0.381	1.866
2008	0.630	0.023	0.653	0.570	0.220	0.387	1.830
2007	0.620	0.028	0.648	0.600	0.160	0.382	1.790
2006	0.599	0.026	0.626	0.554	0.126	0.397	1.702
2005	0.570	0.030	0.600	0.490	0.100	0.370	1.560
2004	0.530	0.030	0.560	0.530	0.090	0.400	1.580
2003	0.650	0.030	0.680	0.600	0.060	0.440	1.780

Source: District Records and Municipal Tax Collector
(Rates are per \$100 of assessed value)

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

(a) The district's basic tax rate is calculated from the A4F form which is submitted with the budget and the Net valuation taxable

(b) Rates for debt service are based on each year's requirements.

TOWNSHIP OF WEST AMWELL SCHOOL DISTRICT
PRINCIPAL PROPERTY TAX PAYERS - CURRENT YEAR AND TEN YEARS AGO
UNAUDITED

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<u>Taxpayer</u>	<u>2012</u>			<u>2003</u>		
	<u>Taxable Assessed Value</u>	<u>Rank [Optional]</u>	<u>% of Total District Net Assessed Value</u>	<u>Taxable Assessed Value</u>	<u>Rank [Optional]</u>	<u>% of Total District Net Assessed Value</u>
Texas Eastern Transmission Corp.	\$5,491,900.00	1	1.18%	\$6,702,900.00	1	1.71%
Individual Property Owner # 2	4,578,300.00	2	0.99%	2,538,500.00	2	0.65%
JMJ Farm Holdings LLC	3,027,100.00	3	0.65%			
Barry Road Properties LLC	2,501,000.00	4	0.54%			
Algonquin Gas Trans C/O Duke Energy	1,851,400.00	5	0.40%			
Affordable Self Storage Inc.	1,725,800.00	6	0.37%	1,042,200.00	10	0.27%
Breen Real Estate LLC.	1,648,500.00	7	0.36%	1,657,900.00	5	0.42%
Individual Property Owner # 8	1,552,300.00	8	0.33%			
Individual Property Owner # 9	1,549,100.00	9	0.33%			
Individual Property Owner # 10	1,510,000.00	10	0.33%			
Lambertville Water Company				2,475,400.00	3	0.63%
Line 4 Incorporated				1,771,000.00	4	0.45%
P & H Enterprises				1,554,000.00	6	0.40%
Individual Property Owner # 3				1,457,700.00	7	0.37%
Individual Property Owner # 4				1,258,400.00	8	0.32%
Individual Property Owner # 5				1,152,500.00	9	0.29%
Total	\$25,435,400.00		5.48%	\$21,610,500.00		5.51%

Source: Municipal Tax Assessor

TOWNSHIP OF WEST AMWELL SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS
CITY OF LAMBERTVILLE
UNAUDITED

<u>Fiscal Year</u> <u>Ended</u> <u>June 30,</u>	<u>Taxes Levied</u> <u>for the</u> <u>Fiscal Year</u>	<u>Collected within the Fiscal Year of the Levy (a)</u>		<u>Collections in</u> <u>Subsequent Years</u>
		<u>Amount</u>	<u>Percentage</u> <u>of Levy</u>	
2012	\$3,718,078.00	\$3,718,078.00	100.00%	-
2011	3,721,264.00	3,721,264.00	100.00%	-
2010	3,556,293.00	3,556,293.00	100.00%	-
2009	3,498,667.00	3,498,667.00	100.00%	-
2008	3,405,812.00	3,405,812.00	100.00%	-
2007	3,213,029.00	3,213,029.00	100.00%	-
2006	3,048,328.00	3,048,328.00	100.00%	-
2005	2,569,560.00	2,569,560.00	100.00%	-
2004	2,671,284.00	2,671,284.00	100.00%	-
2003	2,479,574.00	2,479,574.00	100.00%	-

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

Note: 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 is the amount voted upon or certified prior to the end of the school year.

TOWNSHIP OF WEST AMWELL SCHOOL DISTRICT
RATIOS OF OUTSTANDING DEBT BY TYPE
UNAUDITED

Fiscal Year Ended June 30,	Governmental Activities			Business-Type Activities		Total District	Percentage of Personal Income (a)	Per Capita (a)
	General Obligation Bonds (b)	Certificates of Participation	Capital Leases	Bond Anticipation Notes	Capital Leases			
2012	\$1,015,000.00					\$1,015,000.00	*	*
2011	1,080,000.00					1,080,000.00	*	*
2010	1,145,000.00					1,145,000.00	0.44%	298.18
2009	1,205,000.00					1,205,000.00	0.63%	412.11
2008	1,260,000.00					1,260,000.00	0.62%	430.92
2007	1,315,000.00					1,315,000.00	0.66%	448.04
2006	1,365,000.00					1,365,000.00	0.73%	469.39
2005	1,415,000.00			\$1,000,000.00		2,415,000.00	1.40%	835.35
2004	1,460,000.00			1,000,000.00		2,460,000.00	1.46%	875.44
2003	1,500,000.00			1,000,000.00		2,500,000.00	1.55%	911.74

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

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

(a) See Exhibit NJ J-14 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

(b) Includes Early Retirement Incentive Plan (ERIP) refunding

*- Not available at time of audit

TOWNSHIP OF WEST AMWELL SCHOOL DISTRICT
RATIOS OF NET BONDED DEBT OUTSTANDING
UNAUDITED

Fiscal Year Ended June 30,	General Bonded Debt Outstanding		Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value (a) of Property	Per Capita (b)
	General Obligation Bonds	Deductions			
2012	\$1,015,000.00		\$1,015,000.00	*	*
2011	1,080,000.00		1,080,000.00	0.20%	281.84
2010	1,145,000.00		1,145,000.00	0.21%	298.18
2009	1,205,000.00		1,205,000.00	0.22%	412.11
2008	1,260,000.00		1,260,000.00	0.24%	430.92
2007	1,315,000.00		1,315,000.00	0.25%	448.04
2006	1,365,000.00		1,365,000.00	0.27%	469.39
2005	2,415,000.00		2,415,000.00	0.47%	835.35
2004	2,460,000.00		2,460,000.00	0.54%	875.44
2003	2,500,000.00		2,500,000.00	0.64%	911.74

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

(a) See Exhibit NJ J-6 for property tax data.

(b) Population data can be found in Exhibit NJ J-14.

*- Not available at time of audit

TOWNSHIP OF WEST AMWELL SCHOOL DISTRICT
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2011
UNAUDITED

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable (a)</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Municipality	\$7,271,947.59	100.00%	\$7,271,947.59
Regional High School	17,892,000.00	39.66%	7,095,999.29
County General Obligation Debt	83,175,409.70	2.51%	<u>2,083,722.21</u>
Subtotal, Overlapping Debt			\$16,451,669.09
Township of West Amwell School District Direct Debt			<u>1,015,000.00</u>
Total Direct and Overlapping Debt			<u><u>\$17,466,669.09</u></u>

Source: Municipal Chief Financial Officer, County Treasurer's Office

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the district. This process recognizes that, when considering the District's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping payment.

(a) For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable value that is within the district's boundaries and dividing it by each unit's total taxable value.

TOWNSHIP OF WEST AMWELL SCHOOL DISTRICT
LEGAL DEBT MARGIN INFORMATION
UNAUDITED

Legal Debt Margin Calculation for Fiscal Year 2012

Equalized Valuation Basis

Calendar Year

2011	\$545,421,566.00
2010	555,749,294.00
2009	565,175,168.00
	<u>\$1,666,346,028.00</u>

Average Equalized Valuation of Taxable Property

\$555,448,676.00

Debt Limit (2.5% (a) of average equalization value)

\$13,886,216.90

Total Net Debt Applicable to Limit

1,015,000.00

Legal Debt Margin

\$12,871,216.90

	Fiscal Year Ending June 30,									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Debt Limit	\$13,886,216.90	\$14,300,906.73	\$14,526,947.98	\$14,443,243.00	\$13,769,279.00	\$12,485,519.00	\$10,909,816.00	\$9,261,975.00	\$7,911,198.00	\$7,061,987.00
Total Net Debt Applicable To Limit	1,015,000.00	1,080,000.00	1,145,000.00	1,205,000.00	1,260,000.00	1,315,000.00	1,365,000.00	2,415,000.00	2,460,000.00	2,500,000.00
Legal Debt Margin	<u>\$12,871,216.90</u>	<u>\$13,220,906.73</u>	<u>\$13,381,947.98</u>	<u>\$13,238,243.00</u>	<u>\$12,509,279.00</u>	<u>\$11,170,519.00</u>	<u>\$9,544,816.00</u>	<u>\$6,846,975.00</u>	<u>\$5,451,198.00</u>	<u>\$4,561,987.00</u>
Total Net Debt Applicable to the Limit as a % of Debt Limit	7.31%	7.55%	7.88%	8.34%	9.15%	10.53%	12.51%	26.07%	31.10%	35.40%

Source: Equalized valuation bases were obtained from the Annual Report of the State of New Jersey, Department of Treasury, Division of Taxation
(a) Limit set by N.J.S.A. 18A:24-19 for a K through 12 district; other % limits would be applicable for other district types.

TOWNSHIP OF WEST AMWELL SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
UNAUDITED

<u>Year</u>	<u>Population (a)</u>	<u>Personal Income (b)</u>	<u>Per Capita Personal Income (c)</u>	<u>Unemployment Rate (d)</u>
2012	*	*	*	*
2011	3,832	*	*	5.90%
2010	3,840	\$257,483,520	\$67,053	6.10%
2009	2,924	192,296,860	65,765	5.90%
2008	2,924	203,998,708	69,767	3.20%
2007	2,935	200,718,780	68,388	2.50%
2006	2,908	188,106,888	64,686	2.80%
2005	2,891	173,113,080	59,880	2.50%
2004	2,810	169,046,790	60,159	2.60%
2003	2,742	161,328,312	58,836	3.10%

Source:

- (a) Population information provided by the NJ Dept. of Labor and Workforce Development.
- (b) Personal income has been estimated based upon the municipal population and per capita personal income presented.
- (c) Per capita personal income by municipality estimated based upon the 2000 Census published by the US Bureau of Economic Analysis.
- (d) Unemployment data provided by the NJ Dept. of Labor and Workforce Development.

TOWNSHIP OF WEST AMWELL SCHOOL DISTRICT
PRINCIPAL EMPLOYERS - CURRENT YEAR AND TEN YEARS AGO
UNAUDITED

<u>Employer</u>	<u>2012</u>			<u>2003</u>		
	<u># of Employees</u>	<u>Rank (Optional)</u>	<u>Percentage of Total Employment</u>	<u># of Employees</u>	<u>Rank (Optional)</u>	<u>Percentage of Total Employment</u>
(1)	<u>0</u>		<u>0.00%</u>	<u>0</u>		<u>0.00%</u>

Source: Municipal Records

(1) - Data not available

TOWNSHIP OF WEST AMWELL SCHOOL DISTRICT
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
UNAUDITED

Function/Program	<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>
Instruction:									
Regular	17.4	18.6	22.5	17.8	18.6	18.2	17.6	17.6	18.0
Special education	4.0	4.0	4.0	5.0	5.0	5.0	4.5	4.5	4.0
Other special education				8.0	4.0	4.0			
Vocational									
Other instruction	1.0	1.0	1.0	1.0	3.0	3.0	7.0	5.0	4.0
Nonpublic school programs									
Adult/continuing education programs									
Support Services:									
Tuition									
Student & instruction related services	11.4	13.4	11.3	4.3	3.9	3.0	4.0	4.0	4.0
General administrative services	0.9	0.9	1.5	0.8	1.0	1.0	1.0	1.0	1.0
School administrative services	1.3	1.3	1.3	1.0	1.0	1.5	1.5	1.5	1.5
Plant operations and maintenance	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Pupil transportation									
Central services	1.5	1.5	1.4	2.0	1.4	1.7	1.7	1.7	1.4
Administration information technology	0.2	1.0	1.0						
Special Schools									
Food Service									
Total	<u>39.7</u>	<u>43.7</u>	<u>46.0</u>	<u>41.9</u>	<u>39.9</u>	<u>39.4</u>	<u>39.3</u>	<u>37.3</u>	<u>35.9</u>

Source: District Personnel Records

TOWNSHIP OF WEST AMWELL SCHOOL DISTRICT
OPERATING STATISTICS
UNAUDITED

<u>Fiscal Year</u>	<u>Enrollment</u>	<u>Operating Expenditures (a)</u>	<u>Cost Per Pupil</u>	<u>% Change</u>	<u>Teaching Staff (b)</u>	<u>Pupil/Teacher Ratio</u>	<u>Average Daily Enrollment (c)</u>	<u>Average Daily Attendance (c)</u>	<u>% Change in Average Daily Enrollment</u>	<u>Student Attendance Percentage</u>
2012	242	\$4,076,081.28	\$16,843	12.56%	26	9.17	238.1	229.9	-0.42%	96.56%
2011	261	3,905,625.76	14,964.08	0.13%	25	10.44	239.1	248.1	-5.90%	103.76%
2010	259	3,870,569.02	14,944	3.03%	25	10.36	254.1	248.9	-4.65%	97.95%
2009	264	3,829,338.00	14,505	-4.92%	27	9.78	266.5	261.5	2.19%	98.12%
2008	260	3,966,579.00	15,256	4.05%	28	9.29	260.8	251.1	1.24%	96.28%
2007	258	3,783,017.00	14,663	5.38%	27	9.56	257.6	248.2	4.21%	96.35%
2006	252	3,506,329.00	13,914	0.55%	27	9.33	247.2	238.5	6.87%	96.48%
2005	235	3,252,024.00	13,838	3.80%	28	8.39	231.3	222.3	6.15%	96.11%
2004	221	2,946,195.00	13,331	-0.76%	28	7.89	217.9	209.7	7.60%	96.24%
2003	202	2,713,541.00	13,433	-6.21%	24	8.42	202.5	194.2	16.11%	95.90%

Sources: District records

Note: Enrollment based on annual October district count.

(a) Operating expenditures equal total expenditures less debt service and capital outlay.

(b) Teaching staff includes only full-time equivalents of certificated staff.

(c) Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

TOWNSHIP OF WEST AMWELL SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
UNAUDITED

	<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>
<u>District Building</u>										
Elementary School (1953)										
Square Feet	24,578	24,578	24,578	24,578	24,578	24,578	24,578	24,578	24,578	24,578
Capacity (Students)	266	266	266	266	266	266	266	266	266	266
Enrollment	242	243	259	271	260	257	252	235	221	202
Trailer (2003)										
Square Feet	576	576	576	576	576	576	576	576	576	576
Storage Shed (2005)										
Square Feet	480	480	480	480	480	480	480	480		

Number of Schools at June 30, 2012

 Elementary = 1

 Middle School = 0

 Intermediate = 0

Source: District records

Note: Year of original construction is shown in parentheses. Increases in square footage and capacity are the result of additions. Enrollment is based on the annual October district count.

TOWNSHIP OF WEST AMWELL SCHOOL DISTRICT
SCHEDULE OF REQUIRED MAINTENANCE
UNAUDITED

Undistributed expenditures - Required maintenance for school facilities - 11-000-261-XXX

School Facilities * Project #(s)	<u>Amount</u>	<u>Total</u>
2012	\$104,979.88	\$104,979.88
2011	62,132.32	62,132.32
2010	18,964.57	18,964.57
2009	19,568.00	19,568.00
2008	28,937.00	28,937.00
2007	21,298.00	21,298.00
2006	15,550.00	15,550.00
2005	21,485.00	21,485.00
2004	36,559.00	36,559.00
2003	<u>22,219.00</u>	<u>22,219.00</u>
 Total School Facilities	 <u><u>\$363,217.77</u></u>	 <u><u>\$363,217.77</u></u>

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

Source: District records

TOWNSHIP OF WEST AMWELL SCHOOL DISTRICT
INSURANCE SCHEDULE
6/30/2012
UNAUDITED

COVERAGE

School Package Policy - NJ School Board Association Insurance Group:

Property - Blanket Building & Contents (Fund Limit)	\$300,000,000
Comprehensive General Liability	11,000,000
Blanket Employees Dishonesty	100,000.00
School Board Legal Liability - NJ School Board Association Insurance Group Directors and Officers Policy	11,000,000
Worker's Compensation - NJ School Board Association Insurance Group	Statutory
Public Employees' Faithful Performance - Selective Insurance Co.: Treasurer of School Monies	145,000
Student Accident Insurance - Monumental Life Insurance Co.: Policy Limit	1,000,000

Source: District Records

SINGLE AUDIT SECTION



SUPLEE, CLOONEY & COMPANY

EXHIBIT "K-1"

CERTIFIED PUBLIC ACCOUNTANTS

308 East Broad Street, Westfield, New Jersey 07090-2122

Telephone 908-789-9300

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E-mail info@scnco.com

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

Honorable President and Members
of the Board of Education
Township of West Amwell School District
County of Hunterdon
Lambertville, New Jersey 08530

We have audited the basic financial statements of the Township of West Amwell School District, County of Hunterdon, New Jersey as of and for the fiscal year ended June 30, 2012, and have issued our report thereon dated November 19, 2012. We conducted our audit in accordance with U.S. generally accepted auditing standards, the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Township of West Amwell School District, County of Hunterdon, New Jersey internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the basic financial statements but not for the purpose of expressing an opinion on the effectiveness of the Township of West Amwell School District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Township of West Amwell 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 possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

SUPLEE, CLOONEY & COMPANY

Our consideration of the internal control over financial reporting was limited for the purposes 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.

Compliance and Other Matters

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

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


CERTIFIED PUBLIC ACCOUNTANTS


PUBLIC SCHOOL ACCOUNTANT NO. 93

November 19, 2012

TOWNSHIP OF WEST AMWELL SCHOOL DISTRICT
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2012

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	FEDERAL CFDA NUMBER	GRANT OR STATE PROJECT NUMBER	GRANT PERIOD	AWARD AMOUNT	BALANCE AT JUNE 30, 2011	CARRYOVER/ (WALKOVER) AMOUNT	CASH RECEIVED	BUDGETARY EXPENDITURES	REPAYMENT OF PRIOR YEAR BALANCES	BALANCE AT JUNE 30, 2012		
										(ACCOUNTS RECEIVABLE)	DEFERRED REVENUE	DUE TO GRANTOR AT
General Funds												
U.S. Department of Education												
Passed-Through State Department of Education:												
Education Jobs Fund	84.410A		8/10/10-9/30/12	\$ 11,848.00	\$ _____	\$ _____	\$ 11,848.00	\$ (11,848.00)	\$ _____	\$ _____	\$ _____	\$ _____
Special Revenue Funds												
U.S. Department of Education												
Passed-Through State Department of Education:												
I.D.E.A. Part B, Basic	84.027	FT-1956-12	9/1/11-8/31/12	50,392.00			50,392.00	(50,392.00)				
I.D.E.A. Part B-Freschool	84.173	PS-1956-12	9/1/11-8/31/12	3,393.00			3,393.00	(3,393.00)				
Title II, Part A	84.367A	NCLB-1956-12	9/1/11-8/31/12	3,284.00			3,284.00	(3,284.00)				
R.E.A.P.	84.358B	S358A-082318	7/1/11-9/30/12	32,899.00			22,105.36	(22,105.36)				
R.E.A.P.	84.358B	S358A-082318	7/1/10-9/30/11	37,485.00	(5,955.52)		37,485.00	(31,529.48)				
ARRA-I D.E.A.-BASIC-Part B	84.381	ARRA195600	7/1/09-8/31/11	57,890.00	(16,204.00)		16,204.00					
Total U.S. Department of Education					(22,159.52)		132,863.36	(110,703.84)				
Enterprise Funds												
U.S. Department of Agriculture												
Passed-Through State Department of Education:												
Food Distribution Program	10.550	N/A	7/1/10-6/30/11	6,315.13	663.80			(663.80)				
Food Distribution Program	10.550	N/A	7/1/11-6/30/12	2,306.56			2,306.56	(2,060.84)			245.72	
National School Lunch Program	10.555	N/A	7/1/11-6/30/12	6,001.40			5,635.91	(6,001.40)		(365.49)		
Total U.S. Department of Agriculture					663.80	-0-	7,942.47	(8,726.04)	-0-	(365.49)	245.72	
Total Federal Financial Assistance					\$ (21,495.72)	\$ -0-	\$ 152,653.83	\$ (131,277.88)	\$ -0-	\$ (365.48)	\$ 245.72	\$ _____

See accompanying notes to schedules of financial assistance.

TOWNSHIP OF WEST AMWELL SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

STATE GRANTOR/PROGRAM TITLE	GRANT OR STATE PROJECT NUMBER	AWARD AMOUNT	GRANT PERIOD	BALANCE AT JUNE 30, 2011			BUDGETARY EXPENDITURES	ADJUSTMENTS/ REPAYMENT OF PRIOR YEAR BALANCES	BALANCE AT JUNE 30, 2012			MEMO	
				DEFERRED REVENUE (ACCTS.REC.)	DUE TO GRANTOR	CASH RECEIVED			(ACCOUNTS RECEIVABLE)	DEFERRED REVENUE	DUE TO GRANTOR	BUDGETARY RECEIVABLE	CUMULATIVE TOTAL EXPENDITURES
State Department of Education													
General Funds:													
Transportation Aid	12-495-034-5120-014	\$56,637.00	7/1/11-6/30/12	\$	\$	\$ 51,146.48	\$ (56,637.00)	\$	\$	\$	\$	\$ (5,490.52)	\$ (56,637.00)
Special Education Aid	12-495-034-5120-089	148,690.00	7/1/11-6/30/12			134,275.65	(148,690.00)					(14,414.35)	(148,690.00)
Security Aid	12-495-034-5120-084	20,003.00	7/1/11-6/30/12			18,063.67	(20,003.00)					(1,939.13)	(20,003.00)
Nonpublic Remote Transportation Aid	N/A	3,953.07	7/1/10-6/30/11	(3,953.07)		3,953.07							
Nonpublic Remote Transportation Aid	N/A	2,113.38	7/1/11-6/30/12				(2,113.38)		(2,113.38)				(2,113.38)
Reimbursed TPAF Social Security Contributions	12-495-034-5095-002	126,970.55	7/1/11-6/30/12			120,009.80	(126,970.55)		(6,960.75)				(126,970.55)
				(3,953.07)		327,448.87	(354,413.93)		(9,074.13)			(21,844.00)	(354,413.93)
Special Revenue Fund:													
N.J. Nonpublic Aid:													
Handicapped Services:													
Supplemental Instruction	12-100-034-5120-066	64.00	7/1/11-6/30/12			64.00					64.00		
						64.00					64.00		
Capital Project Fund:													
EDA - Roof Project	5600-050-09-1002	92,400.00	7/1/09-6/30/11	(92,400.00)					(92,400.00)				
EDA - Coat Closet	5600-050-09-1001	24,798.80	7/1/09-6/30/11	(24,798.80)					(24,798.80)				
EDA - Playground		39,646.80	7/1/10-6/30/11	(39,646.80)			(3,513.20)		(43,160.00)				(3,513.20)
				(156,845.60)			(3,513.20)		(160,358.80)				(3,513.20)
Enterprise Fund:													
State School Lunch Program	12-100-010-3350-023	577.55	7/1/11-6/30/12			541.61	(577.55)		(35.94)				(577.55)
State School Lunch Program	11-100-010-3350-023	617.07	7/1/10-6/30/11	(30.79)		30.79							
				(30.79)		572.40	(577.95)		(35.94)				(577.55)
Total State Financial Assistance Subject to Single Audit				(160,829.46)		328,085.27	(358,504.68)		(169,468.87)			(21,844.00)	(358,504.68)
General Fund:													
On-Behalf TPAF Pension Contribution	12-495-034-5095-007	56,853.00	7/1/11-6/30/12			56,853.00	(56,853.00)						(56,853.00)
On-Behalf TPAF Post-Retirement Medical Benefits	12-495-034-5095-001	114,291.00	7/1/11-6/30/12			114,291.00	(114,291.00)						(114,291.00)
Total State Financial Assistance				\$ (160,829.46)	\$	\$ 499,229.27	\$ (529,648.68)	\$	\$ (169,468.87)	\$	\$ 64.00	\$ (21,844.00)	\$ (529,648.68)

See accompanying notes to schedules of financial assistance.

Township of West Amwell School District
Notes to the Schedules of Expenditures of Federal Awards
and State Financial Assistance
Year Ended June 30, 2012

NOTE 1: GENERAL

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

NOTE 2: BASIS OF ACCOUNTING

The accompanying schedules of expenditures of awards and federal awards and state financial assistance are presented on the budgetary basis of accounting with the exceptions 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 of the Board's basic financial statements. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of 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 schedule (RSI) are presented for the general fund and special revenue fund to demonstrate finance-regulated legal compliance in which certain revenue is permitted by law or grant agreement to be recognized in the audit year, whereas for GAAP reporting, revenue is not recognized until the subsequent year or when expenditures have been made.

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

Township of West Amwell School District
Notes to the Schedules of Expenditures of Federal Awards
and State Financial Assistance
Year Ended June 30, 2012

NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (CONTINUED)

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$8,600.00) for the general fund, \$-0- for the special revenue fund and \$-0- for the capital projects fund. See the notes to the required supplementary information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Federal awards and state financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$11,848.00	\$516,957.93	\$528,805.93
Special Revenue Fund	110,703.84		110,703.84
Capital Projects Fund		3,513.20	3,513.20
Food Service Fund	<u>8,726.04</u>	<u>577.55</u>	<u>9,303.59</u>
Total Awards and Financial Assistance	<u>\$131,277.88</u>	<u>\$521,048.68</u>	<u>\$652,326.56</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: OTHER

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

Township of West Amwell School District
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2012

Section I – Summary of Auditor’s Results

Financial Statements

- | | | |
|-----|--|-------------|
| (1) | Type of Auditor’s Report Issued: | Unqualified |
| (2) | Internal Control Over Financial Reporting: | |
| | (a) Material weakness identified? | No |
| | (b) Significant deficiencies identified that are not considered to be material weaknesses? | N/A |
| (3) | Noncompliance material to basic financial statements noted? | No |

Federal Program(s) – Not Applicable

State Program(s) – Not Applicable

Section II – Financial Statement Audit – Reported Findings Under Government Auditing Standards

Internal Control Findings

None Reported

Compliance Findings

None Reported

Section III – Findings and Questioned Costs Relative to Major Federal and State Programs

Federal Programs – None Reported

State Programs – None Reported

Township of West Amwell School District

Schedule of Prior Year Audit Findings

Not Applicable



